

**立法會**  
**Legislative Council**

LC Paper No. CB(1)2965/09-10  
(These minutes have been seen  
by the Administration)

Ref : CB1/PL/CI/1

**Panel on Commerce and Industry**

**Minutes of meeting**  
**held on Tuesday, 20 July 2010, at 2:30 pm**  
**in Conference Room A of the Legislative Council Building**

- Members present** : Hon Vincent FANG Kang, SBS, JP (Chairman)  
Hon Fred LI Wah-ming, SBS, JP  
Hon Emily LAU Wai-hing, JP  
Hon Timothy FOK Tsun-ting, GBS, JP  
Hon Tommy CHEUNG Yu-yan, SBS, JP  
Hon Jeffrey LAM Kin-fung, SBS, JP  
Hon Andrew LEUNG Kwan-yuen, GBS, JP  
Hon WONG Ting-kwong, BBS, JP  
Hon Ronny TONG Ka-wah, SC  
Hon CHIM Pui-chung  
Hon Starry LEE Wai-king, JP  
Dr Hon Samson TAM Wai-ho, JP  
Hon Albert CHAN Wai-yip
- Members absent** : Dr Hon LAM Tai-fai, BBS, JP (Deputy Chairman)  
Hon Mrs Regina IP LAU Suk-ye, GBS, JP  
Hon Tanya CHAN
- Public officers attending** : Agenda item III  
Miss Yvonne CHOI, JP  
Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)

Ms Linda SO  
Deputy Secretary for Commerce and Economic  
Development (Commerce and Industry) (3)

Miss Leonia TAI  
Deputy Director-General of Trade & Industry  
(Multilateral, Regional Co-operation & Europe)

Miss Victoria TANG  
Associate Director-General of Investment Promotion (3)  
Invest Hong Kong

**Clerk in attendance** : Ms YUE Tin-po  
Chief Council Secretary (1)3

**Staff in attendance** : Mr Joey LO  
Council Secretary (1)3

Ms May LEUNG  
Legislative Assistant (1)6

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Action

**I. Confirmation of minutes of meeting**

(LC Paper No. CB(1)2519/09-10 -- Minutes of meeting held on  
18 May 2010

LC Paper No. CB(1)2521/09-10(01) -- List of outstanding items for  
discussion

LC Paper No. CB(1)2521/09-10(02) -- List of follow-up actions)

The minutes of the meeting held on 18 May 2010 were confirmed.

**II. Information paper issued since last meeting**

2. Members noted that no paper had been issued since the last meeting held  
on 15 June 2010.

**III. Economic and trade co-operation between Hong Kong and Taiwan**

(LC Paper No. CB(1)2521/09-10(03) -- Administration's paper on  
economic and Trade Co-operation  
between Hong Kong and Taiwan

LC Paper No. CB(1)2521/09-10(04) -- Paper on economic and trade co-operation between Hong Kong and Taiwan prepared by the Legislative Council Secretariat (updated background brief)

Presentation by the Administration

3. At the Chairman's invitation, Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (PSCIT) briefed members on the economic and trade co-operation between Hong Kong and Taiwan, as set out in the Administration's paper (LC Paper No. CB(1)2521/09-10(03)).

Discussion

*Exchanges and co-operation between Hong Kong and Taiwan*

4. Mr Jeffrey LAM enquired about the work of the Hong Kong-Taiwan Economic and Cultural Co-operation Council and the Hong Kong-Taiwan Business Co-operation Committee, and how they would coordinate their work with the Taipei Office of Hong Kong Trade Development Council (TDC) and Invest Hong Kong.

5. PSCIT responded that the Administration welcomed the establishment of the Taiwan-Hong Kong Economic and Cultural Co-operation Council (ECCC) as the counterpart of the Hong Kong-Taiwan Economic and Cultural Co-operation and Promotion Council (ECCPC), so as to open up a new communication platform between both places. With the establishment of the new platform, the Administration believed that Hong Kong could have multi-faceted and multi-level exchanges with Taiwan, and that liaison and co-operation in the various areas would be strengthened. It was hoped that the ECCPC and the ECCC could hold their first joint meeting as soon as possible. Hong Kong and Taiwanese officials could then exchange views on issues of mutual concern in appropriate capacities under this umbrella, and both sides could look into areas where co-operation could be strengthened, so as to further promote high-level exchanges between Hong Kong and Taiwan. In this connection, the Financial Secretary, in his capacity as the honorary chairperson of the ECCPC, would lead a delegation of Government officials, ECCPC and members of the Hong Kong-Taiwan Business Co-operation Committee (BCC) to visit Taiwan later this year. At the corporate level, the BCC comprising members of the local commercial sector and Taiwan businessmen in Hong Kong was also set up. The BCC would discuss with the Economic Co-operation Committee under the ECCC measures to foster co-operation between Hong Kong and Taiwan in trade and investment. In fact, Hong Kong and Taiwan had been liaising closely on the establishment of the new co-operation platform to kick-start collaborations on various fronts, fostering mutually beneficial co-operation between the two places.

6. On coordination between quasi-public organizations, PSCIT added that –apart from the establishment of the Taiwan Office of TDC in late 2008, the Hong Kong Tourism Board was also seeking to upgrade the Taipei representative office to a formal office so as to better coordinate promotion activities in Taiwan. The Administration was liaising with the Taiwan authorities on the necessary procedures for early implementation of the plan.

Admin

7. The Chairman enquired whether the newly established ECCPC and BCC would be invited to brief the Panel on their work plans and strategies in the coming session. PSCIT advised that at present the priority task for the ECCPC and BCC was to communicate with their counterparts in Taiwan, with a view to reaching agreement on the focus areas of cooperation. The Commerce and Economic Development Bureau would convey the suggestion to the Constitutional and Mainland Affairs Bureau which provided secretariat support to the ECCPC.

8. Noting that there was no designated overseas Economic and Trade Office (ETO) in Strait-West Coast Economic Zone in Fujian Province, Mr WONG Ting-kwong urged for a designated ETO in the Economic Zone so that the latest business information could be gathered. He enquired whether Hong Kong could have a bigger role to participate and benefit from the development of the Strait-West Coast Economic Zone, in particular, in the planning and development of the Pingtan Integrated Economic Development Experimental Zone and the Xiamen Financial Experimental Zone.

Admin

9. PSCIT responded that the Administration would consider enhancing its role in the Strait-West Coast Economic Zone in Fujian Province, and had not ruled out any possibilities at this stage. She would reflect Mr WONG's proposal to the Constitutional and Mainland Affairs Bureau for consideration.

*Impact of the signing of Economic Cooperation Framework Agreement on Hong Kong*

10. Mr Jeffrey LAM expressed concern over the possibility that the Economic Cooperation Framework Agreement (ECFA) might weaken the role of Hong Kong as a gateway to the Mainland and the middleman between the Mainland and Taiwan. A new positioning of Hong Kong was called for amid the improved cross-Strait economic cooperation. Sharing a similar concern, the Chairman and Mr Albert CHAN enquired about the Administration's assessment of the situation.

11. PSCIT responded that according to the Administration's assessment, the signing of ECFA signified that cross-Strait economic and trade relations had entered into a new stage of development. Not only would it enhance the interaction between the two places, the overall economic development of the region would also benefit from the signing of ECFA. With an increase in trading activities in the region as a whole and more efficient allocation of resources, Hong Kong would be able to find new development opportunities in the medium to long-term. Hong Kong's intrinsic strengths such as well-developed financial and professional services would enable it to continue to play an active role (particularly

in respect of the service sector) in promoting sustainable economic development in the region.

12. PSCIT added that Taiwan enterprises had been attracted to establish regional offices or expand their operations in Hong Kong as a result of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA), and Hong Kong would continue to play a unique and enhanced role serving the exchanges among the three places and across the Straits. In response to Mr Albert CHAN's enquiry, she advised that the signing of the ECFA had brought about little negative impact to Hong Kong.

13. Mr WONG Ting-kwong noted that under the terms of the ECFA, China agreed to eliminate in several stages the tariffs imposed on 539 types of imports from Taiwan whilst Taiwan would follow a similar time frame to eliminate the tariffs imposed on 267 types of goods from the Mainland. He opined that Hong Kong should leverage on the combined advantages of CEPA and ECFA in order to achieve greater synergy. He enquired whether Hong Kong could take advantage of the preferential bilateral trade treatment under ECFA, by post-processing Taiwanese products, such as its fruit produce, before transporting them to China under the CEPA arrangement to enjoy tariff concessions and vice versa.

Admin

14. PSCIT responded that whether Hong Kong could benefit from any post-processing arrangement would depend on the qualifying criteria for product origin under the ECFA and CEPA. Virtually all products of Hong Kong origin (around 1600) already enjoyed zero tariff under CEPA. At present, the Taiwanese products which could benefit from the zero-tariff concession under ECFA mainly consisted of agricultural products. The Administration would also try to take advantage of ECFA by leveraging on its strengths in professional services. Nevertheless, the Administration would endeavour to explore the feasibility of the member's proposal, and would consult the industry about their interest in the proposal.

15. Deputy Director-General of Trade and Industry (Multilateral, Regional Co-operation & Europe) supplemented that the 539 types of imports from Taiwan which could enjoy tariff concessions under ECFA mainly included agricultural products, petrochemicals, machinery, textiles and electronics. Over 200 types of such products originating from Hong Kong already enjoyed zero tariff upon entry to the Mainland under CEPA. Whether Hong Kong could benefit from the post-processing arrangement of Taiwanese products would hinge on the exact provisions of the ECFA in this respect. As for CEPA, qualifying origin criteria was already agreed for a wide range of products.

#### *Trade promotion*

16. Mr WONG Ting-kwong opined that the Administration should help Hong Kong businesses to forge closer links with their counterparts in Taiwan in a bid to develop the Mainland market. In response, PSCIT advised that since the establishment of its Taiwan Office in late 2008, TDC had established close links

with Taiwan's commerce and industry sectors, and had been actively encouraging various industries in Taiwan to use Hong Kong as a platform for promoting and developing their businesses. TDC's Taiwan Office had organized a series of economic and trade promotional and exchange activities covering a wide range of service industries. In total, over 300 Hong Kong enterprises and over 2,000 Taiwanese enterprises had participated in these activities. The Taiwan Office had also assisted Hong Kong enterprises in expanding their businesses in Taiwan by promoting their products and services through different channels, including conferences and seminars. In the past year, promotion activities organized by the Taiwan Office took place in Taipei, Taichung and other Taiwan counties and cities.

*Tourism*

17. Ms Emily LAU enquired about the possibility of waiving the entry permit requirement for Hong Kong tourists going to Taiwan and Taiwan tourists coming to Hong Kong. Before the requirement could be waived, she urged the Administration to explore with the Taiwanese authorities further measures to streamline the procedure in granting entry permit-on-arrival to Hong Kong residents.

18. PSCIT responded that the Administration had introduced in the past few years various measures to facilitate Taiwan tourists in visiting Hong Kong, including the iPermit service and allowing Taiwan residents holding "Tai Bao Zheng" (台胞証) to visit Hong Kong and stay for seven days without being required to hold an entry-exit endorsement for the Mainland. Further measures to facilitate visits to and from Taiwan would be explored. At the Chairman's request, PSCIT agreed to relay the member's view to the Security Bureau for follow-up action.

Admin

*Summing up*

19. In summing up, the Chairman urged the Administration to keep up the effort in helping to improve Hong Kong's business environment and the competitiveness of its enterprises.

**IV. Any other business**

20. The Chairman thanked members and representatives of the Administration for attending the last Panel meeting of the 2009-2010 legislative session and their contributions in past meetings.

21. There being no other business, the meeting ended at 3:30 pm.