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Panel on Commerce and Industry

Meeting on 21 June 2011

Updated background brief on the work of the Hong Kong Economic and Trade Offices and the Office of the Government of the HKSAR in Beijing

Purpose

This paper provides a summary of views expressed by the Panel on Commerce and Industry (the Panel) on the work of the Hong Kong Economic and Trade Offices¹ (ETOs) and the Office of the Government of the HKSAR in Beijing (BJO) in 2009-2010.

Background

2. The ETOs and BJO, with the exception of the Geneva ETO whose main function is to represent the HKSAR as a member of the World Trade Organization (WTO), perform the major function of promoting Hong Kong's economic and trade interests, and strengthening economic ties and cooperation between Hong Kong and its trading partners. The ETOs and BJO also seek to promote Hong Kong's image as an international city, a vibrant and free economy. In conjunction with Invest Hong Kong, the ETOs help to attract more inward investment into Hong Kong and overseas business entities to set up their regional offices or headquarters in Hong Kong. The ETOs monitor the political and economic developments in the countries/places which fall within their respective purviews, and maintain close network of contacts with the governments, legislative bodies, business communities, the media, think-tanks and academia. BJO is responsible for

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ETOs include Geneva ETO, Washington ETO, New York ETO, San Francisco ETO, Brussels ETO, London ETO, Berlin ETO, Tokyo ETO, Sydney ETO, Singapore ETO, Toronto ETO, Guangdong ETO, Shanghai ETO and Chengdu ETO.

enhancing liaison and communications between the HKSAR Government and the Central People's Government.

3. Since 1995, it has been the practice for overseas/Mainland ETOs and BJO to report their work to the Panel on an annual basis.

Discussion by the Panel on Commerce and Industry

- 4. At the Panel meeting on 15 June 2010, the overseas/Mainland ETOs and BJO briefed members on their work between June 2009 and May 2010.
- 5. Some Panel members expressed concern about the economic situation in Europe and the United States and the possibility of a second wave of the financial tsunami. They urged the ETOs to keep Hong Kong enterprises abreast of the most updated information on the economic situation in Europe in a timely manner to facilitate business planning. Brussels ETO advised that the European Council and European Central Bank had formulated a number of measures to tackle the sovereign debt crisis and enhance budgetary discipline among Member States. A number of European countries had already implemented contractionary fiscal policies to reduce their budget deficits. Nevertheless, the situation would remain volatile and the Brussels ETO would monitor closely and report on significant developments.
- 6. As regards the protectionism and anti-dumping measures against China in the United States (US), the Administration advised that as a member of WTO, China could file complaints with WTO in protest against such actions. The ETOs in the US continued to monitor and report significant developments which might affect trade between the US and its key trading partners including Hong Kong. Regarding trade issues which would or might have a direct impact on Hong Kong, the Washington ETO was keeping close contact with the US Administration, Congress, and the business community with a view to gaining a better understanding of the US's position and explaining Hong Kong's stance.
- 7. Panel members called on the Government to step up efforts to strongly promote economic and trade collaboration between Hong Kong and member countries of the Association of Southeast Asian Nations (ASEAN), so as to capitalize on Hong Kong's advantage in connecting the Mainland, in particular the Pearl River Delta, with ASEAN region. They also urged ETOs in the Mainland to provide assistance to Hong Kong businessmen involving disputes in the Mainland. More assistance should be given to local small and medium enterprises (SMEs) operating in the Mainland to upgrade and restructure, as well as to explore and identify sites for relocation. In this connection, members called on the Administration to provide the latest

market information to these SMEs to facilitate their business planning.

The Administration advised that the ETOs in the Mainland would 8. follow up on the complaints concerning Hong Kong enterprises involved in commercial disputes in the Mainland, including providing them with a list of Mainland lawyers, and explaining to them the legal procedures in the However, according to the laws of the Mainland, the ETOs in the Mainland had no right to visit Hong Kong residents who were detained in The Guangdong ETO would continue to disseminate regularly information relating to upgrading and restructuring to Hong Kong enterprises operating in the Mainland, and help organize trade delegations to the Mainland for exploring and identifying sites for relocation. The Shanghai ETO would assist SMEs explore new cities identified by the Ministry of Commerce for the relocation of processing trade, including Wuhan and Hefei. The Chengdu ETO would gather the latest market intelligence for Hong Kong SMEs and disseminate the information through its monthly bulletin.

Latest position

9. The Heads of ETOs and BJO will brief the Panel on 21 June 2011 on their work since their last report in June 2010.

Relevant papers

Information paper on reports on the work of the overseas Hong Kong Economic and Trade Offices provided by the Administration for the Commerce and Industry Panel meeting on 15 June 2010

http://www.legco.gov.hk/yr09-10/english/panels/ci/papers/ci0615cb1-2191-3

-e.pdf

Information paper on report on the work of Hong Kong Special Administrative Region's Offices in the Mainland provided by the Administration for the Commerce and Industry Panel meeting on 15 June 2010

http://www.legco.gov.hk/yr09-10/english/panels/ci/papers/ci0615cb1-2191-4-e.pdf

<u>Updated background brief prepared by the Legislative Council Secretariat for the Commerce and Industry Panel meeting on 15 June 2010</u>

http://www.legco.gov.hk/yr09-10/english/panels/ci/papers/ci0615cb1-2191-5-e.pdf

<u>Minutes of Commerce and Industry Panel meeting on 15 June 2010</u> http://www.legco.gov.hk/yr09-10/english/panels/ci/minutes/ci20100615.pdf

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