

## **Legislative Council meeting of 28 October 2015**

### **Motion on “Seizing the opportunities brought about by ‘One Belt One Road’ and seeking new directions for Hong Kong’s economy”**

#### **Progress Report**

At the Legislative Council meeting of 28 October 2015, the motion on “Seizing the opportunities brought about by ‘One Belt One Road’ and seeking new directions for Hong Kong’s economy” moved by Hon Martin LIAO as amended by Hon Christopher CHEUNG, Hon CHAN Kam-lam and Hon MA Fung-kwok, was passed. The wording of the motion is attached at [Annex](#). Upon consulting the relevant bureaux, we now report to Members on the latest position of the relevant work.

#### **Enhancing businesses’ understanding of the Belt and Road Economies**

2. The Hong Kong Trade Development Council (“TDC”) launched a Belt and Road Portal in December 2015. The Portal provides up-to-date and comprehensive market intelligence to help businesses seize opportunities arising from the Belt and Road Initiative and identify suitable business partners through the Hong Kong platform and services.

#### **Creating a facilitating business environment to promote and protect trade and investment**

3. The HKSAR Government is actively seeking to forge Free Trade Agreements (“FTAs”), Investment Promotion and Protection Agreements and Comprehensive Avoidance of Double Taxation Agreements (“CDTAs”) with countries along the Belt and Road, in order to facilitate the building up of economic and trade connections between local industry and the relevant countries and to protect their investments therein. Among the initiatives, the FTA negotiation between Hong Kong and the Association of Southeast Asian Nations (“ASEAN”) is progressing smoothly. The two sides have conducted five rounds of negotiation. The target is to complete the negotiation within 2016. As regards CDTAs, the HKSAR Government signed CDTAs with Romania and Russia in November 2015 and January 2016 respectively. The CDTAs can help strengthen the economic and trade links between Hong Kong and the two places.

## **Investment and trade promotion activities**

4. The HKSAR Government supports and encourages Hong Kong companies to participate in trade seminars and conferences on Belt and Road organised by the Mainland authorities and business communities. The HKSAR Government also seeks to cooperate with economies along the Belt and Road in staging exhibitions, trade and investment promotion activities to promote Hong Kong as the major service platform for Belt and Road. It also encourages Mainland and overseas companies to use Hong Kong as a springboard when entering the Belt and Road market. In 2015, Invest Hong Kong organised joint investment promotion events with Guangdong and Macao in Singapore, Indonesia and Malaysia.

5. TDC has mounted Hong Kong Pavilion in various large-scale trade exhibitions to promote Hong Kong's professional services. TDC is also planning to organise "CEO Forum" and "SmartHK" in the Mainland to explore how Hong Kong services can help Mainland businesses grasp the new development opportunities arising from the Belt and Road Initiative. This aside, TDC will continue to organise business missions to regional hubs for countries along the Belt and Road for targeted promotion, with a view to showcasing Hong Kong's products and services and helping Hong Kong companies explore new business opportunities.

## **The Belt and Road Summit**

6. The HKSAR Government and TDC will jointly organise the inaugural Belt and Road Summit in Hong Kong in May 2016, bringing together government officials and top business executives from economies along the Belt and Road to explore opportunities brought about by the Belt and Road Initiative. TDC also introduced Belt and Road sessions in various large-scale international conferences and exhibitions, e.g. the Asian Financial Forum, Business of IP Asia Forum, Asian Logistics and Maritime Conference and World SME Expo, etc., to encourage business sectors to explore business opportunities arising from the Initiative.

## **International Legal and Dispute Resolution Services**

7. With the edges of having a well-established legal system, experienced legal professionals and the common law system with which the international business community is familiar, Hong Kong can provide professional legal and dispute resolution services (including arbitration and mediation) to enterprises when they pursue the Belt and Road Initiative. The HKSAR Government also promotes and encourages enterprises to choose Hong Kong as the neutral place to conduct arbitral proceedings or use Hong Kong law as the governing law when drafting dispute resolution clauses in contracts or when entering into contracts respectively.

8. Since 2015, the Department of Justice (“DoJ”) has been collaborating with Offices of the HKSAR Government in the Mainland in hosting or participating in seminars on Hong Kong’s legal and dispute resolution services held in Chongqing, Chengdu, Beijing and Shanghai. DoJ plans to host or participate in relevant seminars this year in Wuhan, Xi’an, Changsha, Guiyang, Kunming, Nanjing, etc., to promote Hong Kong’s legal and dispute resolution services to Mainland enterprises. DoJ also visited countries along the Belt and Road in the past few years, including Singapore, India, Vietnam, Cambodia, Myanmar and Indonesia, to promote Hong Kong’s legal and dispute resolution services.

## **Offshore Renminbi business**

9. The mutual recognition of funds arrangement between the Mainland and Hong Kong came into operation in July 2015, with the first batch of authorised funds announced in December 2015. The regulators of both sides will continue to process the fund applications in accordance with the arrangement. The arrangement is conducive to enriching the types of Renminbi fund products offered in the Hong Kong market, and deepens the mutual access between the financial markets of the Mainland and Hong Kong. In addition, Shanghai-Hong Kong Stock Connect has been operating smoothly since its launch in November 2014. Hong Kong has developed into a global leading offshore Renminbi business hub in recent years. Following the International Monetary Fund’s decision in November 2015 to include the Renminbi in the Special Drawing Rights currency basket with effective from 1 October 2016, the HKSAR Government will continue to promote Hong Kong’s

Renminbi platform and services, with a view to capitalising on the opportunities arising from the latest development to further promote offshore Renminbi business in Hong Kong.

### **The Asian Infrastructure Investment Bank (“AIIB”)**

10. The AIIB commenced operation in end 2015, with its headquarters in Beijing. We will continue to discuss with the Central Government and the AIIB the appropriate arrangements for Hong Kong to join the AIIB as a non-sovereign territory. As an international financial centre, Hong Kong’s capital markets and asset management professionals and various financial products can support the operation of the AIIB in areas such as project financing, bond issuance, investment, financial management and foreign exchange management. As we have experts in project negotiation, preparation of works and management contracts and international law; as well as professional arbitration services, Hong Kong can take part in the planning, implementation and operation of these projects. This will help reinforce our position as an international financial centre. The HKSAR Government also plans to propose to the AIIB to stipulate in its forthcoming standard contracts Hong Kong as one of the dispute resolution centres to resolve related contractual and commercial disputes.

### **Development of diversified tourism**

11. In respect of inbound tourism, the HKSAR Government and the Hong Kong Tourism Board will continue to work closely with Mainland counterparts, especially the Pan Pearl River Delta region, to promote multi-destination itineraries to attract more visitors from the Belt and Road initiative region. As regards outbound tourism, we will encourage the trade to develop new tourism products targeting the Belt and Road initiative region for Hong Kong citizens and make use of the liberalisation measures under the Mainland and Hong Kong Closer Economic Partnership Arrangement to operate relevant outbound group tours from the Mainland to destinations along the Belt and Road. Also, Hong Kong is situated at the centre of the Asia-Pacific Region and has a well-developed aviation network. These geographical advantages allow us to play an important role in the development of cruise tourism along the Belt and Road. In fact, we have all along been actively driving regional cooperation through pooling together financial

resources from neighbouring ports, with a view to attracting more international cruise lines in developing and promoting itineraries that cover Hong Kong and neighbouring ports; we will also enhance overseas promotion so as to drive more visitors from the high-spending cluster to join cruise in Hong Kong.

### **Development of shipping and logistics**

12. Leveraging on our position as an international transportation centre, we will develop Hong Kong's maritime services sector into a global shipping services platform connecting the Mainland maritime industry and the rest of the world. Strong support will be provided to the development of high value-added aviation and maritime services in Hong Kong, and expanding the capacity of Hong Kong International Airport. In November 2015, the Secretary for Transport and Housing led a delegation comprising members from Hong Kong Logistics Development Council and Hong Kong Port Development Council to visit South Korea. The opportunity was taken to promote Hong Kong's competitive edge as a logistics hub in Asia and explore business opportunities for shipping and logistics industry arising from the Belt and Road Initiative.

### **Supporting professional services sector**

13. Our professional services can fully demonstrate their strengths during the implementation of the Belt and Road Initiative. The HKSAR Government will allocate \$200 million to support the professional services sector in enhancing exchanges and co-operation with the Belt and Road countries and promote related publicity activities.

### **Promoting the participation by emerging industry**

14. Apart from traditional pillar industries, the HKSAR Government also encourages local emerging industries to actively participate in the development of the Belt and Road. The Hong Kong film industry participated in the 2<sup>nd</sup> Silk Road International Film Festival held in September 2015. The HKSAR Government encourages the film industry to continue taking part in the 3<sup>rd</sup> Silk Road International Film Festival and to provide assistance for the organiser in its liaison with the relevant film producers.

## **Conclusion**

15. Members are invited to note the above progress report.

**Commerce and Economic Development Bureau  
January 2016**

(Translation)

**Motion on  
“Seizing the opportunities brought about by ‘One Belt One Road’  
and seeking new directions for Hong Kong’s economy”  
moved by Hon Martin LIAO  
at the Council meeting of 28 October 2015**

**Motion as amended by Hon Christopher CHEUNG, Hon CHAN Kam-lam  
and Hon MA Fung-kwok**

That the country is seeking a new pathway for economic development, and the ‘Silk Road Economic Belt’ and the ‘21st Century Maritime Silk Road’ (‘One Belt One Road’) is a major strategy for the country’s future long-term development, and is a new opportunity for promoting multi-faceted co-operation in regional economies and market development around the world; in this connection, this Council urges the SAR Government to lead and support various industries to seize the opportunities in a timely manner, and seek new directions for the sustainable development of Hong Kong’s overall economy, including striving for setting up the headquarters of the Asian Infrastructure Investment Bank in Hong Kong, so as to consolidate Hong Kong’s status as an international financial centre, thereby attracting more multinational enterprises to issue bonds and get listed in Hong Kong and making Hong Kong’s financial market more vibrant; this Council also urges the SAR Government to capitalize on Hong Kong’s own advantages in modernized services to promote the development of Hong Kong’s major industries of trade and logistics, finance, tourism, professional services and information technology, etc., with a view to providing innovative and high quality services for the Asian Infrastructure Investment Bank and related projects of the Silk Road Fund under the development strategy of ‘One Belt One Road’; this Council also urges the SAR Government to not only implement the suggestions made by the Chief Executive at the Annual Conference of Boao Forum this year to develop Hong Kong into the fundraising hub, offshore Renminbi hub, trade and investment hub, hub for service professionals as well as logistics and transportation hub under the ‘One Belt One Road’ initiatives, but also take the opportunities brought about by ‘One Belt One Road’ to help promote the development of local culture and arts and the creative industry.