

*Hong Kong's Ties  
with Neighbouring Jurisdictions*

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# **HONG KONG'S TIES WITH NEIGHBOURING JURISDICTIONS**

## **PART 1 - INTRODUCTION**

### **1. Background**

1.1 On 29 July 1998, the Parliamentary Liaison Subcommittee of the House Committee requested the Research and Library Services Division to conduct a statistical research on Hong Kong's ties with the neighbouring jurisdictions in Asia, which include Mainland China, Taiwan, South Korea, Malaysia, the Philippines, Singapore, Thailand, and New Zealand in terms of trade, tourism, and cultural exchanges.

### **2. Objective and Scope**

2.1 The objective of this research is to provide facts and figures in the following areas between Hong Kong and the neighbouring jurisdictions in order to assist Members in setting priorities in establishing new friendship groups:

- (i) foreign trade,
- (ii) external investment in Hong Kong,
- (iii) tourism,
- (iv) banking, and
- (v) cultural exchanges.

### **3. Methodology**

3.1 The research involves a combination of information collection, analysis and interviews.

3.2 Upon our request, the Census and Statistics Department, Hong Kong Academy for Performing Arts, Hong Kong Arts Development Council, Hong Kong Arts Festival Society Ltd., Hong Kong Tourist Association, Hong Kong Monetary Authority, Industry Department, and Urban Services Department have kindly provided the necessary information. This research report is based on the information obtained from these sources.

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## PART 2 - FOREIGN TRADE

### 4. Hong Kong's Total Trade

4.1 Mainland China (ranking 1)<sup>1</sup> has been Hong Kong's largest trading partner since 1985. The Mainland's share of Hong Kong's global trade increased from 9.3% in 1978 to 36.3% in 1997. In 1997, the bilateral trade between Hong Kong and China totaled HK\$1,116,117 million.

4.2 Taiwan (ranking 2) was Hong Kong's fourth largest trading partner in 1997. The total trade value increased by 3% over 1996 to reach HK\$161,158 million.

4.3 Singapore (ranking 3) was Hong Kong's fifth largest trading partner in 1997. Its 1997 trade value with Hong Kong amounted HK\$116,975 million.

**Table 1 - Hong Kong's Total Trade in 1997**

	Total Trade Value (HK\$ million)	Percentage Share (%)	Percentage Change over 1996 (%)	Ranking Among the Neighbouring Jurisdictions
Mainland China	1,116,117	36.3	+6	1
Taiwan	161,158	5.2	+3	2
Singapore	116,975	3.8	-2	3
South Korea	94,876	3.1	-1	4
Malaysia	51,329	1.7	+9	5
Thailand	40,526	1.3	+7	6
Philippines	26,916	0.9	+12	7
New Zealand	6,256	0.2	+1	8

Source : Census and Statistics Department

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<sup>1</sup> This refers to the rank among the neighbouring jurisdictions as defined in this research report.

## 5. Hong Kong's Total Exports

5.1 Mainland China (ranking 1) was Hong Kong's largest export market in 1997. Hong Kong's total exports to Mainland China increased by 6% over 1996 to reach HK\$507,745 million. Such total accounted for 34.9% of Hong Kong's global exports. About 49% of Hong Kong's total exports to Mainland China were related to outward processing<sup>2</sup>.

5.2 Singapore (ranking 2) was the sixth largest export market of Hong Kong in 1997. Hong Kong's exports to Singapore are mostly intermediate goods, including parts and accessories of office machines and computers, semi-conductors, electronic valves and tubes, and telecommunication equipment and parts.

5.3 Taiwan (ranking 3) was the seventh largest export market of Hong Kong in 1997. The total export value increased by 10% over 1996 to HK\$36,611 million mainly due to the strong demand of intermediate goods such as semi-conductors, and telecommunication equipment and parts.

**Table 2 - Hong Kong's Total Exports in 1997**

	Total Export Value (HK\$ million)	Percentage Share (%)	Percentage Change over 1996 (%)	Ranking Among the Neighbouring Jurisdictions
Mainland China	507,745	34.9	+6	1
Singapore	37,789	2.6	-2	2
Taiwan	36,611	2.5	+10	3
South Korea	21,651	1.5	-5	4
Philippines	17,101	1.2	+3	5
Thailand	14,456	1.0	+3	6
Malaysia	13,321	0.9	+2	7
New Zealand	2,604	0.2	+6	8

Source : Census and Statistics Department

<sup>2</sup> Exports to Mainland China for outward processing refer to raw materials or semi-manufactures exported from or through Hong Kong to Mainland China for processing with a contractual arrangements for subsequent re-importation of the processed goods into Hong Kong.

## 6. Hong Kong's Total Imports

6.1 Mainland China (ranking 1) was also Hong Kong's largest supplier in 1997. The 1997 total import value rose by 7% over 1996 to HK\$608,372 million. Major imports were clothing, footwear, textiles, and toys.

6.2 Taiwan (ranking 2) was Hong Kong's fourth largest supplier in 1997. The total import value reached HK\$124,547 million in 1997, accounting for 7.7% of Hong Kong's global imports.

6.3 Singapore (ranking 3) was Hong Kong's fifth largest supplier in 1997, with an import value amounting to HK\$79,186 million.

**Table 3 - Hong Kong's Total Imports in 1997**

	<b>Total Import Value (HK\$ million)</b>	<b>Percentage Share (%)</b>	<b>Percentage Change over 1996 (%)</b>	<b>Ranking Among the Neighbouring Jurisdictions</b>
Mainland China	608,372	37.7	+7	1
Taiwan	124,547	7.7	+1	2
Singapore	79,186	4.9	-3	3
South Korea	73,226	4.5	-1	4
Malaysia	38,008	2.4	+12	5
Thailand	26,070	1.6	+10	6
Philippines	9,815	0.6	+33	7
New Zealand	3,652	0.2	-2	8

Source : Census and Statistics Department

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## PART 3 - EXTERNAL INVESTMENT IN HONG KONG

### 7. External Investment in Hong Kong's Manufacturing Industries

7.1 The Industry Department conducted annual surveys to collect information on manufacturing companies with external investment. The views of external investors on the attractiveness of Hong Kong in manufacturing industries are also collected.

7.2 As of end-1996, there were 483 separate external investments in Hong Kong. Table 4 shows the investments of neighbouring jurisdictions in Hong Kong by the number of investments. The leaders were Mainland China (ranking 1; 31 investments), Singapore (ranking 2; 23 investments), and Taiwan (ranking 3; 15 investments), which collectively accounted for 14.3% of the total. The favoured sectors of investment included electronics, textiles and clothing, electrical products, chemical products, food and beverages, and plastic products.

**Table 4 - External Investment in Hong Kong's Manufacturing Industries at the end of 1996, by the Number of Investments**

	Number of Investments	Ranking Among the Neighbouring Jurisdictions
Mainland China	31	1
Singapore	23	2
Taiwan	15	3
Thailand	8	4
Malaysia	5	5
Philippines	3	6
South Korea	1	7
New Zealand	Nil	8

Source : Industry Department

7.3 The value of external investment in manufacturing industries has increased steadily over the past decade. The total value of investments at historical cost at the end of 1996 amounted to HK\$47,968 million, 6% higher than in 1995.

7.4 From Table 5, the leading sources of external investment were Mainland China (ranking 1; HK\$2,631 million), Thailand (ranking 2; HK\$1,230 million), and Singapore (ranking 3; HK\$1,023 million). Industries with significant amounts of investment included electronics, electrical products, chemical products, food and beverages, and textiles and clothing.

**Table 5 - External Investment in Hong Kong's Manufacturing Industries at the end of 1996, by the Value of Investments at Historical Cost**

	<b>Value of Investments at Historical Cost (HK\$ Thousand)</b>	<b>Ranking Among the Neighbouring Jurisdictions</b>
Mainland China	2,630,874	1
Thailand	1,230,461	2
Singapore	1,022,995	3
Philippines	676,296	4
Malaysia	639,513	5
Taiwan	157,929	6
South Korea	Not Available <sup>1</sup>	7
New Zealand	Nil	8

Note: <sup>1</sup> The data has been suppressed for confidentiality reason because there is only one project.

Source : Industry Department

## **8. Regional Representation by International Companies in Hong Kong**

8.1 Hong Kong's increasing role as an intermediary of international trade has attracted multinational companies to set up regional headquarters or regional offices in the territory. By making use of Hong Kong's well-developed trade-related services, these companies can expand their operations in the region.

8.2 According to the annual survey conducted by the Industry Department in June 1997, there were 2 530 regional operations by international companies in Hong Kong. They included 924 regional headquarters<sup>3</sup> and 1 606 regional offices<sup>4</sup>.

8.3 In terms of regional headquarters, the major source countries/territory were Mainland China (ranking 1; 117 regional headquarters), Taiwan (ranking 2; 28 regional headquarters), South Korea (ranking 3; 19 regional headquarters), and Singapore (ranking 4; 18 regional headquarters). They were mainly engaged in wholesale/retail, import/export, manufacturing, and banking and finance.

<sup>3</sup> Regional headquarters are defined as organizations which have control over the operation of one or more other offices or subsidiaries in the region without the need to make frequent referrals to, or consult with, the parent companies or headquarters.

<sup>4</sup> Regional offices are companies which are responsible for general business activities in other countries/territory in the region for the parent companies.

**Table 6 - Number of Companies Outside Hong Kong with Regional Headquarters in Hong Kong in June 1997**

	<b>Number of Companies Outside Hong Kong with Regional Headquarters in Hong Kong</b>	<b>Ranking Among the Neighbouring Jurisdictions</b>
Mainland China	117	1
Taiwan	28	2
South Korea	19	3
Singapore	18	4
Malaysia	6	5
Thailand	4	6
Philippines	2	7
New Zealand	Nil	8

Source : Industry Department

8.4 These were in addition to 1 606 regional offices of international companies. From Table 7, the major source countries/territory were Mainland China (ranking 1; 128 regional offices), South Korea (ranking 2; 81 regional offices), and Taiwan (ranking 3; 49 regional offices). The important economic sectors for regional offices included foreign trade, business services, banking and finance.

8.5 According to the results of the 1997 survey, the most important factor for international companies choosing Hong Kong to set up regional headquarters or regional offices was Hong Kong's world class banking and financial facilities. Other important factors include the government's business friendly economic policies and excellent infrastructure.

**Table 7 - Number of Companies Outside Hong Kong with Local Regional Offices in Hong Kong in June 1997**

	<b>Number of Companies Outside Hong Kong with Regional Offices in Hong Kong</b>	<b>Ranking Among the Neighbouring Jurisdictions</b>
Mainland China	128	1
South Korea	81	2
Taiwan	49	3
Singapore	44	4
Thailand	12	5
Malaysia	8	6
New Zealand	5	7
Philippines	2	8

Source : Industry Department

## PART 4 - TOURISM

### 9. Visitor Arrivals

9.1 Visitor arrivals in 1997 reached 10 406 261, which was a drop of 11.1% over 1996. This was the result of various internal and regional economic forces acting on the travel and tourism industry in Hong Kong. According to the Hong Kong Tourist Association, the key factors leading to the decline in visitor arrivals included the regional currency turmoil and currency depreciation, an unstable economic environment, and the outbreak of the H5N1 bird flu virus<sup>5</sup>.

9.2 In 1997, visitor arrivals from Mainland China (ranking 1) made up 22.1% of all visitor arrivals to Hong Kong, and the total number of visitor arrivals from this source was 2.3 million. Mainland China has now overtaken Japan as the biggest source market for inbound tourism for Hong Kong.

9.3 In 1997, visitor arrivals from Taiwan (ranking 2) dropped by 2.1% compared with 1996 to 1.78 million arrivals. Taiwan was the second largest market by visitor arrivals for Hong Kong.

**Table 8 - Visitor Arrivals in 1997**

	Number of Visitor Arrivals	Percentage Share (%)	Percentage Change over 1996 (%)	Ranking Among the Neighbouring Jurisdictions
Mainland China	2 297 128	22.1	-0.6	1
Taiwan	1 782 580	17.1	-2.1	2
South Korea	357 538	3.4	-9.8	3
Singapore	339 689	3.3	-2.9	4
Philippines	326 418	3.1	-13.4	5
Malaysia	269 337	2.6	+2.1	6
Thailand	214 782	2.1	-18.3	7
New Zealand	52 786	0.5	-9.0	8

Source : Hong Kong Tourist Association

<sup>5</sup> Please refer to the report *A Statistical Review of Tourism 1997* for details.

## 10. Receipts from Visitors

10.1 The 1997 total receipts from visitors dropped by 15.2% (over 1996) to HK\$69,946 million and the drop was mainly due to the economic downturn throughout Asia in the second half of the year. Nevertheless, the travel and tourism industry has been one of the largest foreign exchange earners among all exports of services in Hong Kong.

10.2 In 1997, the receipts from visitors from China were HK\$15,579 million (ranking 1) and those from visitors from Taiwan were HK\$12,609 million (ranking 2).

**Table 9 - Receipts from Visitors in 1997**

	<b>Total Receipts from Visitors (HK\$ million)</b>	<b>Percentage Share (%)</b>	<b>Percentage Change over 1996 (%)</b>	<b>Ranking Among the Neighbouring Jurisdictions</b>
Mainland China	15,579	22.3	+2.4	1
Taiwan	12,609	18.0	-8.3	2
Philippines	2,479	3.5	-17.3	3
Singapore	2,274	3.3	-5.9	4
South Korea	1,857	2.7	-11.5	5
Malaysia	1,506	2.2	+9.1	6
Thailand	1,366	2.0	-25.1	7
New Zealand	334	0.5	-6.7	8

Source : Hong Kong Tourist Association

## 11. Hong Kong Resident Departures by Destination

11.1 In 1997, the total number of Hong Kong resident departures increased by 12% over 1996 to 41.6 million. The number of Hong Kong resident departures to Mainland China was 33.7 million, which accounted for 80.9% of the total.

**Table 10 - Hong Kong Resident Departures by Destination in 1997**

	<b>Total Resident Departures</b>	<b>Percentage Share (%)</b>	<b>Percentage Change over 1996 (%)</b>	<b>Ranking Among the Neighbouring Jurisdictions</b>
Mainland China	33 677 567	80.9	+17.0	1
Thailand	521 186	1.3	+17.1	2
Taiwan	363 363	0.9	+1.0	3
Philippines	317 812	0.8	+6.5	4
Singapore	294 442	0.7	-3.1	5
South Korea	166 152	0.4	+19.4	6
Malaysia	119 025	0.3	-1.4	7
New Zealand	32 383	0.1	-1.6	8

Remark : On departing from Hong Kong, a resident may also be travelling to other places apart from the destination claimed.

Source : Hong Kong Tourist Association

## PART 5 - BANKING

12.1 Hong Kong's favourable geographical position, bridging the time gap between North America and Europe, its strong links with China and other economies in Southeast Asia and excellent telecommunications with the rest of the world have helped Hong Kong to develop into an important international financial centre. The absence of any restrictions on capital flows into and out of Hong Kong is another important factor leading to Hong Kong accession to an international financial centre.

12.2 Hong Kong has a very strong presence of international banks. In June 1998, there were 175 licensed banks<sup>6</sup> and 149 local representative offices of banks from more than 40 countries/territory conducting business in Hong Kong. (Please refer to Appendix I and Appendix II for the lists of licensed banks and local representative offices from the neighbouring jurisdictions located in Hong Kong in June 1998).

### 13. Licensed Banks

13.1 In June 1998, in terms of the number of licensed banks, Mainland China (ranking 1; 12 licensed banks) was the leader, followed by Singapore (ranking 2; 5 licensed banks) and Taiwan (ranking 3; 4 licensed banks).

**Table 11 - Number of Licensed Banks in Hong Kong in June 1998**

	Number of Licensed Banks	Ranking Among the Neighbouring Jurisdictions
Mainland China	12	1
Singapore	5	2
Taiwan	4	3
South Korea	3	4
Philippines	2	5
Malaysia	1	6
Thailand	1	6
New Zealand	Nil	8

Source : Hong Kong Monetary Authority

<sup>6</sup> Licensed banks can operate current or saving accounts. They can also accept deposits of any size and any maturity from the public.

## 14. Local Representative Offices

14.1 In June 1998, Mainland China (ranking 1) had six local representative offices in Hong Kong. South Korea, having five local representative offices, ranked second. Taiwan (ranking 3) had two representative offices.

**Table 12 - Number of Local Representative Offices in Hong Kong in June 1998**

	Number of Local Representative Offices	Ranking Among the Neighbouring Jurisdictions
Mainland China	6	1
South Korea	5	2
Taiwan	2	3
Philippines	1	4
New Zealand	1	4
Malaysia	Nil	6
Singapore	Nil	6
Thailand	Nil	6

Source : Hong Kong Monetary Authority

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## PART 6 - CULTURAL EXCHANGES

### 15. Hong Kong Arts Development Council

15.1 The Government supports the promotion and development of the arts in Hong Kong, including the promotion of cultural exchanges. It provides funding to the Hong Kong Arts Development Council for this purpose.

15.2 The Government set up the Hong Kong Arts Development Council in June 1995 as a statutory body to advise on matters concerning arts policy and to plan for the broad development of the arts. It has worked closely with the major arts bodies to promote arts development and has supported arts projects.

15.3 In particular, for promoting cultural exchange, grants are made available to individual artists and arts organizations. Applicants must be formally invited or sponsored by a reputable arts or government organization in a foreign country/territory to undertake a project for the purpose of cultural exchange rather than for commercial reasons.

15.4 In the financial year 1997-98, the Council provided HK\$3.8 million for 47 cultural exchange projects. Some of the events were performed in neighbouring jurisdictions. These included China (ranking 1; 8 projects), Taiwan (ranking 2; 5 projects), Singapore (ranking 3; 1 project), and the Philippines (ranking 3; 1 project). (Please see Appendix III for the list of cultural exchange projects sponsored by the Hong Kong Arts Development Council in the financial year 1997-98).

**Table 13 - Number of Cultural Exchange Projects Sponsored by the Hong Kong Arts Development Council in the Financial Year 1997-98**

	Number of Cultural Exchange Projects	Ranking Among the Neighbouring Jurisdictions
Mainland China	8	1
Taiwan	5	2
Philippines	1	3
Singapore	1	3
South Korea	Nil	5
Malaysia	Nil	5
Thailand	Nil	5
New Zealand	Nil	5

Source : Hong Kong Arts Development Council

## 16. The Hong Kong Academy for Performing Arts

16.1 The Hong Kong Academy for Performing Arts, a fully subvented tertiary institution established in 1984 for the training and education of professional performing artists, also undertakes extensive cultural exchange activities. Since its inception, the Academy has consistently adopted an international outlook to reflect the cultural diversity of Hong Kong. To this end, the Academy has actively sought to develop and maintain a full programme of exchange activities in all its disciplines for the interface and cross-cultural development of performing arts.

16.2 Over the years, the Academy has established a close link with other performing arts institutions. These linkages exist in various forms such as exchange programmes for staff and students, international performance visits by students of the Academy and reciprocal visits by students of other conservatories to the Academy. These exchange activities have helped to enrich the cultural profile of Hong Kong and have enabled the Academy to become a renowned international performing arts institution.

16.3 In 1997, the Academy sent students to perform in China (ranking 1; 85 performances), the Philippines (ranking 2; 60 performances), and Taiwan (ranking 3; 10 performances).

**Table 14 - Number of Performances by Academy Students in 1997**

	<b>Number of Performances by Academy Students</b>	<b>Ranking Among the Neighbouring Jurisdictions</b>
Mainland China	85	1
Philippines	60	2
Taiwan	10	3

Source : Hong Kong Academy for Performing Arts

## 17. Provisional Municipal Councils

17.1 The two Provisional Municipal Councils are also involved in promoting cultural exchange activities. As independent statutory bodies, they are empowered to formulate their cultural exchange policies.

### Provisional Urban Council

17.2 The Provisional Urban Council plays an active role in supporting international cultural exchanges. It stages international art festivals such as the biennial Festival of Asian Arts and the International Film Festival. These festivals aim at promoting different art forms as well as cultural exchanges amongst artists from the participating countries/territory.

### *Festival of Asian Arts*

17.3 The Festival of Asian Arts started in 1976 as an annual event to underline the Provisional Urban Council's commitment to the arts. It aims at promoting Asian performing arts, providing an opportunity for the residents of Hong Kong to appreciate the rich cultural heritage and contemporary manifestation of the Asian region and facilitating cultural exchange among artists of participating countries/territory. From 1986 onwards, the Festival has been held on a biannual basis, alternating with the thematic festival on Chinese arts.

17.4 For the 16th Festival of Asian Arts, there were artists from Mainland China, Taiwan, South Korea, Malaysia, Singapore, and Thailand. The art forms were theatre, dance, and music.

17.5 The 17th Festival of Asian Arts, to be held from 23 October to 14 November 1998, featuring 11 overseas and 24 local performing groups, presents 37 indoor performances summarized in four themes: (i) Ethnic Traditions, (ii) Cross Cultural Highlights, (iii) Contemporary Theatre, and (iv) Splendour of Local Arts. There will be performers from Mainland China, Taiwan, South Korea, and the Philippines.

**Table 15 - The 16th Festival of Asian Arts (18 October to 9 November 1996)**

	<b>Name of Group/Artist</b>	<b>Art Form</b>
Mainland China	China Society for Musical Studies	Theatre
Taiwan	Pin-fong Acting Troupe	Theatre
South Korea	Nam Jeong Ho Samul Nori	Dance Music
Malaysia	Lena Ang	Dance
Philippines	Nil	-
Singapore	Lim Fei Shen	Dance
Thailand	Naraphony Charassri	Dance
New Zealand	Nil	-

Source : Urban Services Department

**Table 16 - The 17th Festival of Asian Arts (23 October to 14 November 1998)**

	<b>Name of Group/Artist</b>	<b>Art Form</b>
Mainland China	Ethnic Arts Troupe of China Yunnan Cultural Arts Group	Dance & Music Dance
Taiwan	Taipei Crossover Dance Company	Dance
South Korea	Dragon Bond Rite	Theatre
Malaysia	Nil	-
Philippines	Grace Nono	Music
Singapore	Nil	-
Thailand	Nil	-
New Zealand	Nil	-

Source : Urban Services Department

*Hong Kong International Film Festival*

17.6 The Hong Kong International Film Festival has been organized by the Urban Council since 1977. It is a non-competitive Festival held during the Easter holidays annually. One of the objectives of the Hong Kong International Film Festival is to enhance the film culture in Hong Kong.

17.7 The 22nd Festival in 1998 presented 260 films from more than 40 countries/territory. Taiwan presented 14 films (ranking 1), followed by South Korea (ranking 2; 6 films screened), and Mainland China (ranking 3; 5 films screened). Apart from the screening of films, several fringe activities were held, including exhibitions and conferences.

**Table 17 - The 22nd Hong Kong International Film Festival (3 April to 18 April 1998)**

	Number of Films Screened	Ranking Among the Neighbouring Jurisdictions
Taiwan	14	1
South Korea	6	2
Mainland China	5	3
Singapore	1	4
New Zealand	1	4
Malaysia	Nil	6
Philippines	Nil	6
Thailand	Nil	6

Source : Urban Services Department

*Hong Kong Arts Festival*

17.8 The Provisional Urban Council provides funding support to major local arts organizations such as the Hong Kong Arts Festival Society Ltd. which have a strong advocacy of promoting cultural exchanges between local and international artists.

17.9 The Hong Kong Arts Festival Society Ltd. is the organizer of the Hong Kong Arts Festival. Its mission is to present an international arts festival which will (i) enrich the cultural life of Hong Kong; (ii) encourage cross-cultural exchange; and (iii) act as a catalyst and arouse wider interest in the arts.

17.10 The 1998 Festival, held from 15 January to 13 February, had 38 events (i.e. 109 performances), with 88 316 tickets sold representing 89% attendance. There were programmes performing by Mainland China and Taiwan artists.

17.11 In addition to offering high quality programmes, the Festival also presented opportunities for local artists to interact with visiting artists through workshops, talks and classes.

**Table 18 - Hong Kong Arts Festival 1998**

	Programmes	Art Form
Hong Kong, China and Taiwan	Hong Kong, Taiwan and Mainland China Art Exchange Project	Exhibition
China	Bacchae	Dance and Music
China	Mongolian Legends	Dance and Music

Source : Hong Kong Arts Festival Society Ltd.

#### Provisional Regional Council

17.12 The Provisional Regional Council does not have any on-going international arts and cultural exchange programmes with any countries/territory other than those participated by the Music Office. The Council participates in cultural exchange activities in response to invitation.

17.13 In respect of in-bound cultural exchange activities, the Provisional Regional Council organizes about 600 cultural performances each year, out of which about 15% are visiting artists. In 1997-98 financial year, 81 cultural performances involved visiting artists, out of which 48 performances were by artists from Mainland China and two were from Taiwan. From April to August 1998, 42 cultural performances involved visiting artists, out of which 21 performances featured artists from Mainland China.

17.14 While it is acknowledged that visiting artists will introduce specific aspects of their own culture to a local audience and thereby achieve the effect of cultural exchange, the Provisional Regional Council's invitation of visiting artists are not organized with cultural exchange as a prime object or on cultural exchange terms.

17.15 In 1997-98 and 1998-99 financial years (up to July 1998), the Provisional Regional Council has not supported any outgoing groups in activities related to touring or cultural exchange.

#### *Music Office*

17.16 The Provisional Regional Council jointly manages the Music Office with the Provisional Urban Council. The sending of youth orchestras overseas in cultural exchange tours and the reception of visiting groups is considered an integral part of the music education provided by the Office and is therefore supported.

17.17 The cultural exchange activities of the Music Office is detailed at Table 15.

**Table 19 - Cultural Exchange Activities Undertaken by the Music Office in 1997-98 and 1998-99 Financial Years (up to 31 July 1998)**

<b>Outgoing Activities</b>		
<b>Date</b>	<b>Participating Party</b>	<b>Programme</b>
July 1997	Hong Kong Youth Symphony Orchestra	6th Shenzhen Grand Theatre Arts Festival, China
August 1997	Music Office Youth Choir and the Hong Kong Youth Strings	Concert Tour to Penang, Kuala Lumpur and Singapore
<b>In-bound Activities</b>		
August 1997	Shenzhen Youth Chamber Orchestra	1997 Hong Kong Youth Music Camp

Source : Regional Services Department

**PART 7 - SUMMARY**

7.1 In this study, Mainland China has the highest number of ties with Hong Kong followed by Taiwan, Singapore and South Korea. Table 20 summarizes our findings.

**Table 20 - Summary of Hong Kong's Ties with Neighbouring Jurisdictions**

Ranking	Foreign Trade (1997)			External Investment in Hong Kong (1996)		Regional Representation (June 1997)		Tourism (1997)			Banking (June 1998)		Cultural Exchange (1997-98)
	Total Trade	Total Exports	Total Imports	Number of Investments	Value of Investments	Regional Headquarters	Regional Offices	Visitor Arrivals	Visitor Receipts	Outbound Travel	Licensed Banks	Representative Offices	Cultural Exchange Projects <sup>1</sup>
1	Mainland China	Mainland China	Mainland China	Mainland China	Mainland China	Mainland China	Mainland China	Mainland China	Mainland China	Mainland China	Mainland China	Mainland China	Mainland China
2	Taiwan	Singapore	Taiwan	Singapore	Thailand	Taiwan	South Korea	Taiwan	Taiwan	Thailand	Singapore	South Korea	Taiwan
3	Singapore	Taiwan	Singapore	Taiwan	Singapore	South Korea	Taiwan	South Korea	Philippines	Taiwan	Taiwan	Taiwan	Philippines and Singapore
4	South Korea	South Korea	South Korea	Thailand	Philippines	Singapore	Singapore	Singapore	Singapore	Philippines	South Korea	Philippines and New Zealand	
5	Malaysia	Philippines	Malaysia	Malaysia	Malaysia	Malaysia	Thailand	Philippines	South Korea	Singapore	Philippines		Malaysia, Thailand and New Zealand
6	Thailand	Thailand	Thailand	Philippines	Taiwan	Thailand	Malaysia	Malaysia	Malaysia	South Korea	Malaysia, Thailand and New Zealand		
7	Philippines	Malaysia	Philippines	South Korea	South Korea	Philippines	New Zealand	Thailand	Thailand	Malaysia			
8	New Zealand	New Zealand	New Zealand	New Zealand	New Zealand	New Zealand	Philippines	New Zealand	New Zealand	New Zealand			

Note: <sup>1</sup> These refer to the projects sponsored by the Hong Kong Arts Development Council for the purpose of cultural exchange.

## Appendix I

## List of Licensed Banks in Hong Kong in June 1998

<b>Mainland China</b>
Agricultural Bank of China Bank of China Bank of Communications China & South Sea Bank Ltd. China Construction Bank China State Bank Ltd. Industrial and Commercial Bank of China Kincheng Banking Corporation Kwangtung Provincial Bank National Commercial Bank Ltd. Sin Hua Bank Ltd. Yien Yieh Commercial Bank Ltd.
<b>Taiwan</b>
Bank of Taiwan Chang Hwa Commercial Bank Ltd. First Commercial Bank Hua Nan Commercial Bank Ltd.
<b>South Korea</b>
Hanil Bank Korea Exchange Bank Seoulbank
<b>Malaysia</b>
Malayan Banking Berhad
<b>Philippines</b>
Equitable Banking Corporation Philippine National Bank
<b>Singapore</b>
Chung Khiaw Bank Ltd. Development Bank of Singapore Ltd. Overseas-Chinese Banking Corporation Ltd. Overseas Union Bank Ltd. United Overseas Bank Ltd.
<b>Thailand</b>
Bangkok Bank Public Co Ltd.
<b>New Zealand</b>
Nil

Source : Hong Kong Monetary Authority

## Appendix II

## List of Local Representative Offices in Hong Kong in June 1998

<b>Mainland China</b>
China International Trust and Investment Corporation China Investment Bank China Merchants Bank Everbright Bank of China Guangdong Development Bank Shenzhen Development Bank Ltd.
<b>Taiwan</b>
Taiwan Business Bank United World Chinese Commercial Bank
<b>South Korea</b>
Cho Hung Bank Donghwa Bank Korea Long Term Credit Bank Kyongnam Bank Pusan Bank
<b>Malaysia</b>
Nil
<b>Philippines</b>
Metropolitan Bank and Trust Co
<b>Singapore</b>
Nil
<b>Thailand</b>
Nil
<b>New Zealand</b>
National Bank of New Zealand Ltd.

Source : Hong Kong Monetary Authority

## Appendix III

**List of Cultural Exchange Projects Sponsored by the Hong Kong Arts  
Development Council in the Financial year 1997-98**

Name of Project	Performing Location
香港畫家參加中國當代油畫展計劃*	Mainland China
Flow - Contemporary Asia Art; Taipei 1997	Taiwan
《香港·渡·九七》巡迴展*	Mainland China
Solo Exhibition by Man Fun Yi in Beijing & Hong Kong	Mainland China
迎回歸邀請展*	Mainland China
China Tour 1997 (Miranda Chin Dance Co)	Mainland China
Kwan Du Art Festival, Taiwan	Taiwan
Flow Program - An Arts Critic Forum in Taipei	Taiwan
Little Asia (Arts Centre)	Mainland China Taiwan
Citizen Ambassador Program: Theatre Delegation to China	Mainland China
Journey to the East 98 (Hong Kong Institute of Contemporary Arts and Culture)	Mainland China Taiwan Singapore
Cry of Asia 3 (Asia People's Theatre Festival Society)	Philippines

Remark: \* The English translation is not available.

Source: Hong Kong Arts Development Council

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