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COMMERCE, INDUSTRY AND TOURISM BRANCH **COMMERCE AND ECONOMIC DEVELOPMENT BUREAU**

GOVERNMENT OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION

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18 September 2014

Clerk to Legislative Council Panel on Commerce and Industry Legislative Council Complex 1 Legislative Council Road Central, Hong Kong

(Attn: Ms Annette Lam) (Fax No.: 2978 7569)

Dear Ms Lam,

Vietnam Incident

At the meeting of the Legislative Council Panel on Commerce and Industry (the Panel) of 20 May 2014, the Administration was requested to report to the Panel the progress of its work in respect of the following –

- (a) assessment on the losses suffered by individual Hong Kong companies resulting from physical damages of their factories and suspension of the factory's operation arising from the riots; and
- (b) representing the affected Hong Kong companies to claim for compensation Vietnamese Government from the a Government-to-Government level.

Our responses are set out at the ensuing paragraphs –

As detailed in our reply to Hon Chung Kwok-pan's question dated 25 June 2014, since the outbreak of protests in Vietnam, the Commerce and Economic Development Bureau has been closely liaising with the Hong Kong Business Association Vietnam (HKBAV) in Vietnam through the Hong Kong Economic and Trade Office in Singapore (HKETO(SG)) and the Office of the Hong Kong Trade Development Council in Ho Chi Minh City, with a view to keeping abreast of the developments in Vietnam and providing timely support and practical information.

We learnt from the HKBAV that eight of its members had their factories in Ha Tinh Province and Binh Duong Province damaged to different extent in the protests in May this year. The Director of HKETO(SG) travelled to Vietnam during 21-22 May to meet with HKBAV and visited some of the affected Hong Kong-invested factories. All eight factories have already resumed operation.

The HKETO(SG) continues to monitor the situation of the affected enterprises after the visit and the Director of HKETO(SG) met with the representatives of HKBAV again in end June. We understand from the HKBAV that all affected enterprises have taken out insurance for their factories in Vietnam, and have started to liaise with the relevant insurance companies and relevant Vietnamese authorities in respect of matters on insurance and claims for compensation. Four affected factories have already been compensated by their insurance companies. The HKBAV however does not have information on the total amount of losses including that arising from the suspension of operation.

The Administration so far has not received any request for assistance from Hong Kong enterprises in Vietnam regarding seeking compensation from the Vietnamese authorities. In case there is any specific request, we will look into the matter and render assistance as appropriate. The Secretary for Commerce and Economic Development met with the Minister of Industry and Trade of Vietnam to discuss the incident in Vietnam in May. Apart from urging the Vietnamese Government to take appropriate actions to protect Hong Kong people and their properties in Vietnam, he has requested that positive response be given to possible demand for compensation from affected Hong Kong-invested The Ministry of Commerce of the People's Republic of China (PRC) has also requested the Economic and Commercial Counsellor's Office of the Embassy of PRC in Vietnam and the Economic and Commercial Section of the Consulate General of PRC in Ho Chi Minh City to assist Hong Kong businesses in case they need help in seeking follow-up arrangements from the Vietnamese Government in the aftermath of the protests. The HKETO(SG) has informed the Hong Kong business community in Vietnam through HKBAV of this arrangement, and we understand that the Chinese Embassy and Consulate General in Vietnam have been in touch with HKBAV on this matter. The HKETO(SG) will continue to maintain close liaison with HKBAV and render any necessary assistance.

Yours sincerely,

(Jerry JI)

for Secretary for Commerce and Economic Development