

## Impact of “Three Direct Links” on Hong Kong

- With the new leadership in Taiwan from May 20, 2008, Cross-Strait relations are expected to improve and the “Three Direct Links” be promoted.
- The Hong Kong Special Administrative Region Government (HKSARG) takes a positive attitude towards implementation of the “Three Direct Links”. Even though this may lead to a slight reduction in our tourism arrivals and re-export trade, provided that Cross-Strait relations are enhanced and the economies on both sides continue to progress, Hong Kong will stand to benefit from growth in trade, airfreight as well as business and leisure travel in the region.

### Tourism

- The Government and the Hong Kong Tourism Board are closely monitoring the situation and will flexibly adjust our tourism promotional work to cope with the new measures. We will collaborate with the industry to upgrade our service standard and enhance Hong Kong’s appeal as a preferred tourist destination in the region. We will promote multi-destination itineraries (including Mainland, Hong Kong and Taiwan) and target new market segments such as MICE (meeting, incentive travel, convention and exhibition) and cruise tourism.

### Air Traffic

- On Hong Kong’s air passenger traffic, our preliminary assessment is that the number of Taiwan travellers going through the Hong Kong International Airport on the Beijing, Shanghai and Fujian routes will be affected to a larger extent. But actual impact will depend on the specific arrangements of direct flights across the Taiwan Strait.
- At present, about half of the air cargo between Hong Kong and Taiwan is conveyed by passenger flights. As long as the frequencies of flights between the two places are maintained, Hong Kong will stay competitive.

### Financial services

- In the long run, stable and harmonious cross-strait relations would be conducive to the economic activities on both sides of the strait. Successful enterprises on the Mainland and in Taiwan will need to make full use of our financial services. Hong Kong’s role as an international financial centre will be even more prominent.

**Closer ties**

- The HKSARG has been promoting liaison between Taiwan and Hong Kong across a wide spectrum of sectors. Over the past few years, we received members of the Taiwan legislature, including those from the pan-blue and pan-green camps, officials at the county and city level of Taiwan, media representatives, professional bodies, academia, and businessmen, etc. In the years ahead, we will continue to step up our ties with Taiwan.
- The Hong Kong Trade Development Council has applied to the Taiwan authorities to set up a branch office in Taipei with the objective of enhancing trade relations and co-operation between Hong Kong and Taiwan.