

LCQ3: Liberalisation and facilitation measures for local professionals and service industries in Guangdong

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Following is an oral reply by the Acting Secretary for Commerce and Economic Development, Mr Gregory So, to a question by the Hon Paul Chan in the Legislative Council today (November 26):

Question:

As a further step to deepen Hong Kong-Guangdong economic and trade co-operation, the Governments of Hong Kong and Guangdong Province will implement 25 liberalisation and facilitation measures for early and pilot implementation in Guangdong. The service sectors covered include accounting, construction and related engineering, medical and dental, placement and supply services of personnel, environment, social services, tourism, education, maritime transport, road transport and individually-owned stores. In this connection, will the Government inform this Council whether:

(a) it has discussed with the Guangdong Provincial Government the implementation arrangements for the measures; if so, of the details of the arrangements; if not, the reasons for that;

(b) it has conducted relevant studies and formulated relevant policies to facilitate the development of business in the Guangdong Province by local professionals and service sectors; if so, of the details of the studies and the policies; if not, the reasons for that; and

(c) it will refer such liberalisation and facilitation measures to the Task Force on Economic Challenges for discussion, if not, of the reasons for that?

Reply:

President,

On July 29 this year, the Mainland and Hong Kong signed the Supplement V to the Mainland and Hong Kong Closer Economic Partnership Arrangement (generally referred to as CEPA) and announced a package of liberalisation and facilitation measures for early and pilot implementation in Guangdong Province. There are a total of 25 Guangdong pilot measures, 17 of which are included under the CEPA framework for implementation with effect from January 1, 2009. Among the 25 measures, the Mainland has agreed to lower the market access requirements in various services sectors (including medical and dental;

maritime transport; placement and supply services of personnel). The Mainland has also agreed to delegate to Guangdong Province the authority to approve applications in such services sectors as medical and dental, tourism, distribution and road transport so as to streamline and expedite the relevant procedures.

Let me reply to part (a) of the question first. The Hong Kong Special Administrative Region Government ("HKSARG") attaches great importance to the Guangdong/Hong Kong ("GD/HK") co-operation in the services sectors. We have maintained close liaison with the Provincial Government of Guangdong and taken measures to ensure that the Guangdong pilot measures will be implemented as early as possible.

In fact, HKSARG has fully made use of the "GD/HK Expert Group on Implementing CEPA Services" under the "GD/HK Co-operation Joint Conference" to liaise and follow up closely with the relevant Mainland authorities to ensure the effective implementation of the Guangdong pilot measures. In addition, relevant authorities from both sides signed 8 co-operation agreements in August this year, setting out the working targets for the coming year with a view to expediting the implementation of Guangdong pilot measures and strengthening the co-operation in services sectors in both places. Various bureaus/departments of HKSARG have also maintained frequent exchanges with the relevant authorities in Guangdong on the implementation of the Guangdong pilot measures and reflected to them the views of our trade.

Besides, HKSARG closely monitors the promulgation of laws and regulations concerning the relevant measures, as well as the implementation arrangements. We understand that relevant authorities of the Central Government and Guangdong Province are in the process of amending the relevant laws and regulations. In the meantime, the Guangdong authorities are working on the implementation arrangements, including promulgating the implementation details for the relevant measures, establishing notification, discussion and monitoring mechanism, providing facilitation measures for trade and investment and enhancing the support to Hong Kong Service Suppliers. We are uploading to our CEPA website for the trade's reference, relevant new laws and regulations as well as implementation details issued by the Mainland when they are available.

In order to enable the trade to have a better understanding of Supplement V to CEPA and the Guangdong pilot measures, HKSARG jointly organised a seminar with the Ministry of Commerce and the Provincial Government of Guangdong in September this year. Representatives of the relevant central ministries and the Provincial

Government of Guangdong were invited to brief the trade on the details and the implementation arrangements for services liberalisation and pilot measures, and to exchange views with the trade.

With regard to part (b) of the question, HKSARG will from time to time conduct studies on policy formulation and implementation to keep up with the development of professional services and service industries. For example, in light of the challenges and business opportunities brought by China's 11th Five-Year Plan, the Government organised an Economic Summit and invited stakeholders of the business, professional, labour and academic sectors to take part in it. There was in depth discussion on topics relating to "Trade and Business", "Financial Services", "Maritime, Logistics and Infrastructure", and "Professional Services, Information and Technology and Tourism", which also involved suggestions on the co-operation and development of Hong Kong and Guangdong services sectors and making good use of CEPA. Supplement V to CEPA and the Guangdong pilot measures are taken forward in the general context of enhancing co-operation and development of the services sectors in Hong Kong and Guangdong.

In fact, in deliberating further liberalisation and trade and investment facilitation measures of CEPA each year, we will pay heed to the trade's views, consider the benefits that the proposed measures may bring to the development of the Hong Kong economy, and maintain close dialogue and contacts with the Central Government and Guangdong Province. We attach great importance to the trade's views on the implementation of CEPA. The Commerce and Economic Development Bureau held the third CEPA consultative forum on November 11 this year following the first two held in March and November last year, in order to gather the trade's views on the implementation of Supplement V to CEPA and the Guangdong pilot measures as well as their proposals for further liberalisation. We are now collecting and collating specific views from the trade and will follow up with the Central Government and Guangdong Province in due course.

Concerning part (c) of the question, in response to the current financial crisis, the newly established "Task Force on Economic Challenges" will monitor and assess the impact of the financial tsunami on the local economy and our major industries. It will also put forward specific proposals to address the challenges and turn the crisis into business opportunities for consideration by the Government and the industries concerned. The Task Force will closely monitor the latest development of the Guangdong Province and the neighbouring regions in order to explore new business opportunities for various sectors in Hong Kong as well as to enhance our competitiveness. If appropriate, the Government will consult

the Task Force on ways to seek more business opportunities for Hong Kong's services industry and professionals so as to enhance their access to the Mainland market.

Ends/Wednesday, November 26, 2008