

For information

**Legislative Council
Special House Committee Meeting
Hong Kong Guangdong Cooperation**

BACKGROUND

The Sixth Plenary of the Hong Kong Guangdong Cooperation Joint Conference (Joint Conference) was held on 5 August 2003 to review the outcome and progress of major cooperation programmes. Both sides also reached agreement on a number of areas including that the Joint Conference should be upgraded and co-chaired by the Chief Executive and the Governor of Guangdong, and that the Chief Secretary for Administration and the Executive Vice-Governor of Guangdong would be responsible for providing the steering and overseeing the implementation of the programmes. They also agreed to set up/consolidate 15 expert groups, the Hong Kong Guangdong Strategic Development Research Group (Research Group) and Business Committee; and reached a consensus on the broad direction for enhanced cooperation between Hong Kong and Guangdong.

PROGRESS AND FUTURE WORK PLANS OF EXPERT GROUPS

2. The 15 expert groups, Research Group and Business Committee under the Joint Conference have made progress and mapped out future work plans in key areas toward the above objectives as follows:

(1) Expert Group on Tourism

3. The group has put in place a notification mechanism under the Individual Visit Scheme for exchanging forecasts about passenger throughput during the golden-week holidays to facilitate early and necessary arrangements. Clearance of arriving passengers ran smoothly during the past holidays, and the same could be expected in future holidays. In 2003, the Hong Kong Tourism Board and the Guangdong Provincial Tourism Administration joined hands to promote the Pearl River Delta (PRD) as a tourist destination in various functions including the Hong Kong International Travel Expo held in September, the tourism promotion drive under the trade familiarisations in Japan and Korea in October, and the World Travel Market

held in London in November. In 2004, the two places have plans to participate in a number of international tourism expos and roadshows to be held in Melbourne, Yokohama, Berlin and Hong Kong. They will also embark on Phase II of Guangdong, Hong Kong and Macao Tourism Information Platform development project for the establishment of an express link as a continuous effort to enhance the role of the Platform in disseminating and promoting tourist information.

(II) Expert Group on Cooperation in Control Points

4. The group helped introduce the ferry services for transit passengers at the Hong Kong International Airport in 2003. The first batch of routes covers Shenzhen Fuyong, Shekou, Dongguan and Macao. The services may be extended in phases to cover other major ports in the PRD subject to demand and discussions with the relevant port authorities. On the other hand, the frequency of the Guangzhou-Kowloon Through Train services has been increased to 10 pairs daily. The notification mechanism on emergency at control points in Hong Kong and Guangdong has also been set up. In 2004, the group will continue to take forward other projects, such as the installation of air-conditioning system at the Lo Wu cross-boundary footbridge, the new boundary bridge linking Lok Ma Chau (LMC) and Huanggang (HG), the new boundary bridge at the Sha Tau Kok Control Point and the new control point for the Hong Kong-Shenzhen Western Corridor (HK-SWC). It will also monitor the progress of HG-LMC passenger footbridge, which will provide an additional passenger crossing across the boundary, and negotiate for a further increase in the frequency of Guangzhou-Kowloon Through Train services to 12 pairs daily.

(III) Expert Group on Coordinating Hong Kong Guangdong Cross Boundary Major Infrastructural Projects

5. One of the group's major endeavours in 2003 was the commencement of the SWC construction project on 28 August. The project is scheduled to complete by the end of 2005. Regarding the preliminary study on the Guangzhou-Shenzhen-Hong Kong Express Rail Link (ERL), the Joint Expert Group on ERL is conducting the stage II study. Upon its completion, both sides will discuss the best way to proceed with the project. As for the Hong Kong-Zhuhai-Macao Bridge, the Hong Kong-Zhuhai-Macao Bridge Advance Work Coordination Group will soon commission a design institute to conduct a feasibility study, and will set up an office for the coordination group in Guangzhou to take forward the advance work.

(IV) Expert Group on Exchange and Notification Mechanism on Infectious Diseases

6. The group successfully put in place the exchange and notification mechanism on infectious diseases and outbreaks of public health incidents in 2003, with an enlarged scope of notifiable infectious diseases and notification and exchange channels for emerging diseases or outbreaks of infectious diseases. Guangdong, Hong Kong and Macao have also agreed to further their cooperation in future, including closer cooperation in scientific research on prevention and treatment of infectious diseases, better exchange and collaboration in infectious disease surveillance, establishment of an information system on exchange and notification of infectious diseases and outbreaks of public health incidents, discussion and exchange on planning and development of admission and treatment facilities for infectious diseases, as well as training and visits of professionals.

(V) *Expert Group on Implementation of CEPA*

7. Since 2003, the group has forged a close tie with the relevant departments in Guangdong to facilitate investments in Hong Kong from Guangdong enterprises. Efforts, among others, have been made to disseminate information to Guangdong enterprises on a wider scope about ways to apply for setting up business in Hong Kong, streamline the application procedures and speed up the vetting and approval process. The group will, through Invest Hong Kong, continue to engage in regular exchanges and communication with the Ministry of Commerce and the Department of Foreign Trade and Economic Cooperation of Guangdong Province, with a view to establishing a closer link with these bodies to remove roadblocks to investment and coming up with ways to expedite applications from Guangdong enterprises and rationalise the application procedures. On the other hand, the group has also been making active efforts to promote investment from Hong Kong enterprises in the export/import trade and distributive trade in Guangdong. For example, the investment website of Guangdong was linked up with the CEPA website of the Trade and Industry Department on the Hong Kong side in mid January to make it easier for Hong Kong businessmen to obtain updated business information in Guangdong.

8. For the service industry, the two places will step up cooperation in 2004 by building an information platform for the construction industry and related engineering works, and linking up, among others, the website of Guangdong Lawyers Association with the Lawyerhk.com. The group will also strive to assist Hong Kong permanent residents with Chinese nationality in setting up privately-owned retail businesses in Guangdong, seek support from Guangdong in working out application and approval procedures that are simple and effective, and provide an “one-stop” advisory service. The Trade and Industry Department and the Economic and Trade Office of the HKSARG

in Guangdong will disseminate updated information through proper channels such as their websites, commercial information circulars and regular newsletters. The group will also take forward the cooperation programmes in transport and logistics services with Guangdong.

(VI) Expert Group on the Protection of Intellectual Property Rights

9. To strengthen cooperation in the protection of intellectual property rights (IPR), the Customs authorities in Hong Kong and Guangdong held a special meeting on law enforcement in IPR protection on 15 October 2003. At the meeting, they discussed ways to step up their cooperation efforts against cross-boundary intellectual property infringements, and agreed to work out a number of proposed measures for implementation once the details were sorted out. Hong Kong and Guangdong also co-hosted the Seminar on Intellectual Property and Development of Small and Medium Enterprises in Shenzhen on 2 September 2003, and the Guangdong/Hong Kong (Shantou) Seminar on International Trade and Intellectual Property Protection 2003 in Shantou on 18 December 2003. Several hundreds of government officials and representatives from different enterprises attended the seminars. On 3 December 2003, the online Intellectual Property Database for Guangdong, Hong Kong and Macao was launched to provide IPR owners and users with better access to information on IPR regulations and systems in the three places. In 2004, the expert group is going to carry out a study to explore the feasibility of developing the IPR management industry in Guangdong and Hong Kong.

(VI) Expert Group on Cooperation in Innovation and Technology

10. The group held its first meeting on 14 November 2003 and signed the Cooperation Arrangement on Innovation and Technology between Guangdong and Hong Kong at the meeting. To initiate discussion on technology and industry match-making and cooperation between the two places, the two sides agreed to organise study missions to the PRD shortly to gauge the demand of enterprises for innovation and technology. Moreover, research and development (R&D) institutions in Hong Kong and Guangdong have organised visits and exchanges to explore further room for cooperation. Besides, in order to facilitate the development of software industry in Hong Kong and Guangdong, both sides are planning to conduct on a regular basis the PRD Software Industry Forum which will avail software enterprises in both places with opportunities for exchanges, networking and business matching. The Forum will be held in Hong Kong and Guangdong in April and October 2004 respectively.

(VIII) Expert Group on Promoting Greater Pearl River Delta

11. To showcase the GPRD region as an ideal destination of investment to the enterprises in Korea and Japan, the group organised investment promotional activities in Seoul and Japan on 23 October and 30 October 2003 respectively, attracting more than 800 representatives from Korean enterprises and 1,300 from Japanese enterprises. The group also promoted the GPRD region in the World Economic Development Declaration Conference held in Zhuhai, in order to give participants a better understanding of the investment environment of Guangdong, Hong Kong and Macao. Over 100 Hong Kong businessmen were invited to attend. Discussions on the organisation of joint overseas seminars in 2004 to promote the GPRD investment environment are now in progress.

(IX) Expert Group on the Hong Kong Guangdong Economic Cooperation Seminar

12. The group successfully hosted the Hong Kong Guangdong Economic Cooperation Seminar in Guangzhou on 25 September 2003. The seminar was held to promote better understanding between the governments and business communities in Hong Kong and Guangdong, further improve the investment environment of Guangdong and expand the scope of mutual cooperation. A wide range of issues was covered in the seminar and a sound foundation was laid for future cooperation under CEPA. Favourable response was received from the participants that the seminar had achieved its objectives. To do follow-ups and explore ways to further improve the investment environment, representatives from both sides suggested that the seminar be turned into an annual event. In addition to the improvement of Guangdong's investment environment, more in-depth discussions should be conducted on other topics like issues concerning investments in Hong Kong by Guangdong businessmen. The group is planning to hold another Hong Kong Guangdong Economic Cooperation Seminar in mid 2004.

(X) Expert Group on Expanding the Hong Kong Guangdong Economic Cooperation Hinterland

13. In the CEPA SME Expo organised by Hong Kong Trade Development Council from 2 to 3 December 2003, a seminar was jointly held by the Guangdong and Hong Kong sides of the expert group to bring Hong Kong businessmen up to date on the developments of the mountain region as well as the eastern and western regions in Guangdong, and in particular the cities in those regions. An information counter was also set up at the venue by the Guangdong side. The seminar was well received and attended by about 200 Hong Kong businessmen. Some of them indicated on the spot their interest in paying a study visit to the hinterland. In response, the group

is now organising such study visits for Hong Kong businessmen to the mountain region as well as the eastern and western regions in Guangdong. One is scheduled for Zhanjiang and Yangjiang in late April/early May 2004.

(XI) Joint Working Group on Sustainable Development and Environmental Protection

14. The group has already completed a number of major cooperation projects. Among them is the formulation of a regional air quality management plan for the PRD in December 2003, which sets out a series of enhanced control measures now already in force or to be implemented by Hong Kong and Guangdong governments for achieving the agreed regional emission reduction targets. The two governments will from time to time review the progress and effectiveness of the measures and revise the plan as necessary. They are also examining the setting up of a pilot emissions trading scheme among power plants in both places, and will jointly work out the details of the scheme in the next three years. Key issues will include identifying suitable power plants for the scheme, determining the maximum emission levels of individual power plants, setting emission monitoring and assessment requirements, and studying whether new legislation or policies are required. The group is also actively promoting cooperation in areas such as marine resources, afforestation and ecological conservation; protection of PRD water quality; and regional environmental management at Mirs Bay and Deep Bay (Shenzhen Bay).

(XII) Expert Group on Co-operation in Education

15. To facilitate direct admission of students from Guangdong while dispensing with the need for them to go through agents, the group strives to rationalise the procedures of granting mainland students, who apply for visas in personal capacity, admission into the undergraduate programmes offered by Hong Kong tertiary institutions in the territory. In this connection, the University Grants Committee has invited university heads to develop a fair and transparent mechanism for admission purpose. Moreover, the group is making the necessary arrangements to invite representatives from Guangdong to participate in the Expert Meeting on Curriculum Reform of Basic Education, jointly hosted by the Ministry of Education and the Education and Manpower Bureau in late March 2004, to share experience and report the latest developments in their curriculum reform.

(XIII) Expert Group on Cooperation in Culture and Sports

16. On the cultural front, the group has held three meetings and the Agreement on Greater Pearl River Delta Cultural Cooperation, which spells

out the principles, direction and projects of cultural cooperation among Guangdong, Hong Kong and Macao, was signed at the third meeting. The three places are working together to develop the Pearl River Delta Cultural Info website, which is expected to be ready by 2004. To expand cultural cooperation in the PRD, the Leisure and Cultural Services Department shares with relevant organisations in Guangdong and Macao on a regular basis information concerning overseas artists/art groups who plan to make a performing tour to Hong Kong. It is envisaged that by inviting such art groups also to perform in the PRD, the increased number of performances and the lower transportation/freight cost will achieve cost-effectiveness, bring mutual benefits and open up the huge cultural market in the GPRD. The group will also continue to promote cooperation in the development of a museum network; excavation, preservation and promotion of cultural relics; networking of digital library services and promotion of Cantonese Opera. The three sides will also hold another Greater Pearl River Delta Cultural Cooperation Meeting on 28 February 2004 in Hong Kong.

17. As for sports, the group signed an agreement on sports exchanges and cooperation with the governments of Guangdong and Macao on 29 December 2003, with a view to raising the sporting level and promoting the development of sports culture in the PRD. Future exchanges and cooperation will focus on five major areas: competitive sport, sport-for-all, training of athletes, sports science and studies as well as sports industries.

(XIV) Expert Group on Tonggu Waterway

18. The group will continue to coordinate the environmental impact assessment (EIA) process for the section of Tonggu Waterway falling within Hong Kong waters conducted by the Shenzhen Municipal Government. It will also coordinate issues relating to execution of the works, pilotage of vessels and disposal of dredging wastes along, as well as dredging and maintenance of, the waterway. According to relevant institutions in Shenzhen, the EIA report will be available in July 2004 whereas the whole process completed in late 2004/early 2005.

(XV) Expert Group on Information Exchange

19. The group has collected and exchanged information for initial planning stages of major infrastructural projects in both places, and on long-term regional developments and has kept each other informed of any relevant conference and seminars. To further strengthen the liaison and communication work, both sides are exploring how the liaison mechanism can be enhanced to achieve better cooperation and exchanges in town planning and development matters.

(XVI) Hong Kong Guangdong Strategic Development Research Group

20. The group has engaged in researches on some major cooperation issues relating to the current and long-term developments of Hong Kong and Guangdong, which include “Interactive Planning and Coordinated Development of PRD City Clusters”, “Development of Pearl River West”, “Pan-Pearl River Delta Regional Cooperation”, and “Plans for Logistic Cooperation between Guangdong and Hong Kong”.

(XVII) Business Committee

21. To tie in with government efforts to promote business cooperation, both Hong Kong and Guangdong have agreed to each set up a Business Committee to facilitate regular communication between, and hence provide an interactive platform for the enterprises, trades and business associations of, the two places. The Guangdong Sub-council of China Council for the Promotion of International Trade (CCPIT) will see to it the establishment of the Guangdong side’s Business Committee while the Hong Kong side’s Business Committee will be set up shortly.

22. In addition to the above efforts, CS has planned to visit the nine PRD cities (a total of seven have been visited so far) since November 2003. During the visits, CS met with the municipal leadership and toured local enterprises to promote Hong Kong's strengths in financial, logistic and professional services and explore ways to enhance the overall competitiveness of the PRD region by leveraging on the particular strengths of industries in both places. To promote the implementation of CEPA, CS has also urged the municipal governments to disseminate more online information about the rules and procedures governing the access of the professional sectors to mainland market, or set up one-stop investment service centres of CEPA to assist Hong Kong enterprises and individuals in opening up the mainland market. Moreover, CS has also encouraged mainland enterprises to take advantage of Hong Kong as a gateway to overseas market through setting up businesses here.

**Hong Kong Guangdong Cooperation Coordination Unit
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