

## LCQ4: Trade between Hong Kong and Taiwan

Following is a question by the Hon Wong Ting-kwong and a written reply by the Secretary for Commerce and Economic Development, Mr Edward Yau, in the Legislative Council today (April 17):

Question:

The Mayor of Kaohsiung City, Taiwan led an economic and trade mission to visit Hong Kong last month to promote the agricultural and fisheries products of Kaohsiung and witness the signing of co-operation agreements between the chambers of commerce of the two places. The Chief Executive has indicated that she welcomes more high-quality agricultural and fisheries products from Kaohsiung to be imported to or re-exported via Hong Kong. She looks forward to further promoting exchanges between Hong Kong and Taiwan as well as developing more room for co-operation. In addition, the Financial Secretary has pointed out that the bilateral trade between Hong Kong and Taiwan grew persistently in each of the past five years, and that there is huge room for further development. In this connection, will the Government inform this Council:

(1) of the respective total values of the imports and exports between Hong Kong and Taiwan in each of the past three years and the major types of goods involved respectively;

(2) of the details of the work of the Commerce and Economic Development Bureau, Invest Hong Kong, the Hong Kong Economic, Trade and Cultural Office in Taiwan and the Hong Kong Trade Development Council in the past three years in promoting trade and investment between Hong Kong and Taiwan, together with the amounts of expenditure involved; whether such bodies will take new initiatives in the coming three years to promote further development of trade between Hong Kong and Taiwan; if so, of the details; if not, the reasons for that; and

(3) whether it will encourage chambers of commerce and organisations in the community to organise more activities to enhance economic and trade exchanges between Hong Kong and Taiwan; if so, of the details; if not, the reasons for that?

Reply:

President,

(1) In the past three years, the total values of imports and exports between Hong Kong and Taiwan, and the major types of goods involved are tabulated below:

(Value in HK\$ million)

	2016	2017	2018
Domestic Exports (Major types of goods)	1,842 (Jewellery, goldsmiths' and silversmiths' wares, and other articles of precious or semi-precious materials; Metalliferous ores and metal scrap; Professional, scientific and controlling instruments and apparatus)	2,079 (Metalliferous ores and metal scrap; Jewellery, goldsmiths' and silversmiths' wares, and other articles of precious or semi-precious materials; Non-ferrous metals)	2,469 (Metalliferous ores and metal scrap; Jewellery, goldsmiths' and silversmiths' wares, and other articles of precious or semi-precious materials; Non-ferrous metals)
Imports (Major types of goods)	292,072 (Electrical machinery, apparatus and appliances, and electrical parts thereof; Telecommunications and sound recording and reproducing apparatus and equipment; Office machines and automatic data processing machines)	329,678 (Electrical machinery, apparatus and appliances, and electrical parts thereof; Telecommunications and sound recording and reproducing apparatus and equipment; Office machines and automatic data processing machines)	338,445 (Electrical machinery, apparatus and appliances, and electrical parts thereof; Office machines and automatic data processing machines; Telecommunications and sound recording and reproducing apparatus and equipment)

(2) The Hong Kong Special Administrative Region Government has all along been fostering co-operation between Hong Kong and Taiwan in the areas of trade and investment.

On trade promotion, the Hong Kong Trade Development Council (HKTDC) has been actively promoting the commerce and trade co-operation and exchanges between Hong Kong and Taiwan, and encouraging Taiwanese enterprises to co-operate with Hong Kong companies and leverage on Hong Kong's services platform to tap the overseas and Mainland markets. Also, the Taipei Office of the HKTDC often organises various types of promotional activities to provide an interactive platform for enterprises of the two places, thereby creating opportunities for business co-operation. In the past three years, the HKTDC has organised about 200 activities in Hong Kong and Taiwan to promote the economic and trade relations between the two places, including organising Taiwanese enterprises to participate in various exhibitions and forums held in Hong Kong. The HKTDC's relevant expenditure was around \$18.82 million.

The HKTDC will continue to promote trade ties between Hong Kong and Taiwan through organising different activities such as trade fairs, outbound missions, seminars, roadshows and business matching activities, etc. In addition, the HKTDC will put more emphasis on promoting sectors where Hong Kong enjoys advantages, such as logistics, e-commerce and licensing, etc.

On investment promotion, Invest Hong Kong (InvestHK), through its Investment Promotion Unit based in the Hong Kong Economic, Trade and Cultural Office (HKETCO) in Taiwan, directly reaches out to potential companies and promotes the business advantages of Hong Kong through one-to-one meetings as well as various forms of marketing activities. From 2016 to 2018, InvestHK assisted 47 companies from Taiwan to set up or expand their businesses in Hong Kong. In the three financial years of 2016-17, 2017-18 and 2018-19, InvestHK's expenditure on investment promotion work in Taiwan was around \$1.85 million (excluding staff cost and other general expenses which cannot be separately quantified).

InvestHK will maintain its partnership with the Taiwan business community and conduct investment promotion visits to various Taiwan cities. It will reach out to a wide spectrum of companies to encourage them to set up operations in Hong Kong, thereby seizing the business opportunities arising from the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development.

In addition, the HKETCO in Taiwan proactively serves as an important bridge between Hong Kong and Taiwan. It promotes contacts and exchanges in respect of economic and trade affairs and investment, etc. between Hong Kong and Taiwan through various channels and in collaboration with the Taiwan Office of the HKTDC and the Hong Kong Business Association in Taiwan (HKBA).

In the past three years, HKETCO organised various activities to promote the strengths of Hong Kong extensively, foster economic and trade collaboration between the two places, and attract Taiwan enterprises to invest in Hong Kong. For example, HKETCO organised on an annual basis the "Hong Kong-Taiwan Economic Co-operation Forum", a series of economic co-operation seminars, and roving exhibitions with different themes. The activities aim at enhancing the Taiwan business community's understanding of Hong Kong as well as strengthening economic and trade collaboration and exchanges between the two places.

Other ongoing measures include liaising with various stakeholders in the industrial and commercial sector of Taiwan to keep them abreast of the latest economic and trade developments in Hong Kong; strengthening connections with Hong Kong businesses in Taiwan through meetings with Hong Kong residents and businessmen working in various industries to share information concerning economic and trade affairs in Hong Kong and Taiwan; supporting HKBA to organise activities for members, visits and tours as well as thematic talks; receiving business delegations visiting Taiwan, introducing the latest developments in the economic and trade relations between Hong Kong and Taiwan as well as providing advice and assistance for their visits; providing

support to the visit of the Hong Kong-Taiwan Business Co-operation Committee (BCC) to Taiwan; keeping a close watch on important information relating to economic and trade matters and business operations in Hong Kong and Taiwan, as well as disseminating messages to Hong Kong businesses in Taiwan, industry and commerce associations in Taiwan, and Taiwan enterprises interested in investing in Hong Kong through the monthly "Hong Kong-Taiwan Economic and Trade Newsletter" and ad-hoc issues; and collaborating with major media agencies in Taiwan to publish columns featuring interviews of relevant stakeholders from Hong Kong and Taiwan in order to promote Hong Kong's strengths in respect of business operations and investment.

In future, HKETCO will continue to take forward the above work to further strengthen exchanges and collaboration between Hong Kong and Taiwan in respect of economic and trade affairs and investment, etc. Such duties are part of the work of HKETCO and a separate breakdown of the expenditure is not available.

(3) We have all along been encouraging exchanges between the Hong Kong and Taiwan business sectors. The BCC was established on April 1, 2010. With members coming from the local business sector, the BCC endeavours to promote people-to-people exchanges between Hong Kong and Taiwan, and strengthen commerce and economic co-operation between the two places. The BCC has been established for eight years, and has organised and participated in over 140 events, including organising visits for BCC members to Taiwan to network with local companies, organising forums and meetings, etc., to foster exchanges and co-operation between the Hong Kong and Taiwan business sectors and explore business opportunities.