

Head 35 — GOVERNMENT SECRETARIAT: BEIJING OFFICE

Controlling officer: the Director, Beijing Office will account for expenditure under this Head.

Estimate 2007–08 **\$53.0m**

Establishment ceiling 2007–08 (notional annual mid-point salary value) representing an estimated 14 non-directorate posts as at 31 March 2007 and as at 31 March 2008 **\$9.2m**

In addition, there will be an estimated three directorate posts as at 31 March 2007 and as at 31 March 2008.

Controlling Officer's Report

Programmes

Programme (1) Liaison, Economic and Trade, and Investment Promotion Affairs

This programme contributes to Policy Area 6: Commerce and Industry (Secretary for Commerce, Industry and Technology) and Policy Area 28: Constitutional Affairs (Secretary for Constitutional Affairs).

Programme (2) HKSAR Immigration-related Matters

This programme contributes to Policy Area 10: Immigration Control (Secretary for Security).

Detail

Programme (1): Liaison, Economic and Trade, and Investment Promotion Affairs

	2005–06 (Actual)	2006–07 (Original)	2006–07 (Revised)	2007–08 (Estimate)
Financial provision (\$m)	25.9	34.2	29.5 (–13.7%)	39.5 (+33.9%)
				(or +15.5% on 2006–07 Original)

Aim

2 The aim is to enhance liaison and communication between the Government of the Hong Kong Special Administrative Region (HKSAR) and the Central People's Government (CPG) and other Mainland authorities; to strengthen economic and trade liaison with the 15 provinces/regions/municipalities within the geographical coverage of the Beijing Office (BJO) and promote Hong Kong in those areas; and to encourage inward investment to Hong Kong from enterprises and corporations there.

Brief Description

3 One of the BJO's roles is to further enhance liaison and communication between the Government of the HKSAR and the CPG and other Mainland authorities. This will enable the Government of the HKSAR to have a better understanding of the policies and developments in the Mainland and to evaluate their possible implications on Hong Kong. In addition, we also update the CPG, other Mainland authorities and non-governmental bodies, and Mainland residents on the latest developments of the HKSAR so as to facilitate their understanding of how the provisions of the Basic Law, in particular the principles of "One Country, Two Systems" and "Hong Kong people running Hong Kong" with "a high degree of autonomy", are being put into practice.

4 With the establishment of the Hong Kong Economic and Trade Offices in Chengdu and Shanghai in September 2006 to take up economic and trade liaison duties covering the south-western provinces and regions and the Yangtze River Delta respectively, the BJO, while maintaining close contacts with the CPG ministries, will focus its economic and trade liaison efforts on 15 provinces/regions/municipalities viz. Beijing, Tianjin, Hebei, Henan, Shandong, Shanxi, Liaoning, Jilin, Heilongjiang, Inner Mongolia, Xinjiang, Gansu, Ningxia, Qinghai and Tibet, and will promote Hong Kong in those areas and encourage inward investment to Hong Kong from enterprises and corporations there.

5 The BJO's main responsibilities under this programme are to:

- liaise with the CPG, other Mainland authorities and non-governmental bodies and provide them with information about the HKSAR;
- keep the relevant bureaux and departments of the Government of the HKSAR informed about the latest developments in the Mainland;
- take necessary action with the CPG ministries and governments of the 15 provinces/regions/municipalities on specific issues on the basis of the instructions of the relevant bureaux and departments of the Government of the HKSAR;

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- provide logistics support to delegations of the Government of the HKSAR visiting those 15 provinces/regions/municipalities;
- provide information on Hong Kong to and handle enquiries about Hong Kong from the residents in those 15 provinces/regions/municipalities, and handle requests for assistance (see Programme (2) for those relating to personal safety) from Hong Kong residents in those areas; and
- strengthen economic and trade liaison with those 15 provinces/regions/municipalities and promote inward investment to Hong Kong from enterprises and corporations there.

6 In 2006, the BJO continued to maintain close contact with the CPG and other Mainland authorities. It facilitated the discussion and follow-up of substantive issues between various bureaux and departments of the Government of the HKSAR and their counterparts in the Mainland. It monitored closely major developments in the Mainland, especially those in the areas of economics and trade, and kept relevant bureaux and departments of the Government of the HKSAR informed of these developments so that they could assess the implications on Hong Kong and take follow-up actions including the dissemination of information to the business community and other parties as appropriate. We also strengthened our liaison and co-operation with the provinces and municipalities within our geographical coverage by visiting senior officials in the CPG and those provinces and municipalities.

7 To promote official exchanges between the Government of the HKSAR and the Mainland authorities, the BJO had been called upon to arrange itinerary and provide logistical support to HKSAR Government delegations visiting the Mainland on 84 occasions and to arrange visits of Mainland officials to the HKSAR on 32 occasions.

8 In 2006, the BJO continued to promote Hong Kong in the Mainland. We helped facilitate the visit by the delegation of the Government of the HKSAR led by the Chief Executive to Hunan Province, and the visit by the Hong Kong financial services delegation to the same province co-organised by the Financial Services and the Treasury Bureau of the Government of the HKSAR and the Provincial Government of Hunan. These promotional activities had received extensive coverage from the central, local and Hong Kong media, and aroused immense interest particularly in the places where the promotion was held. Both local and Hong Kong participants were generally of the view that such activities would enhance mutual understanding and help establish contacts, and were conducive to future economic co-operation between Hong Kong and the Mainland particularly under the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA). Within the year, we liaised closely with the relevant departments of the Beijing Municipal Government to assist in the operation of the mechanism of the Hong Kong-Beijing Economic and Trade Co-operation Conference and to facilitate the 10th Beijing-Hong Kong Economic Co-operation Symposium held in Hong Kong. The BJO also organised roving exhibitions in a number of cities in Inner Mongolia, Henan, Shanxi and Shandong provinces to promote Hong Kong, to update local residents on the latest developments in Hong Kong, and to recommend to the local enterprises the business opportunities arising from the co-operation between Hong Kong and the Mainland under CEPA.

9 On investment promotion, the BJO's Investment Promotion Unit liaised closely with those Mainland enterprises preparing to invest in Hong Kong, helping them to go through the necessary procedures. The Unit visited 176 Mainland enterprises in the provinces and municipalities which might be interested to start or expand their business in Hong Kong, briefing them on the latest investment environment of Hong Kong and its advantages, as well as the services of the Unit. Our InvestHK service centre handled 96 enquiries from enterprises.

10 The BJO also maintained close contact with the Beijing Organising Committee for the Games of the XXIX Olympiad and tracked the preparation of the Expo 2010 Shanghai China with a view to keeping the Government of the HKSAR updated of the business opportunities arising from the Olympics and the Expo and promoting the competitive advantages of Hong Kong companies.

11 The BJO continued to broadcast a weekly radio programme on China National Radio Hua Xia Zhi Sheng to keep residents in the southern part of the Mainland abreast of the latest developments in Hong Kong. The programme, broadcast in Cantonese, was estimated to have reached an audience of at least 1 500 000. Further, the BJO has launched two weekly radio programmes, both in Putonghua, this year to promote Hong Kong on the Mainland more extensively. One of them is for Hua Xia Zhi Sheng to produce the programme for broadcast on five provincial radio stations in Tianjin, Hebei, Inner Mongolia, Jilin and Liaoning. The other is a live broadcast on "Voice of China" whose frequencies cover the entire China.

12 The BJO handled 355 enquiries and 136 requests for assistance (other than those relating to personal safety) from the general public in 2006. Details are as follows:

- Public enquiries: trade and business-related enquiries (34), enquiries seeking information on the Government of the HKSAR or organisations in Hong Kong (138), enquiries seeking information on the Mainland (68), miscellaneous enquiries or expression of views (112) and initial enquiries relating to request for assistance (3).
- Requests for assistance: business and trade disputes (32), complaints relating to real estate in the Mainland (21), complaints against administrative, law enforcement and judicial agencies in the Mainland (24) and others (59).

Matters Requiring Special Attention in 2007–08

13 In 2007–08, the BJO will:

- organise celebration activities in Beijing and other places to mark the 10th Anniversary of the Establishment of the HKSAR;
- continue to assist in the implementation of the Government of the HKSAR's plan to foster closer liaison and co-operation between Hong Kong and the Mainland;
- strengthen economic and trade liaison with and enhance its investment promotion function in the provinces/regions/municipalities within its geographical coverage; and
- promote Hong Kong in selected provinces/regions/municipalities, taking into consideration the potential for developing business opportunities between Hong Kong and the Mainland location concerned and interests of the various sectors of the HKSAR.

Programme (2): HKSAR Immigration-related Matters

	2005–06 (Actual)	2006–07 (Original)	2006–07 (Revised)	2007–08 (Estimate)
Financial provision (\$m)	10.4	13.2	12.5 (–5.3%)	13.5 (+8.0%)
				(or +2.3% on 2006–07 Original)

Aim

14 The aim is to facilitate the application of foreign nationals in the Mainland for entry visas to the HKSAR and to maintain close liaison with relevant CPG departments as well as foreign diplomatic corps in Beijing on immigration matters.

Brief Description

15 The Immigration Division of the BJO deals with the following HKSAR immigration-related matters:

- processing applications for entry to Hong Kong for visit, employment, investment, training, residence and education in accordance with approved immigration policies and procedures;
- conducting negotiations on visa-free access with foreign diplomatic missions which have embassies only in Beijing but do not have representation in the HKSAR;
- liaising with diplomatic corps in Beijing on HKSAR immigration matters;
- liaising and maintaining contacts with counterparts in relevant CPG departments on immigration and nationality matters;
- providing practical assistance to Hong Kong residents in distress in the Mainland; and
- providing information to and handling immigration-related enquiries from the general public.

16 In 2006, the BJO received 269 requests for assistance from Hong Kong residents in distress in the Mainland (except in Guangdong, Fujian, Jiangxi, Hainan provinces and Guangxi Zhuang Autonomous Region, which are under the purview of the Guangdong Economic and Trade Office (GDETO)). Of these, 72 cases involved the loss of travel documents or monies, and 136 cases were from persons who were in danger, involved in traffic accidents, injured or whose relatives had passed away in the Mainland, etc. The remaining 61 cases involved the detention of Hong Kong residents in the Mainland.

17 For cases involving the loss of travel documents and monies, the BJO would, after confirming the identity of the Hong Kong residents, issue Entry Permit for their return to Hong Kong and contact their families in Hong Kong to assist for remittance to meet the needs of the assistance seekers in the Mainland. In the event that assistance could not be sought immediately from their family members, the BJO could advance a reasonable amount of money to the persons in question subject to their undertaking to repay the advanced sum in full and return to Hong Kong immediately. In 2006, there were five cases requiring provision from the advance account, involving a total of RMB12,150.

18 For Hong Kong residents seeking assistance due to traffic accidents, injuries, illness, dangerous situations or fatal cases requiring follow-up actions with their families, etc., the BJO would contact the relevant Mainland authorities to ensure that the following assistance was promptly provided:

- processing the replacement of lost documents and assisting Hong Kong residents in applying for entry and exit permits;
- contacting family/travel agencies to arrange for the expeditious return of the injured person(s) to Hong Kong for treatment;

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- co-ordinating with relevant departments of the Government of the HKSAR regarding the necessary arrangements relating to the reception of the injured person(s) in Hong Kong; and
- assisting the families and/or relatives of the deceased Hong Kong residents in completing the procedures for the transportation of their corpses back to Hong Kong and applying for death notarial certificates.

19 For those Hong Kong residents being detained in the Mainland, the BJO would convey and reflect their requests or their family members' requests to follow up the cases with the relevant authorities, including the Public Security Departments, General Administration of Customs, Committee of Political Science and Law under the Communist Party of China Central Committee, People's Procuratorates, People's Courts, and Bureau for Letters and Calls. In 2006, the number of detention cases for which assistance was sought from the BJO was 61. Those involved in ten of these cases were released. Another 26 of the cases were serving sentences, and the remaining 25 cases were under detention pending charges and prosecution.

- The reasons for detention were as follows: fraud (17), smuggling (13), smuggling/manufacturing of narcotic drugs (6), corruption (5), organising for illegal migration (4), breach of state order (3), murder with intent (3), common assault (3), misappropriation (2), official tort (2), theft (2), and sabotaging property (1).
- The places of detention were as follows: Guangdong (19), Beijing (11), Shanghai (5), Sichuan (2), Henan (2), Zhejiang (2), Xinjiang (2), Fujian (2), Jiangsu (2), Hebei (2), Shandong (2), Hunan (1), Yunnan (1), Shanxi (1), Jilin (1), Jiangxi (1), Shaanxi (1), Hubei (1), Ningxia (1), Guangxi Zhuang Autonomous Region (1) and Liaoning (1).

20 The Immigration Division handled 17 431 public enquiries on immigration matters.

21 The key performance measures in respect of HKSAR immigration-related matters are:

Targets

	Target	2005 (Actual)	2006 (Actual)	2007 (Plan)
average processing time per case				
unreferred visas/entry permits within three working days (%)	95	98	98	98
referred visas/entry permits within six weeks upon receipt of supporting documents (%).....	75	85	85	85
normal response time per case				
assistance to Hong Kong residents in distress in the Mainland within same day upon request (%)	95	96	96	96

Indicators

	2005 (Actual)	2006 (Actual)	2007 (Estimate)
unreferred visas/entry permit cases			
received	3 767	3 745	3 700
processed	3 776	3 726	3 700
referred visas/entry permit cases			
received	1 827	1 849	1 800
processed	1 845	1 796	1 800
provide practical assistance to Hong Kong residents in distress in the Mainland, including handling of cases involving the detention of Hong Kong residents.....	331	269	260

Matters Requiring Special Attention in 2007-08

22 During 2007-08, the Immigration Division of the BJO will:

- maintain its service to the public by processing 98% of unreferred visa/entry permit applications within three working days and 85% of referred visa/entry permit applications within six weeks upon receipt of supporting documents; and
- continue to provide practical assistance to Hong Kong residents in distress in the Mainland (except in Guangdong, Fujian, Jiangxi, Hainan provinces and Guangxi Zhuang Autonomous Region, which are under the purview of the GDETO), including handling of more complicated cases involving detention of Hong Kong residents, and follow up cases which have been referred to the appropriate Mainland authorities.

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ANALYSIS OF FINANCIAL PROVISION

Programme	2005-06 (Actual) (\$m)	2006-07 (Original) (\$m)	2006-07 (Revised) (\$m)	2007-08 (Estimate) (\$m)
(1) Liaison, Economic and Trade, and Investment Promotion Affairs.....	25.9	34.2	29.5	39.5
(2) HKSAR Immigration-related Matters.....	10.4	13.2	12.5	13.5
	<u>36.3</u>	<u>47.4</u>	<u>42.0</u> (-11.4%)	<u>53.0</u> (+26.2%)
				(or +11.8% on 2006-07 Original)

Analysis of Financial and Staffing Provision

Programme (1)

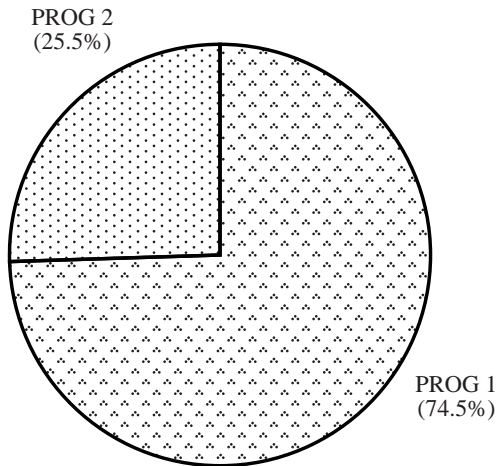
Provision for 2007-08 is \$10.0 million (33.9%) higher than the revised estimate for 2006-07. This is mainly due to the additional provision for strengthening the promotional activities of Hong Kong in those provinces/regions/municipalities within the geographical coverage of the BJO and organising the celebration activities in Beijing and other places to mark the 10th Anniversary of the Establishment of the HKSAR.

Programme (2)

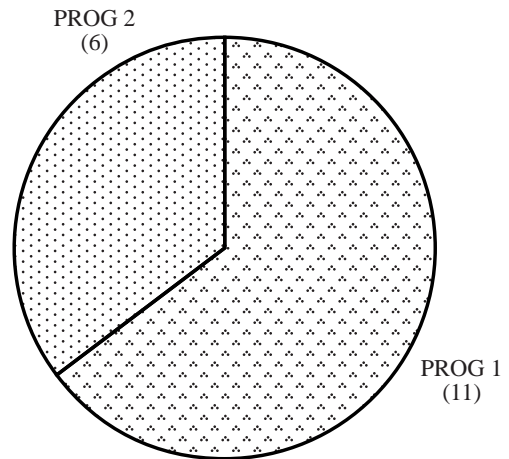
Provision for 2007-08 is \$1.0 million (8.0%) higher than the revised estimate for 2006-07. This is mainly due to the additional provision required to pay allowances and personnel-related expenses for staff posted to and from the BJO.

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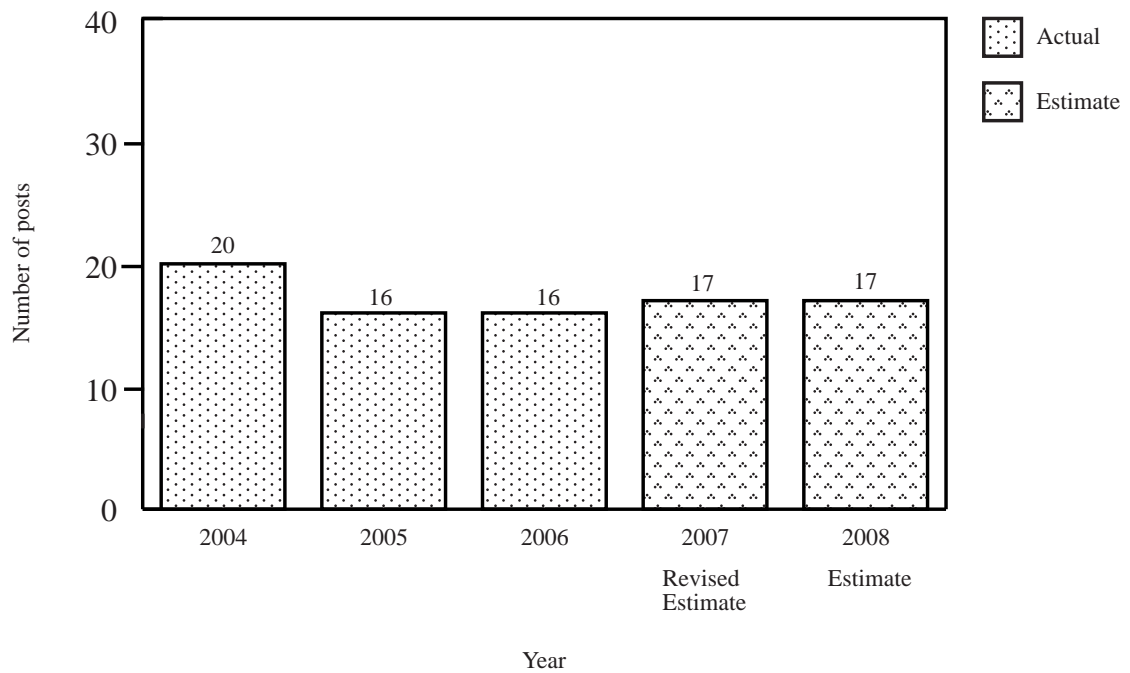
Allocation of provision to programmes (2007-08)



Staff by programme (as at 31 March 2008)



Changes in the size of the establishment (as at 31 March)



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Sub-head (Code)	Actual expenditure 2005-06	Approved estimate 2006-07	Revised estimate 2006-07	Estimate 2007-08	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses.....	36,281	47,369	42,023	52,457
	Total, Recurrent	<u>36,281</u>	<u>47,369</u>	<u>42,023</u>	<u>52,457</u>
	Total, Operating Account.....	36,281	47,369	42,023	52,457
Capital Account					
Plant, Equipment and Works					
661	Minor plant, vehicles and equipment (block vote).....	—	—	—	572
	Total, Plant, Equipment and Works	<u>—</u>	<u>—</u>	<u>—</u>	<u>572</u>
	Total, Capital Account	—	—	—	572
	Total Expenditure.....	<u>36,281</u>	<u>47,369</u>	<u>42,023</u>	<u>53,029</u>

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Details of Expenditure by Subhead

The estimate of the amount required in 2007–08 for the salaries and expenses of the Beijing Office (BJO) is \$53,029,000. This represents an increase of \$11,006,000 over the revised estimate for 2006–07 and of \$16,748,000 over actual expenditure in 2005–06.

Operating Account

Recurrent

2 Provision of \$52,457,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the BJO. This represents an increase of \$10,434,000 (24.8%) over the revised estimate for 2006–07. This is mainly due to the additional provision required for strengthening the promotional activities of Hong Kong in those provinces/regions/municipalities within the geographical coverage of the BJO and organising the celebration activities in Beijing and other places to mark the 10th Anniversary of the Establishment of the HKSAR.

3 The establishment as at 31 March 2007 will be 17 permanent posts. No change in establishment is expected in 2007–08. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2007–08, but the notional annual mid-point salary value of all such posts must not exceed \$9,180,000.

4 An analysis of the financial provision under *Subhead 000 Operational expenses* is as follows:

	2005–06 (Actual) (\$'000)	2006–07 (Original) (\$'000)	2006–07 (Revised) (\$'000)	2007–08 (Estimate) (\$'000)
Personal Emoluments				
- Salaries.....	13,775	16,095	15,013	14,236
- Allowances.....	10,038	12,217	10,754	11,931
Personnel Related Expenses				
- Mandatory Provident Fund contribution.....	32	24	36	26
- Civil Service Provident Fund contribution	—	—	70	264
- Disturbance allowance	697	941	779	590
Departmental Expenses				
- Hire of services and professional fees.....	1,961	2,964	2,712	3,000
- General departmental expenses.....	6,634	10,628	5,909	6,345
Other Charges				
- Publicity	3,144	4,500	6,750	16,065
	36,281	47,369	42,023	52,457

Capital Account

Plant, Equipment and Works

5 Provision of \$572,000 under *Subhead 661 Minor plant, vehicles and equipment (block vote)* is for the replacement of an office car for the BJO.