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Panel on Commerce, Industry, Innovation and Technology

Meeting on 19 November 2024

Background brief on the work of the overseas Hong Kong Economic and Trade Offices and the Offices of the Government of the Hong Kong Special Administrative Region in the Mainland

Purpose

This paper provides background information on the work of the overseas Hong Kong Economic and Trade Offices ("ETOs") and the Offices of the Government of the Hong Kong Special Administrative Region ("the HKSAR Government") in the Mainland ("Mainland Offices"), as well as a summary of views and concerns expressed by Members during discussions on related subjects at meetings of the Panel on Commerce, Industry, Innovation and Technology¹ ("the Panel"), the Establishment Subcommittee and the Finance Committee ("FC") in recent years.

Background

Overseas Hong Kong Economic and Trade Offices

2. Overseas ETOs are located in the cities of Hong Kong's major trading partners. Their responsibilities are to foster relations and liaison with the local authorities, businesses and various sectors at the government-to-government level, as well as to handle bilateral economic and cultural matters between Hong Kong and the countries covered by the overseas ETOs.

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Formerly known as Panel on Commerce and Industry and renamed since 26 October 2022.

- 3. To consolidate and enhance the status and importance of Hong Kong among its trading partners and to further explore new business opportunities, the Administration proposed in July 2018 setting up new ETOs in five countries, namely Thailand (Bangkok), the United Arab Emirates (Dubai), Russia (Moscow), India (Mumbai) and Korea (Seoul), with a view to expanding the overseas ETO network. Subsequently, the Bangkok ETO and the Dubai ETO commenced operation respectively in February 2019 and October 2021.
- 4. At present, the HKSAR Government has set up a total of **14** overseas **ETOs** in the cities of Hong Kong's major trading partners. Their respective geographical coverage and principal functions are in **Appendix 1**. The HKSAR Government is following up on the establishment of ETOs in Kuala Lumpur, Malaysia and Riyadh, Saudi Arabia.

Offices of the Government of the Hong Kong Special Administrative Region in the Mainland

5. The **five Mainland Offices** of the HKSAR Government, viz. the Beijing Office, the Guangdong ETO, the Shanghai ETO, the Chengdu ETO and the Wuhan ETO,² are responsible for strengthening communication and liaison between Hong Kong and the Mainland, including enhancing government-to-government cooperation, promoting Hong Kong's trade and commercial relations with Mainland provinces and municipalities on all fronts, fostering exchange and cooperation between the two places, facilitating investment, promoting Hong Kong, and providing support for Hong Kong people and enterprises in the Mainland. Besides, Immigration Divisions set up in the Mainland Offices provide practical help for Hong Kong residents in distress or seeking assistance in the Mainland, as well as HKSAR passport replacement service for Hong Kong residents in the Mainland.

(a) Beijing Office: the 10 provinces/municipalities/autonomous regions of Beijing, Tianjin, Hebei, Liaoning, Jilin, Heilongjiang, Inner Mongolia, Xinjiang, Gansu and Ningxia;

(b) Guangdong ETO: the five provinces/region of Fujian, Guangdong, Guangxi, Hainan and Yunnan;

(c) Shanghai ETO: the Municipality of Shanghai and the four provinces of Jiangsu, Zhejiang, Anhui and Shandong;

(d) Chengdu ETO: the six provinces/municipality/autonomous region, namely Sichuan, Chongqing, Shaanxi, Guizhou, Qinghai and Tibet; and

(e) Wuhan ETO: the five provinces of Hubei, Hunan, Shanxi, Jiangxi and Henan.

The geographical coverage of the five Mainland Offices are as follows:

Attracting business and talent

According to the performance indicator set out in the 2022 Policy Address, the Government would attract at least a total of 1 130 enterprises to set up or expand their operations in Hong Kong from 2023 to 2025. To enhance Hong Kong's competitiveness, the Government implemented an array of new initiatives to attract enterprises, investment and talent in end 2022. In line with the above strategy and objective and for the purpose of enhancing the capabilities of ETOs, **Dedicated Teams for Attracting Businesses and Talents** ("the Dedicated Teams") **have been set up** at **12 ETOs**³ to support the work of the Office for Attracting Strategic Enterprises under the Financial Secretary's Office and the Hong Kong Talent Engage under the Labour and Welfare Bureau.

Telling the good stories of Hong Kong

7. The Chief Executive said in the 2022 Policy Address that "we must tell the good stories of Hong Kong", presenting the true and good stories of Hong Kong and promoting its strengths, achievements and opportunities. According to the Administration, the overseas ETOs will continue to organize publicity activities to promote the HKSAR Government's various key policies abroad, widely disseminate positive and true messages of Hong Kong, and set a target of having an increase of 20% in the number of various publicity activities in 2024 as compared to 2022.⁴ The Mainland Offices will also step up publicity through online and offline platforms as well as encourage and support representatives from various professional fields and sectors to visit the Mainland in order to comprehensively promote Hong Kong and its unique status and advantages under "one country, two systems".⁵

There is no Dedicated Teams have set up in the Geneva ETO and the Washington ETO. The Geneva ETO is mainly responsible for handling issues relating to the World Trade Organization and the Trade Committee of the Organisation for Economic Cooperation and Development. The work on bilateral economic and trade relations with Switzerland is handled by the Berlin ETO. The Washington ETO is mainly responsible for liaising with the political circle in the United States, and the New York ETO is responsible for attracting businesses and talent in the eastern states of the United States.

The targets include paying no less than 2 700 visits to governments and organizations of host countries; attending no less than 1 000 speaking occasions; conducting no less than 1 100 media interviews or briefings; and staging no less than 1 300 forums, exhibitions, seminars and promotional activities.

Policy Address this year has enhanced the work indicators on promoting Hong Kong's strengths and opportunities in the Mainland. Accordingly, in 2025, the Mainland Offices will organize no less than 3 300 visits to Mainland authorities or

Previous discussions

8. Major views and concerns expressed by Members at meetings of the Panel, the Establishment Subcommittee and FC on the work of the overseas ETOs and the Mainland Offices are summarized in the ensuing paragraphs.

Functions of Economic and Trade Offices

- 9. Members **urged** the Administration to deploy more resources to investment promotion while ETOs should, through access to local government officials and business contacts, **step up promotion of Hong Kong's professional services**.
- 10. The Administration advised that, being committed to facilitating and supporting the development of Hong Kong's professional services industries, it had been making arrangements from time to time for principal officials and delegations from the commercial and trade and professional sectors to visit emerging markets, including the countries and regions along the Belt and Road, to look for new investment and cooperation opportunities. It would also encourage local governments and companies to use Hong Kong's professional services. The investment promotion unit set up within each overseas ETO (except for the Geneva and Washington ETOs) promoted Hong Kong's many advantages as a regional hub and the preferred business location in Asia through organizing various activities, so as to attract foreign direct investment to Hong Kong.

Key performance indicators and staffing establishment

11. Members noted that the Administration had set indicators for the overseas ETOs and the Mainland Offices to increase the number of various publicity activities. Members suggested that the Administration should further set indicators on the effectiveness of publicity activities.

Promoting arts and culture

12. Members supported the overseas ETOs' work on promoting Hong Kong's arts and culture. Members considered that, apart from publicizing and promoting Hong Kong's cultural positioning overseas, ETOs should at the same time help facilitate the staging of performances by overseas arts and cultural organizations in Hong Kong, so as to realize the positioning of

bodies, attend no less than 280 speaking occasions, conduct no less than 340 media interviews or briefings, and participate in no less than 850 business and trade meetings.

Hong Kong's development into an East-meets-West centre for international cultural exchange.

13. The Administration advised that ETOs had been supporting the Culture, Sports and Tourism Bureau and the Leisure and Cultural Services Department under its purview to promote Hong Kong's soft power in terms of arts, culture and creativity. It would maintain liaison with foreign consulates in Hong Kong and encourage overseas arts and cultural organizations to come to Hong Kong for performances and exchange.

Telling the good stories of Hong Kong

- 14. Members were concerned that there had been some incorrect or misleading news and biased comments about Hong Kong's situation on some social media in the Mainland. Members **urged** the Mainland Offices to take appropriate actions to follow up the issues, including **timely clarification of the inaccurate news** and liaison with the relevant media for proper handling.
- 15. The Administration advised that the Mainland Offices had been monitoring reports and remarks circulated in the media and social media within the Mainland on Hong Kong affairs, and they would **issue clarifications when necessary**.⁶
- 16. Members enquired about **the impact** of the so-called **Hong Kong Economic and Trade Office Certification Act**, which had been **passed** by the Foreign Affairs Committee of the House of Representatives of the United States, on the Administration's **efforts in attracting business and investment** if the Act was eventually enacted and brought into force, as well as the Administration's counter measures.
- 17. The Administration advised that, in their respective jurisdictions, ETOs in Washington, New York and San Francisco had been operating in accordance with local legislation and maintaining close liaison with interlocutors in government, business, think tanks and various sectors to enrich ties between Hong Kong and the United States ("US") in different areas such as trade, investment, and arts and culture. The smooth operation

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It has been reported in the media that on 13 May 2024, the Police of the United Kingdom ("UK") charged three persons, one of whom was the incumbent Office Manager of the London ETO, for suspected breaches of the UK's national security laws. The HKSAR Government made a statement stating that it had seriously demanded the UK side to fairly handle the matter, effectively protect the legitimate rights and interests of the ETO's Office Manager who was alleged to be involved, and ensure that the normal work of the ETO was not affected. (For details, please see Statement by HKSAR Government)

of the three ETOs in the US contributed to strengthening pragmatic cooperation between Hong Kong and the US in different areas, and was mutually beneficial to both places. The Administration stressed that **the US enjoyed significant economic benefits in Hong Kong**. If **the US** was to undermine the supposedly mutually beneficial relations between Hong Kong and the US through the so-called Hong Kong Economic and Trade Office Certification Act, it **would ultimately harm its own interests and those of its enterprises**.

Council questions

18. Members raised questions relating to the work of the overseas ETOs and the Mainland Offices of the HKSAR Government at various Council meetings. The relevant hyperlinks are in **Appendix 2**.

Latest position

19. The Administration will brief the Panel on 19 November 2024 on the work of the overseas ETOs and the Mainland Offices of the HKSAR Government.

Relevant papers

20. A list of relevant papers is in **Appendix 2**.

Council Business Divisions
<u>Legislative Council Secretariat</u>
12 November 2024

The geographical coverage and principal functions of the 14 overseas Hong Kong Economic and Trade Offices¹

Economic and Trade Office in Geneva

The principal function of the Economic and Trade Office ("ETO") in Geneva is to represent Hong Kong, China ("HKC") as a Member of the World Trade Organization. It also represents HKC as a Participant of the Trade Committee of the Organisation for Economic Cooperation and Development in Paris.

Economic and Trade Office in Washington

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 ("the HKSAR Government") 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 cooperation between the two economies.

Economic and Trade Office in New York

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

Economic and Trade Office in San Francisco

The San Francisco ETO is responsible for promoting economic and trade relations between Hong Kong and 19 western states in the US.

Economic and Trade Office in Toronto

The Toronto ETO is responsible for promoting economic and trade relations between Hong Kong and Canada.

Source: Administration's paper (Appendices of <u>LC Paper No. CB(1)1003/2023(06)</u>)

Economic and Trade Office in Brussels

The Brussels ETO represents Hong Kong's economic and trade interests in the European Union, and is responsible for promoting Hong Kong's bilateral relations with 15 European countries, namely Belgium, Bulgaria, Croatia, Cyprus, France, Greece, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Romania, Spain, and Türkiye.

Economic and Trade Office in London

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.

Economic and Trade Office in Berlin

The Berlin ETO is responsible for promoting Hong Kong's bilateral economic and trade relations with eight countries in the Central and Eastern European region, namely Austria, Czechia, Germany, Hungary, Poland, Slovakia, Slovenia and Switzerland.

Economic and Trade Office in Tokyo

The Tokyo ETO is responsible for promoting economic and trade ties, understanding and cooperation, as well as cultural and tourism exchanges with Japan and the Republic of Korea.

Economic and Trade Office in Sydney

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

Economic and Trade Office in Jakarta

The Jakarta ETO represents the HKSAR Government on matters between Hong Kong and the Association of Southeast Asian Nations ("ASEAN") as a whole, and is responsible for promoting bilateral economic and trade relations between Hong Kong and four ASEAN countries, namely Indonesia, Malaysia, Brunei Darussalam and the Philippines.

Economic and Trade Office in Bangkok

The Bangkok ETO commenced operation in February 2019. It is responsible for promoting bilateral economic and trade relations between Hong Kong and Thailand, Cambodia, Myanmar and Bangladesh.

Economic and Trade Office in Singapore

The countries under the purview of the Singapore ETO are Singapore, Laos, Vietnam and India. The Singapore ETO will continue to work closely with the Bangkok and Jakarta ETOs to enhance Hong Kong's presence in ASEAN.

Economic and Trade Office in Dubai

The Dubai ETO, being Hong Kong's 14th overseas ETO and the first ETO in the Middle East region, commenced operation in October 2021. The geographical coverage of the Dubai ETO includes the six member states of the Cooperation Council for the Arab States of the Gulf, namely Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates.

Work of the overseas Hong Kong Economic and Trade Offices and the Offices of the Government of the Hong Kong Special Administrative Region in the Mainland

List of relevant papers

Committee	Date of meeting	Paper
Panel on Commerce and Industry	17 July 2018	Agenda Item VI: Establishment of five new Overseas Economic and Trade Offices ("ETOs") and the ETO Policy Division Minutes of meeting
Establishment Subcommittee	9 January 2019 and 23 January 2019	9 January 2019 Agenda Item 2 Minutes of meeting Follow-up paper 23 January 2019 Agenda Item 1 Minutes of meeting Follow-up paper
Finance Committee	15 February 2019	Agenda Item 1: Recommendation of the Establishment Subcommittee made on 23 January 2019 Minutes of meeting
Panel on Commerce and Industry	19 November 2019	Agenda Item III: Report on the work of the overseas Hong Kong Economic and Trade Offices and the Offices of the Government of the Hong Kong Special Administrative Region in the Mainland and Taiwan in 2018-2019 Minutes of meeting

Committee	Date of meeting	Paper
Panel on Commerce, Industry, Innovation and Technology	21 November 2023	Agenda Item IV: Report on the work of the overseas Hong Kong Economic and Trade Offices and the Offices of the Government of the Hong Kong Special Administrative Region in the Mainland Minutes of meeting Follow-up paper
Panel on Commerce, Industry, Innovation and Technology	15 October 2024	Agenda Item III: Promotion of inward investment Minutes of meeting

Council meeting	Paper
25 August 2021	Question 17: Work of the SAR Government offices on the Mainland
13 July 2022	Question 6: Work on publicizing and promoting Hong Kong
26 October 2022	Question 4: Proactive integration into the development of the Guangdong-Hong Kong-Macao Greater Bay Area
9 November 2022	Question 12: Mainland offices of the SAR Government
15 February 2023	Question 18: Telling well the stories of China and the Hong Kong SAR
15 February 2023	Question 22: Work on promoting Hong Kong to the Mainland
24 May 2023	Question 15: Manpower of the Mainland offices and liaison units of the Government
10 January 2024	Question 12: Expanding the global economic and trade networks