

Legislative Council Panel on Commerce and Industry
Follow-up Actions to the Meeting held on 13 January 2003

Investment in Hong Kong by the Mainland Enterprises

According to the Census and Statistics Department, as at the end of 2001, Mainland investment in Hong Kong aggregated HK\$958.1 billion, representing 29.3% of the stock of inward direct investment of Hong Kong. In 2002, 96 Mainland enterprises have chosen Hong Kong as their regional headquarters in the Asia-Pacific Region, while 170 have established regional offices in Hong Kong.

Measures for Attracting more Mainland Enterprises to Invest in Hong Kong

2. Invest Hong Kong (InvestHK)'s investment promotion strategy is sector based. Having regard to the strong demand of Mainland enterprises to invest in Hong Kong, the Department set up a Mainland Team last year to focus on attracting Mainland companies to invest in Hong Kong and to expand their business overseas through Hong Kong.

3. Apart from the Mainland Team in the Head Office, InvestHK has also established an Investment Promotion Unit (IPU) under the Economic and Trade Office in Guangdong, which is responsible for liaising with and attracting Mainland enterprises around Guangdong Province to invest in Hong Kong. In addition, the Department has created a Shanghai IPU and a Beijing IPU in the Head Office. Members of these two units make frequent visits to and around Shanghai and Beijing, tasked with identifying enterprises with potentials to "go abroad", and assisting them to set up in Hong Kong.

4. InvestHK has been pro-active in attracting investment from the Mainland through building up business contacts, explaining to Mainland investors Hong Kong's business environment, participating in activities organised by trade organisations and associations in the Mainland and conducting seminars in collaboration with these bodies. It also takes part in a wide spectrum of economic and trade promotion activities in the Mainland, such as the 6th China International Fair for Investment and Trade held in Xiamen and the seminars on "Hong Kong Investment Environment" held in Nanjing and Jinan last year, with the objective of introducing the investment environment of Hong Kong to more Mainland enterprises, and in particular, promoting the concept of Hong Kong as a bridgehead for Mainland enterprises to "go abroad".

5. InvestHK also takes the initiative to receive Mainland enterprises on study tours to Hong Kong, seeking to enhance their understanding of Hong Kong's investment environment and maintaining contact with potential investors to expedite their decision to come to Hong Kong for investment.

6. In 2003, InvestHK will strengthen its ties with the Mainland and continue to organise activities to implement the strategy for attracting Mainland enterprises to invest in Hong Kong, including :

- ◆ Organising a series of seminars on "Hong Kong Investment Environment" in major cities such as Beijing, Shanghai and Guangzhou in collaboration with the Department of Foreign Economic Cooperation under the Ministry

of Foreign Trade and Economic Cooperation. The first seminar will be held in Beijing on March 25.

- ◆ Co-hosting an information technology seminar in April in Guangzhou with the business associations concerned, aiming to attract more Guangzhou IT enterprises to invest in Hong Kong.
- ◆ Participating in the 7th China International Fair for Investment and Trade held in Xiamen in September by launching booth exhibition to promote Hong Kong and InvestHK.
- ◆ Strengthening ties with the Mainland offices of multinational organisations, seeking to involve in their activities held in Mainland cities, including trade and economic fora and sector-specific seminars.