

**Information Paper for
LegCo Panel on Commerce and Industry**

**Reports on the Work of the Overseas
Hong Kong Economic and Trade Offices**

This paper informs Members of the work of the 11 overseas Economic and Trade Offices (ETO) since our last report in June 2011. The work reports of individual ETOs are set out in the following Appendices -

<u>ETO</u>	<u>Appendix</u>
Geneva ETO	1
Washington ETO	2
New York ETO	3
San Francisco ETO	4
Brussels ETO	5
London ETO	6
Berlin ETO	7
Tokyo ETO	8
Sydney ETO	9
Singapore ETO	10
Toronto ETO	11

Report on the Work of the Geneva ETO

The principal function of the Geneva ETO is to represent Hong Kong, China (HKC) as a Member of the World Trade Organisation (WTO). It also represents HKC as a Member in the Advisory Centre of WTO Law (ACWL), and as an observer to the Trade Committee of the Organisation for Economic Cooperation and Development (OECD) in Paris.

Commercial Relations

2. After a further round of intensified negotiations in early 2011, Members of the WTO accepted that concluding the Doha Development Agenda (DDA) within 2011 would not be possible. The WTO then embarked on a process aimed at delivering a smaller package, centered on Least-developed Countries (LDCs) issues, by the Eighth Ministerial Conference (MC8) in December 2011 as early harvest. However, it became clear in July 2011 that the early harvest package was not taking shape.

3. In these difficult times, HKC participated actively in areas where compromises were still possible. The MC8 eventually adopted a number of decisions, including a waiver for Members to give preferential treatment in trade in services for LDCs. Notwithstanding the above disappointments, the MC8 was able to celebrate the eventual conclusion of the decade-long negotiation for a revised Government Procurement Agreement (GPA), in which HKC had participated actively as a Party. The revised GPA greatly expanded market access on government procurement, and paved way for accession to the GPA by other acceding Parties such as China. Another positive outcome of the MC8 was the completion of the accession negotiations of the Russian Federation into the WTO. The MC8, however, acknowledged the reality that the Doha round was at an impasse. Ministers recognised the need to explore “different negotiating approaches” more fully to advance negotiations in areas where progress was still possible. Ministers also emphasised the systemic value of the rules-based Multilateral Trading System (MTS) and agreed to strengthen it and make it more responsive to the needs of members. They reinforced the vital role of the WTO in the fight against all forms of protectionism and in promoting economic growth and development.

4. To take forward a ministerial decision on LDC Accessions agreed at the MC8, the Sub-committee on LDCs met intensively in the first half of

2012 to develop recommendations further to strengthen, streamline and operationalise the 2002 LDC accession guidelines. HKC, together with a small group of WTO Members, presented a compromise proposal which was instrumental in bridging the gaps between demandeurs and the LDC Group. Subsequently, the LDC accession package was adopted by the General Council in July 2012. The Geneva ETO also participated in the intensive consultations carried out under the special session of the Committee on Trade and Development, trying to take forward the discussions on the Monitoring Mechanism and other proposals to operationalise various special and differential treatment provisions in the WTO Agreements for developing countries.

5. Trade facilitation featured strongly in the G20 Trade Ministerial meeting in Mexico in April 2012 as a possible candidate for early harvest given its win-win potential for all WTO Members. The Negotiating Group on Trade Facilitation held several rounds of negotiations, supplemented by intensive facilitators-led process and members/proponents-driven activities, seeking to find compromises to take forward various areas of the draft negotiating text. HKC was appointed as one of the facilitators to lead the negotiations to clean up the draft text. Steady progress had been achieved but substantive differences between members on the draft provisions still remained.

6. Members had also been stepping up efforts to explore the launch of negotiations on expanding the Information Technology Agreement (ITA). At the ITA Symposium held in May 2012, the majority of members supported the launch of negotiations to expand the ITA product coverage to make it commensurate with technological developments and changes in the information and communication technology sector. Since then, a small group of members, including HKC, has held several informal meetings with a view to drawing up a draft consolidated product list, which is now under consideration by all members.

7. In respect of services negotiations, a number of members, including HKC, had embarked on an initiative to explore the possibility of negotiating a stand-alone agreement amongst the participants which might serve as a stepping stone for subsequent multilateralisation. Four rounds of discussion have been held since early 2012 and the group has expanded to include 20 members. There was a shared willingness to further intensify the discussions.

8. HKC also participated actively in discussions, mainly through the work of the Trade Policy Review Body, that could strengthen the WTO's

capability in monitoring trade developments of members, especially those which might lead to greater protectionism. We also continued to participate extensively in the peer reviews of members' trade policies.

9. In addition, the Geneva ETO continued to participate in the work of regular WTO committees and bodies. We also took part in the negotiations on the improvement and clarification of the Dispute Settlement Understanding. In his personal capacity, Deputy Representative, Geneva (2) was elected as the Chairman of the Committee on Subsidies and Countervailing Measures.

10. Outside the WTO, the Geneva ETO participated in the work of the Trade Committee of the OECD throughout the past year. We supported the attendance of the Secretary for Commerce and Economic Development (SCED) at the informal Ministerial Meeting held in the margins of the Annual Meeting of the World Economic Forum in Davos, Switzerland in January 2012, the Trade Session of the OECD Ministerial Council Meeting in Paris in May 2012 and the informal Ministerial Meeting hosted at the margins of that meeting by Australia. In addition, we also participated in the work of the ACWL. Separately, the International Textiles and Clothing Bureau, of which we were a member, had been wound up.

Looking ahead

11. In the coming year, the Geneva ETO will continue to advance and defend the commercial interests of HKC, and uphold the systemic value of the MTS and the WTO. We shall intensify work in individual negotiation fronts that could inject additional impetus to the WTO. We will also engage in the preparatory work for the Ninth Ministerial Conference to be held in Bali, Indonesia, in early December 2013 and will serve as an active pro-system Member to help broker deliverables that can enrich the rules-based world trade system. The nomination and appointment in September 2013 of the new Director General of the WTO will also be an issue of focus in 2013. In parallel, we will continue to contribute to the work of the OECD.

Hong Kong Economic and Trade Office, Geneva
November 2012

Report on the Work of the Washington ETO

The main functions of the Washington ETO are to monitor political and economic developments of the United States of America (US), to keep a close watch on legislative proposals, executive actions and general sentiments in the US capital that may affect Hong Kong and to represent Hong Kong's economic interests in the US capital. The Washington ETO also promotes Hong Kong's image as an international city with a vibrant and free economy, as well as a diverse and law-abiding community under the "One Country, Two Systems" principle.

US Economic and Political Landscape

2. President Obama was re-elected on 6 November 2012 by winning at least 303 electoral votes¹, including most key swing states, against Republican candidate and former Massachusetts Governor Mitt Romney who received 206 electoral votes. In his acceptance speech, President Obama said his priority would be to sit down with Governor Romney to talk about how they could work together to move the US forward, as well as working with the Congress to reduce the federal deficit, reform the tax code and other issues.

3. As regards the congressional elections, both the Democrats and Republicans had succeeded in maintaining their respective majority control in the Senate and the House.

4. As a consequence of the Congress' inability to reach agreement on a deficit reduction plan in November 2011, an automatic across-the-board spending cut of USD1.2 trillion is scheduled to take effect from January 2013. In addition, President Bush's tax cuts, extended by the Obama Administration in 2010, would expire by the end of 2012, leading to rather substantial hikes in income tax rates and capital gains tax rate. The US Congressional Budget Office recently cautioned that unless the Congress and the US Administration could resolve these issues in time before the end of 2012, the federal spending cuts and tax hikes (collectively known as "fiscal cliff") might lead to another recession and a higher unemployment in the US. House Speaker John Boehner (Republican) recently expressed

¹ As of 8 November, the result of Florida remained too close to call, but since President Obama has already secured more than 270 electoral votes necessary for victory, it would not affect the overall result.

some degree of flexibility to work with the Administration to address the issue.

5. There have been mixed signs showing a slow and sluggish recovery of the US economy. In September 2012, the Federal Reserve Board (Fed) lowered its GDP forecasts for the US to 1.7% - 2% for 2012 and 2.5% - 3% for 2013. In October 2012, the International Monetary Fund (IMF) forecasted the US economy to grow by 2.2% and 2.1% respectively in 2012 and 2013. The unemployment rate dropped for the first time below 8% to 7.8% in September 2012, the lowest level since January 2009, although it rebounded slightly to 7.9% in October 2012. Job creation has gradually improved since the second quarter of the year, with a monthly average of 173 000 jobs created from July to October 2012. US exports in goods and services have remained rather stable this year, while imports have dropped in the third quarter, resulting in an improvement in US trade deficit against its trading partners from a monthly average of USD49.4 billion in the first quarter to USD42.6 billion in the third quarter. To help US economic recovery, the Fed announced a third round of quantitative easing (QE3) in September 2012. Under QE3, the Fed will keep short-term interest rates at exceptionally low levels until mid-2015 and will continue to purchase agency mortgage-backed securities each month until the outlook for the labour market has improved substantially.

Commercial Relations

6. Over the reporting period, the Washington ETO continued to help foster Hong Kong-US commercial relations through engaging federal agencies, Congressional Members and staffers, and other opinion-formers to discuss matters of common interests; facilitating bilateral trade; and monitoring development including legislative and administrative initiatives that might affect Hong Kong. Bearing in mind Mainland China and the US are Hong Kong's largest trading partners and Hong Kong's special relationship with Mainland China, the Washington ETO also closely monitored the development of their economic and trade relations.

7. The Washington ETO continued to keep a close eye on and report significant developments in the US which might potentially affect the trade and economic relationship between the US and its key trading partners. These issues included, among others, proposed legislation to enhance enforcement of US trade laws; bilateral, regional and multilateral trade negotiations involving the US and its trading partners; major trade disputes involving the US and Mainland China; the US position on the Chinese currency (Renminbi); the US fiscal and monetary policies; as well as the

implementation of major financial reform initiatives under the US Dodd-Frank Wall Street Reform and Consumer Protection Act. The Washington ETO liaised closely with the US Administration, the Congress and the business community with a view to gaining an updated understanding of the developments and explaining their impacts on Hong Kong.

Public Relations

8. The Washington ETO engaged its interlocutors on a regular basis to update them on various developments in Hong Kong. They were assured that Hong Kong continued to enjoy a high degree of autonomy under the “One Country, Two Systems” principle. In addition to liaising with interlocutors in Washington, D.C., the Commissioner for Economic and Trade Affairs, USA (C,USA) also made regular trips to various cities across the US to call on senior state and local government officials, state legislature leaders, business leaders, members of the academia and think-tanks; to conduct talks at chambers of commerce and universities; and to give media interviews to explain Hong Kong’s latest developments and business opportunities for the US.

9. The Washington ETO organised a spring reception in Washington, D.C. in February 2012 to celebrate the Chinese New Year and another reception in June 2012 to commemorate the 15th anniversary of the establishment of the Hong Kong Special Administrative Region (HKSAR). During summers of 2011 and 2012, the Washington ETO organised, in conjunction with the Smithsonian Institution’s Freer Gallery of Art, the Annual “Made in Hong Kong” Film Festivals to promote Hong Kong movies in Washington, D.C.

10. In November 2011, prior to his visit to Honolulu, Hawaii for attending the 19th Asia-Pacific Economic Cooperation (APEC) Economic Leaders’ meeting, the former Chief Executive (CE) paid a visit to Washington, D.C. The Washington ETO arranged meetings for the former CE with senior government officials and political leaders including the Deputy Secretary of State, the Senate Majority Whip, and the Chairman of the Senate Republican Policy Committee. The former CE also conducted three speaking engagements hosted by two think-tanks and a business association in addition to holding an editorial board meeting with the Washington Post. The Washington ETO also assisted in lining up a session between the former CE and the Secretary of State in Honolulu.

11. In September 2011, the Financial Secretary (FS) visited Washington, D.C. to attend the annual meetings of the World Bank/IMF.

The Washington ETO arranged the FS to call on the Fed Chairman, senior Treasury Department officials, and key representatives of financial institutions and credit rating agencies to update them on the latest economic development in Hong Kong and to exchange views on issues of mutual interest.

12. In March 2012, the Secretary for Financial Services and the Treasury visited Washington, D.C. during which he met with the Managing Director of IMF, senior officials from the State Department, Treasury Department, and various federal financial regulatory agencies to exchange views on the global economic outlook and the impact of US financial reforms.

13. As a special assignment, the Washington ETO was tasked to organize a visit for the former CE to Santiago, Chile; and Brasilia and Sao Paulo, Brazil in April 2012 to advance Hong Kong's economic and trade relations with these two important emerging markets in South America. The former CE held meetings with senior officials and political leaders including the Vice President, Finance Minister, Acting Minister of Foreign Affairs, Undersecretary of Economy, Development and Tourism, Central Bank Governor, Presidents of the Senate and the Chamber of Deputies in Chile; and senior officials from the Ministry of Development, Industry and Foreign Trade and National Confederation of Industry, and Central Bank Governor in Brazil to update them on the latest development of Hong Kong. The former CE also conducted six speaking engagements in Santiago and Sao Paulo to encourage the business communities to take advantage of Hong Kong's distinct roles as a premier gateway to and a global financial centre for China. The former CE visited the BM&F Bovespa, the largest stock exchange in Latin America based in Sao Paulo, and conducted six media conferences and interviews in Chile and Brazil to introduce the strengths of Hong Kong. In addition to raising the profile of Hong Kong in both countries and drawing their attention to the successful implementation of the "One Country, Two Systems" principle in Hong Kong, the visit had successfully established potential collaboration opportunities at the government-to-government levels and generated greater interests amongst the Chilean and Brazilian business communities in exploring business opportunities with or through Hong Kong to reach out to Asia.

14. The Washington ETO also gave support to the FS when he attended the G20 Leaders' Summit in June 2012 in Los Cabos, Mexico. The FS also held meetings with senior Mexican officials, including the Secretary of Economy and Central Bank Governor; and signed the Comprehensive

Agreement for the Avoidance of Double Taxation with the Mexican Secretary of Finance and Public Credit.

Looking Ahead

15. Facing the risks of the “fiscal cliff” in January 2013 which may lead to another recession should the Congress and the Administration fail to reach an agreement, the US Administration has been trying to boost American exports through various means, including pressing ahead with trade negotiations on regional and plurilateral fronts, stepping up its trade enforcement against trade barriers to American exports and foreign government subsidy on exports to the US, and resorting more to the dispute settlement mechanism under the WTO to address trade frictions, especially those with China. The Washington ETO would keep a close eye on these developments and their potential implications on Hong Kong.

16. Notwithstanding Hong Kong’s positive economic and trade relations with the US, the Washington ETO will remain vigilant against any uncertainties in US-China relations spilling over to Hong Kong. We will also closely monitor new policy initiatives by the current and the next terms of the US Administration and the Congress.

Hong Kong Economic and Trade Office, Washington, D.C.
November 2012

Report on the Work of the New York ETO

The New York ETO is responsible for promoting the economic and trade interests of Hong Kong, and strengthening economic ties and network between Hong Kong and the 31 eastern states of the US.

Commercial Relations

2. Over the reporting period, the New York ETO continued to step up its efforts and conducted out-of-state visits to reach out to the business community, political and government leaders, think-tanks, major universities, art and cultural institutions, and the media in the Eastern US to promote Hong Kong as an international financial, trading, logistics, cultural and tourism hub, as well as a gateway to Asia, particularly Mainland China. In addition, it had also arranged programs for senior HKSAR Government officials visiting the Eastern US.

3. In November 2011, the former CE conducted a visit in New York City and Boston to promote Hong Kong. He spoke at a seminar organized by the Council on Foreign Relations and at the renowned John F. Kennedy Jr. Forum at Harvard University; and attended meetings with senior executives of the New York Stock Exchange and major financial corporations in New York to exchange views on the global economy.

4. In September 2011, the FS visited New York City to update the business sector on the latest developments in Hong Kong and to meet with important figures and organisations in the financial services sector including the Federal Reserve Bank of New York. He also visited Chicago to officiate at an inaugural dinner hosted by Cathay Pacific to celebrate its new direct passenger service between Hong Kong and Chicago, and called on key local government officials and financial institutions.

5. In September 2011, the former Secretary for Food and Health visited New York City to attend the United Nations High-Level Meeting on Prevention and Control of Non-Communicable Diseases and then visited the US Centers for Disease Control and Prevention in Atlanta. The former Deputy Secretary for Transport and Housing (Transport) and key members of the Hong Kong Logistics Development Council also visited New York City in September 2011 to meet the local logistics industry and to promote Hong Kong's position as the premier logistics and shipping hub in Asia at a

large-scale seminar-cum-luncheon organized by the New York ETO and the Hong Kong Trade Development Council (HKTDC).

6. In March 2012, the Secretary for Financial Services and the Treasury visited New York City and Boston to promote Hong Kong's strengths as an international financial centre. During his visit, he met with key interlocutors in the business and financial services sectors and spoke at a major promotional event titled "Hong Kong: China's Global Financial Centre" organized by the Financial Services and the Treasury Bureau and Invest Hong Kong (InvestHK). In the same month, the Permanent Secretary for Education conducted a visit to New York City to attend an international education summit on teaching profession and meetings arranged by the New York ETO to promote Hong Kong's strength as an education hub. Separately, the Commissioner for Tourism, together with the Executive Director of the Hong Kong Tourism Board (HKTB), also visited Florida in March 2012 to promote the latest developments of cruise tourism in Hong Kong.

7. Apart from the above visits by senior officials, the C,USA and the Director of the New York ETO had undertaken their own promotional and outreach efforts in the Eastern US. During the reporting period, they jointly or individually visited 33 cities in 18 states to call on senior state and local government officials including governors, cabinet secretaries and mayors; state legislators; academia; think-tanks; and business leaders to foster and strengthen economic and trade ties. They also gave talks on Hong Kong and conducted media interviews. The cities visited included Birmingham, Montgomery and Monroeville, Alabama; Bentonville and Little Rock, Arkansas; Miami, Florida; Atlanta, Georgia; Chicago and Aurora, Illinois; Indianapolis, Indiana; Covington, Frankfort and Georgetown, Kentucky; Boston, Quincy, Cambridge, Medford and Becket, Massachusetts; Baltimore and Rockville, Maryland; Manchester, New Hampshire; Jersey City, Princeton and Trenton, New Jersey; Albany and New York City, New York; Cincinnati and Columbus, Ohio; Philadelphia, Pennsylvania; Providence, Rhode Island; Columbia, South Carolina; Memphis, Tennessee; and McLean, Virginia.

8. Partly because of these outreaching efforts, the New York ETO succeeded in attracting reciprocal visits to Hong Kong by US political leaders, state officials, businessmen and prominent academics, including Mr Kirk Sykes, the Chairman of the Federal Reserve Bank of Boston; Mr Charles Evans, the President and CEO of the Federal Reserve Bank of Chicago; and Mr Greg Canfield, the Secretary for Commerce of Alabama, etc. During the reporting period, the New York ETO had altogether

arranged the visits of five US official/trade delegations, 11 individual/group visitors and four sponsored visitors to Hong Kong. Notably, Governors of a number of Eastern US states, including Arkansas, Connecticut, Illinois, and Maine visited Hong Kong for the first time. The New York ETO would continue to maintain close ties with their offices and engage them in its activities.

Public Relations

9. The New York ETO organized its first spring reception in Miami in February 2012, in addition to its four annual spring receptions in New York City, Chicago, Atlanta, and Boston to celebrate the Chinese New Year. These spring receptions remained a very effective way in reinforcing and expanding the ETO's networks in these key cities.

10. To celebrate the 15th anniversary of the establishment of the HKSAR in 2012, the New York ETO held several ground-breaking events to raise Hong Kong's profile. In May 2012, it held the first-ever "Hong Kong Day" reception in the New York State Capitol Building in Albany, which was well attended by over 170 New York State legislators and staffers. In June 2012, we held the first-ever "Hong Kong-Alabama Day" reception in Montgomery, Alabama. The event was attended by around 150 guests including Alabama's cabinet ministers, mayors and business leaders, both Governor Robert Bentley of Alabama and the C,USA gave remarks on the Alabama-Hong Kong ties. In New York City, the New York ETO also held a large-scale 15th anniversary reception in June 2012, attracting over 300 guests.

11. Promoting Hong Kong's cultural distinction was also an important part of the New York ETO's work. To celebrate Hong Kong's Year of Design 2012, it collaborated with Asia Society to organize a forum titled "Hong Kong: New Force in Art and Design" in April 2012, featuring Hong Kong designers Gary Chang and James Law. To further promote Hong Kong's creative industries, it also held three movie screenings in Atlanta, Chicago, and New York City and sponsored the Hong Kong Movies Series in the annual New York Asian Film Festival. The latter was graced by the presence of Hong Kong actor Donnie Yen and Director Pang Ho-cheung in July 2012, as well as Director Tsui Hark in July 2011.

12. The New York ETO also capitalized on visits by Hong Kong's performance groups to promote the 15th anniversary theme. For example, it hosted a reception to reach out to contacts in the art and culture sectors as well as state legislators when the Hong Kong Ballet performed in the

Jacob's Pillow Dance Festival in Becket, Massachusetts in July 2012. It continued to sponsor a number of annual publicity events, including the Hong Kong Dragon Boat Festivals ("DBF") in Boston, Atlanta and New York. With the participation of over 60 000 spectators and over 180 teams, the DBF in New York was the largest in scale among all DBFs in the US and was heralded by the Bell Ringing Ceremony at the New York Stock Exchange in July 2012.

13. The New York ETO had also made extra efforts to reach out to universities by holding speaking engagements at 16 universities across the Eastern US (e.g. Princeton University and the University of Pennsylvania) to promote Hong Kong as a gateway to China and an international education hub. It also arranged meetings with renowned professors and opinion leaders to update them of the latest developments in Hong Kong. In January 2012, a Chinese New Year reception for university students in the Greater New York Region was held to strengthen and expand the New York ETO's network among universities. It also held the inaugural "Hong Kong Cup Chinese Speech Contest" in October 2011 to promote interest in Hong Kong among local university students learning Chinese as a second language. These events were well received and helped generate greater interest in Hong Kong among academics and students.

Investment Promotion

14. Over the reporting period, the Investment Promotion Unit (IPU) of the New York ETO met with 354 companies and assisted 42 companies to establish business operations in Hong Kong. The strong performance was in part due to the continuing high level of interest in Asian-location business services, information technology, and financial services firms. The IPU also took advantage of the visit by the Director-General of Investment Promotion in March 2012 to organize promotional events and focused on investment attraction through high-intensity networking and meetings with key executives of targeted companies. These included meetings with prospective investors in New York and a breakfast event in Chicago, etc.

Looking Ahead

15. For the last quarter of 2012, the New York ETO will promote/sponsor three major Hong Kong cultural events, including the performance by Hong Kong Sinfonietta and the Manhattan-Hong Kong Music Festival in New York City and the Hong Kong Film Festival in Chicago. It will also continue its efforts in promoting Hong Kong's

strengths and fostering closer ties with the Eastern US in 2013 through out-of-state visits and promotional events.

Hong Kong Economic and Trade Office, New York
November 2012

Report on the Work of the San Francisco ETO

The San Francisco ETO is responsible for promoting the economic and trade interests of Hong Kong, and strengthening economic ties and network between Hong Kong and the 19 western states in the US.

Commercial Relations

2. During the reporting period, the San Francisco ETO continued to reach out to the business community, political and government leaders, academic institutions, think-tanks and media in the Western US to promote Hong Kong as an international financial, trading, logistics, arts and culture, convention and tourism hub, China's global financial hub, as well as a gateway to Asia, particularly Mainland China. In addition, it organized visit programs for senior officials from Hong Kong in the Western US to spread the Hong Kong messages and gave them support when they attended the APEC Ministerial Meetings hosted by the US Government in 2011 on the West Coast.

3. In September 2012, the former Secretary for Transport and Housing (STH), joined by the Hong Kong Logistics Development Council, visited San Francisco and Los Angeles to promote Hong Kong as an international premium logistics and shipping hub. In addition to arranging visits to key logistics companies and Port of Long Beach, the San Francisco ETO organized a seminar-cum-luncheon featuring the former STH, the Council delegation and three prominent US industry speakers at Long Beach, as well as another luncheon featuring the former STH as the keynote speaker in San Francisco. It also provided logistics support to the former STH when she attended the APEC Transportation and Energy Ministerial Meetings in San Francisco and arranged side meetings.

4. In September 2012, the San Francisco ETO gave support to the Secretary for Labour and Welfare (SLW) and the former Secretary for Food and Health when they visited San Francisco to attend the 2011 APEC meetings. It also organized a side-program for SLW to visit a food bank and a service centre for migrants and the elderly in San Francisco.

5. In November 2011, the FS visited Los Angeles before proceeding to Honolulu, Hawaii for the APEC Ministerial Meeting. The San Francisco ETO arranged for the FS to call on the Los Angeles Mayor and to visit leading companies in the financial and digital entertainment fields. It also

arranged for the FS a business luncheon to promote Hong Kong's role as a global financial hub and an offshore Renminbi center, a reception to promote Hong Kong as a world class tourist destination, and a visit to the University of Southern California with a speaking engagement at a seminar for its students to spread the Hong Kong messages.

6. In November 2011, the San Francisco ETO provided logistics support for the former CE's participation in APEC Economic Leaders' Meeting and for the FS, SCED, and the former Under Secretary for Security when they attended the APEC Ministerial Meetings in Honolulu. In the margin of the APEC meetings, it also organized a reception for the former CE and SCED to promote Hong Kong as Asia's World City and a gateway to China to the business community and political leaders in Honolulu.

7. As part of our ongoing efforts to spread the Hong Kong messages, the C,USA and the Director of the San Francisco ETO (D(SF)) either jointly or individually visited a total of 16 key cities in 11 states in the Western US to call on senior state and city government officials including governors, cabinet secretaries and mayors, state legislature leaders, academia, think-tanks and business organizations to foster and strengthen economic and trade ties, and to conduct speaking engagements and media interviews. The cities visited included Phoenix, Arizona; San Francisco, Los Angeles and San Diego, California; Aspen, Colorado; Honolulu, Hawaii; Boise, Idaho; Reno and Carson City, Nevada; Oklahoma City, Oklahoma; Portland and Salem, Oregon; Houston and Dallas, Texas; Salt Lake City, Utah; and Seattle, Washington.

8. The San Francisco ETO spoke on numerous occasions to provide an update about Hong Kong to the business community, and other interlocutors including college students (e.g. the City College in San Francisco and the Boise State University in Boise) and to promote the City's business opportunities.

9. Over the reporting period, the San Francisco ETO provided assistance including arranging meetings and visits, providing information, etc, to facilitate the US government and elected officials, academic delegations and business delegations to visit Hong Kong. It also arranged speaking engagements for prominent non-government personalities visiting from Hong Kong to help promote the City.

Public Relations

10. In February 2012, the San Francisco ETO organized three Spring Receptions in San Francisco and Los Angeles, California; and Dallas, Texas to celebrate the Chinese New Year and to reinforce our networks with the business community and interlocutors.

11. To celebrate its 25th anniversary in 2011, the San Francisco ETO organized a reception with the former STH as the guest-of-honour in addition to inaugurating the first ever Hong Kong Cinema Festival in San Francisco in September 2011 to showcase Hong Kong's movies.

12. In view of the positive response, the San Francisco ETO subsequently organized the second Hong Kong Cinema Festival in San Francisco in September 2012, with a special theme to commemorate the 15th anniversary of the establishment of the HKSAR. It also sponsored the Portland International Film Festival in Oregon, the San Francisco International Film Festival and the Seattle International Film Festival in Washington.

13. Other events to commemorate the 15th anniversary organized by the San Francisco ETO included a reception for key interlocutors in San Francisco and sponsorship for the 15th HKSAR Cup at the San Francisco International Dragon Boat Festival. It also produced a commemorative video capturing endorsement of San Francisco leaders about the success of Hong Kong, and uploaded the video on its website and YouTube. The San Francisco ETO also capitalized on the tour of the Hong Kong Ballet in Santa Fe of New Mexico and Aspen of Colorado respectively in July and August 2012, to celebrate the 15th anniversary; and hosted a reception for local arts and culture leaders and the business community in Aspen to promote the cultural vibrancy of Hong Kong.

14. To promote wine business opportunities in Hong Kong, D(SF) spoke at three wine events, namely, a seminar in Santa Barbara, California organized by the Santa Barbara Vintners Association in April 2012; a brunch program at "Taste Washington", a major wine event held in Seattle in April 2012; and the Wine Export Seminar organized by the Idaho State Department of Agriculture and the Idaho Wine Commission in Boise in August 2012. The San Francisco ETO also set up a booth at the "Taste Washington" to promote Hong Kong's wine businesses.

Investment Promotion

15. During the reporting period, the IPU of the San Francisco ETO visited about 220 companies and assisted 22 companies to establish new business or expand their operations in Hong Kong. The IPU also organized a business luncheon for the Director-General of Investment Promotion in March 2012 in Los Angeles to promote “Hong Kong as China’s global financial center”.

Looking Ahead

16. In the coming 12 months, the San Francisco ETO will continue to conduct visits in its jurisdiction, and arrange Principal Officials’ visits and promotional activities to spread the Hong Kong messages.

HK Economic and Trade Office, San Francisco
November 2012

Report on the Work of the Brussels ETO

The Brussels ETO represents Hong Kong's economic and trade interests to the European Union (EU), the European Commission (EC) and the European Parliament (EP). It is also responsible for promoting Hong Kong's bilateral economic and trade relations with 15 European countries, namely Belgium, Bulgaria, Croatia, Cyprus, France, Greece, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Romania, Spain and Turkey.

Commercial Relations

2. The Brussels ETO maintains regular dialogue with the EC on various trade, customs and other trade-related subjects that are of interest to Hong Kong. We also monitor new legislations and administrative rules originating in the EU which may have an impact on the commercial interests of Hong Kong and Hong Kong companies, and make representations to the EC on behalf of the HKSAR Government where necessary.

3. Over the reporting period, the Eurozone sovereign debt crisis remained to be one of the biggest threats to the recovery of the global economy. We monitored closely and provided reports on major developments in the EU regarding this subject, particularly the situation in Greece, Portugal, Ireland, Spain and Italy, as well as measures taken by the EC, European Central Bank (ECB), IMF and the 27 EU member states to tackle the crisis.

4. We also followed and reported developments in the financial services regulatory reforms proposed in the EU. These included proposed regulations on banking supervision, alternative investment funds, credit rating agencies, and derivatives trading, etc.

5. As far as trade issues are concerned, we monitored the EC's legislative proposal for strengthening control on anti-dumping and anti-subsidy acts. We also reported on the EU's implementation of the emissions trading scheme; regulation on chemical substance registration, evaluation, authorisation and restriction; as well as investigations into individual cases related to food safety and food contact materials originating or exported from Hong Kong.

6. The fifth annual structured dialogue meeting between the EC and the HKSAR Government took place in Hong Kong in December 2011. The meeting covered issues ranging from economic relations to aviation, environment and educational cooperation. The two sides noted with satisfaction that bilateral trade and economic relations had continued to grow and bilateral trade had steadily returned to the levels attained prior to the financial crisis. There were also constructive exchanges on the regulatory reform of the financial services sector, as well as food and consumer product safety.

7. The Brussels ETO arranged visits of senior government officials to countries under its purview. In September 2011, the former CE visited Brussels and Antwerp to strengthen the bilateral ties between Hong Kong and the EU as well as Belgium. He met senior political leaders including the President of the European Council, Mr Herman Van Rompuy and exchanged views with them on the global financial situation and economic developments of Hong Kong. He also attended a gala dinner to celebrate the 25th anniversary of the Belgium Hong Kong Society.

8. In October 2011, the former Secretary for Justice (SJ) visited Paris, Brussels, The Hague and Amsterdam to promote Hong Kong as an arbitration and mediation centre in Asia, and to secure support from the Hague Conference on Private International Law to establish its Asia-Pacific Regional Office in Hong Kong. After SJ's visit, in April 2012, the Hague Conference endorsed the decision to set up a regional office in Hong Kong, which would be its second regional office after its Latin American regional office in Buenos Aires and its first in the Asia-Pacific region.

9. Other visits included visits by the Secretary for Financial Services and the Treasury to Brussels in June 2011, the former Secretary for Development to Paris, Nice and Cannes in July 2011, and the FS to Cannes to attend the G20 Leaders' Summit in November 2011. We also assisted in arranging the visits for the Under Secretary for Financial Services and the Treasury to Luxembourg in November 2011 and a delegation of the Town Planning Board to Barcelona, Bilbao and Madrid in September 2011.

10. In addition, the Brussels ETO collaborated with the HKTDC, and other local business associations, to organise business luncheons or seminars in 14 cities in nine countries to promote Hong Kong and its role as a gateway to the Mainland and Asian markets. These cities included

Amsterdam, Barcelona, Bologna, Brussels, Istanbul, Izmir, Lisbon, Madrid, Paris, Sofia, Turin, Valencia, Valletta and Venice.

11. The Brussels ETO also collaborated with the HKTB and other local associations to promote Hong Kong as a city for fine dining and a regional wine trading and distribution hub. Promotion events organized included participation in the Bordeaux River Festival in 2011 and the “Best of the Best” media lunch in Paris in June 2011. Hong Kong was also invited as the guest city of honour at the Bordeaux Wine Festival from 28 June to 1 July 2012. Two prominent pavilions of the HKTB were set up during the Festival to showcase Hong Kong as a holiday destination and to host demonstrations by starred Hong Kong chefs with food and wine tasting.

Public Relations

12. As in previous years, the Brussels ETO in collaboration with the HKTDC and other local business associations organised receptions in 11 cities, namely, Barcelona, Brussels, Dublin, The Hague, Istanbul, Luxembourg, Lisbon, Madrid, Milan, Paris and Venice to celebrate the Chinese New Year in February and March 2012. Around 2 000 guests from the diplomatic, political and business circles attended these events. Mr Herman Van Rompuy, President of the European Council attended our reception in Brussels as a special guest and made remarks highlighting the strong ties between the EU and Hong Kong.

13. The Brussels ETO organised a series of activities to celebrate the 15th anniversary of the establishment of the HKSAR in different European cities between June and September 2012. One of the highlights was the dressing up of the iconic Brussels statue Manneken Pis in a specially designed “Hong Kong Zhongshan Suit” donated by the Brussels ETO to the City of Brussels on 6 July 2012. Other activities included the Bordeaux Wine Festival, the Hong Kong Focus in the Paris Cinema International Film Festival, the Vic Asian Summer Film Festival, a concert in Amsterdam and Bordeaux by a Hong Kong music group, business luncheons in Rome and Istanbul, and a business seminar in Malta.

14. The Brussels ETO continued its efforts in promoting Hong Kong films in Europe. The Hong Kong Film Panorama 2011/2012 was held in ten cities, namely, Amsterdam, Antwerp, Barcelona, Bordeaux, Brussels, Florence, Izmir, Istanbul, Lisbon and Madrid. The director and producer of the film “Echoes of the Rainbow” attended the opening receptions cum screenings in Amsterdam, Antwerp and Brussels, and had fruitful

exchanges with the local audience. Hong Kong films were the special focus at the 2012 Paris Cinema International Film Festival in June and July 2012. During the Festival, the Brussels ETO arranged with the Create Hong Kong, the Hong Kong Film Development Council and the Hong Kong International Film Festival Society to stage over 90 screenings of Hong Kong films dating from 1948 to the present and organise a number of workshops and other exchange activities. We also hosted receptions to honour Hong Kong films during major international film festivals in Italy, Spain, France and Belgium. Apart from Hong Kong movies, we organized screenings of Jumping Frames, a series of dance video by City Contemporary Dance Company in Florence and Rome to showcase another art form in Hong Kong.

15. In September 2011, the Brussels ETO sponsored the first Dragon Boat Festival in Belgium organized by the Rotary Club Antwerp West. In 2012, we continued our support for the second edition of the event and presented the HKSAR 15th Anniversary Commemorative Cup to the winning team.

Investment Promotion

16. The IPU of the Brussels ETO continued to develop market awareness and visibility of Hong Kong by partnering with major event organisers and local multipliers. Apart from speaking at business seminars co-organised by the Brussels ETO and the HKTDC, staff of the IPU also spoke at events organised by outside associations or multipliers regarding Hong Kong's strategic advantages.

17. During the reporting period, the IPU met and made about 389 presentations to companies which were interested in setting up an operation in Hong Kong. It has been following up on 33 new projects, 21 of which already resulted in the setting up of new offices in Hong Kong.

Looking Ahead

18. The Eurozone sovereign debt crisis and regulatory reforms in the EU's financial and trade sectors will remain important areas for close monitoring. Croatia is scheduled to join the EU to become its 28th Member State in July 2013 and we will identify and report any necessary changes to the composition and functioning of the EU institutions to reflect this enlargement. The Brussels ETO will continue to maintain close liaison with interlocutors in various EU institutions and strengthen bilateral ties

with European countries. We will also continue to follow and report developments in the EU that may have implications for Hong Kong's economic and trade interests. As more European companies are turning to the emerging markets in Asia, we will step up our efforts in promoting Hong Kong as the gateway for doing business in Asia.

Hong Kong Economic and Trade Office, Brussels
November 2012

Report on the Work of the London ETO

The London ETO is responsible for promoting Hong Kong's bilateral economic and trade relations with nine European countries, namely Denmark, Estonia, Finland, Latvia, Lithuania, Norway, Russia, Sweden, and the United Kingdom (UK).

Commercial Relations

2. The London ETO maintains close liaison with contacts in the respective governments, trade organisations, business, academic and media sectors and updates them on the latest developments in Hong Kong through regular exchanges, visits and seminars. In collaboration with the HKTDC, InvestHK and local trade associations, the London ETO organised and supported 18 business seminars/receptions in Copenhagen, Helsinki, London, Lund, Malmö, Moscow, Oslo, Riga, St Petersburg, Stockholm and Tallinn during the reporting period to promote Hong Kong's advantages and opportunities as a springboard to China and Asia.

3. High-level official exchanges help strengthen bilateral ties and commercial relations. The London ETO organised and supported 13 visits during the reporting period. The highlight was the former CE's visit to the UK in September 2011, while 12 other visits were made by seven Principal Officials, including the FS' visits to Russia in August and September 2012; SCED's visit to Russia in September 2012; the former Secretary for Development's visit to Sweden, Finland and Denmark in October 2011; the former Secretary for the Environment (SEN)'s visits to Sweden, Denmark and Norway in September 2011 as well as Sweden, Denmark and the UK in April to May 2012; the Secretary for Financial Services and the Treasury's visits to the UK and Russia in June 2011; the former Secretary for Food and Health's visits to the UK in January and May 2012; as well as the Secretary for Home Affairs (SHA)'s visits to Russia in September 2011 and the UK in August 2012. The London ETO also assisted in the visit of the Chief Justice of the Court of Final Appeal to the UK in November 2011 and the visit of the former Under Secretary for Education to the UK in March 2012.

4. A number of agreements were signed during the reporting period, including the Free Trade Agreement between Hong Kong and the Member States of the European Free Trade Association including Norway which was signed during SCED's visit to Liechtenstein in June 2011; Sustainability Charter between Hong Kong and Malmö which was signed

during the former SEN's visit to Sweden in September 2011, the Memorandum of Understanding (MOU) on Cultural Co-operation between Hong Kong and Russia which was signed during SHA's visit to Russia in September 2011; as well as the MOU on the Development of Qualifications Framework between Hong Kong and Scotland which was signed during the former Under Secretary for Education's visit to the UK in March 2012.

Public Relations

5. To promote Hong Kong's advantages as an international business and financial centre, to showcase Hong Kong as an arts and cultural hub as well as to celebrate the 15th anniversary of the establishment of the HKSAR in 2012, the London ETO organised and supported numerous public relations and cultural events during the reporting period.

6. To promote Hong Kong's cultural achievements, the London ETO organised the "Artistic Hong Kong Reception and Exhibition" in September 2011 during the former CE's visit to the UK. In 2012, we supported Tang Shu-wing Theatre Studio's performances of "Titus Andronicus" in Cantonese in London and "Detention" at the Edinburgh Festival Fringe, as well as an exhibition by Hung Keung, a leading Hong Kong media artist, in Manchester. The London ETO also jointly presented the "HKSAR 15th Anniversary Concert" together with the Hong Kong Children's Choir in Helsinki.

7. To promote Hong Kong's vibrant film industry, the London ETO sponsored three renowned film industry figures from Hong Kong to attend the Stockholm International Film Festival in November 2011. We also organised the "Hong Kong 15" Film Festival in London and Manchester in July 2012 and a Hong Kong film festival in Moscow in October.

8. In addition, the London ETO took part in the London Book Fair to promote the successful implementation of the "One Country, Two Systems". We launched the "Hong Kong: A Dream Destination for University Study" competition to encourage more UK students to study in Hong Kong and organised a seminar on "Dunhuang and Hong Kong: Gateways to Ancient and Modern China" in London. In September 2012, we organised the Seminar on Business Opportunities in East Asia in London to promote Hong Kong as a gateway to China and Asia to UK businesses.

9. During the reporting period, Hong Kong was also featured in several high-profile events in London. In June 2011 and July 2012, the London ETO supported the annual London Hong Kong Dragon Boat Festival. We also participated in the Lord Mayor's Show for the seventh

time in November 2011. In addition, we hosted Chinese New Year seminars/receptions in countries under our purview from January to March 2012 and participated in the annual Chinese New Year celebration in London organised by the Chinese communities.

10. During the reporting period, we arranged 23 visitors including a group of six All Party Parliamentary China Group members of the UK Parliament and another group of four parliamentarians from Denmark, as well as nine sponsored journalists to visit Hong Kong under government sponsorship to enable them to understand the latest development in Hong Kong. The London ETO also maintained regular liaison with the media, and arranged interviews for visiting senior officials from Hong Kong as well as the Director-General of the London ETO during her official visits.

Investment Promotion

11. The IPU of the London ETO met 151 companies and successfully assisted 30 companies to set up in Hong Kong in 2011. The IPU continued to be active both in its participation of high-profile business seminars organised by this Office or outside organisations, and in organising meetings between senior officials of InvestHK and senior business executives of companies. A notable highlight was the joint promotion organised by the IPU in collaboration with Guangzhou which was held in Bristol in September 2012.

Looking Ahead

12. Hong Kong's bilateral relations with the countries under the London ETO's purview have been growing from strength to strength. Bilateral relations between Hong Kong and the UK were enhanced by the former CE's visit to the UK last year. The Chief Secretary for Administration will visit the UK in November 2012 to further enhance bilateral ties. Relations with Russia continue to expand and become more wide-ranging following the FS' visits this year as well as the conclusion of the MOU on Cultural Co-operation last year. The London ETO will continue to promote Hong Kong through business promotion, PR and cultural events.

Report on the Work of the Berlin ETO

The Berlin ETO is responsible for promoting Hong Kong's bilateral economic and trade relations with eight central and eastern European countries, namely Austria, the Czech Republic, Germany, Hungary, Poland, the Slovak Republic, Slovenia and Switzerland.

Commercial Relations

2. The Berlin ETO maintains close liaison with contacts in the governments, trade organizations, business, academics, think-tanks and media sectors and updates them on the latest developments in Hong Kong through regular exchanges, visits and seminars. Either on our own or in collaboration with the HKTDC, the InvestHK and other local trade associations, the Berlin ETO organized and participated in 17 business luncheons or seminars in Berlin, Cologne, Frankfurt, Munich (Germany); Prague (the Czech Republic), Zurich (Switzerland), Ljubljana (Slovenia), Warsaw and Sopot (Poland) to promote Hong Kong's advantages, as a gateway to China and as China's global financial centre.

3. Given Germany's key role in tackling the Eurozone debt crisis, the Berlin ETO kept regular contact with officials at the European Central Bank, the German Bundesbank, as well as economists to monitor closely deliberations in the German government and the public opinions in Germany. We also monitored developments in other central and eastern European countries in terms of the impact of the Eurozone debt crisis on those countries' economy.

4. The Berlin ETO also arranged visits of senior government officials to the countries under its purview. During the reporting period, it organized visits for the Secretary for Financial Services and the Treasury (SFST) to Prague in June 2011, SCED to Liechtenstein in June 2011, the former Chief Secretary for Administration to Berlin and Warsaw in October 2011 and the former CE to Switzerland in January 2012. We also assisted in the visit of the Under Secretary for Financial Services and the Treasury to Switzerland in November 2011, and delegations from the Vocational Training Council (VTC) to Berlin in September 2011 and the Research Grants Council promoting the Hong Kong PhD Fellowship Scheme in Germany in October 2011.

Public Relations

5. The Berlin ETO organized a series of events over July and August 2012 to celebrate the 15th anniversary of the establishment of the HKSAR. Three Hong Kong film festivals were held in Berlin, Dusseldorf and Hamburg. We also organized two concerts by the Hong Kong Children's Choir in Germany in August 2012 with the participation of local children's choir. We further organized a reception in Bern and sponsored two concerts of the Hong Kong Chinese Orchestra in Poland in June 2012 as part of the celebratory activities.

6. During the bi-annual Asia-Pacific Weeks in Berlin in September 2011, the Berlin ETO organized a reception and dance performance by the Hong Kong City Contemporary Dance Company to promote Hong Kong's arts and culture. Some 1 600 guests attended the event. We continued the promotion of Hong Kong's design talents by organizing reception for the young Hong Kong designers participating in the Berlin International Design Festival in 2011 and 2012.

7. As part of our annual Public Relations programme, the Berlin ETO in collaboration with the HKTDC and the local chambers of commerce hosted 11 Chinese New Year receptions between February and March 2012 to update our contacts in the respective countries and cities on the latest developments in Hong Kong and the successful implementation of the "One Country, Two Systems". Over 1 800 guests from the diplomatic, political and business circles attended the receptions. We also staged cultural performances in some of the receptions to showcase Hong Kong talents.

8. During the reporting period, the Berlin ETO sponsored ten journalists and nine other visitors to Hong Kong to see the various developments taking place in Hong Kong. Some of the journalists covered specific festivals and events, such as the Asian Financial Forum in January 2012. We also maintained regular liaison with the media and arranged interviews for visiting senior officials from Hong Kong and for the Director of the Berlin ETO during his duty visits.

9. To follow up on the signing of a Declaration of Intent on Co-operation in Wine-related Businesses with Germany in May 2012, the Berlin ETO in collaboration with the VTC's Chinese Cuisine Training Institute and local wine institutes, organized a series of Chinese cuisine demonstration and wine matching events in October 2012, to promote Hong Kong as Asia's culinary and wine trading centre. SFST will also

lead a road show to Switzerland in November 2012 to promote Hong Kong as China's global financial centre.

Investment Promotion

10. The IPU of the Berlin ETO continued to enhance the profile of Hong Kong by hosting business seminars in cooperation with the associations. Furthermore, the IPU made presentations which focused on Hong Kong's advantages at events organised by outside organisations.

11. The IPU also attended meetings to assist potential companies to establish and/or expand their business presence in Hong Kong. During the reporting period, the IPU met over 260 companies and successfully supported 29 companies to establish business operations in Hong Kong.

Looking Ahead

12. The Berlin ETO will continue to maintain close liaison with our interlocutors and organize various kinds of promotion events in the eight countries covered by the ETO with a view to further strengthening our bilateral ties and enhancing Hong Kong's profile. We will also continue to closely monitor developments in Germany over the country's deliberations on the Eurozone debt crisis.

Hong Kong Economic and Trade Office, Berlin
November 2012

Report on the Work of the Tokyo ETO

The Tokyo ETO is responsible for promoting closer economic and trade ties, enhancing understanding and cooperation, cultural and tourism exchange with Japan and the Republic of Korea (Korea).

Commercial Relations

2. The Tokyo ETO continued to foster Hong Kong's economic and trade relations with Japan and Korea through actively engaging politicians, government officials, business leaders, academics, opinion formers and the media in the two countries, and keeping them informed of the latest political and economic situation in Hong Kong. Apart from organizing activities in Tokyo, the Principal Hong Kong Economic and Trade Representative (Tokyo) also conducted duty visits to different prefectures and cities in Japan and Korea.

3. In the aftermath of the Great East Japan Earthquake in March 2011, more efforts were devoted to attracting Japanese businesses and talents to Hong Kong from West Japan. The Tokyo ETO organized a six-day visit in July 2011 for a group of 25 senior executives from small and medium-sized companies in Kansai region to Hong Kong, Guangzhou and Shenzhen to enable them to acquire a better understanding of the market environment and fundamental strengths of Hong Kong.

4. To underline our commitment and support for Japan's recovery from the disasters, the former CE had planned to visit Japan in May 2012 and bring with him the goodwill of Hong Kong to the Tohoku region; and to lead a delegation of about 130 senior business leaders and professionals from Hong Kong to promote closer economic and trade relations under the HKTDC's mega promotion campaign "Think Global, Think Hong Kong". Owing to more pressing domestic commitments, the former CE asked SCED to conduct the visit on his behalf. The Tokyo ETO supported SCED's visit, which covered the cities of Sendai, Tokyo and Osaka, to promote Hong Kong's bilateral trade with Japan, tourism and creative industries, and to see the recovery progress made in Sendai and convey the Hong Kong Government and people's concern and support for the affected parties. SCED delivered keynote speeches at the symposium and gala dinner in Tokyo and also at the symposium in Osaka. He also took the opportunity to make high level contacts with the Japanese Government and business leaders during the visit.

5. To promote cultural exchange and to leverage on Hong Kong Design Year 2012, the Tokyo ETO obtained the support of Tokyo Wonder Site under the Tokyo Metropolitan Government and joined hands with the local Design Association and a Hong Kong art association Zuni Icosahedron to launch a project “Hong Kong + Japan: Crossing Partnership in Creativity”. The project comprised three components: a Tian Tian Xiang Shang (meaning making progress everyday) statues exhibition showcasing works created by designers and students in Hong Kong and Japan, an art workshop for students in Rikuzentakata, Iwate Prefecture (which was badly damaged by the earthquake and tsunami last year), and a Creative Asia Forum. The project reached out to a wide spectrum of people, including both professionals and the public, and promoted interaction at different levels. The six-day exhibition attracted nearly 60 000 visitors and another 140 people participated in the forum. About 75% of the respondents in a survey said the project had enhanced their understanding of the value of design and as one of the events under Hong Kong Design Year.

6. The Tokyo ETO, with the support of the InvestHK, the HKTDC and the HKTB organized a series of business promotion seminars to publicize the unique strengths of Hong Kong as an international financial and business centre, a major offshore Renminbi centre and also a platform for businesses to gain greater and easier access to the Mainland market. Seminars were held at the cities of Kagawa, Nagasaki, Hiroshima, Sendai and Kobe in Japan; and Changwon and Seoul in Korea, during the reporting period. In addition to the business seminars, the Tokyo ETO and the HKTB also organized a “Hong Kong Food Festival” in Sapporo, Osaka, Tokyo and Fukuoka respectively to promote Chinese cuisine and to appeal to the Japanese consumers for an early trip to Hong Kong.

7. The Tokyo ETO continued to invite some of the most influential persons from Japan and Korea to visit Hong Kong under the Sponsored Visitors’ Programme. These included five political, academic and think-tank leaders and 17 journalists from both countries. We assisted in lining up appointments for officials of both Japanese and Korean governments, various prefectures/cities and groups in their visits to Hong Kong.

8. The Tokyo ETO also assisted in making arrangements for duty visits to Japan and Korea by the Hong Kong delegations, including the former Secretary for Security (November 2011), the former Secretary for Justice (December 2011), the former Under Secretary for Security (December 2011) and officials from the Environment Protection

Department (September 2011), the Labour Department (September 2011) and the Communications and Technology Branch of the Commerce and Economic Development Bureau (July 2012), as well as members of the Legislative Council's Panel on Manpower (July 2011) and Panel on Food Safety and Environmental Hygiene (September 2011).

Public Relations

9. The Tokyo ETO had held a number of public relations events this year to mark the 15th anniversary of the establishment of the HKSAR. Large scale receptions were organised in February in Tokyo and July in Seoul, with about 460 and 300 people attending respectively. We also hosted a summer reception at the ETO building to thank the local contacts for their support and to update them on the latest developments of Hong Kong.

10. To promote Hong Kong's film and creative industries, the Tokyo ETO in conjunction with the HKTB organized the Hong Kong Film Festival in partnership with the Osaka Asia Film Festival in March 2012. A total of six Hong Kong films were shown with good response from the audience.

11. The Tokyo ETO continued to sponsor the annual "International Dragon Boat Race – Hong Kong Cup" in Yokohama and the Tokyo concerts of the Hong Kong-based Asian Youth Orchestra (AYO) respectively. To extend our friendship and bring joy to the Sendai people, we sponsored AYO for a special performance in Sendai in August 2012.

12. Other liaison activities included talks given to Japanese university students, gatherings of Hong Kong people living and students studying in Japan, and meetings with members of Hong Kong Japan Partnership Roundtable, a forum for public-private sector in promoting the bilateral relationship between Hong Kong and Japan and gatherings with the Japan Hong Kong Parliamentarians League whose members have been regularly involved in our major activities.

Investment Promotion

13. During the reporting period, the IPU of the Tokyo ETO and West Japan Consultant (WJC) of InvestHK conducted investment promotion visits to various prefectures in Japan to update the local chambers of commerce and relevant government offices the latest investment environment in Hong Kong, and also to meet potential investors there.

14. The IPU set up a booth display at Global AVCJ Private Equity and Venture Forums organized by Asian Venture Capital Journal. It also set up a booth and gave a speech in a seminar at Messe Nagoya which targeted visitors from various industries. In February 2012, the IPU held a Hong Kong Business Seminar in Nagoya for the first time outside Tokyo. Furthermore, the IPU and WJC participated in and set up a booth at the HKTDC's "Think Global, Think Hong Kong" symposium in May 2012.

15. In total, the IPU had successfully supported 19 companies in either setting up a new company or expanding its existing business operations in Hong Kong, including Nissan's setting up of its global headquarters for the "Infiniti" brand.

Looking Ahead

16. The Tokyo ETO will continue to promote Hong Kong and foster closer bilateral relations with both Japan and Korea through business promotion, cultural and publicity events. We will coordinate the efforts of InvestHK, the HKTDC and the HKTB in major events and publicity to maximize reach and impact, involve the host governments, local business sector and partners in organizing events and projects, make more effective use of the media and leverage on Principal Officials' visits to widen the network and cultivate relationship.

Hong Kong Economic and Trade Office, Tokyo
November 2012

Report on the Work of the Sydney ETO

The Sydney ETO is responsible for promoting Hong Kong's bilateral economic and trade relations with Australia and New Zealand.

Commercial Relations

2. The Sydney ETO continued to promote Hong Kong as the best gateway to China. The unique advantages of Hong Kong were promoted through seminars and networking activities such as the Chinese New Year functions organized in collaboration with various chapters of the Hong Kong Australia Business Association, the Hong Kong New Zealand Business Association, InvestHK, the HKTDC, and government, business, professional and community organizations throughout Australia/New Zealand.

3. The Hong Kong-Australia and Hong Kong-New Zealand relations were further strengthened following the visits by the former CE to Australia and New Zealand in June 2011 and April 2012 respectively.

4. We continued to promote trade and investment opportunities among business and community groups across New Zealand by extending our network beyond the major cities. In early May 2012, a Hong Kong Business Roadshow targeting Māori businesses was organized by Te Puni Kōkiri (Ministry of Māori Development) in collaboration with the Sydney ETO, InvestHK, the HKTDC and the New Zealand Trade & Enterprise in Auckland, Rotorua, Napier, Wellington and Christchurch.

5. The Sydney ETO continued to proactively reach out to political leaders. We had organized several dinners for the Australia - Hong Kong Parliamentary Friendship Group and the newly-formed New Zealand - Hong Kong Parliamentary Friendship Group. The latter was launched in March 2012, with the visiting Director-General of Trade and Industry as the guest of honour. Regular contact was maintained with a wide range of politicians at federal, state and major municipal levels, covering all key parties.

6. Arrangements were made for the Chief Justice to brief the legal profession and law students in Brisbane, Canberra and Sydney on the judicial system and the rule of law in Hong Kong during his visit to Australia in August 2012.

Public Relations

7. To tie in with the visit by the former CE to Australia in June 2011, the Sydney ETO commissioned the publishing of a four-page Hong Kong supplement in two major Australian daily newspapers - *The Age* and *The West Australian*. Also, a one-page Hong Kong supplement was inserted in the *New Zealand Herald* prior to the former CE's visit to Auckland in April 2012.

8. We are making much more use of our attractive office building, Hong Kong House, to promote our physical presence in Sydney. We had installed a heritage plaque at the entrance of Hong Kong House, and the daily raising of the HKSAR flag was inaugurated in September 2011. Our office function rooms are made available to non-profit organisations for holding talks, seminars, exhibitions, etc. This had brought in to Hong Kong House growing numbers of local residents, businessmen and professionals.

9. Over the years, many journalists had been posted to Hong Kong but, on their return home, have lost contact. To re-connect with these journalists and to establish new media contacts, Media Drinks evenings were introduced in mid-2011 and would be held on a half-yearly basis at Hong Kong House. These are proving effective.

10. On the cultural front, we sponsored Hong Kong film components at the Golden Koala Chinese Film Festival (Sydney & Melbourne), the International Chinese Film Festival (Sydney & Melbourne), the OzAsia Festival (Adelaide) and the Hong Kong Festival (Auckland). We also participated in the City of Sydney Chinese New Year Dragon Boat Races and the Auckland Lantern Festival.

11. Tying in with the Chinese New Year receptions, we welcomed a Hong Kong a cappella group, *Melody Makers*, on an Australian tour in conjunction with the City of Melbourne Chinese New Year Festival, the Perth Fringe Festival, the National Multicultural Festival in Canberra and the Auckland Lantern Festival.

12. To celebrate the 15th anniversary of the establishment of the HKSAR, we organized an Australasian tour by the Hong Kong Children's Symphony Orchestra (in Sydney, Adelaide, Melbourne, Auckland and Wellington), a laser light show on the façade of Hong Kong House, a Hong Kong film screening weekend, an art exhibition and street banners.

13. To further publicise the “Hong Kong in Australia and New Zealand Facebook Site”, two promotional campaigns were launched in June and October, and November 2011.

Investment Promotion

14. The IPU of the Sydney ETO continued to identify and assist potential Australian and New Zealand companies to establish and/or expand their business presence in Hong Kong. During the reporting period, 45 new projects have been generated and 22 projects completed.

Looking Ahead

15. The Sydney ETO will continue to reach out to political leaders, government officials, the business community and academics to promote Hong Kong. We are collaborating with local heritage authorities to raise the profile of Hong Kong House. A book on “Hong Kong House” will be produced shortly, and Hong Kong House will be included in the itinerary of “Sydney Open” for the first time. We will continue to work with social media to promote Hong Kong, and further collaborate with other Hong Kong and Australian/New Zealand organizations to explore new formats of activities to raise the awareness and understanding of Hong Kong.

Hong Kong Economic and Trade Office, Sydney
November 2012

Report on the Work of the Singapore ETO

The Singapore ETO is responsible for promoting bilateral economic and trade relations between Hong Kong and the ten member countries of the Association of Southeast Asian Nations (ASEAN)¹.

2. ASEAN is a fast growing region. Taken as a bloc, ASEAN has become Hong Kong's second largest trading partner since 2010. Trade between ASEAN and Hong Kong increased by 7% year-on-year from 2007 to 2011. In their own right, five of the ASEAN member countries i.e. Singapore, Thailand, Malaysia, Vietnam and the Philippines were among Hong Kong's top 20 trading partners in 2011. In addition, more investment from Hong Kong is going into the emerging markets within ASEAN in view of the low cost base and huge growth potential. The Singapore ETO's efforts in promoting Hong Kong as Asia's business hub, financial centre and tourist destination continued during the past year.

Commercial Relations

3. During the reporting period, the Singapore ETO continued to promote commercial relations in our traditional markets, and ventured into the emerging economies within ASEAN. For example, the Director of the Singapore ETO (D(SG)) delivered a speech on strengthening ties between Hong Kong and ASEAN at the annual ASEAN Leadership Forum held in Phnom Penh in April 2012, jointly organized by the Ministry of Commerce of Cambodia and the Asian Strategy & Leadership Institute of Malaysia. In addition, the Singapore ETO actively promoted Hong Kong as the premier offshore Renminbi centre and related business opportunities on many occasions, including the Presidents' Lunch of Joint Foreign Chambers of Commerce in Bangkok, Asia Forum 2012 in Hanoi and the Lifestyle Expo 2012 in Jakarta.

4. To maintain and enhance commercial relations with our traditional markets, including Singapore, Thailand and Malaysia, the Singapore ETO through regular contacts renewed the rapport developed with key government officials, chambers of commerce, business communities, academia and think-tanks. In addition, business seminars, luncheons and dinners were arranged to update contacts on Hong Kong's latest developments and the complementary role Hong Kong could play in

¹ The ten ASEAN member countries are Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam.

developing the East Asia market. For instance, in July 2012, D(SG) spoke at the 2012 Annual Asia Competitiveness Institute Conference in Singapore to outline the advantages and future of Hong Kong as a strategic and differentiated Special Administrative Region of Mainland China.

5. During the reporting period, the Singapore ETO also embarked on new efforts to explore and tap the emerging markets in ASEAN. We made our first official visits to Cambodia, Laos and Myanmar in 2011. Hong Kong's ties with these countries are dated years back, and Hong Kong is increasingly an important trading partner of and source of foreign investment in these countries. For instance, according to the Cambodia Investment Board, the value of Hong Kong's fixed asset investment in Cambodia amounted to USD331 million in 2011, about 11 times from USD30 million in 2010. In promoting Hong Kong to these new partners, more emphasis was put on promulgating the "One Country, Two Systems" principle.

China – ASEAN Free Trade Area

6. In view of the vast growth potential of ASEAN, Hong Kong submitted a formal request in November 2011 for joining the China-ASEAN Free Trade Area (CAFTA). Since then, the Government had been lobbying ASEAN members at different levels to explain the potential benefits of Hong Kong's joining CAFTA. The Singapore ETO provided assistance in these lobbying visits and maintained close dialogues with key stakeholders, including the concerned government officials of ASEAN countries, the ASEAN business communities and the ASEAN Secretariat. ASEAN member countries discussed Hong Kong's proposed accession at the ASEAN Economic Ministers' meeting held in August 2012 in Cambodia, and agreed to give positive consideration to Hong Kong's proposed accession, noting the overall economic benefits that Hong Kong's joining CAFTA would bring to ASEAN, China and Hong Kong. As the next step, ASEAN would conduct domestic consultations and look into the implications of Hong Kong's proposed accession.

Public Relations

7. Senior officials' exchange is another important element in strengthening bilateral ties between Hong Kong and ASEAN. In April 2012, the FS visited Hanoi, Kuala Lumpur and Bangkok to renew contacts, and establish new ones. Apart from meeting with senior government officials, including the Prime Minister of Malaysia and Deputy Prime Minister of Thailand, the FS signed the Comprehensive Agreement for the

Avoidance of Double Taxation between Hong Kong and Malaysia and officiated at the first ever Hong Kong Film Festival in Thailand during his visit. In addition, the FS spoke in Hanoi at the Conference on Global Financial Economic Challenges 2012, co-organised by the Ministry of Finance of Vietnam, the Asian Development Bank and Korea's Asset Management Corporation, on the opportunities for Vietnam's investors to use Hong Kong as the preferred choice for enterprises seeking to access the vast Mainland market. Business luncheons were organized in Kuala Lumpur and Bangkok, where the FS briefed the business communities on Hong Kong's development as an international financial centre in the Asian time zone, and its status as a global asset management and fund-raising centre.

8. Apart from the FS visit, the Singapore ETO also assisted in organizing visits for five other Principal Officials to ASEAN and four permanent secretaries to Singapore under the Hong Kong Singapore Permanent Secretaries Exchange Programme. Reciprocally, we arranged for the Senior Minister and Minister of Commerce of Cambodia (who is the Chair of the ASEAN Economic Ministers' Meeting this year) to visit Hong Kong in July 2012 under the HKSAR Government's Sponsored Visitors' Programme.

9. The Singapore ETO continued its efforts to promote Hong Kong's culture and arts in ASEAN. It organized a Hong Kong Film Festival respectively in Singapore, Malaysia (Kuala Lumpur and Penang) and Thailand (Bangkok) during the reporting period. These film festivals attracted wide local media coverage and arouse the locals' attention and interest in appreciating Hong Kong culture as enshrined in our movies.

10. To promote cultural exchanges between Hong Kong and ASEAN, the Singapore ETO sponsored the Asian Youth Orchestra concert tour in Southeast Asia in August 2011. We also supported Singapore's inaugural Chinese Theatre Festival by sponsoring the tours of two Hong Kong theatre practitioners, Mr Lau Ming-hang and Ms Olivia Yan, whose productions were featured in the festival from August to September 2011.

11. A Christmas reception cum movie screening was organized in December 2011 in Singapore to celebrate Christmas with interlocutors in Singapore. In collaboration with the HKTB and other local partners, the Singapore ETO also hosted five Chinese New Year receptions in the region. To foster closer relationship with the Hong Kong community, we from time to time held briefings and gatherings with organisations of Hong Kong

people in Singapore, alumni associations of Hong Kong universities and Hong Kong students studying in Singapore.

12. To keep the media abreast of Hong Kong's latest developments, the Singapore ETO arranged four journalists from Vietnam, Thailand and Singapore to visit Hong Kong under the Sponsored Journalists' Programme. Media interviews were also arranged for senior government officials from Hong Kong during their visits to the region as well as for D(SG) to share updates on latest developments in Hong Kong.

Investment Promotion

13. The IPU of the Singapore ETO was set up in November 2011. In the past, the investment promotion work was done by an external consultant. The IPU is tasked to engage and develop the ASEAN market, in particular, Singapore, with a view to driving awareness of potential investors on the opportunities of Hong Kong and assisting companies to set up and/or expand their business presence in Hong Kong. During the reporting period, the IPU attended 30 international/major events and networking sessions in Singapore to outreach to prospective companies. It met with 120 companies and is now handling 14 new live projects.

14. In celebration of the 15th anniversary of the establishment of the HKSAR, the Singapore ETO would, in collaboration with its partners including the HKTB and the HKTDC, organize a Hong Kong Festival 2012 in October/November 2012 featuring a variety of events, ranging from food, drama, music, business to festive sports. We would ride on the opportunity to promote Hong Kong as a vibrant business destination as well as a livable city with diverse arts and culture.

Looking head

15. In the coming year, the Singapore ETO will continue to enhance Hong Kong's presence in the ASEAN region. We will make use of every opportunity to promote the principle of "One Country, Two Systems", new business opportunities and other strengths of Hong Kong, as well as lobby for ASEAN's support for Hong Kong's accession to CAFTA.

Report on the Work of the Toronto ETO

The Toronto ETO promotes the profile of Hong Kong and the bilateral economic and trade relations between Hong Kong and Canada through joint efforts with relevant bodies.

Commercial Relations

2. During the reporting period, the Toronto ETO continued to promote Hong Kong as an international financial, trading and logistics centre and the unique business gateway to Mainland China and the rest of Asia, through speaking engagements and by organizing and supporting a series of business events. Visits and presentations were also made at universities to attract young talents to pursue their career or further studies in Hong Kong.

3. In July 2011, the FS visited Toronto, Ottawa and Montreal to promote Hong Kong as the global financial centre of Mainland China. In addition to meeting with the Canadian Finance Minister, the FS met with other top government officials, business leaders, the media, students groups, local community leaders with Hong Kong origin and also visited flagship Canadian companies. He delivered keynote speeches covering Hong Kong's latest economic developments and its strategic role in the national 12th Five-Year Plan of China at functions organized by the Economic Club of Canada, the Montreal Board of Trade, and the Hong Kong-Canada Business Association.

4. The Toronto ETO conducted a series of visits to major cities and key business and political centres in Canada, including Vancouver and Victoria in British Columbia, Calgary and Edmonton in Alberta, Montreal and Quebec City in Quebec, Halifax in Nova Scotia, Winnipeg in Manitoba, and Ottawa, Markham and Mississauga in Ontario. We spoke at business seminars and networking events and called on officials, politicians, business and community leaders, the media, academia and think-tanks to brief them about the latest developments in Hong Kong as well as to explore collaboration for further exchanges between Hong Kong and Canada.

5. Efforts were made to promote the traditional pillar industries and the new industries in Hong Kong, highlighting Hong Kong's strengths and its brand as Asia's world city. Some of the promotion events were

organized in partnership with the HKTDC, the HKTB, local business bodies and relevant government institutions, while InvestHK was engaged in following up on the interests in the business community in establishing presence or expanding in Hong Kong. The Toronto ETO also supported some business awards to showcase the success stories of Canadian entrepreneurs using Hong Kong as the platform for entering the Asian markets.

6. On the promotion of Hong Kong as an international financial centre, we took the opportunity of the incoming visits by representatives from the Hong Kong Stock Exchange and the Insurance Authority to invite them to speak at business luncheons to brief the Canadian business community on listing in Hong Kong as well as the development and regulatory regime of our insurance market.

7. On logistics industry, business seminars were conducted with presentations featuring Hong Kong as the logistics platform in Asia for Canadian companies. Furthermore, the Marine Department was represented at the Annual Conference of Association of Canadian Port Authorities held in August in Hamilton, Ontario to introduce the development of the port of Hong Kong.

8. On cultural and creative industry, through collaboration with the international film festivals in Toronto, Montreal and Vancouver, the Toronto ETO assisted in presenting Hong Kong films at their openings and special screenings and took the opportunity of the presence of visiting film directors to conduct meet-the-media sessions. In May 2012, we participated in the Montreal International Design Show, during which the creative work of prominent theatrical costume and set designers from Hong Kong were featured. The same theatrical design show was subsequently staged in Toronto in June through collaboration with the Richard Charles Lee Canada-Hong Kong Library at the University of Toronto with an added design element of traditional Cantonese Opera design work.

9. On education, to help attract talents to Hong Kong, the Toronto ETO held exhibitions and participated in career seminars/career fairs at major universities to brief students about the latest economic situation in Hong Kong and addressed their enquiries about Hong Kong's job market as well as the opportunities for more advanced studies. We also conducted career video conferences connecting university students to speakers in Hong Kong. Taking the opportunity of the visit of the President of the Hong Kong University of Science and Technology to Vancouver in February 2012, the Toronto ETO organized a luncheon for the President to

give a talk on the future of Hong Kong as a science and technology hub of China, and to meet with government officials, office bearers of local universities, business and community leaders and students.

Public Relations

10. To promote the Basic Law, the Toronto ETO collaborated with student associations in Canada and six Hong Kong universities' alumni associations to organize a slogan-writing contest with themes relating to the Basic Law for students from Hong Kong and other parts of China. Together with the Ontario Inter-collegiate Chinese Debate Alliance, we organized a "Hong Kong Cup" Chinese debate tournament with debate motions focusing on the implementation of the "One Country, Two Systems" principle and the Basic Law in Hong Kong over the past 15 years after the unification. Debate teams from all major universities in Ontario took part in the tournament.

11. We conducted press conferences and arranged publicity for various promotion events organized or supported by us, and provided the major media in Toronto and Vancouver with updates about Hong Kong through year-end briefing for the management, editorial staff and front line reporters. The Toronto ETO worked closely with mainstream media (such as Globe and Mail, Canadian Business Magazine, Ottawa Business Journal, National Post, Canadian Transportation & Logistics Magazine) for the publication of special supplements/reports/cover stories under various themes to highlight the competitive edges of Hong Kong and to feature Hong Kong as an international financial centre, a world port city, as well as the gateway to Mainland China and Asia. We also issued e-newsletters and e-bulletins on Hong Kong business news to our Canadian contacts across the country.

12. The Toronto ETO took the opportunities of the Chinese New Year celebrations, dragon boat festivals, street festivals and other community events held in major cities across Canada to put up special publicity displays and exhibitions to promote Hong Kong. In addition, we worked with BDcom Media of Montreal to produce an hour-long video on the "Port of Hong Kong" for its "Waterfront Cities of the World" series. The video was telecast in both French and English at local channels.

13. This year marked the 15th anniversary of the establishment of the HKSAR. The Toronto ETO organized or supported a series of public relation activities for celebration. Major events included charitable events carrying specific themes on Hong Kong and performances by various Hong

Kong groups such as Hong Kong Ballet and the Hong Kong Sinfonietta. We used the speaking engagements on these occasions to highlight the continuous developments and achievements of Hong Kong under the “One Country, Two Systems” principle implemented through the Basic Law.

Investment Promotion

14. The IPU of the Toronto ETO continued to promote and facilitate Canadian companies to invest and expand in Hong Kong. During the reporting period, the IPU carried out over 208 meetings with companies from various sectors across Canada, among which 13 have opened or expanded their office in Hong Kong.

Looking ahead

15. The Toronto ETO will continue to promote the understanding of Canadian business communities about the excellent environment in Hong Kong for trade and investment. We shall also strengthen bilateral linkages between Hong Kong and Canada in the cultural and educational fronts to increase the profile of Hong Kong in Canada.

Hong Kong Economic and Trade Office, Toronto
November 2012