

**Information Paper for
Legislative Council Panel on Commerce and Industry**

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

Purpose

This paper informs Members of the work of the 13 overseas Economic and Trade Offices (ETOs) of the Government of the Hong Kong Special Administrative Region (HKSAR) in the promotion of Hong Kong's external relations over the past year.

Overview

2. In the past year, Hong Kong economy faced external and domestic challenges, and brought tremendous pressures to all businesses. On external economic factors, the escalating trade conflict between the Mainland and the United States (US) has dampened global economic growth momentum and brought direct and indirect negative impacts on Hong Kong economy. Our total export has been decreasing since last November, with a year-on-year decrease of 4.6% in the first nine months of this year. For the first three quarters as a whole, the economy contracted by 0.7% over a year earlier, the worst performance since the 2009 recession. Until the trade conflict between the Mainland and the US subsides, our economy, especially the part which is driven by foreign investment, will continue to face negative pressure and the downturn risk on the overall economy will persist.

3. In the past six months, the Fugitive Offenders and Mutual Legal Assistance in Criminal Matters Legislation (Amendment) Bill 2019 (the Bill) caused major controversies in the society. Hong Kong experienced many large and small-scale demonstrations, processions and rallies, many of which turned into violent incidents. Some of the radical acts of demonstrators, including blockage of the airport, vandalism of MTR facilities and shops, street violence, etc., have definitely affected Hong Kong's international image and raised concerns on whether Hong Kong is still a safe city. In fact, so far 40 countries have issued advice on travelling to Hong Kong. Apart from impairing Hong Kong's international image, the impact of the social conflict has spread to various sectors. Among them, tourism, retail and catering industries bear the brunt. Business has plummeted and these sectors are facing unprecedentedly severe challenges.

4. Facing the serious challenges brought by both internal and external threats, the HKSAR Government has introduced measures to support enterprises in the past few months to help businesses cope with the current economic difficulties. Besides, through the overseas ETOs, HKSAR Government is actively explaining the Hong Kong situation

to overseas governments, political leaders, the business community and others to provide them with a more comprehensive understanding of the situation.

5. Amid the changing economic environment, we must expand our market and strengthen our work in external relations, and the role of the overseas ETOs has become more important. Despite the challenges, Hong Kong still has diverse strengths in many areas other than commerce. Under the “one country, two systems” principle, Hong Kong has an independent judiciary and upholds the rule of law, and people can enjoy a low and simple tax regime, free flow of capital, world-class financial markets, excellent professional services and robust intellectual property rights protection. All these are conducive to maintaining our business friendly environment. Hong Kong has always been well placed to tap into the booming Mainland market. The Mainland and Hong Kong Closer Economic Partnership Arrangement and its subsequent supplements have greatly facilitated cross-boundary trade in goods and services as well as investment. Besides, with its international connectivity of the Free Trade Agreement (FTA) network and the unique status under the Belt and Road Initiative and the development of the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area), Hong Kong can continue to bring in foreign investment and connect with business opportunities within the region and overseas.

Network of Overseas ETOs

6. The ETOs are the official representatives of the HKSAR Government in countries under their respective purviews. The overseas ETOs are located in various cities of Hong Kong’s major trading partners. Their primary responsibilities are to foster relations and liaison with the local authorities and different sectors at the government-to-government level, and to handle bilateral economic and cultural matters between Hong Kong and the countries under their respective purviews¹.

7. To consolidate and enhance the status and importance of Hong Kong among its trading partners and to further explore new business opportunities, after considering the economic development potential of various trading partners and their economic and trade relations with Hong Kong, we have decided to set up new ETOs in five countries to expand our ETO network.

8. We consulted the Panel in July 2018 on the details of our proposal to set up five new ETOs in Bangkok (Thailand), Dubai (United Arab Emirates (UAE)), Moscow (Russia), Mumbai (India) and Seoul (Korea) respectively and obtained support from Members. In February 2019, the Chief Executive officiated at the opening ceremony of the Bangkok ETO in Thailand, which is our third ETO in the Association of Southeast Asian Nations (ASEAN) (the other two are the Singapore ETO and the Jakarta ETO in

¹ The Geneva ETO represents Hong Kong, China in the World Trade Organization and the Trade Committee of the Organisation for Economic Co-operation and Development, and is mainly responsible for handling issues relating to these organisations.

Indonesia)². The ETO is actively establishing local contacts to forge closer economic and trade ties with ASEAN, thus further strengthening bilateral relations. In addition, we expect that the Dubai ETO in the UAE would commence operation in early 2020³, and become the second new ETO to be established by the current-term Government after the Bangkok ETO. The establishment of the Dubai ETO will expand Hong Kong's representation and raise its profile in the Middle East region as well as bring business opportunities for Hong Kong. For the proposal to set up ETOs in the other three cities, we will continue to discuss the detailed arrangements with the relevant governments.

Work of Overseas ETOs

9. As the ETOs are the overseas representatives of Hong Kong, their work is essential in maintaining Hong Kong's international status. The ETOs maintain close contact with local government officials, chambers of commerce, media organisations, etc. of the countries under their respective purviews, as well as organise/co-organise with other Hong Kong agencies various promotional activities to publicise the advantages and latest developments of Hong Kong.

10. In the past year, the ETOs continued to strengthen the work on promoting Hong Kong abroad in line with the overall strategy of the HKSAR Government, including promoting innovation and technology/research and development (R&D)/smart city; attracting inward investment and fostering the expansion of Hong Kong enterprises into overseas markets; showcasing the arts, culture and creative soft powers of Hong Kong; attracting talents and renowned international institutions/organisations to Hong Kong; promoting our services (including financial, legal and other professional services); and fostering financial market development.

11. Besides, the ETOs continued to actively organise/participate in events and activities to promote Hong Kong on various fronts. They also collaborated closely with other Hong Kong overseas agencies such as the Hong Kong Trade Development Council (HKTDC) and the Hong Kong Tourism Board, with a view to raising the international profile of Hong Kong.

² The geographical coverage of the Bangkok ETO covers three ASEAN countries, i.e. Thailand, Cambodia and Myanmar, as well as Bangladesh; the Singapore ETO is responsible for the bilateral ties between Hong Kong and Singapore, Laos, Vietnam (three are ASEAN countries) and India; the Jakarta ETO is responsible for the bilateral ties between Hong Kong and Indonesia, Brunei Darussalam, Malaysia and the Philippines, as well as matters between Hong Kong and ASEAN as a whole.

³ The geographical coverage of the Dubai ETO will cover member states of the Gulf Cooperation Council, namely the UAE, Bahrain, Kuwait, Oman, Qatar and Saudi Arabia.

Work in Explaining Hong Kong's Situation in relation to the Controversies Arising from the Bill

12. The controversies and series of social events arising from the HKSAR Government's proposed Bill aroused concerns among countries under the ETOs' purview. Local media also carried extensive reports which mainly covered large-scale protest marches against the legislative amendments, announcement of the withdrawal of the legislative amendments by the Government, escalation of violence in protests, conflicts between the Police and the public, concerns raised by foreign governments over Hong Kong, etc.

13. Foreign politicians and businessmen were of the view that the Bill and the consequent controversies and conflicts had a negative impact on Hong Kong as a whole. Politicians like those in the US generally held negative views towards the proposed legislative amendments, which they considered would undermine the principle of "one country, two systems", the high degree of autonomy as well as the core values of freedom, human rights and the rule of law in Hong Kong. They were also concerned about the Central Authorities' response to the incident. Some US congressional members also criticised the HKSAR Government's introduction of the Prohibition on Face Covering Regulation under the Emergency Regulations Ordinance in early October, and were of the view that the move could not resolve political problems but instead deepen concerns on whether the people of Hong Kong could still enjoy the freedom of expression. The European Parliament passed a motion on Hong Kong in July and held a discussion on Hong Kong's situation in September. While appreciating the efforts of the HKSAR Government to improve the relevant legislation and bring criminals to justice in accordance with the rule of law and international law, the European Union (EU) considered that the proposed Bill might affect EU citizens living or working in Hong Kong as well as European enterprises conducting business in the city. The governments of various countries (including Australia, Canada, the EU and the UK) also issued statements on the situation in Hong Kong. The statements mainly set out concerns about Hong Kong's situation and respect for the rights of Hong Kong people to assemble and express themselves, while appealing to all parties for exercising restraint, stop violence and find a way out through dialogue.

14. The business communities had also been keeping a close watch on the impact of the incidents to the city's business environment and public order amid the incidents in recent months. Japanese and Korean enterprises were worried that the on-going violent confrontations would have a negative impact on the economy and competitiveness of Hong Kong in the long run. The US business community was generally of the view that the instability of Hong Kong society would add uncertainty to its business environment and investment outlook, and thus adversely affecting the economic development of Hong Kong and its status as an international business centre. Many investors indicated that, for the time being, they would adopt a wait-and-see attitude towards the Hong Kong market. The on-going protests and some radical conflicts, e.g. blockage of the airport, led many people to worry about the law and order of Hong Kong and reduced their interest to travel or pursue development in Hong Kong.

15. The ETOs proactively provided information updates to various sectors and explaining to them the latest situation of Hong Kong through meetings, emails, social media, etc., so as to clear up the misunderstandings held by some people and mitigate the negative impacts of incidents on the international image of Hong Kong. The Secretary for Commerce and Economic Development visited Washington, DC and the West Coast of the US in June and September respectively to promote to US Congressional members, the business community, think-tanks, academia, the media, etc. the unique status of Hong Kong under the Basic Law and the intrinsic strengths of Hong Kong, and to brief them on the latest situation of Hong Kong and the measures taken to address the current challenges. During his visit to the US in October, the Financial Secretary met with various parties and took the opportunity to reiterate that Hong Kong's financial markets and banking system had been functioning well and the city's core competitiveness had not been affected. He visited London in the same month to attend the Hong Kong Trade Development Council annual dinner to promote the trade and economic relations between Hong Kong and the UK, and to meet with UK Government officials, Members of the Parliament and the business community to outline Hong Kong's latest development.

16. In addition, the ETOs proactively met with local government officials, legislators, business communities and organisations, media and think-tanks, and maintained close contact with the local Hong Kong communities. The ETOs also took the opportunity of attending various activities to explain the situation of Hong Kong to all sectors of local communities, reiterating that the HKSAR Government spared no effort in implementing the "one country, two systems" principle and safeguarding the rule of law, the business environment and other core values of Hong Kong, and appealing to them that they should remain confident in Hong Kong and should continue to support its development.

Maintain and Enhance Relationships with Overseas Governments

17. The ETOs continued to maintain close liaison with key government officials of the countries under their purviews, actively promote exchange activities among high-level officials, and closely monitor local political and economic developments that may affect Hong Kong. The ETOs adopt appropriate strategies in expanding their network having regard to the political and economic situations of different regions. Over the past year, the Chief Executive and Principal Officials of the HKSAR Government visited different countries, and were invited to various international conferences. They promoted Hong Kong's business opportunities on different occasions, with a view to fostering our co-operation with these countries in such areas as economy, trade and commerce, innovation and technology, etc. The ETOs rendered essential support for these overseas visits.

18. In Asia, the FTA and the Investment Agreement signed by Hong Kong and ASEAN in November 2017 have come into effect gradually since June 2019. As ASEAN is Hong Kong's second largest trading partner and an economic region with significant development potential under the Belt and Road Initiative, the signing and implementation of the FTA and the Investment Agreement will further promote our collaboration with ASEAN countries. In addition, Hong Kong enjoys mature and stable bilateral relationships with Japan and Korea, both of which are major economies in Asia. The Tokyo ETO will continue to maintain close liaison with these two governments and

promote Hong Kong's unique advantages, with a view to deepening our mutual economic and trade relations. Hong Kong has been a staunch supporter of closer regional integration, and we share the common aspiration with the Regional Comprehensive Economic Partnership (RCEP) participating economies in liberalising trade and investment in the region. Riding on ASEAN countries and five economies⁴ have concluded the RCEP negotiations and their commitment to signing the RCEP Agreement in 2020, we will actively pursue our joining of RCEP in accordance with the accession provisions contained therein.

19. Hong Kong and Australia signed an FTA and an Investment Agreement on 26 March 2019. The two agreements are comprehensive in scope, covering trade in goods, trade in services, investment, intellectual property, government procurement, competition and other related areas, which provide Hong Kong companies and investors with legal protection and more favourable access to the Australian market and enhance trade and investment flows between the two places. The Sydney ETO will continue to focus on promoting the business opportunities brought about by the two agreements and the benefits to the economic and trade relationships between the two places after their commencement.

20. In Europe, the election to the European Parliament and the general elections in individual European countries have seen a decrease in the total number of seats taken by traditional centrist parties and an increase in the total number of seats taken by radical, populist or minority parties. The election results may cause division in Europe and more uncertainties to the internal and external relationships of Europe. Our ETOs in Europe will continue to monitor the developments of the EU and major individual European countries and strengthen communication with the relevant local organisations and stakeholders of various sectors in order to provide the latest and accurate updates of Hong Kong, foster mutual understanding and seek more co-operation opportunities. We will closely monitor the trade and investment policies/priorities of the UK after her withdrawal from the EU, and how they will affect her trade relations with Hong Kong.

21. In the US, the numerous trade measures taken by the US Administration have heightened international trade tension, impacting on the multilateral trading system. Some members of the US Congress have also introduced bills and resolutions related to the bilateral relations between Hong Kong and the US, which may have negative impact on the mutually beneficial bilateral relations between the two places. Our ETOs in the US will continue to maintain close liaison with senior officials in the US Administration whose portfolios are relevant to Hong Kong, members of Congress and their staffers, as well as think-tanks and non-government organisations, actively clarifying any misunderstanding, explaining to them the situation in Hong Kong and reiterating to them that Hong Kong and the US are partners with mutual benefits. They will also stress that there is no justification for changing the current US policy towards Hong Kong, and any

⁴ Namely Australia, Mainland China, Japan, Korea and New Zealand.

change may also have negative impact on the people and business and trade relations between the two places.

22. Moreover, as a member of the World Trade Organization (WTO), Hong Kong, China (HKC) actively participates in the work pertaining to the multilateral trading system through the Geneva ETO in order to advance and defend the commercial interests of HKC and reduce trade barriers. We will continue to participate in trade negotiations and play an active role in the discussions about major issues, such as the WTO reform initiatives and improvements to the dispute settlement mechanism of the WTO, in order to uphold the core values and effective operation of the multilateral trading system. In addition, HKC and other members are putting in greater efforts so as to achieve deliverables in the 12th Ministerial Conference of the WTO to be held in Nursultan, Kazakhstan in June 2020.

Contact with Businesses

23. The overseas ETOs continued to maintain close liaison with the business communities and chambers of commerce of the countries under their purviews, keeping them abreast of the latest developments of Hong Kong and its advantages in various aspects, and encouraging them to conduct business and invest in Hong Kong. There is an Investment Promotion Unit in most ETOs. Through participating in major conferences and seminars, organising outreach programmes and focusing on the key development sectors, such as innovation and technology, financial technology and startups, the ETOs proactively attracted potential targets to invest and set up business operation in Hong Kong. Our ETOs in Europe will continue to actively liaise with major R&D and financial institutions, talents and relevant stakeholders to promote Hong Kong's advantages and development strategies in innovation and technology and introduce the city's latest measures in promoting the development of financial technology, with a view to attracting these institutions and talents to Hong Kong for development and establishing their presence in the Asian market. Moreover, faced with global economic uncertainties and trade protectionist measures, local businesses in overseas countries are keen to explore markets in other places, and this would bring more business opportunities to Hong Kong.

24. Furthermore, the ETOs collaborated with the relevant Hong Kong overseas agencies to promote Hong Kong. For example, the ETOs worked closely with the HKTDC to support the latter's conferences, trade exhibitions and other promotion activities, so as to strengthen the synergy in promoting Hong Kong. The HKTDC organised a number of flagship events overseas annually, including "Think Asia, Think Hong Kong" in Los Angeles in the US in September, to promote Hong Kong as a platform for doing business with the Mainland and countries around the world as well as Brand Hong Kong. Apart from officiating at these events, key officials of the HKSAR Government also took the opportunity to call on their counterparts in the governments concerned and meet with the business communities there. These activities not only raised the profile of Hong Kong, but also fostered government-to-business relationships between Hong Kong and the countries under the ETOs' respective purviews. The ETOs will continue to work in collaboration with the HKTDC, with focus on promoting Hong

Kong's unique advantage in the areas of economic and trade, particularly the services industries, and the business opportunities in Hong Kong brought by the Belt and Road Initiative and the Greater Bay Area development.

Contact with Local People

25. Apart from promoting economic and trade relations, the current-term Government focuses on promoting Hong Kong's soft powers and furthering cultural exchanges. The ETOs continued to organise, sponsor and participate in various promotion events, such as film festivals, TV programmes, concerts, dance performances, arts exhibitions, dragon boat races, etc. They also invited Hong Kong film directors, actors, designers and emerging artists to participate in related events. Besides, the ETOs maintained good relationships with the Hong Kong communities in the countries under their purviews. To attract talents to Hong Kong, the ETOs reached out to local university students and professionals by organising seminars, careers talks and exhibitions to promote Hong Kong's various talent admission schemes. They also arranged visiting HKSAR Government officials to meet with members of the local Hong Kong communities to promote development opportunities in Hong Kong.

26. The overseas ETOs continued to arrange for higher education students of Hong Kong to take up internship in local organisations of the countries under their purviews, including ETOs, international organisations, private companies, academic institutions as well as cultural and arts groups. This enabled students to experience the economic and cultural landscape of different countries and understand the work environment and operation of the sectors/organisations concerned, thereby widening their perspectives. From 2014 to 2019, the ETOs arranged internships for a total of over 1 000 higher education students of Hong Kong.

Looking Ahead

27. Looking ahead, the overseas ETOs will continue to maintain close liaison with the governments, local groups and people of the countries under their purviews so as to promote Hong Kong's unique advantages under "one country, two systems". When the situation in Hong Kong gradually returns to normal, the ETOs will enhance promotion to reiterate to overseas stakeholders that Hong Kong's core values remain unchanged and we will bounce back with a view to restoring their understanding of and confidence in Hong Kong as soon as possible. The ETOs will continue to open up new markets and forge partnership, as well as encourage more enterprises and investors to set up business operation in Hong Kong and use Hong Kong as a platform to enter the Mainland market, thereby consolidating and enhancing Hong Kong's status as an international financial and commercial centre. We will continue to leverage the business opportunities arising from the Belt and Road Initiative and the Greater Bay Area development, which are the impetus for the future economic development of Hong Kong.

28. Meanwhile, the ETOs will continue to closely monitor the economic and trade developments of Hong Kong's major trading partners, including the =trade tension

between China and the US, and map out responding measures and follow-up actions in conjunction with the relevant bureaux and departments.

29. We will review the strategies adopted by the ETOs in achieving the objectives set by the current-term Government from time to time and will make fine-tuning as appropriate.

Reports of the ETOs

30. The work reports of individual ETOs are set out in the following Appendixes:

<u>ETO</u>	<u>Appendix</u>
Geneva ETO	1
Washington ETO	2
New York ETO	3
San Francisco ETO	4
Toronto ETO	5
Brussels ETO	6
London ETO	7
Berlin ETO	8
Tokyo ETO	9
Sydney ETO	10
Jakarta ETO	11
Bangkok ETO	12
Singapore ETO	13

31. The performance indicators and the relevant figures for 2017 and 2018 in respect of commercial relations, public relations and investment promotion of the overseas ETOs are set out in Appendix 14.

Commerce and Economic Development Bureau
8 November 2019

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 Organization (WTO). The Geneva ETO also represents HKC as a Participant of the Trade Committee of the Organisation for Economic Co-operation and Development (OECD) in Paris.

Commercial Relations

Overview

2. The Eleventh WTO Ministerial Conference (MC11) was held in December 2017 in Buenos Aires, Argentina. The Secretary for Commerce and Economic Development (SCED) represented HKC to attend the conference. Ministers committed to, among other things, securing by the end of 2019 a deal to ban and eliminate certain types of fisheries subsidies. Members also agreed to continue with the existing Work Programme on Electronic Commerce and maintain the practice of not imposing customs duties on electronic transmissions until the next Ministerial Conference¹.

3. Moreover, at the Ministerial Conference, a number of Members, including HKC, issued joint statements on Electronic Commerce; Investment Facilitation; and Micro, Small & Medium-sized Enterprises (MSMEs), undertaking to have more structured discussions on these subjects, and to work towards multilateral outcomes. Subsequently, HKC participated actively in the relevant discussions (see paragraphs 11 to 16 below for details).

4. In January 2019, SCED attended an Informal Ministerial Meeting held in Davos, Switzerland. Ministers recognised 2019 as a crucial year for the multilateral trading system, and that the trade tensions and challenges should be resolved through increased co-operation and dialogue.

5. In May 2019, SCED attended an Informal Ministerial Meeting held in Paris, France. Ministers recognised the need to work towards concrete outcomes, both in terms of trade negotiations and the WTO reform, for the Twelfth WTO Ministerial Conference (MC12) to be held in June 2020.

6. In November 2019, SCED attended an Informal Ministerial Meeting held in Shanghai. Ministers discussed their expectations and desired outcome for MC12 and the need to work towards concrete outcomes.

¹ At that time, it was expected that the Twelfth WTO Ministerial Conference would be held before the end of 2019, but it has subsequently been deferred to June 2020.

Trade in Services

7. As trade in services accounts for over 90% of the Gross Domestic Product of HKC and plays an increasingly important role in the global economy, HKC has been participating actively in the WTO's services negotiations. During MC11, HKC joined hands with a number of WTO Members to reiterate that they would continue to take forward negotiations under the General Agreement on Trade in Services (GATS), with a view to formulating multilateral disciplines to ensure that domestic regulation of Members would not become unnecessary barriers to trade in services.

8. Subsequently, HKC and other Members had further in-depth discussions on the text proposals of the multilateral disciplines. At the Informal Ministerial Meeting held in Paris on 23 May 2019, Ministers recognised the progress made in negotiation since MC11. After the meeting, HKC, together with 58 other WTO Members, issued a joint statement to affirm our commitment to negotiating for an outcome by MC12.

Trade in Goods

9. WTO's Council for Trade in Goods (CTG) and its subsidiary committees are responsible for taking forward and monitoring the implementation of various agreements on trade in goods, in a bid to reduce barriers to trade, enhance the transparency of trade measures, and promote the free flow of trade in goods internationally. HKC participated actively in the work and discussions of CTG and its subsidiary committees, with a view to implementing various agreements more effectively.

Fisheries Subsidies

10. At MC11, Members committed to reaching, by the end of 2019, an agreement to prohibit or eliminate certain types of fisheries subsidies. To this end, Members agreed on a work programme, and held rounds of meetings in 2018 and 2019 to continue with the negotiations on formulating rules to prohibit fisheries subsidies which contribute to overcapacity and overfishing, and illegal, unreported and unregulated fishing activities. Members will step up negotiations with a view to concluding the negotiations by the end of the year. HKC has been working closely with other Members to strive for an early consensus on the fisheries subsidies disciplines.

Joint Statement Initiatives

Electronic Commerce

11. During MC11, HKC and other like-minded Members issued a joint statement to initiate exploratory work towards WTO negotiations on trade-related aspects of electronic commerce. During 2018, HKC participated actively in the discussions to exchange

views with other Members on the expectations of formulating trade rules and relevant issues.

12. At the Informal Ministerial Meeting held in Davos, Switzerland in January 2019, HKC, alongside 75 Members, reviewed the progress of the relevant discussions and issued a joint statement after the meeting, reaffirming our intention to launch negotiations at the WTO on trade-related aspects of electronic commerce. In 2019, HKC shared text proposals on trade rules with other Members for substantive discussions, covering areas such as regulatory framework to facilitate electronic commerce, the practice of not imposing customs duties on electronic transmissions, consumer protection, cross-border flow of information, protection of personal privacy and cybersecurity, as well as digital trade facilitation and business trust. All WTO Members are welcome to join.

Investment Facilitation

13. In order to create a more transparent, efficient and predictable environment for facilitating cross-border investment, HKC, together with other Members issued a joint statement during MC11 calling for all Members to begin discussions on a multilateral framework on investment facilitation for development. Thereafter, HKC participated actively in the relevant discussions.

14. In 2019, HKC, together with other Members, shared text examples and engaged in structured discussions on the key elements of a framework on investment facilitation, such as enhancing transparency of the various investment facilitation measures, improving administrative efficiency, and enhancing international co-operation and relations with stakeholders.

15. Before the Informal Ministerial Meeting held in Shanghai on 5 November 2019, Ministers of Members, including HKC, issued a joint statement committing to intensifying work to further develop a multilateral framework on investment facilitation and work towards a concrete outcome by MC12.

Micro, Small & Medium-sized Enterprises (MSMEs)

16. The Informal Working Group on MSMEs, established after MC11, continued to deepen its thematic discussions on improving access to information for MSMEs, trade finance and trade facilitation, etc. in the past year. Members also started to reflect on possible deliverables at MC12.

Trade Disputes

17. The unilateral trade measures implemented by the United States (US) since March 2018, including tariffs on steel and aluminium products and other imports which were substantially higher than the bound rates, affected the interests of many WTO Members, including HKC. Such measures have not only created tensions in international trading

relations, but have also dealt a blow to the multilateral trading system. In view of our substantial trade and systemic interests in the matter, HKC is participating as a third party in seven WTO dispute settlement panels established to examine whether the US's measures are consistent with the WTO agreements. HKC made a written submission to the panels in July 2019 to state our views and assist the panels in their assessment. The panels have scheduled their meetings for October and November 2019 to examine the disputes.

WTO Reform

18. WTO Members were intensifying discussions on possible ways to modernise the WTO and improve its functioning so as to meet the challenges of the time. Since September 2018, a number of Members have published papers and submitted proposals regarding different aspects of the reform. They covered the dispute settlement, monitoring and rule-making functions of the WTO. HKC welcomes these initiatives and has been participating constructively in the discussions.

19. On dispute settlement, various Members submitted proposals to address concerns about the Appellate Body identified by the US and active discussions are going on. As the US does not agree to start the process for appointing Appellate Body members, the dispute settlement mechanism could not function effectively. In view of the imminent expiry of the terms of most existing Appellate Body members, HKC considers that appointments to the Appellate Body should not be blocked and should proceed in parallel with the discussions. HKC, together with other Members, proposed at a number of meetings that the procedures for appointment should be initiated as soon as possible.

20. On monitoring trade policies and measures, a group of Members led by the US submitted a proposal on enhancing transparency and strengthening notification requirements under WTO agreements. On the other hand, a group comprising a number of developing Members also put forward a proposal on an inclusive approach to transparency of the WTO. Moreover, alongside other Members, HKC co-sponsored a proposal led by the European Union regarding procedural guidelines for the WTO councils and committees handling trade concerns, with a view to strengthening the WTO's deliberative function. Members are now actively discussing the above proposals.

21. Moreover, Members are discussing an overarching issue relating to trade and development, which could possibly affect the rule-making functioning of the WTO in current and future negotiations. The US, some developing Members, and middle grounders separately submitted proposals and papers on different approaches in providing special and differential treatments in the WTO. The issue is of systemic interest and Members are holding diverging views. HKC will continue to participate constructively in these discussions.

OECD

22. The Geneva ETO represented HKC at relevant meetings of the OECD Trade Committee, participating actively in the discussions on subjects such as global value chains, trade in services, trade facilitation and electronic commerce. In May 2019, the ETO provided support to SCED when he attended the digital trade session of the OECD Ministerial Council Meeting.

Controversies Arising from the Fugitive Offenders and Mutual Legal Assistance in Criminal Matters Legislation (Amendment) Bill 2019 (the Bill)

23. As both the WTO and the OECD Trade Committee focus on economic and trade matters, the proposed Bill was not discussed at any meeting. Nevertheless, in its regular liaison work, the Geneva ETO briefed representatives of other WTO Members and visiting business delegations who are concerned about Hong Kong on the latest situation of the city and the position of the Government of the Hong Kong Special Administrative Region on related matters.

Looking Ahead

24. In the coming year, the Geneva ETO will continue to advance and defend the commercial interests of HKC, and to uphold the core values and effective operation of the multilateral trading system. We will also prepare for MC12 to be held in Nur-Sultan, Kazakhstan in June 2020 to help achieve deliverables. We will continue to participate actively in trade negotiations and relevant discussions, in order to seek greater market access for our services sectors and industrial goods, reduce trade barriers, and further facilitate trade and investment.

**Hong Kong Economic and Trade Office, Geneva
8 November 2019**

Report on the Work of the Washington ETO

The Washington ETO closely monitors political and economic developments in the United States (US) and reports to the Government of the Hong Kong Special Administrative Region (HKSAR) on legislative proposals, government policies, executive and regulatory actions that may affect Hong Kong. It also represents Hong Kong's trade and economic interests in the US and actively promotes bilateral co-operation between the two economies.

2. A new term of Congress was formed followed the US midterm elections in November 2018. Despite keeping its majority in the Senate, the Republican Party has lost control of the House of Representatives. Through investigations and hearings, the Democrat-controlled House has strengthened its oversight of the Republican Administration's governance. Recently, the House has launched an impeachment process over allegations that President Trump had pressured a foreign government to investigate the son of former Vice President Biden. Constrained by the House of Representatives, the Administration's governance has been severely hampered. Meanwhile, the Democratic Party has hosted a number of televised primary debates since June this year, as prelude to the presidential election to be held in November 2020.

3. As regards Hong Kong-US relations, the controversies and protests arising from the HKSAR Government's proposed Fugitive Offenders and Mutual Legal Assistance in Criminal Matters Legislation (Amendment) Bill 2019 (the Bill) have aroused much concerns in various sectors in the US, and triggered some congressional members to put forward legislation and resolutions relating to Hong Kong.

Commercial Relations

4. In 2018, counting on the basis of individual economies, the US was Hong Kong's second largest trading partner and Hong Kong was the tenth largest export market for US products. The US had the largest trade surplus with Hong Kong among its trading partners, amounting to US\$33.8 billion in 2018.

5. The Washington ETO strives to strengthen Hong Kong's audience-building work and engages a wide spectrum of interlocutors, including US government agencies, congressional members and their staffers, think-tanks, the media, academia, the business community, former Hong Kong residents and other opinion formers. So far this year, officers of the ETO have attended about 300 meetings and various activities, of which about 40 and 60 targeted federal government officials and members of Congress/their staffers respectively. Officers of the ETO proactively engage interlocutors from relevant sectors, and impress upon them Hong Kong's full implementation of "one

country, two systems” and commitment to free trade and economic policies. In particular, we have reiterated to our interlocutors our stance on free trade, pointing out that trade disputes would have significant impact on world trade and economic development, and that disputes and disagreement should be dealt with through bilateral talks and the World Trade Organization.

6. We continue to actively promote Hong Kong’s position as a premier international financial centre, one of the most business-friendly cities and the gateway to the Mainland and the Asia-Pacific region. In addition, we have made efforts to promote and articulate the trade and economic benefits that can be brought by the Belt and Road Initiative and the development of the Guangdong-Hong Kong-Macao Greater Bay Area to the US business community.

7. At the same time, the Washington ETO closely monitors and reports on major US domestic issues and the US’s relations with key trading partners that may have implications for Hong Kong. These include –

- (a) policy priorities and agenda of President Trump and his Administration as well as Congress, such as (i) renegotiation of the North American Free Trade Agreement (now renamed as the US-Mexico-Canada Agreement), (ii) bilateral trade agreements between the US and other trading partners, (iii) measures in response to the potential threats to the US information and communications technology supply chain, and (iv) measures to reduce trade deficits;
- (b) major changes to the Trump Administration at cabinet level;
- (c) controversies among various US sectors arising from the proposed Bill and the related protests (see paragraphs 14 to 21);
- (d) economic and trade issues related to the Mainland and Hong Kong, such as trade investigations (including intellectual property rights, currency manipulation, dumping, subsidies, and issues endangering national security), enforcement actions (including additional tariffs, trade bans and other sanctions), export controls and external investment reviews; and
- (e) US fiscal and monetary policies, particularly the movement of federal funds rate as the Hong Kong dollar is pegged to the US dollar and US’ interest rate fluctuations will have impact on our economy.

8. High-level visits by senior HKSAR Government officials to Washington, DC provide a focal point on promotion of Hong Kong’s strengths in various sectors. The Secretary for Commerce and Economic Development (SCED) visited Washington, DC in June 2019 to meet with US congressional leaders, business organisations, think-tanks, academia and the media. Co-incidentally, the American Chamber of Commerce in

Hong Kong (AmCham HK) was visiting the capital on its annual “doorknock” and celebrating its 50th anniversary around that time. The SCED took the opportunity to invite the AmCham HK delegation to attend a number of meetings/events with him, so as to achieve synergies in the promotion of Hong Kong’s advantages. In addition, the ETO organised a seminar and a reception for SCED to talk about the current situation and challenges of global trade, and the proactive promotional role played by Hong Kong in the context of the multilateral trading system and regional economic integration. During the activities, the SCED also encouraged more exchanges at the governmental and business levels with a view to strengthening the bilateral economic and trade ties between Hong Kong and the US.

9. The Financial Secretary visited Washington, DC in mid-October 2019 to attend the annual meetings of the International Monetary Fund (IMF) and the World Bank Group as a member of the Chinese delegation. During his visit in Washington, DC, he met with senior US government officials, senior representatives of the IMF and World Bank Group, think-tanks, as well as financial institutions to promote Hong Kong’s core advantages for business and trade. He also introduced the work of the HKSAR Government in maintaining financial stability, as well as the relief measures supporting small and medium-sized enterprises, safeguarding jobs and relieving people’s financial burden.

10. During the past year, the Washington ETO facilitated visits to Hong Kong by committees relating to US-China relations as well as congressional members and staffers. These included a delegation of the congressional US-China Working Group, a delegation of the US-China Economic and Security Review Commission and a congressional delegation organised by the US-Asia Institute in March, May and August 2019, respectively; as well as two delegations of US congressional staffers in March and October respectively under the Sponsored Visitors Programme. They met with senior HKSAR Government officials, and were given a wide range of briefings by government bureaux/departments and relevant organisations on the latest development in Hong Kong. US visitors found such visits useful for acquiring a better understanding of the situation in Hong Kong such as the economy, opportunities and challenges.

Public Relations

11. The Washington ETO continued to broaden and diversify its network of contacts to raise Hong Kong’s profile, promote our core attributes, and explain the HKSAR Government’s policy agendas, initiatives and priorities. We regularly briefed key interlocutors on the latest developments in Hong Kong, including the implementation of “one country, two systems”, and addressed issues of concerns. We also hosted a range of public relations activities (such as briefings, cultural events and receptions) to maintain and strengthen the ETO’s network of contacts.

12. The Washington ETO hosted a large-scale spring reception to celebrate Chinese New Year, and briefed different target audiences such as students, academia, think-tanks,

the media and members of the local Chinese communities on Hong Kong's developments. The ETO promoted various talent admission schemes through its website and publicity materials, as well as through speeches, briefings and presentations, particularly to students and young professionals.

13. The Washington ETO organised and supported arts and cultural events to reach out to new stakeholders and promote Hong Kong's soft power in these areas. It co-organised with the Smithsonian Institution's Freer Gallery of Art the annual "Made in Hong Kong" Film Festival in July and August 2019 to showcase Hong Kong cinema and culture to US audiences. As the longest-running film festival at the Freer Gallery of Art, this year marked the 24th anniversary of the event. The film festival kicked off with the premiere of the acclaimed film "Still Human" and an appearance by the film's lead actress Crisel Consunji at its screening. It also featured appearances by director Sunny Chan, actress Jennifer Yu and actor Kenny Wong for a screening of their film "Men on the Dragon".

Controversies Arising from the Bill

14. Over the past six months, the controversies and protests arising from the proposed Bill in Hong Kong have aroused much concerns in various sectors in the US (including the White House, federal agencies, congressional members and their staffers, think-tanks, the media, academia and business communities). In general, they held negative views towards the proposed legislative amendments, considering that the proposal would undermine "one country, two systems" and a high degree of autonomy as well as the core values of freedom, human rights and the rule of law, etc. in Hong Kong. They generally felt that the HKSAR Government had failed to handle the controversies over the proposed Bill properly, and were concerned about the Central Authorities' response to the issue, opining that any intervention of the Central Authorities would further affect the implementation of "one country, two systems" and the future development of Hong Kong.

15. On multiple occasions, the White House, Department of State, bipartisan congressional leaders and members, the Congressional-Executive Commission on China (CECC) and the US-China Economic and Security Review Commission issued press releases, tweets, briefs, etc. to state their stances on and concerns over the proposed amendments and related protests, and to express their wish for a proper resolution. President Trump also responded to US media's questions regarding the proposed amendments and related protests. The CECC issued two letters to the Chief Executive to express their concerns over the negative impacts of the proposed amendments as well as their request for the withdrawal of such amendments. Some congressional members also criticised the HKSAR Government's introduction of the Prohibition on Face Covering Regulation under the Emergency Regulations Ordinance in early October, and were of the view that the move could not resolve political problems but instead deepen concerns on whether the people of Hong Kong could still enjoy the freedom of expression.

16. Meanwhile, some Hong Kong protestors and Hong Kong people residing in the US conveyed to the US Administration and Congress their discontent over the legislative amendments and the handling of the protests by the HKSAR Government through various channels, such as websites and social media, newspaper advertisements, public assemblies in major US cities and online petitions, etc.

17. Business communities were generally of the view that the instability of Hong Kong society would add uncertainty to its business environment and investment outlook, and thus adversely affect Hong Kong's economic development and its status as an international business centre. Many investors indicated that, for the time being, they would adopt a wait-and-see attitude towards the Hong Kong market. The on-going protests and some radical conflicts, e.g. blockage of the airport, led many people in the US to worry about Hong Kong's law and order, and question its status as a safe city, reducing their interest to travel or pursue development in Hong Kong. On 7 August, the US Department of State raised its travel advisory on Hong Kong to level 2 (i.e. exercise increased caution), citing civil unrest in Hong Kong. The US Consulate General in Hong Kong and Macau from time to time issued demonstration alerts to American citizens in Hong Kong, reminding them to avoid the areas of the demonstrations.

18. The amendment proposal prompted some members of the US House of Representatives and Senate to reintroduce the Hong Kong Human Rights and Democracy Act in June, with a view to ensuring a high degree of autonomy in Hong Kong. The legislation would require the US Department of State to submit to Congress an annual certification on Hong Kong's autonomy to justify the continued accord of special treatment to Hong Kong, as well as to introduce provisions to impose sanctions on people who are involved in suppressing basic freedoms in Hong Kong. Besides, some members of the House of Representatives moved a non-binding resolution in August to support the human rights and democratic development in Hong Kong, as well as a bill in September to suggest prohibiting commercial exports of certain crowd control items to the Hong Kong Police¹. The House of Representatives passed the above-mentioned bills/resolution in mid-October and the two bills are pending before the Senate.

19. The Washington ETO has been providing information updates to various sectors of the US community and explaining to them the situation in Hong Kong through meetings, emails, social media, etc. in a bid to clarify any misunderstandings and mitigate the negative impacts of the incident on the international image of Hong Kong and on Hong Kong-US bilateral relations. Officers of the ETO have also met with members of the Legislative Council visiting the US to share with them the latest situation in the US, as well as issues of concerns over Hong Kong expressed by various sectors in the US. The Chief Executive, SCED and officers of the ETO have respectively written to various

¹ In October 2019, some Senators introduced a bill to suggest imposing similar prohibition against the Hong Kong Police.

interlocutors in the US to explain in detail the HKSAR Government's position, and to emphasise the importance of the Hong Kong-US relations to both sides.

20. SCED visited Washington, DC and the West Coast of the US respectively in June (see paragraph 8 above) and September (see paragraph 5 of San Francisco ETO's work report) to update members of Congress, business communities, think-tanks, academia and the media, etc. the unique status of Hong Kong under the Basic Law and intrinsic strengths of Hong Kong. He also gave an update on Hong Kong's latest situation and measures taken to address current challenges, with a view to illustrating that despite the current difficulties faced by Hong Kong, the city remains a highly efficient and safe city, welcoming people from around the US to visit and do business. When meeting with different sectors of the US community during his visit to the US in October (see paragraph 9 above), the Financial Secretary reiterated that Hong Kong's financial markets and banking system had been functioning as usual, and the city's core competitiveness had not been affected.

21. Every opportunity was also taken to brief various sectors, including representatives of the federal government, in particular those responsible for Hong Kong affairs in the Department of State, Department of Commerce and the US Trade Representative, etc., members of Congress and their staffers, in particular members and staffers of the Senate and House committees for foreign affairs, and CECC. So far this year, the number of such officials, congressional members and staffers met has been over 200, of which about 80 and 130 are government officials and congressional members/staffers respectively. Officers of the ETO explained to them that the HKSAR Government would spare no effort in implementing "one country, two systems", safeguarding core values that were key to Hong Kong's success, and finding solutions to social problems in concert with different sectors, with the aim of moving Hong Kong forward. The ETO reiterated to them that Hong Kong and the US, being important partners in trade and such other areas as export control, anti-money laundering and counter terrorism, had mutually beneficial bilateral relations, and that any change to current US policy towards Hong Kong could have adverse impact on the people and business-trade interests of both places.

Looking Ahead

22. Against the backdrop of US-China trade conflicts, some from the political circle in the US may interpret the Hong Kong situation through the lens of Mainland China, overlooking Hong Kong's unique and advantageous position under "one country, two systems". Coupled with the ongoing controversies and protests arising from the proposed Bill, it is expected that Hong Kong will remain on the radar screen of the US.

23. The Washington ETO will continue to keep monitor the concerns of various US sectors on the controversies and protests arising from the proposed Bill, as well as the developments of the Hong Kong Human Rights and Democracy Act. We will continue to explain the latest situation in Hong Kong to our US interlocutors, and seek to rebuild

the confidence of various US sectors in Hong Kong's future through promotion and other activities. On the other hand, the 59th US presidential election will be held in November 2020 and all 435 seats in the House of Representatives and about one-third of the seats in the Senate will also be re-elected to form the 117th US Congress. We are keeping a close watch on the developments and will keep a close working relationship with senior officials in the US government whose portfolios are relevant to Hong Kong, members of Congress and their staffers, think-tanks, the media and academia. We will also continue to closely monitor the US government's policy direction as well as the US political and economic landscape, particularly the development of the US-China trade conflict and its possible impact on the bilateral trade between Hong Kong and the US.

Hong Kong Economic and Trade Office, Washington, DC
8 November 2019

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 ties and networks between Hong Kong and 31 eastern states of the United States (US)¹.

2. In the past year, the overall US economy grew steadily with unemployment rate remained at a low level. The eastern states in the US continued to pay close attention to the development of the China-US trade conflict. US Companies were also interested in how to make use of the unique advantages enjoyed by Hong Kong under the principle of “one country, two systems” to mitigate the negative impact of the trade conflict on their businesses in China and other Asian economies.

3. Recently, the controversies and protests arising from the Fugitive Offenders and Mutual Legal Assistance in Criminal Matters Legislation (Amendment) Bill 2019 (the Bill) have aroused great concerns among various sectors in the US. They have been following developments as well as the political, economic and social impacts on Hong Kong. The New York ETO has been maintaining close liaison with different sectors in the eastern US so as to explain the case for Hong Kong as appropriate and maintain the city’s global reputation. Meanwhile, the ETO has also continued to enhance the economic and cultural exchanges and collaboration between Hong Kong and the eastern US with a view to fostering stronger bilateral ties.

Commercial Relations

4. The New York ETO monitored closely the bilateral trade ties between Hong Kong and 31 US eastern states, in particular the impact brought by the change in the China-US trade relations. In 2018, the US eastern states exported US\$21 billion worth of goods to Hong Kong, accounting for 56% of the total export from the US. Among 50 states, New York, after California, ranked the second by the value of goods they exported to Hong Kong, with exports to Hong Kong reaching US\$9.16 billion which represented an increase of about 3.4% compared to 2017. Meanwhile, Hong Kong was New York State’s second largest export destination, behind Canada. Besides New York State, Hong Kong’s other major import partners from the eastern US included Illinois, Massachusetts, New Jersey and Florida, which ranked fourth to seventh respectively, and Georgia being the tenth.

¹ Namely the Commonwealths of Kentucky, Massachusetts, Pennsylvania and Virginia; and the States of Alabama, Arkansas, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Louisiana, Maine, Maryland, Michigan, Minnesota, Mississippi, Missouri, New Hampshire, New Jersey, New York, North Carolina, Ohio, Rhode Island, South Carolina, Tennessee, Vermont, West Virginia and Wisconsin.

5. The New York ETO continued its efforts to maintain close ties with the political sector, business community, academia, cultural sector, media and think-tanks in the eastern US. Through regular visits, meetings, and the organisation and support of various exchange activities, we updated them on the latest developments of Hong Kong and promoted the dual advantages and future opportunities of Hong Kong under the “one country, two systems” principle, especially the business opportunities brought by the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) development. During the reporting period, the Commissioner for Economic and Trade Affairs to the United States (C,USA), the Director and the Deputy Director of the New York ETO conducted 30 visits to 12 states².

6. The New York ETO also actively promoted high-level official exchanges to strengthen bilateral ties and commercial relations. The Under Secretary for Labour and Welfare paid a visit to New York in March 2019 to attend the 63rd United Nations Commission on the Status of Women meetings, as part of the Chinese delegation. He also attended a luncheon organised by the New York ETO to talk about Hong Kong’s work on enhancing the status of women. The Secretary for Commerce and Economic Development (SCED) met with the business sector in New York during his visit to the US in June 2019. He updated them on the latest economic development of Hong Kong and had exchanges with them on Hong Kong-US bilateral relations and the current state of international trade. The Financial Secretary visited New York in October 2019 and met with the business and financial sectors to promote the important roles of Hong Kong as an international financial hub as well as the gateway to the Belt and Road Initiative and Greater Bay Area development.

7. Besides, the New York ETO also facilitated visits of various government departments and other organisations³ to the eastern US, including the participation of a Hong Kong delegation led by the Permanent Secretary for Financial Services and the Treasury (Financial Services) at the report examination meeting of the Financial Action Task Force held in Orlando in June 2019. At the meeting, Hong Kong was assessed to be compliant and effective overall in combating money laundering and terrorist financing, making it the first jurisdiction in the Asia-Pacific region to have achieved an overall compliant result.

8. On the other hand, the New York ETO also assisted the National Committee on US-China Relations in arranging a visit to Hong Kong by representatives from the US-China Working Group of the US House of Representatives in March 2019. During the visit, the Chief Executive, Secretary for Justice and SCED met with the delegation and briefed them on the latest developments of Hong Kong.

² Including the Commonwealths of Massachusetts and Pennsylvania; and the States of Connecticut, Delaware, Florida, Georgia, Illinois, Maryland, Michigan, Missouri, New York, and North Carolina.

³ Other organisations included Hong Kong Science and Technology Parks Corporation and Cyberport, etc.

9. On business promotion, in collaboration with Invest Hong Kong (InvestHK), the Hong Kong Trade Development Council (HKTDC) and local chambers of commerce and business organisations, the New York ETO organised seminars in different cities to brief the local enterprises on business opportunities for the US companies brought by the Belt and Road Initiative and the Greater Bay Area development, and encouraged them to capitalise on the unparalleled advantages of Hong Kong to tap into the Mainland and other Asian markets.

10. To promote Hong Kong's developments in innovation and technology, especially our strengths in biotechnology, the New York ETO organised and co-ordinated a series of events with the representatives from the Hong Kong innovation and technology sector and related organisations as well as government departments⁴, at the 2019 BIO International Convention (BIO) held in Philadelphia in June 2019. The events introduced Hong Kong's latest biotech ecosystem and opportunities to over 20 000 attendees from 75 countries and regions at BIO, as well as encourage them to leverage on Hong Kong's advantages to grow. Apart from Philadelphia, the New York ETO also actively reached out to other US cities with development focus on innovation and technology, such as Boston and the Research Triangle Park in North Carolina, with a view to exploring bilateral collaboration.

11. The New York ETO made efforts in promoting Hong Kong's creative industries, including fostering closer ties with various design institutions in New York and other major US cities to explore possible collaboration. Among all, the ETO supported the American Institute of Architects New York Chapter and the Center for Architecture in New York to organise a symposium on Hong Kong architecture in New York in March 2019. The symposium showcased the innovative design and architectural solutions implemented in the past and present days of Hong Kong to the American community and facilitated future exchanges and collaboration between architects in both places.

Public Relations

12. The New York ETO continued to actively strengthen and expand our network of contacts through organising and sponsoring various public relations, arts, cultural and sporting events. All of which aimed to promote Hong Kong as an international business hub, showcase our soft power in arts and culture, as well as attract more talents and institutions to pursue development in Hong Kong, thereby further enhancing our international profile.

13. During the period of January and February 2019, the New York ETO hosted Chinese New Year receptions in Atlanta, New York, Miami and Chicago respectively to

⁴ They included InvestHK, the HKTDC, Hong Kong Exchanges and Clearing Ltd, the Hong Kong Science and Technology Parks Corporation and the Hong Kong Biotechnology Organization.

update our interlocutors from different sectors on the latest developments and new opportunities of Hong Kong. To promote our arts talents, we also invited an award-winning marimba player, Fiona Foo from Hong Kong to perform at the Chinese New Year reception in New York.

14. On promotion of arts and culture, the New York ETO continued to collaborate with the Asian Cultural Council on an arts fellowship programme to bring two Hong Kong artists to New York for cultural immersion and engagement, as well as network-building. To nurture emerging leaders in Hong Kong's arts and culture sector, the ETO and Yale-China Association also organised an Arts Activator Fellowship programme which allowed two Hong Kong arts administrators to participate in a six-month exchange programme at the Yale University.

15. Hong Kong has long been the film hub in Asia. Over the past year, the New York ETO continued to sponsor the screening of different types of Hong Kong films at the New York Asian Film Festival and the Asian Pop-up Cinema Film Festival in Chicago, with a view to promoting our diverse films and talents to the US audience. Film talents attending film festivals this year included actors/actresses Tsang Kong, Nina Paw, Hanna Chan, Kyle Li, Crisel Consunji, Jade Leung, Michael Tong and Justin Cheung; the highly acclaimed action choreographer and director in Hong Kong Yuen Woo-ping, director Christopher Sun; as well as emerging directors Oliver Chan, Jun Li and Lee Cheuk-pan.

16. On promotion of sports, following the success in previous years, the New York ETO continued to sponsor the Penn Mutual Collegiate Rugby Championship held in Philadelphia in June 2019. The two-day tournament, which was broadcast nationwide, was attended by a total of over 27 000 athletes, fans and audiences. To showcase our sports talents, the ETO also sponsored the PSA World Squash Championship held in Chicago and hosted a welcome reception for the top-notch players from Hong Kong who competed in the Championship.

17. On combining sports with culture, the New York ETO sponsored the annual Hong Kong Dragon Boat Festivals in several strategic cities⁵. Apart from dragon boat races, the ETO also set up booths to promote Hong Kong's "East-Meets-West" culture. These festivals attracted tens of thousands of locals and visitors.

18. To attract more young talents to study and work in Hong Kong, the New York ETO continued to introduce the latest developments and opportunities of Hong Kong, as well as promote various talent admission schemes through talks at universities and meetings with local students.

⁵ Namely Atlantic, Boston, Chicago and New York.

19. In addition, the ETO also actively maintained close liaison with people from different sectors and provide the latest news of Hong Kong via different channels such as social media (e.g. its Facebook and Instagram pages “Hong Kong Meets America”) and the weekly electronic newsletter.

Investment Promotion

20. The New York ETO’s Investment Promotion Unit (IPU) conducted extensive investment promotion programme in the eastern US, with continued focus on both traditional business sectors and overseas startups with investment potential. During the reporting period, IPU met 294 companies to offer assistance and completed 38 projects, i.e. assisting the companies concerned to establish business operations in Hong Kong.

21. IPU conducted a series of promotional activities in sectors with strategic importance, including financial technology (Fintech), innovation, startups, and promoted Hong Kong as an international maritime and aviation centre. IPU participated in the largest events in the US in the respective sectors, including exhibiting at Consensus (blockchain technology), Collision (startups) and Money 20/20 (Fintech); sponsoring Marine Money Week (maritime) and Ishka Aviation Investival (aviation); and attending LendIt USA (marketplace lending), eMerge Americas (startups), Airline Economics Growth Frontiers (aviation), and BIO (biotechnology) held in Philadelphia mentioned in paragraph 10 above. IPU also organised events from time to time to introduce to US enterprises Hong Kong’s economic developments and the development opportunities of various strategically important sectors, with a view to encouraging the companies concerned to establish business operations in Hong Kong.

Controversies Arising from the Bill

22. In the past few months, the controversies and protests arising from the Bill aroused significant concerns in the US community. The New York ETO has been keeping close watch on the views and reaction from the political sector, business community, think-tanks and academia, etc., as well as the impact on Hong Kong-US bilateral relations. Among all, the incidents continuously attracted wide coverage and commentaries by the US media, which also published pieces penned by political and business figures. The overall reports and commentaries were largely negative about the Bill, opining that the proposed amendments would undermine the implementation of “one country, two systems”, the high degree of autonomy, as well as the core values of Hong Kong such as freedoms, civil liberties and the rule of law. In general, they considered that the Hong Kong Special Administrative Region (HKSAR) Government had failed to handle the controversies brought by the Bill properly and were concerned about the reaction of the Central People’s Government (CPG) to incidents. They viewed that any possible intervention of CPG would further impinge on the implementation of “one country, two systems” and the future development of Hong Kong.

23. The US community was generally surprised and worried to see the protest movements against the Bill had turned from peaceful demonstrations at the beginning into the recent extreme violence. The continuous protests and conflicts (especially the blockage of the airport) also caused concerns of local people about the deterioration of law and order in Hong Kong and discouraged them from travelling to or doing business in the city. The business community generally considered that the social unrest in Hong Kong would bring uncertainties to its business environment and investment outlook, and thus undermining our economic development and the status as an international business centre. Many investors expressed that they would adopt a wait-and-see attitude towards the Hong Kong market for the time being. Some US companies with business operations in Hong Kong (especially in the retail and catering sectors) also said that the violence and vandalism in the city had seriously affected their business, and indicated the possibility of moving out of Hong Kong in the long run should the unstable situation continue. Furthermore, they did not consider the relevant bills on Hong Kong proposed by some US Congressmen useful in resolving the impasse of the city. Instead, the proposals would further politicise the issue, thereby severely affecting the amicable bilateral relations enjoyed all along by Hong Kong and the US.

24. Besides, the Hong Kong people living in the US were highly concerned about the Bill and the subsequent protest movements. In general, they were worried about the impact of the incidents on the livelihood and economy of Hong Kong, and hoped the HKSAR Government would be able to resolve the social conflicts properly. Some community groups in the US also initiated a series of demonstrations and other activities to support protesters in Hong Kong.

25. Since the announcement of the proposed Bill by the HKSAR Government, the New York ETO has been actively reaching out to representatives from different sectors in the eastern US including the public, business and academic sectors, media, think tanks, as well as organisations related to Hong Kong, via different platforms and channels such as meetings, emails and social media, weekly newsletters to interlocutors etc. The messages that the ETO has been disseminating include the latest situation in Hong Kong with a view to clarifying misunderstanding of the actual situation and minimising negative impact of the conflicts on the city's image and on the Hong Kong-US bilateral relations; that Hong Kong remains a very safe and welcoming international city for visitors and businesses all over the world; that the Government continue to endeavour to safeguard the "one country, two systems" and the core values underpinning Hong Kong's success; and the measures adopted by the Government to restore calm and order and its efforts to find solutions to address the current difficulties. In response to some inaccurate press reports, the ETO also wrote to the media concerned to clarify and explain.

26. Through out-of-states visits and other channels, the New York ETO also maintained close liaison with eastern states beyond New York, including those with close economic ties with Hong Kong such as Illinois, Pennsylvania, Massachusetts, New Jersey, Florida and Georgia.

27. To ease the concerns of the business community, the New York ETO, in collaboration with HKTDC and local chambers of commerce from different states, organised and supported business events and conferences in various cities. Businessmen from Hong Kong and the US as well as reputable academics were invited to share their views on the latest economic development and business prospects of Hong Kong. The ETO also took the opportunity to highlight that most commercial activities in Hong Kong (including large-scale business conferences) went on as usual. At these events, some US businessmen who had recently visited Hong Kong also commented that their activities in the city were generally not affected by protests and they did not feel unsafe during their stay in the city.

28. Leveraging the visits of SCED and FS to New York in June and October 2019 respectively, the New York ETO also arranged them to meet with key representatives from the financial, business and academic sectors, media and think tanks, etc. They both explained the actual situation in Hong Kong to interlocutors, emphasising that the social and economic fundamentals of Hong Kong remained strong and Hong Kong would continue its roles as an international metropolis and commercial centre. They also stressed that the HKSAR Government would continue to explore solutions to resolve social issues with people from all walks of life through dialogues and different measures, so as to bring Hong Kong forward.

Looking Ahead

29. In the coming year, the New York ETO will continue to closely monitor the impact of protest movements arising from the Bill, as well as the development of China-US trade conflict, on the Hong Kong-US bilateral relations. The ETO will maintain regular liaison with different sectors to update them on the latest situation of Hong Kong and will strengthen its publicity and promotional efforts in order to restore the confidence of the US community in the outlook of Hong Kong. Through government to government liaison and joint business and cultural promotion events with InvestHK, the HKTDC as well as other Hong Kong and local organisations, the ETO will further consolidate and expand its network in the eastern US, thereby strengthening the bilateral ties between the two places.

Hong Kong Economic and Trade Office, New York
8 November 2019

Report on the Work of the San Francisco ETO

The San Francisco ETO is responsible for promoting economic and trade relations between Hong Kong and 19 western states¹ in the United States (US).

2. Despite challenges such as trade tensions and high living costs, US western states saw sustained economic growth and some states hit record low unemployment rates. In consideration of developing and investing into Asian and Chinese regions via Hong Kong, quite a number of US companies paid close attention to Hong Kong's economic and social developments. The San Francisco ETO maintained active communication with various western states and sectors, updating them on issues of interest and explaining Hong Kong's situation as appropriate. As major western cities in the US are generally more concerned about Hong Kong's latest situation and controversies resulting from the Fugitive Offenders and Mutual Legal Assistance in Criminal Matters Legislation (Amendment) Bill 2019 (the Bill), the ETO has been explaining and disseminating timely information and updates. While local businesses generally have faith in Hong Kong's trade, economy and financial markets, and are interested in the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) Development, they are also concerned about the uncertainties of Hong Kong's future. The ETO will continue to promote trade and commerce as well as cultural exchange with the western states, so as to strengthen bilateral relations.

Commercial Relations

3. In 2018, the US western states exported US\$16 billion worth of goods to Hong Kong, accounting for 42% of the total export from the US. California, Texas, Utah and the State of Washington ranked first, third, eighth and ninth respectively among the 50 states by the value of goods they exported to our city.

4. Over the past year, the Commissioner for Economic and Trade Affairs to the United States (C,USA) and the Director of the San Francisco ETO (D(SF)) conducted over 20 visits to 12 cities in eight western states². They met with senior state and city government officials, leaders of state legislatures and business organisations, academia, media and think-tanks to update them on the economic situation and latest developments in Hong Kong. C,USA and D(SF) also spoke at business events to explain the unique strengths of Hong Kong under "one country, two systems" as well as our importance as a

¹ Namely Alaska, Arizona, California, Colorado, Hawaii, Idaho, Kansas, Oklahoma, Oregon, Montana, Nebraska, Nevada, New Mexico, North Dakota, South Dakota, Texas, Utah, Washington and Wyoming.

² Cities visited include Anchorage in Alaska; San Francisco, Los Angeles and Sacramento in California; Denver in Colorado; Honolulu in Hawaii; Salt Lake City in Utah; Boise in Idaho; Houston, Austin and Dallas in Texas; and Seattle in Washington.

two-way gateway facilitating investments into and out of Mainland China. New opportunities arising from innovation and technology (I&T), the Belt and Road Initiative and the Greater Bay Area development were also prominently featured in their presentations to officials, business leaders and the media in different states.

5. The San Francisco Bay Area is where the Silicon Valley is located. The San Francisco ETO, in close collaboration with Invest Hong Kong (InvestHK) and the Hong Kong Trade Development Council (HKTDC), promoted our city's economic and trade relations and networking with investors. In April 2019, the Financial Secretary (FS) visited Seattle and the San Francisco Bay Area to visit I&T companies of different fields, meeting with the companies' senior management and the US government officials to exchange views on promoting economic development. FS also attended a gala reception and dinner hosted by Cathay Pacific Airways to mark the launch of direct flights between Hong Kong and Seattle, and spoke on the latest I&T developments in Hong Kong. In September, the Secretary for Innovation and Technology (S for IT) visited Seattle and the San Francisco Bay Area, meeting with senior figures of the local technology sector, visiting different I&T enterprises and facilities, as well as delivering remarks at luncheons about Hong Kong's advantages on various aspects. S for IT also updated the local technology and business sectors on Hong Kong's latest I&T developments and the opportunities presented by the international I&T hub in the Greater Bay Area development on a number of occasions. Also in September, the Secretary for Commerce and Economic Development (SCED) visited the San Francisco Bay Area and Los Angeles to officiate at the opening ceremonies of a design exhibition, an architecture exhibition and a tourism promotion event for promoting cultural exchange and international co-operation opportunities. He also visited the Hatto Plattner Institute of Design at Stanford University and a venture capital company. In addition, SCED attended the HKTDC's mega international promotion event "Think Asia, Think Hong Kong" and a business luncheon to promote Hong Kong's business services and investment opportunities to US companies seeking opportunities in Asia. In August, a business mixer was co-hosted by the ETO, Hong Kong Association of Northern California and Hong Kong University of Science and Technology (HKUST) Alumni Association Northern California Chapter to receive a delegation of students from the EMBA programme of HKUST. In October, the ETO arranged the visit of the Under Secretary for Financial Services and the Treasury and two industry experts from Hong Kong to attend Money 20/20, the largest Fintech forum in the US, and discussed at its panel about trends and opportunities of Hong Kong's Fintech development.

Public Relations

6. On promoting the films and culture of Hong Kong, the San Francisco ETO sponsored the presentation of Hong Kong productions to local residents at major film festivals held in the states of Texas, Hawaii, Oregon, Washington and California over the past year. Among them, the Hawaii International Film Festival paid tribute to Hong Kong film director Wong Kar-wai by showing three of his classics. He attended a reception prior to the screening of "Chungking Express" and a special extended Q&A

session after the screening, and D(SF) delivered welcoming remarks. Besides, two Hong Kong films, “Project Gutenberg” and “First Night Nerves”, the latter of which was directed by director Stanley Kwan, were featured in the San Francisco International Film Festival. Director Kwan was invited to attend a reception hosted by the ETO before the screening. The ETO also sponsored the “Spotlight on Hong Kong Cinema: Women on the Rise”, a highlight in the CAAMFest, and invited three female filmmakers from Hong Kong, including “Still Human” director Oliver Chan, actress Crisel Consunji, and “The Last Stitch” producer Ruby Yang, to attend the relevant panel and screening. Moreover, the ETO showed its support to new filmmakers through the Hong Kong Cinema in San Francisco, and encouraged US filmmakers to film in Hong Kong at the SXSW Film Festival in Austin.

7. In addition to film promotion, two Hong Kong performing arts groups, Theatre de la Feuille and Toolbox Percussion, were invited to perform at the San Francisco International Arts Festival. The San Francisco ETO invited guests to attend the shows and hosted a welcome reception for the groups. It also invited Boonfaysau, a group of young a cappella singers from Hong Kong, to perform at the spring receptions held in various cities of the western US, with a view to promoting Hong Kong’s soft powers to the locals and furthering cultural exchange.

8. During the reporting period, the San Francisco ETO facilitated visits to Hong Kong by representatives from various sectors in the US, including business delegations to Hong Kong from the states of Hawaii, Idaho, Utah and California. The ETO also arranged for journalists to visit Hong Kong to cover major events under the Sponsored Journalists Programme, such as helping to arrange for a writer for Cultured Magazine to come to Hong Kong during the Art Basel. Furthermore, it continued to invite Hong Kong business and alumni associations in the region to help disseminate to their members details of various schemes of the Hong Kong Special Administrative Region (HKSAR) Government to attract talents, and provide more information to people interested in working in Hong Kong.

Investment Promotion

9. During the reporting period, the Investment Promotion Unit (IPU) of the San Francisco ETO visited 255 companies and assisted 28 companies to establish new business or expand their operation in Hong Kong. To introduce the investment opportunities arising from Hong Kong and the Greater Bay Area to local companies, the IPU arranged a total of nine major visits, including a delegation from the Hong Kong Science and Technology Parks Corporation (HKSTP) and Hong Kong Stock Exchange visiting San Francisco in January 2019; the key personnel of HKSTP visiting San Francisco again in March; the Director-General of Investment Promotion of InvestHK visiting Los Angeles in September to speak at promotional events and meet with companies; and the Under Secretary for Financial Services and the Treasury visiting Las Vegas in October to deliver a speech at a Fintech forum and meet with relevant organisations. The IPU actively promoted Fintech development in Hong Kong and

encouraged representatives of companies to participate in the Hong Kong Fintech Week. The IPU also assisted 11 Fintech companies from the Americas in expanding their operation in Hong Kong.

Controversies Arising from the Bill

10. As many locals in major cities of the western US, such as Seattle, San Francisco and Los Angeles, have travelled to or worked in Hong Kong before, they are in general more familiar with the city's situation as well as more aware of and concerned about the happenings there. Since the Hong Kong society had been relatively peaceful and safe, locals were alarmed by the continuous conflicts and escalating violence; but they were not particularly concerned about implementation of anti-mask laws in Hong Kong. Most locals believed that the conflicts had complex roots, and those from the west coast were also more sympathetic towards Hong Kong's social problems, such as high property prices and wealth disparity, which were common among developed cities. The local business sector generally remained interested in Hong Kong and the Greater Bay Area development and considered Hong Kong an important trading partner, but expressed concerns about the safety and overall situation of Hong Kong in future. In particular, under the ongoing trade conflict between China and the US, they began to consider whether other cities should be the prime investment destination when entering the Asian and Chinese markets.

11. The significant Hong Kong communities in the west coast were much concerned about the events and controversies arising from the Bill. They were keen to make suggestions with a view that the HKSAR Government could resolve the conflicts and appease protests soon. During the reporting period, occasional peaceful protests and various forms of gatherings were held by some local Hong Kong communities at weekends to discuss Hong Kong's developments and voice their support to Hong Kong residents or protestors.

12. The San Francisco ETO continued to, through various ways and platforms, reach out to government entities and organisations from various sectors, listening to their views on Hong Kong and sharing updates about the city. The ETO actively engaged people from different sectors and organisations closely affiliated with Hong Kong in the western US, to explain Hong Kong's current situation and gauge their views. We stressed that "one country, two systems" and Hong Kong's core values remained secure, and Hong Kong's economy and financial markets were operating as usual. The ETO also disseminated latest major updates to its various contacts through emails as appropriate. During the reporting period, a number of official and business delegations continued to visit Hong Kong for business events and exchanges, showing their general confidence in Hong Kong.

13. During S for IT's visit to Seattle and San Francisco Bay Area and SCED's visit to San Francisco Bay Area and Los Angeles, they met with the local business, technology,

government and academic sectors, and delivered speeches about Hong Kong's latest situation, emphasising that the HKSAR Government had taken steps to restore social order and encourage public participation in it; Hong Kong remained a very safe and welcoming international city for overseas visitors to visit and to explore business opportunities. Different interlocutors and audience thanked the officials' timely information and update, and expressed understanding of Hong Kong's situation.

Looking Ahead

14. The San Francisco ETO will continue to work closely with the HKTDC and other relevant organisations to promote Hong Kong as the important link to Mainland China and Asia through business and cultural events as well as regular visits to key cities in the US western states. Considering the strengths of the western US, I&T, arts and culture, and strengthening ties between the Greater Bay Area and the San Francisco Bay Area will remain our primary foci in the coming year.

**Hong Kong Economic and Trade Office, San Francisco
8 November 2019**

Report on the Work of the Toronto ETO

The Toronto ETO promotes bilateral economic, trade and cultural relations between Hong Kong and Canada. We have been promoting Hong Kong's advantages and latest developments through maintaining regular contact with the three levels of government of Canada (federal, provincial/territorial and municipal governments), trade unions and the media, etc. as well as organising or co-organising promotional events with other overseas Hong Kong organisations.

2. The federal election of Canada was held on 21 October 2019. The Liberal Party continued to hold the majority of seats in the Parliament, but it occupied fewer seats as compared with the last term and planned to form a minority government. Besides, the diplomatic and trade relations between China and Canada intensified subsequent to the arrest of Meng Wanzhou, Deputy Chairperson of Huawei Technologies Co. Ltd., by Canada in December 2018 at an extradition request from the US.

3. In the past year, the primary focus of Hong Kong-Canada relations fell on the controversies arising from the Fugitive Offenders and Mutual Legal Assistance in Criminal Matters Legislation (Amendment) Bill 2019 (the Bill) proposed by the Hong Kong Special Administrative Region (HKSAR) Government's and the series of protest activities. Various sectors in Canada were particularly concerned about the safety of some 300 000 Canadians residing in Hong Kong.

Commercial Relations

4. During the reporting period, the Toronto ETO continued to update various trade organisations on the latest economic developments of Hong Kong, and promoted the unparalleled advantages of doing business in Hong Kong and its role as an ideal gateway for Canadian enterprises to tap into the markets of Mainland China, other parts of Asia as well as countries along the Belt and Road.

5. The Toronto ETO organised various business seminars and other events in major cities across Canada in collaboration with Invest Hong Kong (InvestHK), the Hong Kong Trade Development Council, the Hong Kong-Canada Business Association (HKCBA) and other local trade organisations. Emphasis was placed on promoting Hong Kong as the best springboard for foreign enterprises to tap into the Mainland China market, and how Canadian companies doing business in Hong Kong could take advantage of the "Mainland and Hong Kong Closer Economic Partnership Arrangement" for entry into the Mainland China market. We also vigorously promoted Hong Kong's unique roles under the Belt and Road Initiative as well as the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) development, and how Hong Kong could join forces with Canadian companies to seize the related business opportunities.

6. At the same time, the Toronto ETO also participated in various sector-specific business events to promote Hong Kong's traditional pillar industries, including professional services. For example, we promoted Hong Kong's status as an international financial centre cum the world's largest Renminbi offshore hub, and its first-rate international legal and dispute resolution services. As regards the promotion of emerging industries, the ETO held a reception for nearly 300 guests during the Collision Conference organised in Toronto in May 2019 to promote the city's fast-developing startup ecosystem and the support measures implemented by the Government and related organisations to encourage the development of innovation and technology. The reception also provided opportunities for the business community in Toronto to interact with the Hong Kong Science and Technology Parks Corporation and the 14 participating Hong Kong startups.

7. To effectively promote Hong Kong as the springboard to Asian markets, the Toronto ETO continued to sponsor the established industrial and business awards event organised by the Association of Chinese Canadian Entrepreneurs in April 2019, and presented the "Best Asia Pacific Business Award" on the occasion. The award commended successful Chinese Canadian entrepreneurs who had started or expanded their businesses in the Asia-Pacific Region through Hong Kong. The Toronto ETO also sponsored the HKCBA in organising its National Conference in June, at which speakers from across Canada were invited to discuss the latest economic developments in China and other parts of Asia, and talk about Hong Kong's business advantages and how the city could assist Canadian companies in seizing the unlimited business opportunities brought about by the Belt and Road Initiative and the Greater Bay Area development. The conference was attended by around 150 participants from the local government and business community.

8. The Secretary for Innovation and Technology (S for IT) visited Vancouver in September 2019 to strengthen the ties between Hong Kong and Canada on the innovation and technology front. During the visit, he met with the Minister of State for Trade of British Columbia George Chow. He also briefed the relevant local government departments, innovation and technology institutes, universities, health research organisations and green energy companies on Hong Kong's latest developments and plans in innovation and technology as well as exploring collaboration opportunities with them.

9. Diplomatic and trade relations between China and Canada continued to deteriorate since the arrest of Meng Wanzhou, Deputy Chairperson of Huawei Technologies Co. Ltd., by Canada in December 2018 at an extradition request from the US. In respect of bilateral trade relations, China halted imports of various agricultural and meat products from Canada. Despite the tension between China and Canada, we will continue to enhance the promotion of Hong Kong's unique business advantages and status as a separate customs territory under "one country, two systems", and its role as a gateway for Canadian enterprises to open up markets in Mainland China, the rest of Asia and countries along the Belt and Road.

Public Relations

10. During the reporting period, the Toronto ETO continued to maintain regular contacts with officials from the three levels of government of Canada to brief them on the latest developments in Hong Kong. We also continued to organise a host of publicity events, participate in various community projects and reach out to members of the local community and press, thereby giving Canadians from all walks of life a better insight into Hong Kong and enhancing the city's profile.

11. To promote the Canadian public's understanding of Hong Kong, the Toronto ETO organised a "Hong Kong Week" under the theme "Connect and Excel" in a number of cities across Canada, including Markham, Richmond Hill and Toronto in the Greater Toronto Area, and Vancouver in June 2019. Featuring a series of events, the "Hong Kong Week" aims to promote Hong Kong's strengths and opportunities with an emphasis on the core values and attributes of Hong Kong, Asia's world city. The events included a nationwide business conference entitled "Think Asia, Think Hong Kong 2.0" organised by the HKCBA, the "Connect & Excel - Past, Present & Future" photo exhibition, a seminar on "Connecting Hong Kong and Canada through Music" co-organised with the University of Toronto, the "Voices of the World" concert jointly organised by the Hong Kong Oratorio Society and oratorio groups in Toronto and Vancouver, a musical performance with a Hong Kong setting entitled "Try to Remember", and dragon boat festival activities in Vancouver.

12. To help attract talents to Hong Kong, the Toronto ETO organised career talks at the major universities in Calgary, Edmonton, Toronto, Vancouver and Victoria, and participated in career fairs held at the universities to brief students on the latest developments, opportunities for further studies and career prospects in Hong Kong. At these events, we also introduced the HKSAR Government's various admission schemes for talents, professionals and entrepreneurs, including the Admission Scheme for the Second Generation of Chinese Hong Kong Permanent Residents, and the Talent List of Hong Kong for the Quality Migrant Admission Scheme.

13. On promoting cultural exchange, the Toronto ETO invited the rope skipping team SLASH from the Hong Kong Rope Skipping Academy in February 2019 to perform at the Lunar New Year receptions in Toronto and Vancouver as well as on other occasions. The ETO also arranged exchange workshops for SLASH and local rope skipping teams. In July, the ETO sponsored the Toronto Chinese Opera Contest and Seminar. Renowned Cantonese opera actress Tang Mi-ling from Hong Kong spoke at a Cantonese opera seminar entitled "Continuation of the Pear Garden". She was also on the judging panel for the contest where she gave a short performance of Cantonese opera excerpts to promote the culture of Cantonese opera. In August, the ETO sponsored the East Meets West Charity Concert, at which members of the Hong Kong Juvenile and Youth Chinese Classical Orchestra of La Salle College in Hong Kong performed in collaboration with

Toronto Chinese Orchestra and a choir to show the Canadian public Hong Kong's artistic and cultural charm.

14. The Toronto ETO also continued to take the opportunities of the Chinese New Year celebrations, dragon boat race festivals, Chinatown Festivals and other community events held in major cities across Canada to promote Hong Kong through public speaking and exhibitions. In partnership with the Hong Kong Tourism Board, we held annual Lunar New Year receptions in Toronto and Vancouver to brief guests on the latest developments in Hong Kong and promote Hong Kong as a multi-experience destination in an effort to draw more visitors to the city. We also continued to work with different local bodies to organise academic seminars on Hong Kong, as well as calligraphy, painting and colouring competitions with themes relating to Hong Kong and the Basic Law.

15. To promote Hong Kong's film industry, the Toronto ETO continued to work with organisers of various international film festivals across Canada on the screening of a number of Hong Kong films. We also arranged for the directors and leading actors of three such films to attend the screenings. They included Ling Man-lung, leading actor of "Tomorrow is Another Day", who attended the North American premiere of the film at the Toronto Reel Asian International Film Festival; Lee Cheuk-pan, director of "G Affairs", together with leading actors Kyle Li and Hanna Chan, who attended the Canadian premiere of the film at the Fantasia International Film Festival; and Yon Fan, director of "No. 7 Cherry Lane", who attended the North American premiere of the film at the Toronto International Film Festival. These well-received events gave their audiences a glimpse of the vibrant film industry and outstanding film talents of Hong Kong.

16. During the reporting period, the Toronto ETO arranged for three Canadian journalists to visit Hong Kong under the Sponsored Journalists Programme to cover the Hong Kong FinTech Week, Asian Logistics and Maritime Conference, and Internet Economy Summit for a first-hand understanding of Hong Kong's development in various areas.

Investment Promotion

17. The Investment Promotion Unit (IPU) of the Toronto ETO continued to facilitate Canadian companies' investment and expansion in Hong Kong. During the reporting period, the IPU met with 109 companies and assisted 5 companies engaged in a variety of industries (e.g. innovation and technology, financial services, and education services) in establishing their business operations in Hong Kong. The IPU also provided support for the ETO's seminars and investment promotion activities, and organised investment promotion visits for InvestHK officers. Such activities included the conferences "Collision" and "Creative Destruction Lab" targeted at startups, and the technology conferences "OCE Discovery" and "AccelerateAB". The IPU will continue to expand

its network of contacts and co-operate with multipliers to promote Hong Kong as a prime location for investment and doing business.

Controversies Arising from the Bill

18. The controversies arising from the Bill proposed by the HKSAR Government and the series of protest activities attracted extensive attention from various sectors in Canada, including the three levels of government, members of the Parliament, media, business sector, academia and the community with Hong Kong connection since May 2019. Overall speaking, they urged the HKSAR Government to safeguard the freedoms enjoyed by Hong Kong people, initiate sincere communication with the general public, and implement a high degree of autonomy under the “one country, two systems” principle. They were particularly concerned about the impact of such dissension on some 300 000 Canadians residing in Hong Kong.

19. The Canadian government issued three statements, including joint statements made with the United Kingdom and the European Union, to express concerns about the Bill and the situation in Hong Kong. The statements expressed concerns on the risk that the Bill could impact negatively on the rights and freedoms set down in the Sino-British Joint Declaration, as well as urged the HKSAR Government to resolutely uphold the “one country, two systems” principle, implement a high degree of autonomy, safeguard the freedoms of assembly, speech and expression, refrain from the use of violence, and resolve the issue in a restrained manner. The Prime Minister of Canada, several federal ministers and members of the Parliament also expressed concerns at parliamentary meetings and on different occasions about the proposed amendments and the prolonged protests in Hong Kong, noting in particular the impact of such dissension on some 300 000 Canadians residing in Hong Kong. They also expressed Canada’s determination to safeguard important values including freedoms and human rights.

20. In addition, the Canadian government reminded Canadians residing and travelling in Hong Kong to avoid going to areas where demonstrations were taking place. On 8 August, it raised the risk level in its travel advisory for Hong Kong, suggesting Canadian visitors to “exercise a high degree of caution” when in Hong Kong. Staff of the Consulate General of Canada in Hong Kong and Macao was deployed to the Hong Kong International Airport to assist Canadian travellers in need.

21. Since June, the Canadian media had been reporting extensive on the controversy, including the protests and scuffles in Hong Kong and Canada, comments from different sectors on the proposed amendments and related issues, as well as the possible potential outflow of capital from Hong Kong to the Canadian market.

22. Response of the Canadian business sector and enterprises varied. Some remained positively cautious. Recognising the unique competitive edge of Hong Kong, they continued with their itinerary to the city for business trips or commercial development. On the other hand, some individual business representatives and enterprises had concerns

about the impact of the on-going protests and aggressive protest tactics on the safety and stability of Hong Kong, and therefore decided to postpone or cancel their trips or business plans. On the whole, the business sector and enterprises valued Hong Kong's "one country, two systems" and the rule of law, hoping that public order would be restored as soon as possible.

23. Immigrants from Hong Kong and Hong Kong citizens living in Canada were gravely concerned about the controversies. Some individuals organised activities through existing or newly established concern groups or online social platforms to voice their opinions, with the aim of arousing awareness in the Canadian community. These activities mainly included processions and rallies that echoed the demands of Hong Kong protestors; online joint petitions that aimed to rally support from the Canadian government, members of the Parliament and public for these demands; condemnation of the Hong Kong police's use of excessive force, and demand for sanction to be imposed on government officials and police officers of Hong Kong by the Canadian government; as well as talks and seminars that looked into the dissension and its impact on Canada. On the other hand, there were groups which published on newspapers statements supporting the HKSAR Government and the Police to act according to law, denouncing violent acts in protests.

24. Since the unrest began, the Toronto ETO had been making tremendous efforts in explaining the situation in Hong Kong to the three levels of government of Canada, business associations, enterprises, think tanks, media and representatives of different organisations. We explained the background of the Bill, the latest development of relevant dissension, as well as the Hong Kong SAR Government's response and measures. It was done through reaching out to our interlocutors by emails and meetings, delivering speeches and presentations at seminars and events, conducting interviews with the media and issuing bi-weekly e-bulletins. To maintain the stakeholders' faith in Hong Kong, the ETO also reiterated the unique role and strengths of Hong Kong under the "one country, two systems" principle, and put particular emphasis on the HKSAR Government's determination to firmly uphold the principle and rule of law. Despite the recent interruptions, Hong Kong retained its core strengths and continued to be a highly efficient and safe city. As Hong Kong and Canada share similar business system and culture, it is an ideal platform for Canadian enterprises to tap into the Asian market. During his visit to Vancouver in September, S for IT also emphasised that under the "one country, two systems" principle, Hong Kong continued to be a springboard for Canadian startups to Mainland China and Asian markets.

Looking Ahead

25. While the previous term of federal government led by the Liberal Party adopted a China-friendly approach, the strained Sino-Canadian diplomatic relations these days might cause a shift in the direction and emphasis of Canada's diplomatic and trading policies on China, or even lead to a harder approach to Hong Kong matters. The Toronto ETO would reach out to the new term of federal government, and continue to

leverage on the close relations between Hong Kong and Canada to promote economic and trade co-operation, strengthen cultural and other exchanges, and attract talents to Hong Kong. Also, the ETO would continue to closely monitor the concerns expressed by various sectors in Canada on the controversies arising from the Bill and the series of protest activities, as well as explain the latest situation in Hong Kong and the HKSAR Government's response through different channels.

Hong Kong Economic and Trade Office, Toronto
8 November 2019

Report on the Work of the Brussels ETO

The Brussels ETO represents Hong Kong's economic and trade interests in the European Union (EU), and is responsible for promoting Hong Kong's bilateral relations with 15 European countries, comprising 14 EU Member States (MSS), namely Belgium, Bulgaria, Croatia, Cyprus, France, Greece, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Romania and Spain, as well as Turkey.

2. The European Parliament (EP) held election in May 2019. The major traditional Centrist and pro-EU political groups retained majority but lost ground to the Greens, extremists and populist parties. After lengthy negotiations among MSS for the subsequent leadership change of the EU institutions, the new President of the EP was elected in July 2019 and the new President-elect of the European Council will assume position in December 2019. However, the prospective EU executive head, the European Commission (EC) President, has to assume office later than scheduled as some of her nominations of EC Commissioners were unprecedentedly rejected by the EP. On the other hand, the issue of the United Kingdom's exit from the EU (Brexit) remained unresolved while the EU reached a new withdrawal agreement with the United Kingdom in October and the Brexit deadline agreed to be extended once again until 31 January 2020.

3. At MSS level, federal/general elections took place in Spain (April 2019), Belgium (May 2019), Greece (July 2019) and Portugal (October 2019), leading to a change of government in Greece. In Spain, there will be another round of election in November 2019 as the largest political party failed to form a majority coalition government. There were also leadership changes in Belgium, Italy and Romania due to collapse of the previous governing coalitions for various reasons during the reporting period. Up to end October 2019, Belgium was still unable to form a new federal government.

4. The European interlocutors are well briefed on the unique advantages and fundamental strengths of Hong Kong, and the collaboration opportunities offered by Hong Kong in trade and investment. Starting from May this year, with the extensive reports by the European media on the Fugitive Offenders and Mutual Legal Assistance in Criminal Matters Legislation (Amendment) Bill 2019 (the Bill) and the related protests, the EU and some MSS gave more attention to the human rights and political situations of Hong Kong, including whether "one country, two systems" was working well. The European business community, while remaining confident of the business environment and advantages of Hong Kong, also followed closely the social incidents in Hong Kong and their possible impacts on the business environment. The Brussels ETO has stepped up efforts to communicate with the relevant interlocutors to provide them with updated and factual information on the situation in Hong Kong, and to pave the way for engaging suitable European interlocutors in re-launching Hong Kong.

Commercial Relations

5. The Brussels ETO maintained regular dialogue with various supranational organisations of the EU (including the EC and the EP), national governments, ambassadors and representations of various overseas countries stationed in Brussels as well as political and business communities of individual countries, in addition to monitoring EU policies and directives which might have impact on Hong Kong and discussions relevant to Hong Kong. The ETO also closely monitored discussions on relevant issues at summits of EU leaders and kept a close watch on the development of the negotiations on Brexit, particularly its possible implications on Hong Kong.

6. On trade issues, the Brussels ETO closely monitored the EC's trade remedy measures against Mainland China's products, such as anti-dumping and anti-subsidy duties, given the close trade relations between Hong Kong and the Mainland. We also followed the EU's bilateral relations and negotiations with other trading partners. In addition, we continued to work with the EC to explore the possibility of an investment agreement between Hong Kong and the EU.

7. At the level of national/regional governments, the Brussels ETO supported the liaison that led to the signing of the Working Holiday Scheme agreement with Italy in July 2019. The ETO also succeeded in inviting the Prime Minister of Luxembourg, Mr Xavier Bettel, to attend and deliver a keynote speech at the Asian Financial Forum to be held in Hong Kong in January 2020.

8. During the reporting period, the Brussels ETO lined up four visits for Principal Officials. These included the visit by the Secretary for Financial Services and the Treasury to Dublin in Ireland in February 2019; the Secretary for Justice's visit to Paris in France, Luxembourg City in Luxembourg and The Hague in the Netherlands in April; the Secretary for Food and Health's visit to Leiden and Almelo in the Netherlands in May; and the Financial Secretary's visit to Luxembourg City in July.

9. During her visit to Europe, the Secretary for Justice met with the Minister for Justice of France, members of the National Assembly of France and the Judge of French Supreme Court, the Cour de Cassation, in Paris to explain the rule of law in Hong Kong and explore opportunities to strengthen legal co-operation between the two places. She also attended a series of events to brief the business and legal sectors in France on Hong Kong's unique advantages in legal and mediation services. She then visited Luxembourg City and The Hague where she called on a number of international legal/judicial organisations to give them an introduction of the legal system in Hong Kong and the work of the Department of Justice and to explore collaboration opportunities.

10. During his visit to Luxembourg City, the Financial Secretary attended the three-day Annual Meeting of the Asian Infrastructure Investment Bank where he met with the

Prime Minister of Luxembourg, Mr Xavier Bettel, and other financial officials to strengthen co-operation between Hong Kong and other places. The Financial Secretary also visited the Luxembourg House of Financial Technology, which offered fintech incubation, and delivered a speech to over a hundred fintech entrepreneurs, angel investors and executives to introduce the latest measures to promote fintech development in Hong Kong.

11. In collaboration with Invest Hong Kong (InvestHK), the Hong Kong Trade Development Council (HKTDC) and local chambers of commerce and organisations, the Brussels ETO organised a total of 61 seminars, talks, receptions, luncheons and dinners during the reporting period to promote Hong Kong's unique advantages, its distinct role in connecting Mainland China and Europe, as well as development opportunities for European companies and talents in Hong Kong. In particular, to promote Hong Kong's unique role under the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) development, the ETO also organised seminars in Belgium, Cyprus, France, Greece, Ireland, Italy, the Netherlands, Spain and Turkey.

Public Relations

12. For the promotion of arts and culture, the Brussels ETO continued to promote Hong Kong's arts and cultural talents, in particular arts performances and exhibitions with Hong Kong characteristics by individuals and small arts groups. For instance, the ETO supported the light installation exhibition entitled "To See A World In A Grain of Sand" by Hong Kong artist, Mr Chi-yung Wong, at the International Meeting in Performing Arts and Creative Technologies Festival in Liège, Belgium from November 2018 to February 2019. In February 2019, the ETO invited a harmonica and electronic ensemble from Hong Kong to perform at the Chinese New Year receptions in Paris, The Hague and Brussels, Belgium. In the same month, the ETO also supported Hong Kong art curator to take part in the ARCOMadrid, an international contemporary art fair held in Madrid, Spain. Later in May at the Venice Biennale, the ETO supported the Hong Kong Pavilion set up jointly by the M+ Museum of the West Kowloon Cultural District and the Hong Kong Arts Development Council (HKADC) to showcase the exhibition of a Hong Kong artist. In the same month, the ETO attended a reception organised by the HKADC at Classical:NEXT 2019 in Rotterdam, the Netherlands. The reception was attended by representatives of the Hong Kong music scene and international artist scene. In June, we supported Mr Calvin Wong, a young cello player from Hong Kong, in joining a one-week Young Artist Programme in Rome, Italy to practise with outstanding musicians worldwide and perform at the Rome Chamber Music Festival.

13. The Brussels ETO devoted significant efforts to promote Hong Kong's creative industries. On comics and animation, the ETO supported Hong Kong comics artists' participation in the Angoulême International Comics Festival, France in January 2019. On design, we supported Hong Kong fashion designers in the runway show and exchange session organised by the Hong Kong Fashion Farm Foundation in Paris in February. On publishing design, we supported the participation of the Hong Kong Publishing

Federation and the Hong Kong Printers Association in the Bologna Children's Book Fair in Italy in April.

14. Noting the unique position of Hong Kong films in European cinema and worldwide, the Brussels ETO continued to sponsor the screening of Hong Kong films in numerous international film festivals in Europe. During the reporting period, the ETO and Create Hong Kong sponsored a total of nine international film festivals, and supported Hong Kong film makers to attend international film festivals and related exchange sessions, including the 6th Asian Film Festival in Barcelona, Spain in November 2018, the 12th edition of the CinemAsia Film Festival in Amsterdam, the Netherlands in March 2019, the 21st Far East Film Festival in Udine, Italy in April and the International Film Festival in Sitges, Spain in October.

15. The Brussels ETO actively promoted Hong Kong as a vibrant city. We sponsored the Run & Bike Binotan sports event and the Oxfam Trailwalker in Belgium held in January and August 2019 respectively to showcase Hong Kong's can-do spirit and promote Hong Kong's green tourism. The ETO also sponsored the Hong Kong Dragon Boat Festival in Antwerp, Belgium in September to promote our strong team spirit and unique cultural heritage.

16. With the launch of enhanced talent admission schemes in May 2015 and the first Talent List of Hong Kong in August 2018, the Brussels ETO stepped up its promotional efforts and organised during the reporting period a number of talks in renowned universities in various European cities, including Milan and Siena in Italy, Mechelen in Belgium, Rotterdam, Thessaloniki in Greece and Barcelona, to promote various talent admission schemes and the Talent List of Hong Kong among university students and graduates.

17. On student exchanges, following the pilot launch of the initiative in 2016 to provide overseas internship for Hong Kong higher education students during Summer, we secured a total of 17 internship places in 2019 in Belgium, Italy, Ireland, Spain and Portugal, four of which were provided by the ETO.

18. Maintaining close contact with the Hong Kong communities living in Europe is also an important part of the Brussels ETO's daily liaison work. For instance, we organised gatherings for the Hong Kong communities in France during the visits of our Principal Officials so as to keep them abreast of Hong Kong's latest developments. We also from time to time handled enquiries from Hong Kong residents living abroad and provided assistance where appropriate.

Investment Promotion

19. During the reporting period, the Investment Promotion Unit (IPU) of the Brussels ETO met with 207 companies and multipliers that are interested in setting up an

operation in Hong Kong, and helped 80 companies initiate the process of setting up a company in Hong Kong.

20. The IPU also continued to enhance market awareness and visibility of Hong Kong by jointly organising events with major multipliers of various places. The IPU spoke at business seminars co-organised by the ETO and the HKTDC, as well as business events organised by local associations to promote Hong Kong's strategic advantages. In some global events, such as the Websummit in Lisbon, Portugal in November 2018, the Mobile World Congress in Barcelona, Spain in February 2019, and The Next Web Conference in the Netherlands in May, the respective IPUs of the Brussels, Berlin and London ETOs joined hands to participate as a strong promotion team. The IPU also provided support to trade missions from Hong Kong and visits from officials of InvestHK Headquarters.

Controversies Arising from the Bill

21. While understanding the efforts of the Hong Kong Special Administrative Region (HKSAR) Government to strengthen and modernise the relevant legislation in order to bring criminals to justice in accordance with the rule of law and international law, the EU considered that the Bill might affect EU citizens living or working in Hong Kong as well as European enterprises carrying on business in the city. The EU hence issued a demarche in late May and a letter in early June this year to the HKSAR Government expressing concerns over the proposed legislative amendments. Apart from hoping that the HKSAR Government will carry out a more in-depth and wider consultation, the EU also suggested that the HKSAR Government should provide better human rights protection according to the existing bilateral agreements and international practices.

22. Besides, the EU closely monitored the numerous processions and protests in Hong Kong since June this year and the related developments. It issued a total of five statements on the situation in Hong Kong between June and October and a joint statement with Canada on the same subject in mid-August. While expressing concerns over the recent developments in Hong Kong and showing respect for the rights of Hong Kong people to assemble and express themselves, the statements called on all parties to exercise restraint, reject violence and take urgent steps to de-escalate the situation. The EU considered that it was essential to conduct broad-based and inclusive dialogue with all key stakeholders. In view of the EU's concerns over Hong Kong's situation, the Brussels ETO met with relevant EC departments on a total of four occasions in May, June and September to provide updates on the situation and dispel rumours.

23. At the parliamentary level, the EP and the French National Assembly were concerned about the situation in Hong Kong. The EP passed a motion on Hong Kong in July and held a discussion on Hong Kong's situation in September, calling for withdrawal of the Bill, release of peaceful protesters and dropping of all charges against them, establishment of an independent commission of inquiry to conduct an investigation into the use of force by the Police, reform of the electoral system to make way for dual universal suffrage, and imposition of export controls to deny Mainland China and Hong

Kong access to technologies used to violate basic human rights. In France, the Ministry of Foreign Affairs issued a statement in August, urging all the parties in Hong Kong to re-establish their dialogue in order to achieve a peaceful outcome to the crisis and bring an end to the escalating violence. French media reported that the statement was issued at the request of some members of the French National Assembly. In response to the above concerns and comments, the Brussels ETO met with relevant Members of the EP in July, September and October, as well as the Members of the French National Assembly in September to update them on the latest situation in Hong Kong with a view to facilitating them to have more balanced views on Hong Kong. They all considered violence not a means to solving social problems. The ETO also met with working counterparts in the relevant ministries of Belgium, France, Italy and the Netherlands for the same reason.

24. The European business communities, especially their chambers of commerce which have close ties with Hong Kong, were also concerned about the city's business environment and public order amid the incidents in recent months. Most of the European countries that fall within the Brussels ETO's purview (including Belgium, Croatia, France, Ireland, Italy, Malta, the Netherlands, Portugal, Romania and Spain) issued announcements to alert their nationals that their visits to Hong Kong might be affected by protests and police-civilian conflicts. In this regard, the Brussels ETO has been providing updates on Hong Kong's situation to the European business communities. For example, the ETO met with chairmen of business associations in Belgium and the Netherlands, and spoke at seven business events held in Belgium, Italy and Spain respectively. Moreover, soon after the Chief Executive announced four actions (including the withdrawal of the Bill) on 4 September, the ETO promptly disseminated the information in order to dispel any misunderstandings or worries about the situation in Hong Kong. The ETO also called on various think tanks to gauge their intelligence and observations about the situation in Hong Kong. Moreover, the ETO also closely monitored the European media coverage of Hong Kong's situation and made clarifications on incorrect reports.

Looking Ahead

25. Although the EU MSS have sustained economic growth, the outlook is unclear in time of global economic uncertainties, particularly when there are trade conflicts among major economies. The EU will face multiple challenges arising from the slackening of German exports, the impact of Brexit and governance problem encountered by governments of individual MSS.

26. Despite general positivity towards the Belt and Road Initiative, the EU expressed grave concerns about China's international trade and economic policies and the country's investment activities in Europe. In the face of China's growing global influence, the EU called on its MSS to deal with possible challenges posed to Europe in a unified manner. The European business communities are particularly interested in the specific projects and mode of participation under the Belt and Road Initiative, hoping for transparency and

fairness in seeking business opportunities. The Brussels ETO will continue its efforts in promoting Hong Kong's unique role under "one country, two systems" and encouraging European companies to use Hong Kong as a platform to tap into the Mainland market. The ETO will also actively promote Hong Kong's special status in the Greater Bay Area development, enhance connections with the innovation and technology sectors of major European countries, and encourage European companies to make the most of this regional co-operation. On the trade and investment fronts, the ETO will continue to explore with the EU the possibility of a Hong Kong/EU investment agreement.

Hong Kong Economic and Trade Office, Brussels
8 November 2019

Report on the Work of the London ETO

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

2. The prospect of Brexit, i.e. the withdrawal of the UK from the European Union (EU), remains the focus of public attention. After numerous rounds of negotiations, the UK and the EU have concluded two Withdrawal Agreements, one in November 2018 and another one in October 2019, for scrutiny by their respective Parliaments. The former was thrice voted down by the UK Parliament, ultimately leading to the resignation of the former UK Prime Minister. As for the new Withdrawal Agreement reached in October, the UK Parliament insisted on withholding its vote until after the passage of the domestic legislation required for the implementation of the Withdrawal Agreement. The incumbent Prime Minister thus decided to put on hold the legislative process and instead sought an early General Election on 12 December in the hope of gaining enough seats to support his new Withdrawal Agreement.

3. During the reporting period, there were positive development in the bilateral economic and trade relations between Hong Kong and the nine countries under the purview of the London ETO. Cultural interactions and exchanges of talents between Hong Kong and the UK were also vibrant.

4. Contentions over the Fugitive Offenders and Mutual Legal Assistance in Criminal Matters Legislation (Amendment) Bill 2019 (the Bill) proposed by the Hong Kong Special Administrative Region (HKSAR) Government, and the ensuing protests had attracted wide media coverage in various countries, aroused concerns in different quarters of the respective societies, and triggered a number of debates and questions in the UK Parliament.

Commercial Relations

5. The London ETO maintained close liaison with contacts in the respective governments, trade organisations, businesses, academia, cultural and media sectors, etc., and updated them on the latest developments in Hong Kong through regular exchanges, visits, seminars, receptions, etc. During the reporting period, the London ETO had, either on its own or in collaboration with the Hong Kong Trade Development Council (HKTDC), local trade associations or other organisations, organised or supported about 50 business events, such as luncheons/seminars/receptions/roundtable meetings, in 15 cities in the countries under its purview to publicise Hong Kong's latest situation and to introduce Hong Kong's advantages under "one country, two systems" as well as opportunities arising from the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) development.

6. In light of the 2018 Policy Address and the 2019-20 Budget, apart from promoting Hong Kong's pillar industries, the London ETO continued to prioritise the promotion of Hong Kong's developments in innovation and technology (I&T) and creative industries. In various business and cultural events, the London ETO highlighted Hong Kong's latest policies and initiatives for the attention of overseas stakeholders with a view to attracting relevant institutions and talents to come to Hong Kong,

7. The London ETO actively promoted high-level official exchanges to strengthen bilateral ties and commercial relations. During the reporting period, the ETO organised ten visits by Principal Officials from Hong Kong, including the Secretary for Food and Health, together with representatives from the Department of Health and the Hospital Authority, to London and Hinxton, the UK in January 2019; the Secretary for Transport and Housing (STH), together with the delegates of the Hong Kong Maritime and Port Board (HKMPB), to Copenhagen, Denmark and Oslo and Bergen, Norway in March; the Secretary for Commerce and Economic Development (SCED), alongside his delegation comprising business people, professionals and representatives of startups, to Tbilisi, Georgia in the same month; the Secretary for Financial Services and the Treasury (SFST) to London for attending the first UK-Hong Kong Financial Dialogue in May; the SCED's visit to London in the same month to update the UK business and political sectors on Hong Kong's latest economic developments and to promote further co-operation in trade and creative industries between the two places; the Financial Secretary (FS) to St. Petersburg, Russia in June to attend by invitation the annual St. Petersburg International Economic Forum; STH, together with members of the HKMPB and the industry to attend events of the London International Shipping Week in September; the SFST's visits to Stockholm, Sweden and Tallinn, Estonia in the same month; the Secretary for the Environment to Copenhagen, Denmark to attend the meetings of the C40 Cities Climate Leadership Group in October; the FS's visit to London in the same month to attend the HKTDC annual dinner to promote the trade and economic relations between Hong Kong and the UK, and to meet with UK Government officials, Members of the Parliament and the business community to outline Hong Kong's latest development. He also participated in a number of roundtable discussions to introduce developments in Hong Kong in the realm of financial technology (FinTech), green finance, Belt and Road Initiative and the Greater Bay Area. He also led a delegation of about 20 representatives from the FinTech sector to exchange views with their counterparts in the UK. Besides, the Director-General of the London ETO also called on senior state and local government officials in the nine countries under the ETO's purview from time to time to maintain government-to-government dialogues.

8. Through its network of contacts, the London ETO kept in view the economic and political developments in the countries under its purview with a view to fostering closer economic and trade relations with these countries. During the reporting period, Sweden, Finland, Denmark and Latvia had formed new governments.

9. During the reporting period, the London ETO had also closely monitored the development of Brexit. The Withdrawal Agreement reached by the then Prime Minister and the EU was thrice voted down by the UK Parliament. Noting the insistence of the incumbent Prime Minister on leaving the EU on 31 October 2019 as scheduled with or without a deal, the UK Parliament passed a law in September 2019, which obliged the Prime Minister to seek the EU's agreement to extend the Brexit deadline to end January 2020 if he failed to gain parliamentary support for his proposed Brexit deal by 19 October. Notwithstanding that the incumbent Prime Minister reached a new agreement with the EU to replace the most controversial Northern Ireland backstop arrangement in mid-October, the UK Parliament voted to withhold its final vote on the agreement itself until after the passage of the domestic legislation required for the implementation of the Agreement, in the hope of minimising the possibility of a no deal Brexit. Since the UK Government did not secure the parliamentary support for its new Agreement, it had, according to the law passed in September, requested for an extension of the Brexit deadline to 31 January 2020, to which the EU agreed. The UK is a major trading partner of Hong Kong. Regardless of the Brexit arrangements, Hong Kong should continue its engagement with the UK on the economic and trade fronts. The HKSAR Government is also exploring with the UK Government options for forging even closer economic ties, including the possibility of a free trade agreement in future. The London ETO will closely keep in view the Brexit development, as well as the outcome of the election in December in order to assess the impact of Brexit on our bilateral relations.

10. Furthermore, Hong Kong and Estonia entered into a Comprehensive Avoidance of Double Taxation Agreement (CDTA) in September 2019, which sets out the allocation of taxing rights between the two jurisdictions and fosters closer economic ties between the two places. It also signifies the HKSAR Government's sustained efforts and achievements in expanding Hong Kong's tax treaty network. Besides, the CDTA signed between Hong Kong and Finland also entered into force on 30 December 2018, which would offer added incentives for companies in Finland to do business or invest in Hong Kong, and vice versa.

Public Relations

11. To promote Hong Kong's advantages as an international business and financial centre as well as to showcase Hong Kong's thriving arts, cultural and creative industries, and as an ideal destination for tourists and university education, the London ETO continued to organise and sponsor a number of public relations and cultural events.

12. To promote the brand of "Hong Kong Films", the London ETO supported a series of film events. Among these, the ETO brought the films "Project Gutenberg", "Distinction" and "Tomorrow is Another Day", etc., to the UK for the London East Asia Film Festival held from October to November 2018 and invited directors Felix Chong and Jevons Au to attend the screenings; the highly acclaimed film "Men on the Dragon" was shown in the Chinese New Year programme of the Chinese Visual Festival in London in January 2019 with director Sunny Chan and actor Tony Wu attending the

premiere; the film “First Night Nerves” from director Stanley Kwan and his other classic films, and “Tracey” were screened at the Festival in May, with directors Stanley Kwan and Jun Li, screenplay writer Shu Kei and actress Jennifer Yu also being invited to attend the event; director Angie Chen attended the film series “Angie Chen: Hong Kong Film Pioneer” held at HOME, Manchester in the same month; “A Lifetime Treasure” directed by Andrew Lam and Albert Mak and Wong Kar-wai’s award winning classic “In the Mood for Love” were shown at the London East Asia Film Festival Open Air Screenings in Leicester Square, central London in July, with director Albert Mak and actor Bob Lam attending; and a number of classic Hong Kong-made kungfu movies were screened at the Fighting Spirit Film Festival in London in September.

13. The London ETO also showcased Hong Kong’s status as a cultural and arts hub through various activities. In January 2019, the ETO sponsored the Chinese Arts Now Festival featuring a theatre performance “Citizens of Nowhere?” in London and Nottingham, the UK; the ETO sponsored the Hong Kong Institute of Architects’ participation in the London Festival of Architecture in June by organising a one-month special exhibition and inviting famous architects from Hong Kong and London to hold a panel discussion to share their experiences in the industry with the audience, with a view to supporting Hong Kong’s architecture and creative talents; the ETO sponsored the participation of the Hong Kong-based Fine Art Asia Showcase at the Masterpiece art show at Royal Hospital Chelsea in the same month; the ETO sponsored choreographer Victor Fung to perform his contemporary dance “From The Top” in Edinburg, London and Swindon, the UK in August and September; it also supported the event of “Hong Kong Young Fashion Profession in London” held in September by Design Renaissance Foundation Limited and sponsored by Professional Services Advancement Support Scheme, with a view to promoting Hong Kong’s fashion design at the London Fashion Week.

14. Apart from cultural and arts events, the London ETO also took part in several major public relations events in London to raise Hong Kong’s profile internationally. In November 2018, the ETO took part in the Lord Mayor’s Show in the City of London with a float highlighting Hong Kong’s I&T development. In February 2019, it took part in the huge annual London Chinatown Chinese New Year celebration and ran its own marquee to promote Hong Kong. In June, the ETO once again supported the annual London Hong Kong Dragon Boat Festival with over 50 participating teams.

15. From February to May 2019, the London ETO organised the eighth student competition, where sponsorships to attend summer schools at universities in Hong Kong to understand Hong Kong’s advantages as a regional education were provided to the winning students. In Summer 2019, the ETO arranged 12 tertiary students from Hong Kong to take up overseas internship opportunities in the ETO and several companies/institutions including banking, hotel service, marketing, etc. in the UK, to help broaden the horizon of our younger generation. Furthermore, to attract more talents, professionals and entrepreneurs to work in Hong Kong, the ETO assisted the Hong Kong Medical Society of the United Kingdom in organising a talk to introduce job

opportunities and career prospects of the healthcare sector in Hong Kong in March 2019. The Director of Immigration held a briefing at the ETO for the Chinese media in London on the latest replacement exercise of Hong Kong Smart Identity Cards and the Quality Migrant Admission Scheme in the same month.

16. The London ETO continued to maintain close liaison with Hong Kong communities and individuals in the countries under its purview to understand their concerns and offer timely assistance. The ETO also maintained regular liaison with the media and disseminated the latest information on various topics through such platforms as press releases, emails, social media, etc. The ETO also invited appropriate government and business contacts, academics and journalists in the countries under its purview to visit Hong Kong under the sponsored programme run by the Information Services Department.

Investment Promotion

17. During the reporting period, the Investment Promotion Unit (IPU) of the London ETO met different companies on 279 occasions and assisted 41 companies in establishing their business operations in Hong Kong.

18. During the same period, the IPU continued to focus on the promotion of Fintech and participated in FinTech Connect in London and the 10th FinTech Forum in Frankfurt to promote the vibrant outlook of Fintech in Hong Kong. To further expand the opportunities brought by the FinTech Bridge Agreement signed by the HKSAR Government and the UK Government in September 2017, the IPU co-organised the second UK Fintech Awards with InvestHK and the Department for International Trade of the UK in April 2019. Moreover, the IPU also actively organised, co-organised and/or sponsored promotional events across the UK and participated in three pan European events to promote Hong Kong's advantages in I&T, creativity, Fintech and startups.

Controversies Arising from the Bill

19. The political and business circles in countries under the London ETO's geographical coverage generally hoped for complete segregation of the judicial system of Hong Kong from that of Mainland China; they thus had immense concerns over the Bill. As far as the ensuing contentions and violent clashes were concerned, they feared that such developments would undermine the high degree of autonomy enjoyed by Hong Kong people under the "one country, two systems" principle and create adverse impact on core values in Hong Kong like freedom, human rights and the rule of law. In various cities in the countries under London ETO's purview, the civil societies had organised such activities as rallies and protests, which mostly urged the HKSAR Government to respond to the demands of protesters in Hong Kong. In the UK, quite a number of politicians and businessmen know Hong Kong well and are affectionate about the city. While they remained positive about the long-standing merits of Hong Kong, they were also of the view that the current disorder would undercut their confidence in having Hong

Kong as the centre of their investments and operations. They hence hoped that the HKSAR Government could expedite the rebuilding of trust amongst with various stakeholders of the society and restore peace in Hong Kong.

20. In recent months, there were extensive discussions in the UK Parliament about the Bill and the contentions arising from it. Amongst the responses and statements made by the UK Government, there was an announcement by the former Secretary of State for Foreign and Commonwealth Affairs on amending the arrangement for the export of crowd control equipment to Hong Kong. Both the UK Government and Parliament urged all parties in Hong Kong to stay calm and exercise restraint, and to resolve differences through non-violent and rational dialogues.

21. The London ETO kept close contact with the governments and business sectors in the countries under its purview and explained to them, from time to time, the stance of the HKSAR Government on the Bill through meetings, correspondence and emails, as well as conveyed their opinions and suggestions on the issue to the relevant bureaux and departments for consideration. The ETO also disseminated the latest information about Hong Kong, such as the latest development on the mass protests triggered by the Bill, impact on visitors to Hong Kong and responsive measures taken by the sectors, to the countries under its purview via channels like the media, web pages, social media, etc. Besides, the ETO arranged meetings with different sectors for visiting officials. Relevant information about visiting Principal Officials is set out in para. 7 above. For instance, during SCED's visit to London in May 2019, he met with the then Minister of State for Foreign Affairs Mark Field and the then Secretary of State for International Trade Liam Fox, Parliamentarians, business community and think tanks to explain the background to and the details of the proposed legislative amendments; the Secretary for Financial Services and the Treasury explained the actual circumstances in Hong Kong and conveyed in details the HKSAR Government's stance during meeting with government officials and events during his visit in September in Sweden and Estonia; the Financial Secretary met with the UK Chancellor of the Exchequer, Parliamentarians and the business sector to illustrate the multi-pronged approaches taken by the HKSAR Government to bring Hong Kong back on the right track.

Looking Ahead

22. The London ETO will continue to enhance the dialogues with relevant government and business institutions, individuals and sectors, and organise various business, public relations and cultural events in the countries under its purview, with a view to rebuilding confidence in Hong Kong as an international trading and financial centre, consolidating bilateral ties, promoting awareness of Hong Kong's latest developments and enhancing our image overseas. With respect to the UK, the ETO will pay particular attention to the UK-HK trade relations upon Brexit. The ETO will keep up our efforts the publicity on measures taken by Hong Kong to develop fintech, startups, I&T and creative industries, as well as to identify opportunities for collaboration. The ETO will continue to promote Hong Kong as an ideal gateway to Mainland China and

Asia, highlight Hong Kong's unique advantages under "one country, two systems" and encourage foreign businesses to capitalise on these advantages to explore opportunities under the Belt and Road Initiative and the Greater Bay Area development.

23. The London ETO will continue to closely monitor developments in the nine countries under its purview, which may impact on Hong Kong's economic and trade interests, including legislative proposals, government policies and regulatory measures. The ETO will also continue to assist in implementing the proposal of setting up an ETO in Russia.

Hong Kong Economic and Trade Office, London
8 November 2019

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 countries in the Central and Eastern European (CEE) region, namely Austria, Czechia, Germany, Hungary, Poland, Slovakia, Slovenia and Switzerland. Bilateral ties between Hong Kong and the eight CEE countries remained stable amidst the concerns about the prolonged protests in the past months and Hong Kong's competitiveness as the preferred business location, whilst media reports covered extensively the state of affairs in Hong Kong.

2. In the past year, parliamentary/federal elections took place in Austria, Poland and Switzerland. The political regimes in the eight CEE countries remained relatively stable. The European Parliament election in May 2019 reflected, to different extents, the political strength of the ruling parties in CEE, except for Germany and Slovakia where the ruling parties failed to claim overwhelming victory.

3. Looking ahead, the economic forecasts for Germany, Austria and Switzerland were rather reserved, whilst that for Poland and Hungary would expect sustained economic growth. CEE countries continued to adopt policies that are favourable to free and open trade, which laid the cornerstone for continued collaboration with Hong Kong.

Commercial Relations

4. The Berlin ETO maintained close liaison with the business community, political and government leaders, academia, think-tanks as well as the media, arts and cultural institutions in the CEE region. During the reporting period, the Berlin ETO organised and supported various business events in Berlin and Frankfurt of Germany; Vienna of Austria; Prague of Czechia; Budapest of Hungary; Warsaw and Gdansk of Poland; and Geneva and Zurich of Switzerland to promote Hong Kong's strengths as the gateway to Mainland China and Asia, a trading and logistics hub, as well as a regional R&D centre. Opportunity was also taken to publicise Hong Kong as a city offering ample opportunities for small and medium-sized enterprises and startups.

5. During the period from February to March 2019, the Berlin ETO, in collaboration with the Hong Kong Trade Development Council and local chambers of commerce, hosted 12 Chinese New Year (CNY) receptions in major cities¹ in the CEE region to update our contacts on the latest developments of Hong Kong, including the commissioning of the Hong Kong-Zhuhai-Macao Bridge and the Hong Kong-Guangzhou Express Rail Link and the development of the Guangdong-Hong Kong-Macao Greater

¹ Namely Vienna (Austria), Prague (Czechia), Berlin, Düsseldorf, Frankfurt, Hamburg, Munich (Germany), Budapest (Hungary), Warsaw (Poland), Bratislava (Slovakia), Ljubljana (Slovenia) and Zurich (Switzerland).

Bay Area (Greater Bay Area). Some 1 800 guests from the diplomatic, political and business communities attended the receptions.

6. The Berlin ETO also arranged visits to countries under its purview for Principal Officials of the Hong Kong Special Administrative Region (HKSAR) Government. These include visits by the Chief Secretary for Administration to Geneva in November 2018 to attend the meeting of a working group of the United Nations Human Rights Council and call on international organisations at the margins of the meeting; the Secretary for Commerce and Economic Development to Budapest, Hungary in March 2019; the Secretary for Justice to Vienna in April to sit as a judge for the final round of the Vis Moot; and the Secretary for Labour and Welfare to Geneva in June to attend the International Labour Conference and meet with related international organisations.

7. In addition, the Chief Executive (CE) visited Zurich in January 2019 to meet with senior government officials and representatives from the financial services sector. Afterwards, CE proceeded to Davos, Switzerland to attend the World Economic Forum Annual Meeting 2019, and hosted the “Hong Kong Night” co-organised by the HKSAR Government and Hong Kong Exchanges and Clearing Limited to introduce to guests from around the world Hong Kong’s various advantages and future opportunities. The Financial Secretary and the Secretary for Commerce and Economic Development also attended the event. During the forum, they also held bilateral meetings with representatives from governments, international organisations and the business sector.

8. The Berlin ETO also provided support for other delegations from Hong Kong to the Central and Eastern Europe, including visits by the Government Economist to Geneva and Lausanne, Switzerland in April 2019; the Hong Kong Productivity Council to Warsaw in May; and a delegation of Principals from the Hong Kong Subsidized Secondary Schools Council to Hungary and a delegation of Executive MBA Program of the Chinese University of Hong Kong to Germany in June.

9. Apart from the CEE business communities, the Berlin ETO also maintained regular contact with Hong Kong people residing in the region. Last year, for instance, the ETO hosted gatherings in Berlin, Vienna and Zurich respectively to celebrate CNY with the Hong Kong communities there, attracting a total of around 250 participants.

10. The Belt and Road Initiative is a new engine for Hong Kong’s economic growth. The Berlin ETO proactively reached out to political and business leaders, such as those from Poland and Hungary², who were interested in increasing trade activities with China or looking for new business opportunities in Asia. In December 2018, the Investment Promotion Unit (IPU) of the Berlin ETO organised a business seminar in Budapest to

² Many countries in the CEE region have started to look for new business and investment opportunities in Asia. Poland, in particular, has introduced a “Go China” programme aiming at increasing trade with China, while Hungary has adopted the “Eastern Opening” policy with similar objectives.

promote the Belt and Road Initiative and Hong Kong's role as the gateway to China. In March 2019, the IPU of Berlin ETO organised two business seminars titled "Hong Kong – The Innovation Hub in Asia" in Gdansk and Krakow, Poland to promote Hong Kong as an ideal business location in Asia for innovative companies from Poland. In the same month, the Secretary for Commerce and Economic Development led a delegation to visit Budapest to promote Hong Kong as the prime platform for the Belt and Road Initiative and the business opportunities brought by it.

Public Relations

11. To help promote the culture of Hong Kong and raise the profile of Hong Kong artists in the CEE region, the Berlin ETO supported a number of cultural events where the talents of Hong Kong people was showcased. These include joining hands with the Hong Kong Arts Centre to showcase the work of Hong Kong animation artists in the Stuttgart International Festival of Animated Film in Germany and hosting a "Hong Kong Focus" Reception in May 2019; sponsoring the 8th Dragon Boat Race in Zurich in July; and supporting the film festivals held in Zurich and Warsaw between October and November. The ETO also invited young musical talents from Hong Kong to perform at its annual CNY receptions mentioned in paragraph 3 above.

12. In the past year, the Berlin ETO also hosted a number of educational and academic activities to introduce the study opportunities and talent admission schemes available in Hong Kong. These include organising a cultural exchange event at the Pázmány Péter Catholic University, Budapest in December 2018; hosting a booth at the education fair BeSt in Vienna in March 2019 to promote studying in Hong Kong to young people from Austria, Czechia, Hungary and Slovakia; and organising an academic seminar at the University of Warsaw in the same month. To promote people-to-people exchanges under the Belt and Road Initiative, the Berlin ETO also provided support to individual youth groups/university exchange groups from Hong Kong during their exchange visits to CEE countries.

13. On the media front, the Berlin ETO maintained regular liaison with the media and arranged from time to time interviews for visiting HKSAR Government officials and the Director of the Berlin ETO. The ETO also facilitated six journalists to visit Hong Kong to see first-hand the developments of the city. During their visits, they covered large-scale events being held in Hong Kong such as Art Basel, the Asian Financial Forum, the Business of Design Week, the Hong Kong Fintech Week, the Internet Economy Summit and the Belt and Road Summit.

14. During the period under review, the Berlin ETO issued multi-lingual press releases to its media contacts and other interlocutors on various topics, and provided regular updates on new developments in Hong Kong and the work of the ETO through its official website and the issue of electronic newsletters. Besides, the ETO arranged internship placements for nine students from Hong Kong higher education institutions at organisations in Germany. The internship scheme aims to broaden Hong Kong

students' horizon, thereby enhancing cultural exchange between Germany and Hong Kong.

Investment Promotion

15. The IPU continued to enhance Hong Kong's profile by hosting business seminars in collaboration with local chambers of commerce and other multipliers, and promoted Hong Kong's advantages at events organised by outside organisations. IPU also arranged meetings with companies interested in establishing and/or expanding their business operation in Hong Kong. During the reporting period, it met with 196 companies and assisted 25 companies in establishing business operation in Hong Kong.

Controversies Arising from the Fugitive Offenders and Mutual Legal Assistance in Criminal Matters Legislation (Amendment) Bill 2019 (the Bill)

16. Various sectors in Germany expressed concerns and worries about the Bill and the protest activities in the past few months in Hong Kong. During her visit to China in September 2019, the Federal Chancellor of Germany, Ms Angela Merkel, discussed the situation in Hong Kong with the Chinese Premier, Mr LI Keqiang, and considered that the rights and freedom of Hong Kong residents should be protected. She also supported resolving the current situation in Hong Kong through dialogue and that all parties should refrain from violence. The German Federal Foreign Office issued a public statement on the situation in Hong Kong, reiterating the need to defuse the current tensions through dialogue among various parties and the importance of safeguarding freedom of speech and the right to assembly. Moreover, members of the German Parliament from across the political spectrum publicly urged the German Federal Government to exert pressure on China and speak up for what would uphold the freedom and rights of Hong Kong people as well as the "one country, two systems" principle.

17. In the past few months, governments of CEE countries issued advisories to their citizens, cautioning them that protest activities and clashes between the Police and members of the public in Hong Kong might affect those visiting the city. A relatively negative coverage of the situation in Hong Kong was given by most of the media in CEE countries. Many analysts were worried that Hong Kong's unique advantages might dissipate over time and raised concerns about its future. Some Hong Kong groups placed advertisements with misleading content in German newspapers, which further adversely affected the city's image. Meanwhile, the business communities in CEE expressed their loss of patience for Hong Kong in the face of the impasse.

18. Through regular liaison with representatives from government agencies, business communities and media sectors of CEE countries, the Berlin ETO actively listened and responded to views from various sides, and provided updates on the situation in Hong Kong. In the past months, the ETO briefed our counterparts in CEE region about the Government's position and the development in Hong Kong on some 60 occasions, including business and cultural events, bilateral meetings with ministries responsible for

economic and Hong Kong affairs as well as individual parliamentarians, briefings for the business associations, exchanges with think tanks and political foundations, and gathering with Hong Kong people residing in CEE. The ETO considered that explaining to various parties of CEE countries the latest actual situation in Hong Kong through direct communication was an effective way to address their concerns. Meanwhile, the ETO continued to perform its normal duties to promote economic and trade co-operation and cultural exchange between Hong Kong and CEE countries through a diverse range of activities.

Looking Ahead

19. In the coming year, the Berlin ETO will continue to strengthen its outreaching work in the CEE region to rebuild Hong Kong's international image. Efforts will also be made to promote Hong Kong's unparalleled strengths and unique role under the Belt and Road Initiative, the business opportunity brought by the Greater Bay Area development, as well as its position as a regional hub for innovative technology, creative industries, cultural tourism and arts.

Hong Kong Economic and Trade Office, Berlin
8 November 2019

Report on the Work of the Tokyo ETO

The Tokyo ETO promotes closer economic and trade ties, understanding and co-operation, as well as cultural and tourism exchanges with Japan and the Republic of Korea (Korea). Through exchanges at various levels and promotional events, we have been strengthening Hong Kong's status, visibility and presence in the two economies.

2. The overall political situation in Japan is stable, with the ruling Liberal Democratic Party and Komeito scoring a victory at the House of Councillors election in July 2019 and continuing with their majority control in both houses of the National Diet. However, given a host of unstable external factors and domestic economic structural problem (such as ageing population), Japan's economy has been growing at a relatively slow rate in recent years, slipping further down to 0.7% in 2018. For Korea, the political situation has been relatively stable since 2017. However, President MOON Jae-in's Democratic Party of Korea only controls 128 of the 300 seats in the National Assembly, and MOON's policy proposals are often met with resistance from the opposition camp. On the economic side, although the economy of Korea recorded a steady growth of about 2.7% in 2018, it is expected to drop further to below 2% in 2019 in the light of unstable external factors.

3. The bilateral relations between Japan and Korea have been strained in recent years owing to historical issues, and notably turned sour since end 2018. In July 2019, trade disputes erupted between Japan and Korea. Both countries removed each other in turn from their own whitelists of trusted trading partners and recriminated back and forth on the platform of the World Trade Organization. Japan has since early July restricted its export to Korea of some high-tech materials used mainly for the production of Korea's important export merchandises such as semiconductors, televisions, smartphone displays, etc. It is expected that the rift will bring negative economic impacts to both countries, not least it will deal a crushing blow to the key industries and enterprises in Korea and may disrupt the global supply chain of electronic goods at the same time, adding to the uncertainty of the global outlook. Japan and Korea are the world's third and eleventh largest economies respectively. Protracted trade disputes will cripple their own economy and may have ripple effects on the economic prospect of Hong Kong and across the world.

Commercial Relations

4. In 2018, Japan and Korea were Hong Kong's fourth and sixth largest trading partners respectively. Reciprocally, Hong Kong was their eleventh and fifth.

5. The Tokyo ETO is committed to maintaining close contact with the political and business communities in Japan and Korea. Through meetings, courtesy calls and other activities, it continued to reach out to government officials, legislators, business leaders,

academia, the media and other opinion formers in both places to promote Hong Kong and introduce its latest developments and business opportunities. On high-level exchanges, the ETO facilitated a number of visits by the Chief Executive (CE) and several Principal Officials to Japan and Korea during the reporting period. For Japan, such visits included the CE's visit to Tokyo in April 2019 to meet with Japan's Prime Minister, Minister for Foreign Affairs and other key personalities, officiate at the Symposium on Guangdong-Hong Kong-Macao Greater Bay Area co-organised by the governments of the Guangdong Province, Hong Kong Special Administrative Region (HKSAR) and Macao Special Administrative Region (Macao SAR) and deliver a keynote speech to over 1 100 participants highlighting the role and strengths of Hong Kong in the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) development; the Secretary for Home Affairs' visit to the Kagoshima and Kagawa Prefectures as well as Tokyo in May to promote bilateral co-operation between Hong Kong and Japan in the areas of arts, culture and sports; the Financial Secretary's visit to Osaka in June to join the Group of Twenty (G20) Leaders' Summit as a member of the China delegation; and the Secretary for Labour and Welfare's visit to Tokyo in August to meet the senior officials and industrial representatives to learn about the latest developments of elderly care and gerontechnology. The visits to Korea included the Secretary for Home Affairs' visit to Seoul and Incheon in August to attend the China-Japan-Korea Cultural Ministers' Meeting as a member of the China delegation, laying out the latest cultural development in Hong Kong and paying visits to local cultural facilities; and the Secretary for Justice's visit to Seoul in September to sign a memorandum of co-operation on issues relating to international arbitration and mediation with the Ministry of Justice of Korea.

6. During the reporting period, the ETO expanded its liaison network with the public and private sectors of various regions in Japan and Korea, reaching out to 20 prefectures in Japan, namely Aichi, Chiba, Gunma, Hokkaido, Hyogo, Ibaraki, Ishikawa, Kagawa, Kanagawa, Kagoshima, Kumamoto, Kyoto, Miyagi, Niigata, Okayama, Okinawa, Osaka, Shiga, Tokushima and Tottori. As for Korea, its liaison work covered cities including Seoul, Sejong, Daejeon, Incheon, Gwacheon and Icheon. Through various channels, the ETO promoted the advantages wielded by Hong Kong as a gateway to Mainland China and other Asian countries and as a trading, logistics and research hub in the Asia-Pacific Region.

7. The ETO assisted various government departments and other bodies in Hong Kong in their visits to Japan and Korea. These included the visits by the Innovation and Technology Bureau, Development Bureau, Invest Hong Kong (InvestHK), Environmental Protection Department, Transport Department, Agriculture, Fisheries and Conservation Department, Eastern District Council, Hong Kong Council of Social Service (HKCSS), University of Hong Kong, Vocational Training Council, etc. The ETO also assisted government officials and members of other bodies of Japan and Korea with their visits to Hong Kong. These included, for Japan, the visits by the Ministry of Land, Infrastructure, Transport and Tourism, Tokyo Metropolitan Government, Yamagata Prefecture Assembly, Japan Centre for International Finance and Japan Science and Technology Agency; for Korea, the visits by the Seoul Metropolitan

Government, Korean Blockchain Association, Born2Global, Sejong Center for the Performing Arts and so on.

8. The ETO also collaborated with different bodies, such as InvestHK, the Hong Kong Trade Development Council (HKTDC), Hong Kong Tourism Board (HKTB), Hong Kong-Japan Business Cooperation Committee (HKJBCC), HKCSS, Hong Kong-Korea Business Association, D.CAMP and Korea International Trade Association in organising 17 seminars and networking events to promote various aspects of Hong Kong, including its unique status, business advantages, distinguished business/financial/professional services, implementation of the Basic Law and “one country, two systems”, as well as the opportunities brought by the Belt and Road Initiative and the Greater Bay Area development.

Public Relations

9. The Tokyo ETO continued to broaden and diversify its network of contacts to raise Hong Kong’s profile, promote our core attributes, brief key interlocutors on the latest developments in Hong Kong, including the implementation of “one country, two systems”, and address their issues of concerns. It also hosted and participated in a wide range of public relations activities (such as receptions and cultural events) to promote Hong Kong from various aspects.

10. The Tokyo ETO co-hosted a large-scale spring reception with the HKJBCC, InvestHK, HKTDC and HKTB in Tokyo in February 2019 to introduce to about 500 guests from political, commercial and academic sectors of Japan the competitive edge and latest development of Hong Kong and invited the Windpipe Chinese Music Ensemble from Hong Kong to stage a performance to promote the arts and music of Hong Kong. The ETO also hosted a reception in Seoul in June, which attracted over 310 guests from various sectors, and the Windpipe Chinese Music Ensemble and the La Sax, a Saxophone band from Hong Kong, were invited to perform during the reception.

11. With the support of the Tokyo ETO, the “Osaka Asian Film Festival” ran a special programme entitled “Special Focus on Hong Kong” from 8 to 17 March 2019, showcasing the vibrancy of Hong Kong’s film industry to Japanese film lovers. More than 1 850 people in total watched six Hong Kong films during the special programme. A “Hong Kong Night” film screening was held on the evening of 16 March to promote Hong Kong movies to about 300 participants and relevant film practitioners were invited to share with the audience their experience in film making. Moreover, the ETO sponsored the annual Hong Kong Cup Race during the Yokohama Dragon Boat Races in June; with a total of 18 teams participating in the race this year. It also co-organised five concerts in August with the Asian Youth Orchestra in Tokyo, Fukuoka and Kumamoto in Japan and Seoul in Korea.

12. On youth exchange, the Tokyo ETO organised the Hong Kong Cup All Japan University Student Ambassadors English Programme 2018-19 during the reporting

period to promote Hong Kong among students in Japan through the contest. The Programme attracted about 140 university students, of whom four winners were selected as student ambassadors and arranged to visit Hong Kong for two weeks in March to explore in person the dynamism and rich diversity of Hong Kong. During the reporting period, we also arranged for 12 Hong Kong tertiary students to take up overseas internship in the ETO so that they could learn about Japanese workplace culture and broaden their horizons.

13. The Tokyo ETO regularly disseminated information by means of the official website, press releases, publications and electronic newsletters to introduce to our counterparts in Japan and Korea the development of Hong Kong and the work of the ETO. On the media front, the ETO maintained regular liaison with the media and arranged from time to time interviews for visiting HKSAR Government officials. During the reporting period, we arranged nine political and business representatives and opinion leaders of Japan and Korea to visit Hong Kong so that they could see for themselves our development on various fronts.

Investment Promotion

14. During the reporting period, the Investment Promotion Unit (IPU) of the Tokyo ETO participated in over 29 seminars and events organised by various organisations and companies to update potential investors on the investment environment in Hong Kong, as well as its latest developments and opportunities. The IPU also organised four business seminars, including the Symposium on the Guangdong-Hong Kong-Macao Greater Bay Area which was co-organised by the governments of the Guangdong Province, HKSAR and Macao SAR in April 2019 to promote business opportunities brought by the Greater Bay Area development to Japanese enterprises.

15. The IPU also conducted investment promotion visits in Japan and lined up meetings with potential investors, banks and chambers of commerce, covering sectors such as innovation and technology, financial technology, consumer products, tourism and hospitality, transport and industrial, as well as startup companies.

16. During the reporting period, the IPU met with 212 companies and assisted 23 companies in either setting up a new company or expanding their existing business operations in Hong Kong. It also made extra effort in reaching out to chambers of commerce and organisations of various sectors to extend its network and explore co-operation opportunities in future.

Controversies Arising from the Fugitive Offenders and Mutual Legal Assistance in Criminal Matters Legislation (Amendment) Bill 2019 (the Bill)

17. During the reporting period, the media in Japan and Korea had shown grave concern about and had devoted much coverage to the controversies caused by the Bill and relevant developments in Hong Kong, including the Prohibition of Face Covering

Regulation. In both Japan and Korea, some Hong Kong protestors and Hong Kong people residing there expressed their discontent through various channels, such as websites and social media, newspaper advertisements, public assemblies and petitions in major cities etc. They also requested the Japanese and Korean governments to support the protests in Hong Kong.

18. The violent confrontations in Hong Kong in the past few months caused consternation among the Japanese and Korean public. They always considered Hong Kong a safe and peaceful cosmopolitan city, and hence generally hoped for peaceful resolution of the disagreement in Hong Kong through dialogue. At the same time, they were worried whether the public order in Hong Kong would deteriorate and their desire to visit had been markedly dampened, even more so after protesters stormed the Hong Kong International Airport and blocked outbound travelers from leaving. On 14 and 26 August 2019, the governments of Japan and Korea issued travel advisories for Hong Kong respectively. Certain direct flights between Hong Kong and Japan have also been suspended due to decline in passenger demand.

19. On the business side, Japanese and Korean companies were concerned that the on-going violent confrontations would have negative impact on the economy and competitiveness of Hong Kong in the long run, and business associations adopted a wait-and-see attitude. Some potential investors decided to defer or call off their investment projects in Hong Kong while some businessmen and business employees stopped visiting Hong Kong for business activities. At present, Japanese corporates are the largest group of overseas companies in Hong Kong, with over 1 400 Japanese companies having set up an office in the city. According to the findings of a survey jointly published in October by the Consulate General of Japan in Hong Kong, Japan External Trade Organisation and Hong Kong Japanese Chamber of Commerce and Industry, 52.8% of the Japanese corporates indicated that their business performance in the first eight months of 2019 had worsened, 38.7% said that the protests had negative impacts on their business, and 41.1% said that they would avoid unnecessary or non-urgent business trips to Hong Kong. Some also said that if the current unstable situation in Hong Kong persisted, they might review the role and importance of Hong Kong in their business operations, worrying that the position of Hong Kong as an international financial centre would decline.

20. The overall image of Hong Kong in Japan and Korea has undoubtedly been tarnished. Since June, the Tokyo ETO has kept communicating with the public, private and other sectors in Japan and Korea, including government officials at various levels, lawmakers, representatives of business associations, companies, media and academia. The ETO also frequently participated in activities conducted by other organisations. Through these contacts and other regular ETO activities, the ETO conveyed to its interlocutors the actual situation in Hong Kong and clarified some of their misunderstanding. The ETO also disseminated latest information to them by emails. From time to time, the ETO highlighted that despite the challenges facing Hong Kong recently, Hong Kong continued to be an open, free and competitive city. We also elaborated on the HKSAR Government's determination to address public demands,

safeguard Hong Kong's core values and solve various social problems, in the hope that they can maintain confidence in Hong Kong and keep supporting its development.

Looking Ahead

21. The Tokyo ETO will continue to promote Hong Kong and foster closer bilateral relations with both Japan and Korea through government-to-government contacts, business promotion, as well as cultural and public relations events. We will continue to co-operate with InvestHK, the HKTDC and HKTB in major events and partner with local organisations to maximise reach and outcomes. We will continue to discuss with the Korean Government the detailed arrangements for setting up an ETO in Seoul. We will also keep in view any legislative proposals, government policies and regulatory measures in Japan and Korea that may affect Hong Kong.

Hong Kong Economic and Trade Office, Tokyo
8 November 2019

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. The Sydney ETO also reports to the Hong Kong Special Administrative Region (HKSAR) Government on the legislative proposals, Government policies, as well as administrative and regulatory measures in Australia and New Zealand that have impact on Hong Kong.

2. The Australia's federal election was held in May 2019. Prime Minister Scott Morrison's Liberal-National Coalition government was re-elected. The Coalition regained majority government, winning 77 seats in the House of Representatives with Opposition Labor winning 68 seats. Minor parties and independents won 6 seats. Opposition Leader Bill Shorten announced his resignation as leader but continued to be an MP. There were minimal changes made in Prime Minister Scott Morrison's Cabinet Ministry. Senator Simon Birmingham continued to be Minister for Trade, Tourism and Investment. He said in a statement after appointment that the Australian government would continue to implement an ambitious trade and investment agenda and move quickly to ratify the recently signed trade agreements with Indonesia, Peru and Hong Kong, so that around 90% of Australia's trade is covered by agreements by 2022.

3. The controversies arising from the Fugitive Offenders and Mutual Legal Assistance in Criminal Matters Legislation (Amendment) Bill 2019 (the Bill) gave to widespread concerns by various sectors in Australia and New Zealand as well as extensive coverage by the media in the past few months. There were protests staged in various major cities of Australia and New Zealand to express concerns over the Bill and the handling of protests by the HKSAR Government. Both governments raised the level of travel advisories for Hong Kong, which have negatively affected business traveller and tourists' interest in visiting Hong Kong.

Commercial Relations

4. Australia was Hong Kong's seventh largest services trading partner in 2017, with the total services trade between the two sides amounting to HK\$44 billion. It was also our 20th largest merchandise trading partner in 2018, and the total merchandise trade was about HK\$54 billion. On investment, as at the end of 2017, Australia ranked eighth among Hong Kong's destinations of outward direct investment, with a stock of HK\$134 billion, and it ranked 17th among Hong Kong's sources of inward direct investment, with a stock of HK\$33 billion.

5. To help Hong Kong enterprises and investors expand their markets, further reinforce Hong Kong's status as an international trade and investment hub and establish our worldwide network of economic and trade connections, Hong Kong and Australia signed a Free Trade Agreement (FTA) and an Investment Agreement on 26 March 2019

after negotiations for only 18 months. The two agreements are comprehensive in scope, covering trade in goods, trade in services, investment, intellectual property, government procurement, competition and other related areas. Apart from providing Hong Kong traders and investors with legal certainty and more favourable access to the Australian market, the agreements also create more business opportunities and enhance trade and investment flows between the two places, thereby bringing the bilateral trade and investment relationship between the two economies to new heights. The Sydney ETO issued a press release on the signing of the FTA and Investment Agreement to the local media and a special edition of its e-Newsletter “Hong Kong Connect” on the two agreements.

6. To further promote the FTA benefits for Hong Kong and Australia, the Sydney ETO, in collaboration with the Australian Government and business associations in Australia, organised a series of business seminars in five major states of Australia (New South Wales, Victoria, Queensland, Western Australia and South Australia) and the Northern Territory. The seminars focused on promoting the business opportunities brought by the signing of the FTA, and addressed the new opportunities arising from the development of innovation and technology (I&T) in Hong Kong, the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) development.

7. In March 2019, the Sydney ETO and the Auckland Business Chamber jointly hosted a business seminar entitled “Accessing the world’s largest market through Hong Kong” in Auckland, New Zealand. The seminar presented the important role played by Hong Kong in the Greater Bay Area development and how New Zealand businesses could benefit from the development. The Director of Sydney ETO (D(SY)) spoke on Hong Kong’s strong ties with New Zealand and the latest developments of the Greater Bay Area. Other speakers at the seminar included the representative of Invest Hong Kong (InvestHK) and the Director (Australia and New Zealand) of the Hong Kong Trade Development Council (HKTDC).

8. In the past year, D(SY) visited the major cities of Australia and New Zealand to actively explore new markets and expand the network of contacts. In collaboration with the local business community and business associations, research institutions, InvestHK, and the HKTDC, etc., the Sydney ETO organised and supported various business events and seminars in the major cities of Australia and New Zealand. Besides, the Sydney ETO maintained close liaison with contacts in governments at federal, state and city levels, business organisations, academia, cultural and media sectors, and think-tanks, etc., to update them on the latest developments of Hong Kong in different aspects (including I&T) and promote the dual advantages and future opportunities of Hong Kong under the principle of “one country, two systems”, especially the business opportunities arising from the Belt and Road Initiative and the Greater Bay Area development.

9. High-level official visits and exchanges help strengthen bilateral ties and commercial relations. In March 2019, the Secretary for Commerce and Economic

Development (SCED) visited Sydney and attended the signing ceremony of the FTA and Investment Agreement. He spoke at a luncheon seminar organised by the Sydney ETO, which was well attended by key government and business stakeholders. During his stay in Australia, SCED visited Destination NSW, where he was briefed on the latest tourism developments in New South Wales and its promotional strategies for various flagship events. In September, the Secretary for Food and Health and representatives of the Hospital Authority, Social Welfare Department and non-government organisations visited Melbourne and Sydney to promote the limited registration scheme for non-locally trained doctors and to encourage qualified non-locally trained healthcare professionals, in particular doctors, nurses, physiotherapists and occupational therapists, to serve in the public healthcare system of Hong Kong. In their meeting with those students, the delegation presented to them the career opportunities available in Hong Kong and encouraged them to return to Hong Kong to practise after graduation. The delegation also met with top State health officials as well as senior healthcare teaching staff at the universities to exchange views on the development of the medical and health industry in Hong Kong and Australia. From time to time, the ETO also provided assistance for visits to Hong Kong by government officials of Australia, with a view to strengthening co-operation and exchanges between the two places.

Public Relations

10. During the reporting period, the Sydney ETO co-hosted Chinese New Year receptions with the InvestHK, HKTDC, the Hong Kong-Australia Business Association and the Hong Kong-New Zealand Business Association in Sydney, Melbourne and Auckland under the theme “Connect and Excel”. Attendees included business, community and political leaders, university alumni, academia, scholars and members of local Chinese communities. The Governor of Victoria, Honourable Linda Dessau was the officiating guest of the reception in Melbourne. In addition to the exhibition panels on the Greater Bay Area, an information desk was set up at the receptions to distribute publicity materials, including leaflets on the Greater Bay Area, Hong Kong-Zhuhai-Macao Bridge, Basic Law, Immigration Department’s talent admission schemes and promotional booklets on various aspects of Hong Kong.

11. The Sydney ETO organised and supported various events to promote Hong Kong’s arts and culture. During the reporting period, the ETO participated in the OzAsia Festival hosted by the Adelaide Festival Centre and supported the Centre in bringing a 40-metre-long Hong Kong Dragon to the Moon Lantern Parade. Other Hong Kong experiences brought to the festival by the ETO included a Hong Kong Dragon Bar with Hong Kong branding, an interactive photo site featuring the skyline of Hong Kong’s Victoria Harbour and a dragon boat image, and face painting activities with Hong Kong characteristics. Promotional booklets on Hong Kong were distributed at the event. Moreover, the ETO sponsored Hong Kong’s Azure Seas Cantonese Traditional Theatre for their tour performances of “Monkey King and Skeleton Devil”, a well-known episode from the famous Chinese novel “Journey to the West”, in Australia and New Zealand. The performances showcased to the audiences the cultural heritage of Hong Kong and the

essence of Cantonese opera. Moreover, the ETO helped out with the promotion work related to Hong Kong Youth Symphony Orchestra's (HKYSO) participation in the "2019 Australian International Music Festival" in Sydney. The HKYSO was under the Music Office of the Leisure and Cultural Services Department (LCSD) of Hong Kong. The ETO helped arrange interviews with HKYSO by the local media and issued related press releases from the LCSD.

12. The Sydney ETO continued to participate in high-profile local events in Australia and New Zealand. In November 2018, it took part in "Sydney Open", an event organised by Sydney Living Museums. The Hong Kong House, where the ETO was situated, was open to the public, attracting more than 700 visitors over the course of the day. Photos showing the history of Hong Kong House were displayed, along with videos and promotional materials on the latest developments of Hong Kong.

13. In January 2019, the Sydney ETO participated in the Chatswood Year of the Pig Festival in Sydney hosted by the Willoughby City Council in Sydney. Two backdrops featuring the day and night views of Hong Kong's Victoria Harbour with New Year greeting messages were set up at the Golden Market in the Chatswood Mall for visitors to take photos.

14. In February 2019, the Sydney ETO participated in the Sydney Lunar Festival Dragon Boat Races at Darling Harbour in Sydney and formed a "Hong Kong Team" to compete in the Social Category. A marquee printed with images of Hong Kong's large-scale sports events was set up to showcase Hong Kong's strengths as a sports hub. D(SY) presented trophies for the races of Hong Kong Connect Cup, Hong Kong Excel Cup and Hong Kong Super Cup. During the Lunar New Year, the ETO organised the display of large Hong Kong-themed banners with Lunar New Year greeting messages in prominent city locations of Sydney to promote Hong Kong to the local citizens.

15. In the same month, the Sydney ETO participated in the Lantern Festival in Auckland, New Zealand to promote Hong Kong's unique cultural diversity. Eight giant pillar lanterns displaying photos of Hong Kong were set up. Also erected was a marquee displaying the beautiful skyline of Hong Kong's Victoria Harbour. At the marquee, information leaflets about the Greater Bay Area, the Hong Kong-Zhuhai-Macao Bridge, talent admission schemes and Basic Law were available to visitors, and souvenirs promoting the green living and Hong Kong branding were distributed.

16. The Sydney ETO continued to engage and reach out to the younger generation in Australia and New Zealand, including organising a series of career talks in various universities to promote working opportunities in Hong Kong among university students, and to introduce various admission schemes. The ETO also continued to reach out to Hong Kong people living in Australia and New Zealand through community gatherings and events organised by Hong Kong-related organisations and alumni associations of Hong Kong universities. The ETO also handled enquiries from Hong Kong people living abroad and offered assistance as necessary.

17. In addition, during the reporting period, the Sydney ETO arranged for two guests from the political and technology sectors respectively to visit Hong Kong under the Sponsored Visitors Programme. During the visits, they were given a wide range of briefings by government bureaux/departments and relevant organisations on the latest developments in Hong Kong.

18. The Sydney ETO maintained regular liaison with the media, as well as issued press releases and disseminated latest information on various subjects to media contacts and interlocutors. The ETO also arranged for journalists to visit Hong Kong to cover major events under the Sponsored Journalists Programme. During the reporting period, arrangements were made for Baird Publications to cover the Asian Logistics and Maritime Conference, Artichoke to cover the Business of Design Week 2018, New Zealand Herald to cover the 2019 Asian Financial Forum and the 2019 Belt and Road Forum, ARN (Australian Radio Channel) to cover the StartmeupHK Festival 2019, and Art Monthly Australasia to cover the Art Basel.

Investment Promotion

19. The Investment Promotion Unit (IPU) of the Sydney ETO continued to identify potential Australian and New Zealand companies and assist them in establishing and expanding their business presence in Hong Kong. During the reporting period, IPU made best efforts to liaise with local companies interested in expanding their business into Hong Kong, particularly targeting the infrastructure, maritime, financial services, information technology, as well as I&T sectors. The IPU personnel also actively participated in and spoke at events organised by local institutions of the Fintech and I&T sectors, with a view to promoting the opportunities for developing such business in Hong Kong. During the reporting period, the IPU met with over 230 companies and helped 25 companies establish their business operation in Hong Kong.

20. The commissioning of the Hong Kong-Zhuhai-Macao Bridge and the Guangzhou–Shenzhen–Hong Kong Express Rail Link which provided linkage with the high-speed railway network of the Mainland gave a fresh impetus to attract enterprises to start businesses in Hong Kong. High-speed railway became an important business area for Australian and New Zealand enterprises in the Mainland. Besides, the IPU organised two roadshows in the major cities of Australia and New Zealand, mainly targeting the business and professional services, financial services, transport, industrial and I&T sectors. In August 2019, the Director-General of Investment Promotion of InvestHK met with business organisations and enterprises in Australia and New Zealand to brief them on the latest economic developments in Hong Kong and the Greater Bay Area.

Controversies Arising from the Bill

21. During the reporting period, the media of Australia and New Zealand accorded extensive coverage to the series of protests against the Bill in Hong Kong, including the

disruption of the operation of the Hong Kong International Airport on 13 August 2019. Consulate representatives of Australia in Hong Kong were sent to the airport to offer assistance to tourists from Australia. Prominent coverage was also given to protests in various major cities of Australia and New Zealand, as well as the clashes between overseas Chinese students and supporters of Hong Kong protests on university campuses.

22. On the political and business fronts, the Prime Minister of Australia called for a peaceful resolution to the issue. The Minister for Foreign Affairs of Australia called for the use of appropriate and proportionate means to address concerns and urged for restraint from violence. She also appealed to the protesters not to resort to violent acts. The Prime Minister of New Zealand expressed her concerns to China over the hindrance to freedom of speech on university campuses in New Zealand. In early August, both Australia and New Zealand raised their travel advisories for Hong Kong. The Australian Government called for its citizens in Hong Kong to maintain a “high degree of caution”, while the New Zealand Government upgraded its level of travel advisory, reminding its citizens in Hong Kong to “exercise increased caution” due to civil unrest in Hong Kong.

23. Some Hong Kong protestors and Hong Kong people living in Australia and New Zealand staged protests in various major cities of Australia and New Zealand as well as established various channels (e.g. webpage and social media, publishing newspaper statement, online petition) to express their concerns over the Bill and the handling of protests by the HKSAR Government.

24. In the light of the controversy over the Bill, the ETO continued to maintain close liaison with government officials, MPs, business community and business associations, the media sector and think-tanks, as well as Hong Kong people living in Australia and New Zealand to explain to them the latest situation in Hong Kong and put emphasis on the HKSAR Government’s determination to firmly uphold the “one country, two systems” principle and the rule of law, our business environment and other core values. The ETO provided the latest updates to the stakeholders through business seminars, meetings, emails and social media so as to clarify some people’s misunderstanding and minimise the negative impact of the incident on the international image of Hong Kong. The ETO also requested the local media to set the record straight on misleading reports in a timely manner.

Looking Ahead

25. The Sydney ETO will continue to work closely with local governments, enterprises, business associations, InvestHK, the HKTDC, and other local organisations, and to organise and support various business, promotional and cultural events in Australia and New Zealand. With such efforts, we aim to enhance bilateral ties and raise Hong Kong’s profile. Following the signing of the FTA and Investment Agreement, the ETO will continue to focus on promoting the business opportunities so generated, and encourage companies to capitalise on the opportunities and achievements

from the Belt and Road Initiative, the Greater Bay Area and I&T development in Hong Kong and make use of Hong Kong as a platform to explore business opportunities in the Mainland and in Asia.

Hong Kong Economic and Trade Office, Sydney
8 November 2019

Report on the Work of the Jakarta ETO

The Hong Kong Economic and Trade Office in Jakarta (Jakarta ETO) represents the Government of the Hong Kong Special Administrative Region (HKSAR) on matters between Hong Kong and the Association of Southeast Asian Nations (ASEAN) as a whole, and promotes bilateral economic, trade and cultural relations between Hong Kong and four ASEAN member states, namely Indonesia, Brunei Darussalam (Brunei), Malaysia and the Philippines.

2. With the political and economic situation in the ASEAN region remaining relatively stable, member states are steering towards more integration and coordination both within and outside the region. Emphasis has been put on significant regional initiatives, such as a connectivity masterplan with focus on physical, institutional and people-to-people connections and the Regional Comprehensive Economic Partnership.

3. Indonesia held its presidential election and general election in April, and the incumbent President Joko Widodo won the election for a second term of office. He later announced a Government's plan to move the capital from Jakarta to East Kalimantan. The country's economy remained broadly stable, with a projected growth rate at 5.1% in 2019. In the Philippines, a general election mid-way into President Rodrigo Duterte's six-year term was conducted in May, with his allies winning the majority control in the legislature. The economy was anticipated to grow at 5.8% in 2019. Both Malaysia and Brunei were expecting moderate economic growth for the year, at 4.6% and 1.8% respectively.

4. In the overall ASEAN context, there continued to be positive disposition towards Hong Kong, particularly in terms of bilateral economic ties and business and investment opportunities. It was likewise at individual country level in the four countries covered by the Jakarta ETO. As matters related to the Fugitive Offenders and Mutual Legal Assistance in Criminal Matters Legislation (Amendment) Bill 2019 (the Bill) was transpiring, there was increasing attention from the ASEAN circle, governments, business communities and media to the relevant developments in Hong Kong, largely on travel safety and convenience as well as possible impacts on the trade, business and investment fronts.

Commercial Relations

5. As a bloc, ASEAN is Hong Kong's second largest trading partner in goods. Last year, the bilateral economic and trade relations between Hong Kong and ASEAN remained close. In the first half of 2019, as affected by external economic factors, the total bilateral trade amounted to US\$62.5 billion, slightly decreased by 3.2% over the same period last year. Driven by the Belt and Road Initiative, Hong Kong's investment in ASEAN member states continued to grow. According to the official Indonesian

Investment Coordinating Board, Hong Kong ranked fourth among Indonesia's sources of foreign investment in the first half of 2019, only after Singapore, Japan and Mainland China.

6. In November 2017, the Secretary for Commerce and Economic Development and the economic ministers of the ASEAN member states signed the Hong Kong, China–ASEAN Free Trade Agreement (FTA) and Investment Agreement in Manila, the Philippines. The two agreements have already come into effect for Hong Kong, Laos, Malaysia, Myanmar, Singapore, Thailand and Vietnam, as these signatories have completed their respectively internal ratification procedures. It is expected that the agreements could be fully effective for all the ten ASEAN member states by the end of this year. The FTA and Investment Agreement will help foster closer economic ties between Hong Kong and ASEAN member states.

7. During the reporting period, there were more frequent exchanges between senior officials of Hong Kong and ASEAN member states. The Secretary for Labour and Welfare visited Jakarta, Indonesia in January 2019 and met with Indonesian senior government officials to exchange views and to strengthen co-operation on mutual efforts in protecting the rights of Indonesian domestic workers in Hong Kong. He met with the Minister of Manpower of Indonesia, representatives of the National Board for the Placement and Protection of Indonesian Overseas Workers and an employment agencies association, and paid visits to training centres for Indonesian domestic workers.

8. Over the past year, the Jakarta ETO organised and participated in various activities with trade and commerce organisations of Indonesia, Malaysia and the Philippines. It actively updated local government officials, leaders of business organisations, academia and the media on the economic situation and policies of Hong Kong, including the roles of Hong Kong in promoting the Belt and Road Initiative and Guangdong–Hong Kong–Macao Greater Bay Area (Greater Bay Area). Apart from capital cities, the promotion work of the ETO also covered other cities with development potential, such as Balikpapan, Manado, Medan and Surabaya in Indonesia, as well as Malacca and Penang in Malaysia, with a view to better understanding the latest economic and trade developments of those cities and exploring their collaboration potential with Hong Kong. Meanwhile, the ETO actively broadened its networks and relationships with relevant government authorities, including connections with officials at senior levels, to foster mutual understanding and interactions and to facilitate trade promotion.

Public Relations

9. The Jakarta ETO actively reached out to key interlocutors in the region, including government officials in ASEAN member states, the ASEAN Secretariat and missions to ASEAN, the media, think-tanks and Hong Kong communities, to keep them abreast of the latest situation and economic developments in Hong Kong. During the reporting period, the Jakarta ETO organised various events to promote Hong Kong, as elaborated in the ensuing paragraphs.

10. In November 2018, the Jakarta ETO participated in the World Conference on Creative Economy organised by the Indonesian Agency for Creative Economy in Bali, Indonesia. An exhibition booth was staged to showcase various sectors of Hong Kong's vibrant creative industries. Representatives from the Jakarta ETO also briefed audience about the latest developments of creative industries in Hong Kong, and encouraged foreign investment and other collaboration on this front.

11. In February 2019, the Jakarta ETO and Hong Kong Trade Development Council (HKTDC) held a reception in Jakarta to celebrate Chinese New Year. Over 300 guests from the Indonesian political and business circles, academia, the media and community groups attended the reception. The Jakarta ETO also held Chinese New Year receptions in Medan and Surabaya to promote Hong Kong's role and advantages in the Belt and Road Initiative and the Greater Bay Area development. In the same month, the Jakarta ETO and the HKTDC co-organised a Chinese New Year reception in Brunei, which was attended by about 120 key local business representatives and guests. In March, together with the HKTDC and the Hong Kong–Malaysia Business Association, we hosted spring dinners in Kuala Lumpur, Melaka and Penang of Malaysia.

12. On cultural exchanges, the ETO jointly held a media event in Jakarta with the Hong Kong Tourism Board in February 2019 to promote the Hong Kong Art Month in March. In August, we participated in the Cinemalaya Philippine Independent Film Festival 2019. Prior to the screening of the award-winning Hong Kong Film "Still Human", we hosted a reception and attended a media session to promote the film culture and industry in Hong Kong. In the same month, we again sponsored and participated in the Jakarta Dragon Boat Festival as in past years to promote Hong Kong's cultural diversity and characteristics as an international city.

13. Apart from the above, the Jakarta ETO supported the "ASEAN Internship Scheme for Hong Kong Higher Education Students" co-ordinated by the Singapore ETO. During the reporting period, the ETO arranged five Hong Kong's higher education students to work in the office, with a view to broadening the horizons of our young people. The ETO will continue to liaise with various organisations and encourage them to provide internship opportunities for Hong Kong tertiary students. Moreover, the ETO worked with the Indonesian Students Association in Hong Kong to organise a pre-departure briefing in August 2019 for Indonesian students who were about to pursue higher education in Hong Kong to help them adapt to the life in Hong Kong as soon as possible. To attract talents to Hong Kong, the ETO reached out to local university students and professionals by organising activities to promote Hong Kong's various talent admission schemes.

14. During the reporting period, the ETO arranged the visit of five journalists from Indonesia to Hong Kong under the Sponsored Journalists Programme to cover the Hong Kong Arbitration Week, the Asian Logistics and Maritime Conference, the Asian

Financial Forum and Art Basel. Media interviews were also arranged for senior government officials from the HKSAR during their visits to ASEAN countries.

Investment Promotion

15. The Jakarta ETO was proactive in investment promotion work in the regions under its purview. During the reporting period, officials from the Investment Promotion Unit (IPU) met more than 335 private companies in relevant countries and helped six to set up a company in Hong Kong. Moreover, the IPU jointly organised investment promotion seminars with trade and business organisations in Indonesia, Malaysia and the Philippines.

Controversies Arising from the Bill

16. ASEAN countries are very concerned about the developments regarding the Bill, including the controversies caused by the proposal and the ensuing protests and clashes. The media in Indonesia, Malaysia and the Philippines accorded extensive coverage to Hong Kong's situation. Reports mainly covered massive protests against the legislative amendments, announcement of the withdrawal of the legislative amendments by the Government, escalation of violence in protests, physical confrontations between the Police and the public, concerns shared by foreign governments over Hong Kong's situation, and the Central Authorities' reiteration of its support for the Chief Executive to govern Hong Kong in accordance with the law and for the Police to enforce the law rigorously. Some media reports also touched on the impact of protests on the business environment in Hong Kong and the likelihood of breaking the deadlock. Given the on-going protests and clashes, governments of Indonesia, Malaysia and the Philippines issued travel advisories for a couple of times in July and August, advising nationals to defer non-essential travel to or take note of their safety in Hong Kong.

17. The Jakarta ETO has been updating local key stakeholders and interlocutors on the developments of the situation of Hong Kong and providing them with relevant information. These included the ASEAN Secretariat; key government officials responsible for foreign affairs, trade and industry, and investment; business leaders and various chambers of commerce and industry associations; Hong Kong communities; media; as well as academia and think-tanks.

18. During regular exchanges and promotion activities, the Jakarta ETO placed emphasis on the long-term strengths and core competitiveness of Hong Kong, including its advantages under "one country, two systems", stable business environment, independent judicial system, its status as an international financial centre, and its close economic and trade ties with ASEAN countries. We also stressed that the fundamentals underpinning Hong Kong's success remained strong and reassured our key interlocutors that Hong Kong would continue to be a welcoming city for visitors and investors from around the world.

Looking Ahead

19. While individual ASEAN member states are in different development stages and have diverse trade and investment regimes, all of them are in general moving towards further liberalisation, trade and investment. Hong Kong businessmen have significant investment in many of the member states all along. With the implementation of the FTA and Investment Agreement, the growing ties between Hong Kong and ASEAN will create more opportunities for trade and investment. In 2020, the Jakarta ETO will keep on enhancing Hong Kong's presence in ASEAN, and promoting Hong Kong's advantages under "one country, two systems". We will also continue to strengthen and establish ties with key government officials, chambers of commerce, business communities, academia and think-tanks in ASEAN, with a view to developing stronger bilateral economic and trade relations between Hong Kong and ASEAN, and encouraging more exchanges on various fronts.

Hong Kong Economic and Trade Office, Jakarta
8 November 2019

Report on the Work of the Bangkok ETO

The Hong Kong Economic and Trade Office, Bangkok (Bangkok ETO) is the third ETO established by the Hong Kong Special Administrative Region (HKSAR) Government in the Association of Southeast Asian Nations (ASEAN) region. It helps further strengthen the economic and trade ties between Hong Kong and the ASEAN region for more business opportunities. Its geographical coverage includes three ASEAN nations, namely Thailand, Cambodia and Myanmar, as well as Bangladesh in South Asia. It is committed to promoting the bilateral economic and trade ties and cultural links between Hong Kong and these countries.

2. During the reporting period, Bangladesh and Thailand held general elections in December 2018 and March 2019 respectively. For Bangladesh, the result was a landslide victory (winning 86% of the seats and 82% of the votes) for the Awami League led by the incumbent Prime Minister Sheikh Hasina. For Thailand, the result was more dynamic with no single political party getting a majority in the parliament. Subsequently, General Prayut Chan-o-cha, the incumbent Prime Minister, was elected as the Prime Minister, with the parties supporting him formed a slim majority (252 out of 500) in the lower house. The new Thai King Maha Vajiralongkorn (Rama X) was coronated in June 2019, after a period of official mourning for his father who passed away in October 2016, having reigned for 70 years. The Bangkok ETO also closely monitored potential international sanctions on Cambodia and Myanmar, which may affect investments from Hong Kong in the region.

Setting Up of Bangkok ETO

3. The Bangkok ETO commenced operation on 28 February 2019. At present, it is staffed by five Hong Kong-based officers, with support from two temporary employees recruited locally. Recruitment for locally-engaged posts is underway.

Commercial Relations

4. Since its inception, the Bangkok ETO has actively engaged in establishing ties with the four countries under its purview, including meeting with government officials responsible for commerce and trade, chambers of commerce, business groups and businessmen to introduce its work, and promote Hong Kong's commercial and trade advantages as well as the associated business opportunities.

5. The Bangkok ETO also supports and attends events organised by local governments as well as business groups and bodies to enhance its profile and promote its work to people from different sectors. These included attending in April 2019 the Annual General Meeting of the Thai-Hong Kong Trade Association, during which a

presentation was given to brief its members on the key financial measures set out in the 2019-20 Budget, in particular those initiatives relating to the trade community in Thailand; attending in June the China (Guangdong)-Thailand Economic and Trade Cooperation Conference held in Bangkok to introduce Hong Kong's strengths and advantages in the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area); attending in the same month as a strategic partner the ASEAN Community Leadership and Partnership Forum held in Bangkok to introduce the newly-established Bangkok ETO and establish contact with participating officials from ASEAN members; attending in late July and early August respectively the meetings of the Thai Food Processors' Association and the Thai Chamber of Commerce¹ to introduce to their members the work of Bangkok ETO and the development opportunities brought to local industries by Hong Kong's professional services and market connections; and attending in September in Yangon, Myanmar the inauguration reception of the Myanmar-Hong Kong Chamber of Commerce and Industry.

6. During the reporting period, the Bangkok ETO co-ordinated and supported the Principal Officials of the HKSAR Government and representatives of other organisations in visiting the four countries under its purview, including the Secretary for Justice's visit to Bangkok to promote Hong Kong's legal and dispute resolution services in March 2019; the mission to Bangkok led by the Chairman of the Hong Kong Productivity Council in early July to understand the latest developments of smart manufacturing in Thailand and to identify opportunities for co-operation; the delegation led by the Chairman of the Hong Kong Trade Development Council in late July to promote among the political and business sectors in Thailand the potential business opportunities arising from the Belt and Road Initiative; and the Secretary for Commerce and Economic Development's attendance at the 3rd ASEAN Economic Ministers-Hong Kong, China Consultations Meeting in Bangkok in September to discuss the progress of the implementation of the Free Trade Agreement between Hong Kong and ASEAN and relevant Investment Agreements.

Public Relations

7. Since its inauguration, the Bangkok ETO has been striving to contact local government leaders, the business sector, various enterprises as well as key universities, art and cultural institutions and media organisations in Thailand. It has also proactively liaised with Hong Kong residents engaging in various industries there.

8. During the reporting period, the Director and Deputy Directors of the Bangkok ETO made visits to various main cities in Thailand (including Chiang Mai in the north, Songkhla and Phuket in the south, and Khon Kaen in the northeast) respectively. They

¹ Established in 1933, the Thai Chamber of Commerce is a representative national business association, boasting a membership of over 98 000 enterprises. It aims to promote Thailand's commercial and trade developments and serves as a coordinator between the government and the business community.

called on local governors, government officials and business leaders, and visited local universities and cultural institutions as well as Hong Kong people who are doing business or living there.

9. Apart from visiting Thai government officials, representatives from the Bangkok ETO called on the ambassadors stationed in Thailand from the other countries under its purview, including those from Cambodia, Myanmar and Bangladesh. They subsequently visited the main cities of these countries, including Nay Pyi Taw, the capital of Myanmar and its biggest city, Yangon; Phnom Penh, the capital of Cambodia; and Dhaka, the capital of Bangladesh, with a view to learning more about the current situation of these cities; establishing local contact; promoting Hong Kong among various sectors as a vibrant and international financial, trade, educational, art and cultural hub; its unique advantages under “one country, two systems”; and the business opportunities brought to the local enterprises by the Belt and Road Initiative and the Greater Bay Area development.

10. Since the inception of the Bangkok ETO, the Director of the Bangkok ETO has given various media interviews, including the phone-in interview to the Thailand MCOT Radio Channel in early March 2019; the live cum radio broadcast interview to the Ministry of Foreign Affairs of Thailand’s Sararom radio in late March; and the interview to the Television Broadcasts Limited on its news report programme in early April. Such interviews aim to publicise the new ETO, promote the advantages of Hong Kong as an international commercial and financial centre and introduce the business co-operation and development opportunities between Hong Kong and Thailand in the future.

11. In promoting cultural exchanges, the Bangkok ETO, through participating and organising various activities, has endeavoured to showcase that Hong Kong is not only one of the most competitive cities in the world but also a city of cultural diversity at the centre of Asia. During the reporting period, the ETO participated in the first Bangkok-Hong Kong Street Battle Food Festival, which is a huge event hosted by a Thai renowned chef and the Tourism Authority of Thailand in mid-March 2019 to promote understanding and exchanges between the people of Hong Kong and Thailand and demonstrate Hong Kong’s international image as a culinary capital through street food. In mid-August, with the ETO’s assistance, the Hong Kong Children’s Symphony Orchestra paid an exchange visit to Bangkok and organised a concert, presenting quality cultural programmes to the local audience in Thailand and promoting the thriving art and culture of Hong Kong. In late July and mid-October, the ETO also assisted two Hong Kong arts organisations, namely Zuni Icosahedron and Hong Kong Interior Design Association, in arranging exchange networking dinners on their visits to Bangkok, thus enabling their members and the local artists and design industry in Thailand to know each other, exchange views and establish contact. In early September, the ETO participated in the “Thailand-Hong Kong Cantonese Opera Exchange Charity Singing Show” hosted by the Hong Kong Ladies’ Group Thailand to support the promotion of Cantonese Opera culture in Thailand.

12. The Bangkok ETO also actively reached out to local universities, including visiting the campus of Asian Institute of Technology and its teaching centre in Bangkok in February and April 2019 respectively, attending the graduation ceremony in May and meeting with the school management to discuss the possibility of holding academic seminars on Hong Kong-related topics in the future, such as regional co-operation and business opportunities arising from the Belt and Road Initiative and the Greater Bay Area development. Taking the opportunity of meeting with the Thai Chamber of Commerce in August, the ETO established contact with the University of the Thai Chamber of Commerce and introduced to them the “Belt and Road Scholarship-Thailand” provided by the HKSAR Government for Thai students, in the hope of attracting the school’s outstanding students to pursue their studies in Hong Kong in the future.

13. In addition, during the visit to Chiang Mai in April 2019, the Bangkok ETO visited Chiang Mai University to learn about its Science and Technology Park project, including how to promote technology and innovation and foster the growth of startups with local government’s subsidies and support among universities. In July, the ETO organised a gathering for ten Thai students, who are the Belt and Road Scholarship awardees pursuing studies in the universities in Hong Kong, to help them get to know each other and share their learning and life experience in Hong Kong. In the gathering, we also introduced the newly established ETO to them. In September, the Director of the Bangkok ETO attended the Third International Conference on Belt and Road and Lancang-Mekong Cooperation, which was co-organised by the Consulate General of China in Chiang Mai, Mae Fah Luang University and Chiang Mai University, and briefed the academia and business representatives attending the Conference on the role of and the opportunities brought to Hong Kong under the Belt and Road Initiative.

Investment Promotion

14. The Investment Promotion Unit (IPU) in Bangkok is being set up. At present, the investment promotion work in Thailand is conducted by an overseas consultant, whilst the IPU of the Singapore ETO is responsible for the related work in Cambodia and Myanmar. It is expected that the IPU in the Bangkok ETO will commence operation in the next reporting period.

Controversies Arising from the Fugitive Offenders and Mutual Legal Assistance in Criminal Matters Legislation (Amendment) Bill 2019 (the Bill)

15. When the HKSAR Government first sought to put forward the Bill, the four countries under the purview of the Bangkok ETO did not accord special concern to it in general. Since the massive protest on 9 June, local news agencies started to report on the Bill and the associated public events. Compared with other countries, contacts in these four countries were less concerned about the Bill and the public events arising from it. We noticed that a small number of people in Thailand had gathered to show their support for the Hong Kong protestors. The Thai Government and the Cambodian Government respectively issued a statement saying that the current situation in Hong

Kong was an internal affair of China, and hoped that Hong Kong could resolve the existing dispute peacefully.

16. In response to the controversies arising from the Bill, the Bangkok ETO contacted local stakeholders (including government officials and representatives from the business sector) to provide updates on the situation in Hong Kong. Starting from June, large-scale public events have caused some locals to cancel their trips to Hong Kong. In this respect, the ETO also updated government officials and representatives of the tourism industry on the situation in Hong Kong, so as to restore their confidence in travelling to Hong Kong. In late October, with the Prohibition on Face Covering Regulation coming into effect, the ETO issued notes to respective Hong Kong trade associations in Thailand, Cambodia and Myanmar to update their members the latest developments in Hong Kong.

Looking Ahead

17. In the coming year, the Bangkok ETO will continue the recruitment of local staff so that the ETO can be fully operational as soon as possible. The Bangkok ETO will, together with the Singapore ETO and the Jakarta ETO, keep on enhancing Hong Kong's presence in ASEAN.

Hong Kong Economic and Trade Office, Bangkok
8 November 2019

Report on the Work of the Singapore ETO

Before the establishment of the Hong Kong Economic and Trade Office in Bangkok (Bangkok ETO), the Hong Kong Economic and Trade Office in Singapore (Singapore ETO) was responsible for promoting bilateral economic, trade and cultural relations between Hong Kong and six member states¹ of the Association of Southeast Asian Nations (ASEAN). Upon the commissioning of the Bangkok ETO at the end of February 2019, countries under the purview of the Singapore ETO now include Singapore, Laos, Vietnam and India.

2. During the reporting period, the overall political and economic situations in Singapore, Laos, Vietnam and India were relatively stable. In Singapore, the Finance Minister Heng Swee Keat was promoted to Deputy Prime Minister. The country's economic growth slowed down to 0.1% on a year-on-year basis in both the second and third quarters of the year. Vietnam and Laos were among the ones with most robust economic growth in the region, with an expected economic growth of the former and the latter exceeding 6.8% and at 6.5% respectively in 2019. In India, the incumbent administration led by Prime Minister Narendra Modi had a landslide victory in the general election in May. The country saw a slowdown of economic growth, with a lower forecast rate at 6.1% for the year.

3. There continued to be positive disposition towards Hong Kong in these countries, particularly in terms of bilateral economic ties and business and investment opportunities. As matters related to the Fugitive Offenders and Mutual Legal Assistance in Criminal Matters Legislation (Amendment) Bill 2019 (the Bill) was transpiring, there was increasing attention from governments, business communities and media to the relevant developments in Hong Kong, largely on travel safety and convenience as well as possible impacts on the trade, business and investment fronts.

Commercial Relations

4. As a bloc, ASEAN was Hong Kong's second largest trading partner in goods in 2018. The bilateral economic and trade activities remained robust. ASEAN is also an economic region with significant development potential under the Belt and Road Initiative. In view of the great economic potential of ASEAN, the Chief Executive (CE) announced in her 2017 Policy Address that the Government would set up an ETO in Bangkok, Thailand, Hong Kong's third ETO in ASEAN (the other two ETOs are the Singapore ETO and the Jakarta ETO in Indonesia). During the reporting period, the Singapore ETO, together with relevant bureaux and departments, assisted in the

¹ The six member states were Cambodia, Laos, Myanmar, Singapore, Thailand and Vietnam.

preparatory work for the establishment of the new Bangkok ETO. On 28 February 2019, the CE officiated at the opening ceremony of the Bangkok ETO in Bangkok and met with the Prime Minister, the Deputy Prime Minister and the Minister of Foreign Affairs of Thailand. They exchanged views on collaboration between Hong Kong and Thailand. The Singapore ETO and the Bangkok ETO jointly supported the visit of the CE.

5. Subsequently, the Singapore ETO officially transferred some of its responsibilities to the Bangkok ETO. The Singapore ETO is now responsible for strengthening the economic ties and networks between Hong Kong and Singapore, Laos, Vietnam and India; while the Bangkok ETO is representing the Government of the Hong Kong Special Administrative Region (HKSAR) in matters between Hong Kong and Cambodia, Myanmar, Thailand and Bangladesh.

6. In November 2017, Hong Kong and ASEAN signed the Hong Kong–ASEAN Free Trade Agreement (FTA) and Investment Agreement. Those parts relating to Laos, Singapore and Vietnam under the agreements entered into force in June 2019. The agreements help foster closer economic ties between Hong Kong and ASEAN member states.

7. The Singapore ETO actively promoted, on many occasions, the opportunities brought by the Belt and Road Initiative and the Guangdong–Hong Kong–Macao Greater Bay Area (Greater Bay Area) development, Hong Kong’s status as an international financial centre and the premier offshore Renminbi centre, as well as its strengths and roles. The ETO frequently met with chambers of commerce, business associations, government officials and academia in the countries under its purview to maintain a close relationship. It also organised and participated in business events such as luncheons, seminars, receptions in collaboration with the Hong Kong Trade Development Council, local trade associations or other organisations.

8. During the reporting period, the Singapore ETO also organised and supported visits by senior officials, including the Secretary for Food and Health and the Secretary for the Environment. The Secretary for Food and Health visited Singapore for the Ministerial Conference on Diabetes in November 2018 and for the International Council of Nurses Congress in June 2019. In his visit to Singapore in May 2019, the Secretary for the Environment met with local government officials to exchange views on various environmental issues, visited local renewable energy and waste treatment facilities, and attended the signing ceremony for the Memorandum of Understanding (MoU) on the development of environmental professionals between the two places. The MoU aims to enhance the synergy between both sides regarding professional staff training on the environment front and to strengthen collaboration.

9. Before the establishment of the proposed Mumbai ETO, the Singapore ETO will cover India, Hong Kong’s seventh largest trading partner in goods. The ETO is currently building up a working network in India with a view to connecting with key

interlocutors, including government agencies, chambers of commerce and think-tanks, as well as to explore collaboration opportunities, so as to enhance the bilateral economic and trade relations between Hong Kong and India. In addition, the ETO will assist in discussing with the Indian Government the proposal on establishing the Mumbai ETO, and carrying out the related preparatory work.

Public Relations

10. Senior officials' exchanges are another important element in strengthening bilateral ties between Hong Kong and ASEAN. Apart from organising and supporting visits by the CE and Principal Officials, the Singapore ETO also made arrangements for visits of key interlocutors to Hong Kong under the Information Services Department's Sponsored Visitors Programme during the reporting period. Visitors included local government officials, members of business sector, etc..

11. The Singapore ETO made continuous effort to promote people-to-people exchanges between Hong Kong and ASEAN countries under its purview. As in previous years, the ETO organised various events and receptions and sponsored visiting performance groups from Hong Kong to promote Hong Kong's vibrant arts and culture. These performances included a musical staged in Singapore by the Spring-Time Experimental Theatre in April 2019, and performances of young Hong Kong musicians in music exchanges and concerts held in Singapore in February and August.

12. Since 2014, the Singapore ETO has organised the ASEAN Internship Scheme for Hong Kong Higher Education Students (formerly known as ASEAN Internship Scheme for University Students of Hong Kong) to enhance exchanges between Hong Kong and ASEAN countries, and offer students the opportunities to widen their horizon and experience the life in the ASEAN region. In 2019, there were 86 interns in seven ASEAN countries. Host organisations offering internship places included government agencies, academic institutions, technology companies, private companies in the tourism and hospitality industry and logistics industry, and the ETOs. The scheme covers 11 Hong Kong higher education institutions, including the eight University Grants Committee-funded institutions, the Hong Kong Academy for Performing Arts, Hong Kong Shue Yan University and the Hang Seng University of Hong Kong. Over 800 students have participated in the scheme since it was launched.

13. The Singapore ETO proactively reached out to key interlocutors in the region, including the Hong Kong communities, government officials, business organisations, the media and think-tanks in ASEAN member states, to keep them abreast of Hong Kong's latest situation and economic developments. During the reporting period, the ETO hosted networking gatherings and a Chinese New Year Reception, with a total of about 500 guests from different sectors. The ETO also hosted a gathering for some 70 students taking up internship in Singapore so as to provide an opportunity for them to share experiences.

14. During the reporting period, the Singapore ETO arranged visits of some journalists to Hong Kong under the Sponsored Journalists Programme to cover major events, including the Business Editor of *The Myanmar Times* for the Asian Logistics and Maritime Conference; a reporter of the news website Tech in Asia for the StartmeupHK Festival; and the Associate Editor of the magazine *ICON* for the Art Basel Hong Kong. They were updated on Hong Kong's latest direction of economic development and situation.

Investment Promotion

15. During the reporting period, the Investment Promotion Unit (IPU) met with over 120 Singaporean and Vietnamese companies, and assisted 20 companies in establishing their business in Hong Kong. It also leveraged on various key business events and conferences, such as the 20th SME Conference of the Singapore Chinese Chamber of Commerce and Industry and the 18th Annual Marine Money Week Asia, both held in Singapore, to promote Hong Kong as a business location.

Controversies Arising from the Bill

16. During the reporting period, countries under the purview of the Singapore ETO have been closely following the developments of the events arising from the Bill, with the greatest attention from the Singapore media. Starting from May 2019, the Singapore media covered news on the Bill, including comments from the local business sector and foreign chambers of commerce, responses from legislators, and the efforts of the HKSAR Government to elaborate on the legislative amendments. The media of other countries also started to carry extensive reports on the developments that ensued. Reports mainly covered massive protests against the legislative amendments, announcement of the withdrawal of the legislative amendments by the Government, escalation of violence in protests, clashes between the Police and the public, concerns by foreign governments over Hong Kong's situation, and the Central Authorities' reiteration of its support for CE to govern Hong Kong in accordance with the law and for the Police to enforce the law rigorously. As the incident evolved, reports and commentaries gradually ventured to examine areas like its impact on the "one country, two systems" principle and the business environment in Hong Kong, deep-rooted social conflicts, and options for breaking the current deadlock, etc..

17. The protests and violent events in Hong Kong caused concerns among political and business sectors of the countries under the Singapore ETO's purview. In particular, several Cabinet members of the Singapore government including the Prime Minister, as well as India's External Affairs Minister have expressed their views on the development of the situation in Hong Kong on public occasions. Besides, governments of Singapore, Vietnam and India issued travel advisories in the light of Hong Kong's situation, advising nationals to defer non-essential travel to or take note of their personal safety in Hong Kong. The Ministry of Education of Singapore also advised local universities to pay attention to the travel advisory. Three universities cancelled their student exchange

programmes to Hong Kong for the current academic year. The business sector in the region continued to express concerns about Hong Kong's situation. Certain reports also noted that some businessmen had started considering the need to make alternative arrangements for their investment in Hong Kong.

18. The Singapore ETO maintained close liaison with key stakeholders and interlocutors and provided them with updated information regarding the situation of Hong Kong. These included key government officials responsible for foreign affairs, trade and industry, investment, and culture and tourism; business leaders and various chambers of commerce and industry associations; Hong Kong business communities; as well as academia and think-tanks.

19. During regular exchanges and promotional activities, the Singapore ETO emphasised on the long-term strengths and core competitiveness of Hong Kong, including its advantages under "one country, two systems", good and stable business environment, independent judicial system, and its status as an international financial centre. We also stressed that the fundamentals underpinning Hong Kong's success remained strong and reassured our key interlocutors that Hong Kong would continue to be a welcoming city for visitors and investors from around the world.

Looking Ahead

20. The countries under the purview of the Singapore ETO are in different development stages and have diverse trade and investment regimes. The ASEAN countries concerned are moving towards further liberalisation and have been implementing measures to facilitate trade and investment. Hong Kong businessmen have significant investment in many of them all along. With the implementation of the FTA and Investment Agreement, the growing ties between Hong Kong and ASEAN will create more opportunities for trade and investment. In addition, the potential of India to bring foreign investment into Hong Kong is expected to grow continuously.

21. The Singapore ETO will continue to work closely with the Bangkok and Jakarta ETOs to enhance Hong Kong's presence in ASEAN and to support the work relating to the implementation of the FTA. Meanwhile, we will continue strengthening ties with key government officials, chambers of commerce, business communities, academia and think-tanks and establishing a network of contacts in India with a view to promoting the strengths of Hong Kong under "one country, two systems", developing stronger bilateral economic and trade relations and encouraging more exchanges on various fronts.

Hong Kong Economic and Trade Office, Singapore
8 November 2019

Performance Indicators of Overseas Hong Kong Economic and Trade Offices

The performance indicators in respect of commercial relations, public relations and investment promotion work of the overseas Hong Kong Economic and Trade Offices and relevant figures in 2017 and 2018 are as follows -

Commercial Relations

Indicators	2017	2018
Meetings on trade-related matters attended	3 372	3 222
Visits to host governments and trade organisations	1 434	1 474
Seminars, exhibitions and workshops organised	318	326
Seminars, exhibitions and workshops participated	882	922
Public speeches given	494	502
Media interviews/briefings given	701	719
Circulars/newsletters/press releases issued	1 269	1 435

Public Relations

Indicators	2017	2018
Call on senior government officials/organisations	1 662	1 687
Public relations functions/events organised	757	788
Public relations functions/events participated	1 470	1 481
Newsletters, pamphlets, press releases issued	1 429	1 585
Public speeches given	578	576
Media interviews/briefings given	778	799

Investment Promotion

Indicators	2017	2018
New projects generated ¹	387	378
Projects completed ²	181	195

¹ New projects with the potential of becoming completed projects in the coming 18 months. The figure reflects the investment promotion efforts in a particular year, discounting projects carried forward from previous years.

² Investment projects each resulting in an overseas company setting up or undergoing a significant expansion in Hong Kong with the assistance of Invest Hong Kong.