

香港特別行政區政府
商務及經濟發展局
工商及旅遊科



COMMERCE, INDUSTRY AND TOURISM BRANCH
**COMMERCE AND ECONOMIC
DEVELOPMENT BUREAU**
GOVERNMENT OF THE HONG KONG
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OUR REF. : CITBCR/02/01/15 X

17 June 2016

Clerk to the Establishment Subcommittee
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong
(Attn : Miss Sharon Lo)

Dear Miss Lo,

**Establishment Subcommittee
Follow-up to Meeting on 6 June 2016
EC(2016-17)5**

I refer to your letter dated 7 June 2016. With regard to the follow-up actions arising from the discussion at the Establishment Subcommittee meeting held on 6 June 2016, please find our response at **Annexes 1 & 2.**

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Connie Cheung', written over a faint circular stamp.

(Miss Connie Cheung)

for Secretary for Commerce and Economic Development

c.c. Deputy Secretary for Financial Services and the Treasury (Treasury) 1

Establishment Subcommittee

Follow-up to the meeting on 6 June 2016

EC(2016-17)5

2. Members request the government to provide the following supplementary information:

(a) What are the ranking of senior officials in the US Government who have met with the Chief Secretary for Administration during her visit to the United States in June 2016.

The Chief Secretary for Administration (CS) visited the United States from June 2 to 10, covering the three cities of Washington, DC; New York; and San Francisco, where the Hong Kong Special Administrative Region Government (HKSARG) has had a long-established presence through its Economic and Trade Offices.

The visit to the US was a comprehensive one, aiming at enhancing the understanding of various sectors in the US of Hong Kong, and further promoting the bilateral relations between Hong Kong and the US. On the one hand, the visit meant to explain the successful implementation of the “One Country, Two Systems” principle in Hong Kong to the political, business, cultural and other sectors of the US audience, as well as the city’s latest political, economic and social developments; on the other hand, the visit aimed to promote the advantages and support Hong Kong enjoyed as our country progressed, in particular our role under the Belt and Road Initiative. In addition, CS also introduced to the art and cultural institutions the latest development with respect to arts and culture, and the West Kowloon Cultural District project, and explored opportunities for collaboration. She also promoted the various talent admission schemes in Hong Kong and encouraged Chinese Hong Kong permanent residents who have emigrated to the US and other talents to go to Hong Kong to further their career.

CS met with senior officials of the federal and local governments, members of Congress, senior representatives of think tanks, business organisations, Chinese American leaders and groups. She also visited a number of art and cultural institutions, and met with their management, visited waterfront development and urban revitalisation project, attended dinner with women leaders, and called on the senior officials of the Chinese Consulates in the respective cities and the Chinese Embassy in the US, as well as the Chinese Permanent Representative to the United Nations. The relevant activities included –

1. CS attended a dinner with members of the Committee of 100 in the San Francisco Bay Area. The Committee comprises distinguished Chinese American leaders from various fields. CS updated them on Hong Kong's latest developments and discussed with them the role of Hong Kong in China's development and the opportunities for Hong Kong under the country's Belt and Road Initiative;
2. CS paid a courtesy call on the Mayor of San Francisco, Mr Edwin M Lee, and they exchanged views on ways to tackle challenges in city and housing development;
3. CS called on the Chief of Staff of the House Speaker's Office, Mr David Hoppe, and the National Security Advisor of the House Speaker's Office, Mr Jonathan W Burks;
4. She also attended a meeting with the Chairman of the Senate Foreign Relations Committee's Subcommittee on East Asia, the Pacific and International Cybersecurity Policy, Senator Cory Gardner, and the Senate Foreign Relations Committee Ranking Member, Senator Benjamin Cardin. They had a detailed discussion on the latest political and economic developments in Hong Kong;
5. CS met with the Deputy Secretary of Commerce, Mr Bruce Andrews, to update him on the latest areas of growth in Hong Kong and the role that Hong Kong can play in fostering closer economic ties between China and the US;
6. CS attended a luncheon hosted by the Hong Kong Commissioner for Economic and Trade Affairs, USA, Mr Clement Leung, the participants of which included prominent think tank leaders and opinion leaders from the Heritage Foundation (President, Mr Jim DeMint), the Brookings Institution (Director of the Center for East Asia Policy Studies, Dr Richard Bush), the Cato Institute (Vice President for Monetary Studies and Editor of Cato Journal, Dr James Dorn), the Carnegie Endowment for International Peace (Vice President for Studies, Dr Douglas Paal), the Center for Strategic and International Studies, the Peterson Institute for International Economics, Johns Hopkins University, Georgetown University and the US-China Policy Foundation (President, Dr Chi Wang). During the luncheon, CS and the participants discussed the political landscape in Hong Kong as well as the implementation of "One Country, Two Systems" in the HKSAR;
7. During CS's visit to the US, the 8th Round of China-US Strategic and Economic Dialogue was held in Beijing from 6 to 7 June. Therefore a number of the most senior officials of the federal government were in Beijing. CS met with the Under Secretary for Political Affairs of the Department of State, Mr Thomas Shannon, covering a range of government-to-government issues of mutual interest;
8. CS attended a dinner co-hosted by the Hong Kong Economic and Trade Office in Washington, DC, and the International Women's Forum (IWF)¹. The guests attending the dinner came from different sectors covering government, education,

¹ The IWF is an organisation comprising women leaders from around the world who are committed to building better global leadership.

culture and creative industries, including two former US cabinet secretaries and one former cabinet-level official, namely the Honourable Elaine Chao, former Secretary of Labour, the Honourable Barbara Franklin, former Secretary of Commerce and Ambassador Charlene Barshefsky, former US Trade Representative. During the dinner, CS shared with the participants the various challenges faced by the current-term HKSARG and the key areas of focus in the remaining 12 months;

9. CS met with the Minority Leader of the House of Representatives, Congresswoman Nancy Pelosi, as well as the Chairman of the Subcommittee on Asia and the Pacific of the House Foreign Affairs Committee, Congressman Matt Salmon, to provide an update on the latest political and economic developments in Hong Kong; and
10. As per the practice in previous visits, CS called on the senior officials of the Chinese Consulates in the respective cities and the Chinese Embassy in the US, namely, the Chinese Consul General in San Francisco, Mr Luo Linqun, Chargé d'affaires² of the Chinese Embassy in the US, Ms Wu Xi, Chinese Consul General in New York, Ms Zhang Qiyue as well as the Chinese Permanent Representative to the United Nations, Mr Liu Jieyi.

Chief Secretary for Administration's Office
Commerce and Economic Development Bureau
June 2016

² Chinese Ambassador to the US, Mr Cui Tiankai, was in Beijing and thus CS was received by Chargé d'affaires of the Chinese Embassy in the US, Ms Wu Xi.

Establishment Subcommittee

Follow-up to the meeting on 6 June 2016

EC(2016-17)5

2. Members request the government to provide the following supplementary information:

(b) How would the Washington Economic and Trade Office follow up on the work related to Trans-Pacific Partnership (“TPP”), in particular whether it will further promote Hong Kong’s trade and economic cooperation with the TPP parties and explore the possibility of Hong Kong’s accession to TPP.

The Trans-Pacific Partnership (“TPP”) is a regional Free Trade Agreement (“FTA”) among 12 economies¹. The TPP parties concluded the negotiation on 5 October 2015. The agreement was signed on 4 February 2016, but the effective date is uncertain.

The TPP has an extensive coverage. The relevant policy bureaux and departments of the Government of the Hong Kong Special Administrative Region will study the provisions carefully and assess its impact on Hong Kong before considering the possibility of Hong Kong’s accession to it. While relevant economies have signed the agreement, procedurally TPP parties have to complete the respective congressional approval or other procedures before TPP would take effect. To our knowledge, many of the parties are still dealing with the controversies on joining the TPP. It is thus believed that it will take quite some time before the TPP can come into effect. With the effective date of the TPP remaining uncertain, it is rather unlikely that other economies can join the TPP at this stage.

The US is a member of the TPP. The Washington Economic and Trade Office (ETO) has all along actively promoted exchange and cooperation between Hong Kong and the US, monitored closely the political and economic development in the US, including the development of TPP, and reported to relevant policy bureaux and departments when appropriate. In this regard, the Commissioner for Economic and Trade Affairs of USA had also reported on the development of TPP when he attended the Panel on Commerce and Industry held in October 2015. Washington ETO has maintained close contact with the US Department of Commerce and the Office of the US Trade Representative, joined TPP-related activities held in Washington, D.C., and had exchanges with TPP members’ officials based in Washington, D.C.

¹ The 12 TPP economies are the US, Singapore, Brunei, New Zealand, Chile, Australia, Peru, Viet Nam, Malaysia, Mexico, Canada and Japan.

The other relevant ETOs, the Commerce and Economic Development Bureau and the Trade and Industry Department will also continue to enhance economic and trade relation with other TPP members. In fact, the proposed Jakarta ETO will help strengthen the trade liaison work between Hong Kong and TPP members in ASEAN.

In this connection, Hong Kong has commenced the Free Trade Agreement negotiation with ASEAN. Seven rounds of negotiations have been held and the Agreement is expected to be concluded within 2016. Meanwhile, Hong Kong is also actively participating in the Trade in Services Agreement (“TISA”) negotiation commencing in 2013 with some World Trade Organization (WTO) members. There are altogether 23 TISA participating economies. Of these, the US, New Zealand, Chile, Australia, Peru, Mexico, Canada and Japan are also TPP parties. Our negotiating partners in TISA account for about half of Hong Kong’s total trade in services. Hong Kong service suppliers are active in the services markets of these economies. Our exports of financial services and business services to them account for about 80% and 70% of our total exports in the respective sectors. TISA is currently the most effective platform to secure more favourable conditions for trade for Hong Kong service suppliers.

With the globalisation of the world economy, it has become a major trend for trading partners to enter into FTAs and regional economic co-operation arrangements. We support further trade liberalization among various economies, and are open to exploring the possibility of entering into FTAs with other economies, so long as they are in Hong Kong's interests and are consistent with the principles and provisions of the WTO.

Commerce and Economic Development Bureau
June 2016