

For Information

Legislative Council Panel on Commerce and Industry

Establishment of a Multi-functional Office in Taiwan by Hong Kong

Purpose

This paper briefs Members on the relevant arrangements for the establishment of a multi-functional office in Taiwan by Hong Kong (“the Office”).

Background

2. The Chief Executive proposed new strategies for developing Hong Kong-Taiwan relations in the Policy Address 2009-2010, which included the establishment of the Hong Kong-Taiwan Economic and Cultural Cooperation and Promotion Council (“ECCPC”) to promote multi-faceted and multi-level exchanges with Taiwan. Separately, we would also consider setting up a multi-functional office in Taiwan at an appropriate time to enhance high-level exchanges between the two places.

3. The Financial Secretary visited Taiwan in August last year in his capacity as the Honorary Chairperson of the ECCPC to attend the Council’s first Joint Meeting with the Taiwan-Hong Kong Economic and Cultural Cooperation Council (“THEC”), and met with senior representatives of the Taiwanese authorities. During the visit, both sides reached consensus in a wide range of issues, and the Taiwanese side welcomed Hong Kong to establish a multi-functional office in Taiwan. Over the past months, Hong Kong and Taiwan have conducted multiple rounds of discussion through the ECCPC-THEC platform, with a consensus being reached recently. Hong Kong plans to set up the Hong Kong Economic, Trade and Cultural Office in Taiwan by the end of this year. This breaks new ground for exchanges between Hong Kong and Taiwan.

The Establishment and Functions of the Hong Kong Economic, Trade and Cultural Office

4. The establishment of the Hong Kong Economic, Trade and Cultural Office will be similar to that of Hong Kong's Economic and Trade Offices ("ETOs") in the Mainland. According to our preliminary plan, we intend to station around seven to eight officers from Hong Kong at the Office, and recruit other local staff in Taiwan to provide administrative support. We will further consider the manpower plan of the Office and submit our proposal to this Panel for consideration before seeking approval from the Finance Committee.

5. The functions of the Office will also be similar to that of Hong Kong's ETOs in the Mainland, including:

- (a) to promote economic relations, investment, financial services and business exchanges, etc between Hong Kong and Taiwan;
- (b) to enhance cultural, education, tourism and other exchanges between Hong Kong and Taiwan;
- (c) to strengthen cooperation between Hong Kong and Taiwan in areas such as technology, transport, medical services, public health and food safety, etc;
- (d) to provide assistance to Hong Kong residents in Taiwan to the extent possible;
- (e) to assist in handling matters relating to entry applications from Taiwanese residents where necessary; and
- (f) other relevant services.

6. To further facilitate multi-faceted cooperation between Hong Kong and Taiwan, staff of the Office can liaise with relevant authorities in Taiwan when necessary to discuss and study issues of mutual concern.

7. Hong Kong and Taiwan have also agreed in principle that our staff stationed at the Office can enjoy certain facilitation arrangements in Taiwan under the principle of reciprocity, which include reduction or

exemption from salaries tax in Taiwan and access to restricted areas of airports and other ports of entry to greet and see off important visitors from Hong Kong when necessary, etc. At the same time, senior officials and other important persons of Hong Kong could also enjoy entry facilitation arrangements when visiting Taiwan. Both sides will continue to discuss the implementation details relating to these facilitation arrangements.

8. With the establishment of a Hong Kong multi-functional office in Taiwan in the near future, and in the spirit of reciprocity, we have agreed that the Chung Hwa Travel Service could change its name to “Taipei Economic and Cultural Office” with effect from 15 July this year to reflect its functions. At the same time, we have also agreed that Taiwanese staff seconded to work in this organization could enjoy similar facilitation arrangements in Hong Kong under the principle of reciprocity.

9. This paper is issued for Members’ information.

Constitutional and Mainland Affairs Bureau
July 2011