

## **For Information**

### **Legislative Council Panel on Commerce and Industry**

#### **Arrangements for the Establishment of the Hong Kong-Taiwan Economic and Cultural Co-operation and Promotion Council**

### **Purpose**

This paper briefs Members on the arrangements for the establishment of the Hong Kong-Taiwan Economic and Cultural Co-operation Council (“ECCPC”).

### **Background**

2. The Chief Executive proposed new strategies for developing our relations with Taiwan in the 2009-2010 Policy Address, which included the establishment of a new cooperation framework — to promote multi-faceted, multi-level exchanges with Taiwan by establishing the ECCPC. Separately, we will strengthen bilateral economic co-operation with Taiwan, particularly on trade in services, with a view to enhancing developments which are beneficial to the two places. The Chief Executive also proposed that Hong Kong should play an active role in financial, economic and trade, tourism and other exchanges among the Mainland, Taiwan and Hong Kong — which included the provision of cross-Strait Renminbi clearing services. We will also seek to enable Hong Kong travel agents to operate in the Mainland tours to Taiwan, and explore the further development of cross-Strait Mainland-Hong Kong-Taiwan multi-destination tourism products, including air and cruise packages.

3. On the establishment of a new cooperation framework, Hong Kong and the Taiwanese sides have closely liaised with each other. With the concerted efforts of both sides, the ECCPC will be established on 1 April, while its counterpart, the Taiwan-Hong Kong Economic and Cultural Co-operation Council (“ECCC”), will also be established very soon.

## **Organizational Structure of ECCPC**

4. Although the ECCPC is not a government entity, the HKSAR government will provide full support and resources to the Council to push ahead relevant work and activities. Mr John Tsang, Financial Secretary will serve as the Honorary Chairperson of the ECCPC. The Hon Charles Lee Yeh-kwong will be the Chairperson. Mr Stephen Lam, Secretary for Constitutional and Mainland Affairs, will serve as the Executive Vice Chairperson. Mrs Rita Lau, Secretary for Commerce and Economic Development, and Mr Tsang Tak-sing, Secretary for Home Affairs, will serve as the Vice-Chairpersons. High level representatives from various policy bureaux and relevant quasi-government organizations, including the Commerce and Economic Development Bureau, the Constitutional and Mainland Affairs Bureau, the Financial Services and the Treasury Bureau, the Transport and Housing Bureau, the Security Bureau, the Information Services Department, the Economic Analysis and Business Facilitation Unit, the Hong Kong Monetary Authority, the Hong Kong Trade Development Council and the Hong Kong Tourism Board will act as Directors of the ECCPC to oversee its work. The Constitutional and Mainland Affairs Bureau will provide secretariat support to the ECCPC.

5. As exchanges between Hong Kong and Taiwan cover a wide spectrum of topics, the ECCPC will invite respectable leaders from relevant sectors to act as Advisors to provide professional advice and guidance to the work of the ECCPC where necessary. At present, the ECCPC has invited the Hon Lawrence Lau Juen-ye, the Vice-Chancellor of the Chinese University of Hong Kong and a Non-official Member of the Executive Council, to be an Advisor of the ECCPC.

## **Legal Status of ECCPC**

6. With the authorisation by the HKSAR government, we hope that the ECCPC can engage the ECCC in discussions and negotiations on various public policy related issues, and to sign memoranda of co-operation and other relevant documents with the Taiwanese sides. To facilitate the operation, the HKSAR government will incorporate the ECCPC as a limited company with an legal person status under the Companies Ordinance over the next few months.

## **Hong Kong-Taiwan Business Co-operation Committee**

7. At the corporate level, the Hong Kong-Taiwan Business Co-operation Committee (“BCC”) will be formally established on 1 April to facilitate direct communication between the trade and industries in Hong Kong and Taiwan and to foster closer co-operation in trade, investment and tourism. The Hong Kong Trade Development Council will serve as the Committee’s secretariat.

8. The BCC will act as the counterpart of the Economic Co-operation Committee under the ECCC. Mr David Lie will act as the Chairperson of the BCC and the Vice-Chairperson of the ECCPC. This arrangement will help align the vision and work plan of the BCC and those of the ECCPC.

## **Priority Areas for Co-operation between Hong Kong and Taiwan**

9. With the establishment of the new platforms, we expect to see multi-faceted and multi-level exchanges with Taiwan. For example, on the financial front, Hong Kong and Taiwan can discuss enhancement of co-operation in financial regulation between the two places. On the health portfolio, we can discuss with the Taiwanese side on issues such as public health, infectious disease, medical services, clinical trials and exchange of drug-related information, etc. On the issue of avoidance of double-taxation, we will continue to discuss with the Taiwanese side relevant arrangements relating to shipping income. We also plan to strengthen liaison and co-operation with Taiwan in other policy areas, such as the services trade, tourism, sports and cultural exchanges, and notary services.

10. From now on, we hope that Hong Kong and Taiwanese officials can exchange views on issues of mutual concern in appropriate capacities under this umbrella, and that both sides can look into areas where co-operation could be strengthened, so as to promote high-level exchanges between Hong Kong and Taiwan.

## **The Financial Secretary’s Visit to Taiwan**

11. The ECCPC and the ECCC plan to hold their first joint meeting in the coming few months. In his capacity as the Honorary Chairperson of ECCPC, the Financial Secretary hopes to lead a delegation comprising

members of the ECCPC and the BCC to visit Taiwan within this year to attend meetings, discuss issues on bilateral co-operation and conduct visits, so as to foster exchanges between Hong Kong and Taiwan.

### **Information**

12. This paper is issued for Members' information.

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