

**Information Paper for
LegCo Panel on Commerce and Industry**

**Report on the Work of
HKSAR Government's Offices in the Mainland**

This paper gives an account of the work undertaken by the Office of the Government of the HKSAR in Beijing and the Hong Kong Economic and Trade Offices in Guangdong, Shanghai and Chengdu between June 2010 and May 2011. Details of the work of these four Mainland Offices are set out in Annexes 1 to 4.

<u>Mainland Offices</u>	<u>Annex</u>
Beijing Office (BJO)	1
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Report on the Work of the Office of the Government of the Hong Kong Special Administrative Region in Beijing

The main functions of the Office of the Government of the Hong Kong Special Administrative Region in Beijing (BJO) are to (a) enhance liaison and communication between the Government of the Hong Kong Special Administrative Region (HKSARG), the Central People's Government (CPG) and Mainland authorities in the 15 provinces/municipalities/autonomous regions¹ under its coverage, (b) promote Hong Kong in general and particularly over economic and trade relations with the 15 provinces/municipalities/autonomous regions, (c) handle immigration related matters, and (d) provide assistance to Hong Kong residents in distress.

Liaison with CPG, Mainland Authorities and HK Fraternities

2. BJO provided regular reports to relevant bureaux and departments of HKSARG to enable them to better understand the policies and developments in the Mainland and assess possible implications on Hong Kong. Examples include the National 12th Five-Year Plan, cross-strait exchanges and co-operation, renminbi cross-border trade settlement and financial policies, the latest economic data, as well as important regulations and news regarding price stabilisation, control measures on the property market, food safety, trade and tax regulations etc. BJO also helped HKSARG liaise with the CPG and other Mainland authorities on relevant regulations and news.

3. BJO continued to maintain close contact with the Mainland authorities during the report period. We arranged calls for and provided logistics support to 24 major visits including two visits to Beijing by the Chief Executive (December 2010 and March 2011), three visits to Beijing by the Chief Secretary for Administration (July, September and December 2010), the visit to Beijing by the Financial Secretary and the visit to Jilin by a delegation led by the Financial Secretary (both in September 2010), a visit to Beijing by the Secretary for Justice (December 2010) and visits by other Principal Officials. Besides, BJO assisted the Mainland government officials in arranging visits to Hong Kong and to call on HKSARG officials during the period.

4. BJO also continued to work with Mainland offices of the Hong Kong Trade Development Council (HKTDC), Hong Kong Tourism Board, Hong Kong Exchanges and Clearing Limited, and major Hong Kong-related business chambers and professional groups, as well as Hong Kong people in Beijing. For example, we joined Hong Kong business delegations to Hebei, and to Jilin and Liaoning organised by HKTDC in July and August 2010 respectively. Besides, we jointly organised a "CEPA Forum" in January 2011 with the Department of Taiwan, Hong Kong and Macao Affairs of the Ministry of Commerce, and the Hong Kong Chamber of Commerce in China (HKCCC). We also organised a spring gathering for Hong Kong residents living in Beijing in February 2011; co-organised a seminar with Beijing Municipal Government and the HKCCC in April 2011; and co-organised a

¹ The 15 provinces/municipalities/autonomous regions under BJO's coverage are Beijing, Tianjin, Hebei, Henan, Shandong, Shanxi, Liaoning, Jilin, Heilongjiang, Inner Mongolia, Xinjiang, Gansu, Ningxia, Qinghai and Tibet.

dinner talk with HKCCC-Tianjin on the National 12th Five-Year Plan and HKSAR's economic development, with the Secretary for Financial Services and the Treasury as the speaker. We also supported campus activities held in Renmin University, Peking University, and Tsinghua University organised by Hong Kong students and provided Hong Kong students with information on civil service recruitment exercises during the period. Furthermore, BJO supported activities held by various cultural, academic or professional bodies in Beijing. We helped them invite guests from the offices of Hong Kong-related organisations in Beijing and Mainland authorities to attend such activities with a view to promoting Hong Kong.

Commercial Relations

5. BJO assisted in organising the “14th Beijing-Hong Kong Economic Co-operation Symposium” held in Hong Kong in November 2010 to promote trade and economic co-operation between the two places.

6. During the report period, BJO participated in a number of trade activities held in the regions under its coverage. For instance, “the 17th China Tianjin Investment and Trade Fair”, “the 21th Harbin International Economic and Trade Fair”, “the 6th China Henan International Investment and Trade Fair”, and “the 6th China Jilin Northeast Asia Investment and Trade Expo”, etc. BJO also attended a number of trade fairs held in Inner Mongolia, Liaoning, Jilin, Shandong, Qinghai, Ningxia, Xinjiang, etc. to strengthen our ties with relevant local authorities, commercial units and enterprises. On the other hand, BJO also assisted in the arrangement of the attendance of the HKSARG principal officials in trade promotion events held in Hong Kong by Beijing, Hebei, Inner Mongolia, Shandong and Ningxia governments, etc.

7. At the same time, BJO kept in close contact with Mainland authorities regarding economic and trade affairs between the Mainland and Hong Kong. For example, BJO visited the Development and Reform Commissions of Beijing, Tianjin and Hebei in January 2011 so as to better understand the development strategy of this important economic zone in Northern China in the coming five years. That also helped us explore business opportunities for Hong Kong under the regional plan and facilitate regional co-operation. Besides, BJO monitored closely the Mainland regulations in respect of professional services, corporate taxation and social insurances etc. which are related to Hong Kong businesses and keep Hong Kong businesses and relevant bureaux and departments updated.

Investment Promotion

8. On the task of attracting Mainland enterprises to establish and invest in Hong Kong, the North China Investment Promotion Unit of BJO has endeavoured to proactively liaise and visit potential enterprises, relevant commercial and industrial organisations to introduce the advantages of Hong Kong as a place for investment and a platform for extending operation to overseas. We also provided the interested enterprises with comprehensive assistance and consultation services. Between June 2010 and May 2011, 550 companies were visited, 85 prospective and 36 live projects were generated and 15 projects were completed. On large scale promotion events, BJO attended 103 industry-specific or investment seminars and exhibitions.

Public Relations

9. To enhance the understanding of people in the Mainland about Hong Kong, BJO

staged a total of 18 exhibitions at major trade fairs and promotional events in the provinces, municipalities and autonomous regions under BJO's purview from June 2010 to May 2011. The exhibitions featured the latest developments in Hong Kong, including Hong Kong's participation in the Expo 2010 Shanghai China, its economic strengths and opportunities, as well as its attributes as Asia's world city. The exhibitions attracted about 600 000 visitors.

10. To reach out to the wider Mainland community, BJO co-produced with the China National Radio regular weekly radio programmes which reported news and developments of Hong Kong. Coverage of the programmes spans over the 31 provinces/municipalities/autonomous regions in the Mainland. BJO also worked with the People's Daily Online to produce a dedicated website to promote Hong Kong targeting at the web-surfers. The average monthly hit rate of the website exceeded 800 000.

Immigration-related Matters and Assistance Rendered

11. Immigration matters handled by BJO include processing applications for entry to Hong Kong, liaising and maintaining contacts with counterparts in relevant CPG departments on immigration and nationality matters, conducting negotiations on visa-free access with foreign diplomatic missions in Beijing, handling enquiries on immigration matters, and providing practical assistance to Hong Kong residents who have lost their documents or encountered personal safety problems in the Mainland. Between June 2010 and May 2011, BJO received a total of 203 requests for assistance from Hong Kong residents in distress in the Mainland. Of these, 64 cases involved the loss of travel documents or monies, 127 cases were from persons who were in danger, involved in traffic accidents, injured, sick or whose relatives had passed away in the Mainland, etc, and the remaining 12 cases involved the detention of Hong Kong residents in the Mainland. In addition, BJO processed 4 713 entry applications and handled 19 640 enquiries.

12. Since March 2001, BJO has started an arrangement to provide emergency financial assistance to Hong Kong residents in the Mainland who have lost their monies and who could not seek immediately from their family members the financial assistance. BJO could advance a reasonable amount of money to the persons in need subject to their undertaking to repay the advanced sum in full and return to Hong Kong immediately. Between June 2010 and May 2011, there were 2 such assistance cases where emergency financial assistance was provided.

13. BJO also handles cases other than those concerning loss of travel documents and personal safety. Between June 2010 and May 2011, BJO handled a total of 14 cases on business and trade disputes, 10 cases on matters relating to real estate in the Mainland, 48 cases on matters relating to administrative, law enforcement and judicial agencies in the Mainland and 14 other cases mainly by making referrals to and following up the cases with the relevant Mainland authorities.

Looking Ahead

14. BJO will continue to promote Hong Kong in the 15 provinces/municipalities/autonomous regions under its coverage and liaise with the governments of these provinces/municipalities/autonomous regions in respect of economic and trade and other matters with a view to enhancing Mainlanders' understanding of Hong Kong and strengthening mutual communications. BJO will also continue to monitor developments in major policies and initiatives in the Mainland, in particular the

implementation of the National 12th Five-Year Plan, and report to relevant bureaux and departments in a timely manner. The preparatory work for the “15th Beijing – Hong Kong Economic Co-operation Symposium” tentatively scheduled for October 2011 has also commenced.

The Office of the Government of the HKSAR in Beijing
June 2011

Report on the Work of the Hong Kong Economic and Trade Office in Guangdong

The Hong Kong Economic and Trade Office in Guangdong (GDETO) is responsible for handling economic and trade matters between the Hong Kong Special Administrative Region (HKSAR) and the five provinces/region of Fujian, Jiangxi, Guangdong, Guangxi and Hainan (the five provinces/region). Similar to other HKETOs, GDETO serves to promote Hong Kong's economic and trade interests, and seeks to attract investment into Hong Kong.

2. To continue to strengthen our ties with the provincial and municipal authorities in the five provinces/region as well as the non-government organisations there, GDETO, in collaboration with the Hong Kong and Macao Affairs Office of Guangxi, organised the fifth of the series of roving TV programmes in February 2011 in Nanning of Guangxi Zhuang Autonomous Region. The TV show was co-hosted by the HKSAR Government and the People's Government of the Guangxi Zhuang Autonomous Region, and supported by the provincial governments of Fujian, Jiangxi, Guangdong and Hainan. The TV show was successfully held and was well received by an audience of more than 1 600.

3. Hong Kong business organisations stationed in the five provinces/region and trade associations are our valuable working partners. We work closely together to provide better services to Hong Kong businesses and assist them in looking for investment opportunities in the Mainland. The ninth Gala Dinner for Hong Kong enterprises operating in the Pearl River Delta (PRD) region was held in Zhuhai in December 2010. About 1 000 Hong Kong businessmen attended the event.

4. In the past year, we continued to provide logistical support to major meetings/activities held in the five provinces/region under GDETO's coverage, including the Sixth Pan-PRD Regional Co-operation and Development Forum, the Boao Forum for Asia Annual Conference 2011, the Fifth Expo Central China, the Hong Kong/Guangdong Co-operation Joint Conference, the Hong Kong/Shenzhen Co-operation Meeting, business forum on implementation of CEPA and Guangdong pilot measures in service sectors, etc. With the growing economic relation between Hong Kong and the Mainland in recent years, we assisted government departments both in Hong Kong and the Mainland in planning and coordinating a number of mutual visits by senior officials of the two sides.

Commercial Relations

5. GDETO continued its efforts in providing Hong Kong enterprises with a wide range of services to facilitate their business development in the five provinces/region. The weekly Guangdong ETO Newsletters provided the latest information on the rules and regulations, as well as economic and trade-related development in the five provinces/region. It also publicised the various activities organised by GDETO.

6. GDETO organised a number of activities to promote the business development of Hong Kong enterprises in the five provinces/region and enhance their understanding of relevant rules and regulations in the Mainland. These activities covered a variety of topics of concern among Hong Kong businessmen, e.g. labour policies, customs-related regulations and measures to assist enterprises in transformation and relocation, etc.; and included:

- Forum on "Customs Issues on Transformation, Upgrading and Transfer of Enterprises" in Guangzhou on 15 July 2010;

- Exchange sessions with the relevant departments of the Guangdong Provincial Government for Hong Kong traders to exchange views on the “Collective Wage Negotiations Ordinance” and the “Democratic Management Ordinance of Guangdong Province” in Guangzhou on 29 October 2010;
- Seminar on the “Collective Wage Negotiations Ordinance” in Hong Kong on 14 January 2011;
- Exchange sessions with heads of Hong Kong's trade and industry associations held in Shenzhen on 28 January 2011;
- Seminar on Measures of the Customs of the People's Republic of China for the Classified Management of Enterprises in Hong Kong on 7 April 2011; and
- Seminar on domestic sales strategy for Hong Kong enterprises in Shenzhen on 5 May 2011.

7. Separately, GDETO co-organised with the Dongguan Municipal Government and Hong Kong's trade and industry associations the seventh meeting of the “Joint Conference on the Transformation and Upgrading of Hong Kong-invested Enterprises in Dongguan” on 22 December 2010 in Hong Kong. The meeting discussed issues of concern to Hong Kong enterprises, and reviewed the difficulties experienced by them in their course of transformation and upgrading. Besides, on 5 August 2010, a Textiles Working Group meeting was held in Guangzhou, where the trade and representatives of relevant Guangdong authorities discussed the problems the textiles industry encountered when operating in Guangdong.

8. GDETO continued to actively assist Hong Kong enterprises in reflecting their common concerns to the relevant local government authorities and taking follow-up actions. Some important issues included labour policies, enterprises transformation and upgrading, expanding businesses in Mainland's domestic market, arrangements on exports of textiles products, as well as policies on product safety.

Investment Promotion

9. One of the major duties of GDETO is to promote the positive image of Hong Kong, and Hong Kong as the ideal platform for enterprises in the five provinces/region under GDETO's coverage to expand their businesses and to enter the global market. Through building up and maintaining strategic working relationship with the relevant local government authorities and local trade and industry organisations in the five provinces/region, we have, in the past 12 months, continued to contact, attract and assist enterprises to invest in Hong Kong.

10. In the past 12 months, GDETO conducted 319 meetings with Mainland enterprises, and provided advice and assistance to them for setting up a presence in Hong Kong. During this period, GDETO generated 96 prospective projects and 33 live projects, and completed 17 projects. GDETO organised, or co-organised with other organisations, a total of 23 investment promotion activities in Guangzhou, Shenzhen, Foshan, Zhuhai, Shantou, Chaozhou and Zhongshan of Guangdong Province; Xiamen and Putian of Fujian Province; as well as Guilin of Guangxi Zhuang Autonomous Region. The major activities included:

- “The Guangdong session of the ‘On Your Marks, Get-Set, Go!’ campaign” (which includes thematic workshops in Shenzhen, Foshan and Zhuhai), co-organised with Invest Hong Kong in June 2010;

- “Seminars on Developing Markets of Overseas Investment and Trade”, co-organised with the Bureau of Foreign Trade and Economic Co-operation of Guangzhou Municipal Government as well as a study mission to Hong Kong for enterprises from Guangzhou, which was co-organised with the China Council for the Promotion of International Trade Guangzhou Haizhu Branch in August 2010;
- “Guangdong – Hong Kong Financial Co-operation – Seminar on Listing and Fund Raising in Hong Kong for Enterprises in Foshan”, co-organised with the Finance Affairs Office of Guangdong Provincial Government and the Hong Kong Exchanges and Clearing Limited in October 2010;
- “Luncheon on Investing in Hong Kong for Innovation and Technology Enterprises”, co-organised with Invest Hong Kong and the Bureau of Foreign Trade and Economic Co-operation of Guangzhou Municipal Government in November 2010;
- “Seminar on Co-operation between Hong Kong and Fujian—Using Hong Kong as a Platform to Go Global” co-organised with the Hong Kong and Macao Affairs Office of Fujian Provincial Government in Putian in December 2010; and
- “Seminar-cum-Photo Exhibition on Co-operation between Hong Kong and Guilin—Using Hong Kong as a Platform to Go Global”, co-organised with relevant government departments of the Guilin Municipal Government in March 2011.

11. Apart from the above, the Permanent Secretary for Commerce & Economic Development (Commerce, Industry & Tourism) attended the 14th China International Fair for Investment and Trade held in Xiamen, Fujian Province in September 2010. GDETO assisted in organising and providing support to the visit.

Public Relations

12. The Chief Executive (CE) and other Principal Officials conducted frequent visits to the five provinces/region which have helped foster connections between HKSAR Government and the Mainland Authorities. The highlights of such visits included CE’s participation in the Boao Forum for Asia 2011 Annual Conference in Hainan, the Fifth Expo Central China in Jiangxi and the celebration of the 30th anniversary of the establishment of the Shenzhen Special Economic Zone in Shenzhen, etc. GDETO coordinated media plans to facilitate local and Hong Kong media to cover the visits, where appropriate.

13. To celebrate the 13th anniversary of the establishment of HKSAR and the eighth anniversary of GDETO, GDETO held in Guangzhou a cocktail reception in July 2010 and a gala dinner in October 2010 respectively. The events helped promote the revitalised “Brand Hong Kong” and Hong Kong’s image as Asia’s World City; and strengthen Hong Kong’s ties with the provincial and municipal governments, non-government organisations and trade associations in the five provinces/region.

14. In November and December 2010, CE and a number of Principal Officials of the HKSAR Government attended activities of the “16th Asian Games” and the “First Para Games” in Guangzhou, including watching games and meeting Hong Kong’s athletes to support and cheer for them. GDETO provided logistical support and assisted with media coverage arrangements.

15. During the past year, GDETO received a number of study missions from Hong Kong students and briefed them of the work of GDETO. Moreover, D/GDETO gave

interviews to reporters of major Mainland newspapers and Hong Kong reporters stationed in the Mainland to brief them on the work of GDETO, including the promotion of Hong Kong's economic and trade development in the region.

Shenzhen Liaison Unit

16. GDETO set up the Shenzhen Liaison Unit (SLU) in August 2010 and held the launching ceremony of the SLU in Shenzhen in December 2010. The Secretary for Constitutional and Mainland Affairs and the Vice Mayor of Shenzhen officiated at the ceremony. About 200 guests, including representatives from the HKSAR Government, Guangdong Provincial Government, Shenzhen Municipal Government, trade and professional bodies in Hong Kong and Shenzhen, as well as the media attended the launching ceremony.

17. The SLU strengthened liaison with relevant government authorities, non-government organisations, as well as industry and trade associations to provide support to Hong Kong enterprises in Shenzhen. The SLU assisted to disseminate information to Hong Kong traders on the relevant Mainland policies and measures which were of concern to them through various channels. The SLU also solicited views and suggestions from Hong Kong traders and helped reflect them to the relevant Shenzhen authorities. The SLU also handled enquiries and requests for assistance from Hong Kong residents in Shenzhen.

18. The SLU facilitated liaison on the co-operation between Hong Kong and Shenzhen in the promotion of service industries in Qianhai. It provided support to the attendance of the Chief Secretary for Administration at the Briefing on the Qianhai Development Plan organised by the Shenzhen Municipal Government in Hong Kong in December 2010. The SLU also assisted in the participation of the Chief Secretary for Administration at the Hong Kong/Shenzhen Co-operation Meeting, and a Hong Kong business delegation's visit to Qianhai in the same month.

Others

19. Immigration matters handled by GDETO included handling enquiries on immigration-related matters, and providing practical assistance to Hong Kong residents who have lost their travel documents or encountered personal safety problems in areas under the coverage of GDETO. Between June 2010 and May 2011, GDETO received a total of 210 requests for assistance from Hong Kong residents in distress in the Mainland. Of these, 7 cases involved the loss of travel documents or monies, 186 cases were from persons who were in danger, involved in traffic accidents, injured, sick or whose relatives had passed away in the Mainland, etc, and the remaining 17 cases involved the detention of Hong Kong residents in the Mainland. In addition, GDETO handled 1 343 enquires.

20. GDETO also handles cases other than those concerning loss of travel documents and personal safety. Between June 2010 and May 2011, GDETO handled a total of 36 cases on economic and trade-related matters, and 53 cases on real estate, land compensation and other issues, by making referrals to and following up on the cases with the relevant Mainland authorities.

Looking Ahead

21. In the light of the close liaison and co-operation between the HKSAR and the Mainland provinces/cities in the areas of finance, economy and trade, infrastructure development, environmental protection, medical and public health services, culture and education, the implementation of the pilot measures in Guangdong under CEPA, the Outline of the Plan for the Reform and Development of the Pearl River Delta, and the Framework Agreement on Hong Kong/Guangdong Co-operation, etc, GDETO will continue to play a

pivotal bridging role between Hong Kong and the five provinces/region. We will continue to serve as the bridge of liaison between Hong Kong and the local Mainland authorities, to assist in the HKSAR Government's efforts in implementing the complementing work relating to the National 12th Five-Year Plan, and to promote mutually beneficial regional co-operation.

22. We will continue our efforts in facilitating incoming investment of potential enterprises from the five provinces/region into Hong Kong and in encouraging Mainland enterprises to use Hong Kong as their base to open up the international market. Taking into account the varying potential and economic development of the provinces/region under GDETO's coverage, we will continue to intensify our investment promotion work in Guangdong and Fujian, and consolidate the groundwork for future co-operation in the other provinces/region. Moreover, the Central People's Government has been stepping up effort to promote the Economic Zone on the Western Coast of the Taiwan Strait (Haixi area). GDETO will continue to closely monitor the latest development of Haixi and will organise a series of economic, trade and investment promotion activities such as photo exhibitions and seminars, etc. in the major cities of Haixi, with a view to enhancing co-operation and exchange with these cities.

23. Qianhai development will provide more business and development opportunities for Hong Kong enterprises and professional service providers to expand the Mainland service market. GDETO's SLU will continue to assist in taking forward co-operation in the development of modern service industries in Qianhai and other new measures.

24. The 26th Summer Universiade (the Universiade) will be held in Shenzhen in August 2011. GDETO's SLU will facilitate and support participants of the Universiade to travel to and from Shenzhen via Hong Kong.

Hong Kong Economic and Trade Office in Guangdong
June 2011

Report on the Work of the Hong Kong Economic and Trade Office in Shanghai

The main functions of the Hong Kong Economic and Trade Office in Shanghai (SHETO) are to (a) enhance liaison and communication between the Government of the Hong Kong Special Administrative Region (HKSARG) and the Mainland authorities in the Municipality of Shanghai and the four provinces of Jiangsu, Zhejiang, Anhui and Hubei (the region); (b) promote Hong Kong and facilitate economic and trade co-operation between Hong Kong and the region; and (c) provide appropriate assistance to Hong Kong residents in need. In addition to the above functions, the SHETO also played an important role in HKSAR's participation in the Expo 2010 Shanghai China .

Commercial Relations

2. SHETO continued to work with stakeholders in Hong Kong and the region covered to promote Hong Kong's business sector and help them explore business opportunities in the Mainland. Our work included the following:

- (a) supporting industry delegations and study missions from Hong Kong to visit the region so as to facilitate the Hong Kong business sector to deepen understanding of the business and investment environment in the region. In June 2010 and March/April 2011, SHETO received the delegations from the Chinese General Chamber of Commerce (CGCC) and joined their visits in Shanghai. SHETO also attended the seminar on modern service industries and addressed the inauguration ceremony of CGCC's Yangtze River Delta Committee on 1 April 2011 and worked with CGCC over its further plans to study business opportunities in Yangtze River Delta;
- (b) encouraging economic and trade co-operation and exchanges between Hong Kong and the region. For example, in July 2010, SHETO addressed the "Second Seminar of 2010 High Level Meeting of Management in Financial Sector of Shanghai and Hong Kong", which was a forum established to promote financial co-operation between Hong Kong and Shanghai;
- (c) providing assistance to provinces and cities in the region in organising trade promotion activities in Hong Kong and organising courtesy calls on senior HKSARG officials for the visiting Mainland officials. In particular, SHETO assisted in the coordination of a number of economic and trade promotion activities in Hong Kong held by Yancheng of Jiangsu Province, Hubei Province, Anhui Province and Shanghai Pudong New Area Government in August, September, October and December 2010 respectively;
- (d) promoting new trade facilitation measures launched by the HKSARG to the region. In January 2011, SHETO gave a presentation in a seminar on Economic Co-operation Framework Agreement (ECFA) in Nanjing of Jiangsu Province to introduce the scheme rolled out by the Customs and Excise Department to facilitate ECFA cargo flowing through Hong Kong;
- (e) promoting and facilitating the implementation of CEPA in the region. Since the implementation of CEPA in 2003, Mainland and Hong Kong have so far announced nearly 280 liberalisation measures in trade in services, with most applicable to Shanghai. Amongst others, Supplement IV and Supplement VII to CEPA, effective from 1 January 2008 and 1 January 2011 respectively, contain a

number of “early and pilot implementation” measures in Shanghai. During the report period, SHETO provided assistance to Hong Kong business indicating interest in setting up operation in the region under CEPA. In particular, in response to the interest of the medical sector over the pilot measure allowing Hong Kong service suppliers to set up wholly-owned hospitals in Shanghai under Supplement VII to CEPA, we liaised with the relevant Shanghai municipal departments with a view to providing further assistance. We also undertake CEPA promotion in the context of our trade promotion and publicity work;

- (f) providing timely reports to relevant HKSARG bureaux and departments, and keeping Hong Kong business and trade organisations informed, through newsletters and special notices, of the latest economic and trade policies, regulations and measures in the regions covered. From June 2010 to 31 May 2011, SHETO issued 129 circulars/newsletters to the Hong Kong business and trade sector to keep them abreast of the latest economic policies/regulations of the Mainland; and
- (g) monitoring the views of Hong Kong enterprises on Mainland policies and regulations that might have impact on their business and other issues of common concern, and reflecting their views to relevant Mainland authorities for consideration where appropriate.

3. SHETO continued to facilitate further co-operation between Hong Kong and Shanghai under the Hong Kong/Shanghai Economic and Trade Co-operation Conference framework set up in October 2003. Under the co-operation agreement signed in October 2009, the Airport Authority Hong Kong and Shanghai Airport Authority had formed a joint venture to manage the expanded Hongqiao Airport. A new arrangement was announced in July 2010 allowing the operation of flights between Hong Kong and Hongqiao Airport, in addition to the services between Hong Kong and Pudong International Airport. On financial co-operation, further to the signing of the Memorandum of Understanding Concerning Advancing Hong Kong-Shanghai Financial Co-operation between the HKSARG and the Shanghai Municipal Government in January 2010, the two sides sought to enhance co-operation in the development of financial markets, encourage and support mutual establishment of financial institutions and step up training and exchange of financial talents. The high-level HKSAR Financial Forum themed “Stronger Links, Strong Markets: Hong Kong, the Mainland and the World” held in July 2010 further sought to deepen financial co-operation between the two sides. In May 2011, Hong Kong and Shanghai jointly held a roadshow in Asia to promote the strengths of the two cities as China’s global financial centers.

Investment Promotion

4. The Investment Promotion (IP) Division of SHETO continued to actively promote Hong Kong’s investment environment, identify and approach Mainland companies and provide them with free one-stop services to assist them in investing or setting up operations in Hong Kong. From June 2010 to May 2011, the IP Division conducted 30 investment promotion visits, met with 322 companies, generated 91 prospective projects and 37 live projects. During this period, 22 projects were successfully completed.

5. Taking the opportunity of the Expo 2010 Shanghai China, the IP Division completed three major investment promotion initiatives in Shanghai, as follows:

- (a) assisted in inviting the participation of Mainland enterprises and organising for Invest Hong Kong’s participation in the HKSAR Finance Forum in Shanghai in July 2010, with attendance of over 400 guests;

- (b) organised two investment promotion seminars in September and October 2010 with focus on innovation and technology and creative industries respectively. Briefing on Hong Kong's investment environment for respective sectors was provided for over 90 participants in the seminars.

6. In addition, the IP Division also participated in and set up exhibition booths at two other major trade fairs/fora in the region, namely, 12th Zhejiang Investment and Trade Symposium in June 2010, and the first Zhejiang International Business Week Commercial Matchmaking Supermarket in September 2010. During the period, the IP Division organised/participated in 14 seminars/roundtables in the region promoting Hong Kong's investment environment.

7. IP Division also arranged visits to Hong Kong for Mainland officials and business leaders to learn about Hong Kong's latest economic climate and investment environment. This included a visit of 18 enterprises from Shanghai and the region to the "Join Hands with Hong Kong in Going Global Forum" jointly organised by Invest Hong Kong and the Ministry of Commerce on 20 January 2011.

Public Relations

8. SHETO continued to maintain close liaison with the Mainland authorities and provided timely reports to relevant HKSARG bureaux and departments of the latest policies, regulations and measures of concern.

9. SHETO arranged meetings with senior Mainland officials and visits to relevant Mainland agencies and institutions for visiting principal and other senior HKSARG officials. During the report period, SHETO provided support to 25 visits from the Chief Executive, principal and other senior HKSARG officials, the visit delegation of Permanent Secretaries (September 2010) and the visit delegation of Undersecretaries and Political Assistants (September 2010).

10. On 30 June 2010, SHETO held a reception in Shanghai to celebrate the 13th Anniversary of the Establishment of the HKSAR. On 16 February 2011, SHETO held a spring dinner reception in Shanghai. About 130 senior officials and representatives of industry and trade organisations and enterprises in the region attended the dinner reception.

11. Between March and April 2011, SHETO organised a roving exhibition in eight cities, namely, Hefei, Wuhu, Maanshan and Bengbu of Anhui Province and Wuhan, Ezhou, Jingzhou and Yichang of Hubei Province, to promote Hong Kong, the economic and trade relations and other co-operation between Hong Kong and the region covered by the office.

12. During the report period, SHETO received a number of study missions from Hong Kong students and briefed them on the work of SHETO. Moreover, 110 briefings and interviews were given to the media from Hong Kong, Shanghai and the Bureau of Shanghai World Expo Coordination to promote Hong Kong's participation in the Expo 2010 Shanghai China.

Expo 2010 Shanghai China

13. The Expo 2010 Shanghai China opened on 1 May and lasted till 31 October 2010, with the theme "Better City, Better Life". The HKSAR's participation was extensive, including constructing a Hong Kong Pavilion, participating in the "Urban Best Practices Area" (UBPA) exhibitions and "Online Expo", and organising a series of exhibitions, seminars and cultural performances, the highlight of which was a "Hong Kong Week" that took place from 18 to 22 October. During the six-month period, more than 3.3 million

people visited the Hong Kong Pavilion and the exhibition at the UBPA.

14. SHETO had acted as the HKSARG's principal liaison point with the Expo organisers on all matters relating to the HKSAR's participation. In addition, SHETO also assisted in receiving important guests from Hong Kong, including Legislative Councillors as well as Chairmen and Deputy Chairmen of District Councils, and organising relevant publicity and promotion activities held in Hong Kong and Shanghai. SHETO had also assisted in organising volunteers to help out at the Hong Kong Pavilion during the Expo 2010 Shanghai China and arranging the exhibition of the Animated Version of the Riverside Scene at Qingming Festival in Hong Kong in November 2010.

Assistance rendered to Hong Kong Residents

15. During the report period, SHETO handled 10 assistance cases that concerned economic and trade-related matters and 12 cases on real estate and other issues, mainly by referring the cases to the relevant Mainland authorities and monitoring development.

Looking Ahead

16. In the coming year, SHETO will continue to pursue opportunities of co-operation between Hong Kong and Shanghai under the framework of the Hong Kong / Shanghai Economic and Trade Co-operation Conference. We will continue to promote Hong Kong in general and more specifically our excellent modern services and investment environment, CEPA liberalisation measures, successful implementation of the Basic Law and the principle of "One Country, Two Systems" to the region etc. In particular, we will -

- (a) organise trade forums and workshops on specific topics, sectors and industries;
- (b) assist in the HKSARG's efforts in implementing the complementing work relating to the National 12th Five-Year Plan;
- (c) facilitate the implementation of CEPA;
- (d) enhance liaison with stakeholders and identify more publicity and promotion opportunities;
- (e) support and facilitate Hong Kong trade missions to visit the region and study of business opportunities in the region; and
- (f) identify and attract Mainland enterprises to invest, set up operations, or list in Hong Kong.

Hong Kong Economic and Trade Office in Shanghai
June 2011

Report on the Work of the Hong Kong Economic and Trade Office in Chengdu

The main functions of the Hong Kong Economic and Trade Office in Chengdu (CDETO) are (a) to promote economic and trade co-operation and ties between the Hong Kong Special Administrative Region (HKSAR) and the five provinces of Sichuan, Yunnan, Guizhou, Hunan, Shaanxi and the Municipality of Chongqing, to provide support to Hong Kong enterprises and to attract Mainland enterprises to invest in Hong Kong; (b) to promote Hong Kong and to enhance liaison and communication between the HKSAR and the above places; and (c) to provide suitable assistance to Hong Kong residents in need.

Commercial Relations

2. With a view to providing support to Hong Kong enterprises operating or intending to operate in the region covered, CDETO organised and participated in various economic and trade activities such as exchanges and visits, and also maintained close liaison and exchange with the relevant government departments and public bodies. Besides, CDETO disseminated the latest economic and trade policies and information in the region to the relevant government departments in Hong Kong, chambers of commerce in Hong Kong and Hong Kong enterprises through website and monthly newsletters.

3. During the report period, CDETO's major events included a press conference jointly organised with the Department of Commerce of Sichuan in June 2010 on the findings of the research on "Development of Logistics Sector in Sichuan and Sichuan-Hong Kong Co-operation". In September 2010, in collaboration with Hong Kong & Macau Affairs Office of the People's Government of Yunnan Province, the Financial Office of the People's Government of Yunnan Province, and the Hong Kong Exchanges and Clearing Limited, CDETO organised a financial seminar on "Gateway Opportunity and Listing in Hong Kong" in Kunming. About 200 local businessmen and 40 relevant service providers from Hong Kong attended the seminar. In November 2010, a visit by a Hong Kong trade delegation of over 30 members to Chongqing and Chengdu was jointly organised with Hong Kong Federation of Restaurants & Related Trades. In April 2011, CDETO also assisted in a visit by the Financial Secretary to Chengdu and Chongqing to foster closer economic ties with the two cities.

4. CDETO and Chongqing Foreign Trade and Economic Relations Commission jointly commissioned a study on "CEPA Implementation in Chongqing" in December 2010. It will be completed in July 2011.

Investment Promotion

5. CDETO continued to provide Mainland enterprises with a wide range of services to facilitate their business development in Hong Kong. CDETO also devoted much efforts to deepening their understanding of Hong Kong's advantages and attracting them to invest in Hong Kong. During the report period, CDETO visited 152 Mainland enterprises, initiated 11 new projects and completed 6 projects. Moreover, CDETO generated 23 prospective projects in the period, and assistance was provided to these enterprises in establishing operation in Hong Kong.

6. At the financial seminar organised in Kunming in September 2010, CDETO updated the Mainland enterprises on Hong Kong's business environment and invited them to

utilise Hong Kong's resources and advantages as a platform to tap the international market. Representatives from around 200 mainland enterprises attended the event.

7. During the report period, CDETO also participated in other investment promotion activities to enhance its liaison with Mainland enterprises. They included the "18th China Import & Export Fair, Kunming" held in Yunnan Province in June 2010, the "11th Western China International Fair" held in Sichuan Province in October 2010, and the "15th Investment & Trade Forum for Co-operation between East & West China" held in Shaanxi Province in April 2011. Moreover, CDETO maintained close working relationship with the government departments and trade and industry organisations in the region covered in order to strengthen the liaison network.

Public Relations

8. With the aim of boosting Hong Kong's positive image on the Mainland, CDETO continued its role as a bridge between the HKSAR and the Mainland governments in the region covered through the means of official visits, exchange sessions, economic and trade fairs, seminars and exhibitions.

9. During the report period, the messages highlighted at the various activities organised by CDETO included : the revitalised "Brand Hong Kong", Hong Kong's image as Asia's World City, Hong Kong's participation in the Expo 2010 Shanghai China, its efforts in the promotion of public awareness and understanding of the Basic Law and the implementation of the "One Country, Two Systems", as well as the support of the HKSAR to the post-earthquake reconstruction in Sichuan.

10. CDETO has also been active in fostering close relationship with the media by providing positive messages via one-on-one interviews, press conferences, media briefings and tea-gatherings. Besides, the publishing of CDETO's Bimonthly Newsletter has enabled our key local contacts, including media, to keep track of the major events in Hong Kong and the activities of CDETO. The diversity of the materials provided by CDETO has facilitated better understanding and closer interaction with its counterparts in local governments, non-governmental organisations, chambers of commerce and the business sector alike.

Support to post-earthquake reconstruction work in Sichuan Province

11. CDETO continued to play an active role in enhancing liaison between the HKSAR Government and the Sichuan Provincial Government in taking forward the reconstruction work supported by HKSAR in Sichuan Province. CDETO also provided support to the three-tier coordination mechanism agreed between the two governments in holding regular meetings on reconstruction matters.

12. During the report period, effective support was provided to a number of visits by Principal Officials from Hong Kong to Sichuan Province, including a visit by the Chief Executive in July 2010, as well as a visit by the Secretary for Development in June 2010. CDETO also assisted in supporting a visit to Sichuan Province by a big delegation of 1 000 Hong Kong teachers and students, led by the Chief Secretary for Administration in June/July 2010. In May 2011, the Chief Secretary for Administration and the Secretary for Development visited Sichuan again and attended the High-level Meeting Under the Coordination Mechanism for HKSAR's participation in Restoration and Reconstruction in Sichuan. CDETO continued to act as a facilitator in the process to enable incoming visitors to have better understanding of the progress of the reconstruction projects funded by the HKSAR.

13. Furthermore, CDETO provided effective support to the leading government

bureaux, departments and independent technical consultants engaged by the HKSAR Government, as well as professional volunteer consultants, on matters such as visits to the construction sites in Sichuan Province for monitoring project progress, meetings with the relevant departments of Sichuan Provincial Government and project owners, and the conduct of inspections to the completed reconstruction projects. In this area, CDETO liaised closely with Sichuan counterparts to ensure that Hong Kong visiting parties can discharge their monitoring duties effectively.

Assistance rendered to Hong Kong residents

14. During the report period, CDETO received 15 assistance cases. Depending on the circumstances, CDETO made referrals to the relevant Mainland government departments for follow up in accordance with the established procedures, and monitored developments.

Looking ahead

15. Through participating in and organising various types of economic and trade activities, missions, searching for and disseminating updated information to Hong Kong enterprises, CDETO will continue to support Hong Kong enterprises operating or intending to operate in the region covered by CDETO. Meanwhile, CDETO will continue to enhance liaison with the government departments and other organisations in the region covered, to promote Hong Kong as the best investment destination for Mainland enterprises, and to enhance exchange and co-operation between the HKSAR and the Mainland in different aspects. It will also assist in the HKSAR Government's efforts in implementing the complementing work relating to the National 12th Five-Year Plan. With regard to the support to post-earthquake reconstruction work in Sichuan Province, CDETO will continue to assist in the day-to-day liaison between the HKSAR Government, Sichuan Provincial Government and individual project owners to monitor progress of the reconstruction projects, identify problem issues and devise remedies. In addition, CDETO will continue to provide support to the three-tier coordination mechanism between the HKSAR and Sichuan governments on reconstruction matters, as well as to incoming visitors from Hong Kong.