

Legislative Council Panel on Commerce and Industry

2017 Policy Address

Policy initiatives of Constitutional and Mainland Affairs Bureau in relation to Mainland and Taiwan co-operation

This paper briefs Members on the policy initiatives of the Constitutional and Mainland Affairs Bureau (“CMAB”) in relation to Mainland co-operation and Taiwan affairs. Panel paper on policy initiatives relating to electoral arrangements, human rights and promotion of the Basic Law has been submitted to the Panel on Constitutional Affairs for discussion.

Our vision

2. The National 13th Five-year Plan (“13-5” Plan”) acknowledges the important functions and positioning of Hong Kong as international financial, transportation and trade centres, showing our strengths in institutional arrangements, and that Hong Kong can continue to play an active role in the economic development and opening up of our country, and in this process, foster our own development. The Hong Kong Special Administrative Region (“HKSAR”) Government attaches great importance to the relationship with the Mainland and will, under the “one country, two systems” principle, enhance our economic partnership with provinces and municipalities in the Mainland on various fronts through a series of initiatives. The HKSAR Government will continue to advance cooperation with the Mainland in various areas by capitalising on the enormous growth opportunities arising from the implementation of the “13-5” Plan and the Belt and Road Initiative. We will also strive to foster exchanges with Taiwan through the existing cooperation platforms in a pragmatic manner.

3. The new initiatives we will pursue and the on-going initiatives we will continue to implement are highlighted as follows –

New initiatives

- (a) setting up an Immigration Division under the Wuhan Economic and Trade Office to provide better support for Hong Kong residents in distress in the Mainland;

On-going initiatives

- (b) implementing actively the development strategies related to Hong Kong in the “13-5” Plan, with a view to consolidating and enhancing Hong Kong’s competitive advantages and complementing the long-term development of the country;
- (c) deepening regional co-operation through our co-operation mechanisms with the Pan-Pearl River Delta (“PPRD”) region, the Guangdong and Fujian Provinces, the municipalities of Beijing, Shanghai and Shenzhen and the Macao Special Administrative Region;
- (d) continuing to liaise with the Guangdong Provincial Government as well as the municipal governments of Guangzhou, Zhuhai and Shenzhen under the principle of “one country, two systems” regarding their efforts in promoting the development of Nansha, Hengqin and Qianhai;
- (e) further strengthening the work of Mainland offices through the setting up of more liaison units; and
- (f) fostering exchanges and co-operation between Hong Kong and Taiwan in various fronts through the Hong Kong-Taiwan Economic and Cultural Cooperation and Promotion Council and the Hong Kong Economic, Trade and Cultural Office in Taiwan.

Detailed measures

Network and Functions of the Mainland Offices

4. The HKSAR Government strives to enhance the functions and network of our Mainland Offices to enhance government-to-government (G2G) work and provide better support for Hong Kong residents and enterprises in seizing the development opportunities in the Mainland. Following the establishment of the Wuhan Economic and Trade Office (“ETO”) in April 2014, the HKSAR Government has a more comprehensive network in the Mainland. At present, there are a total of five Mainland Offices established throughout the Mainland, with the Shanghai ETO in the east, the Guangdong ETO in the south, the Chengdu ETO in the west, the Beijing Office (“BJO”) in the north and the Wuhan

ETO in the central region. Moreover, since December 2014, we have set up liaison units under the relevant Mainland Offices in the Shenyang City of Liaoning Province (BJO), the Jinan City of Shandong Province (Shanghai ETO), the Changsha City of Hunan Province (Wuhan ETO) and the Zhengzhou City of Henan Province (Wuhan ETO).

5. To further enhance the network, we plan to set up another four additional liaison units by the middle of this year to achieve the target of having two liaison units under each Mainland Office (other than in the province or municipality directly under the Central Government where the ETO is located). The four additional liaison units will be located in the Tianjin Municipality (under the establishment of BJO), the Zhejiang Province (under the establishment of Shanghai ETO), the Guangxi Zhuang Autonomous Region (under the establishment of Guangdong ETO)¹, and the Shaanxi Province (under the establishment of Chengdu ETO). By then, the total number of liaison units under the five Mainland Offices will increase from three in mid-2012 to 11.

6. As regards enhancing the functions of the Mainland Offices, the Immigration Division under the Shanghai ETO commenced operation in October 2016. We also plan to join hands with the relevant bureau to set up an Immigration Division under the Wuhan ETO within this year. By then, all Mainland Offices will be equipped with their own Immigration Division which, apart from providing timely and appropriate assistance to Hong Kong residents in distress in the Mainland, will also provide HKSAR passport replacement service. Besides, we created the post of Head (Cultural Exchange) under the BJO in July 2016 to enhance promotion of cultural exchange and co-operation between Hong Kong and the Mainland.

“13-5 Plan”

7. The “13-5” Plan was promulgated in March 2016. The Dedicated Chapter therein further acknowledges the important functions and positioning of Hong Kong in our country’s overall development, including consolidating and enhancing our status as international financial, transportation and trade centres, strengthening our status as a global offshore Renminbi business hub and an international asset management centre, and promoting financing services, business and

¹ Currently, there are two liaison units under the Guangdong ETO, located in the Shenzhen City (of Guangdong Province which is the province where the Guangdong ETO is located) and in the Fuzhou City (of Fujian Province). The proposed liaison unit in the Guangxi Zhuang Autonomous Region will become the third liaison unit under the Guangdong ETO.

commerce, logistics and professional services, etc. towards high-end and high value-added developments. The Dedicated Chapter also supports Hong Kong in developing the innovation and technology industry and nurturing emerging industries, as well as establishing itself as a centre for international legal and dispute resolution services in the Asia Pacific region. The Dedicated Chapter also emphasises deepening co-operation between the Mainland and Hong Kong/Macao, supporting Hong Kong in participating in the country's two-way opening up and in the Belt and Road Initiative. Moreover, other chapters of the "13-5" Plan also bring new opportunities to Hong Kong, such as areas of innovation and technology, environmental and green industries, urbanisation, etc. In line with the policy of "what the country needs, what Hong Kong is good at", the HKSAR Government would continue to fully demonstrate its role as the "super-connector" for the country to ensure that Hong Kong would firmly grasp these new opportunities in the "13-5" Plan.

Deepening regional co-operation

8. The HKSAR Government strives to deepen regional co-operation with the Mainland through existing regional co-operation mechanisms with the PPRD region, the Guangdong and Fujian Provinces, the municipalities of Beijing, Shanghai, Shenzhen and the Macao SAR to open more business and career opportunities for Hong Kong enterprises and residents, as well as to further contribute to the development of the Country.

Enhancing Co-operation with the PPRD Region

9. The PPRD Regional Co-operation and Development Forum (PPRD Forum) is an important regional co-operation platform comprising nine provinces/autonomous region, the HKSAR and Macao SAR, and representing around one-third of the population and Gross Domestic Product of the Mainland. Areas of co-operation of the PPRD Forum cover infrastructure, commerce and trade, financial services, tourism, innovation and technology, environmental protection, etc.

10. The "13-5" Plan mentioned for the first time the deepening of the PPRD regional co-operation, in which the Dedicated Chapter emphasises deepening co-operation between the Mainland and Hong Kong/Macao and expresses support for Hong Kong/Macao to play an important role in the PPRD co-operation. We will continue to co-ordinate efforts of relevant bureaux and departments to enhance co-operation with the PPRD provinces/regions, making good use of Hong Kong's unique advantages of "one country" and "two systems" and extensive and close connections

with the international community to promote development of the PPRD provinces/regions and explore business opportunities for Hong Kong industries.

Co-operation with the Guangdong Province

11. The Chief Executive and the Governor of Guangdong Province co-chaired the 19th Plenary of the Hong Kong/Guangdong Co-operation Joint Conference in Guangzhou on 14 September 2016. At the meeting, not only had the two sides reviewed the progress of Hong Kong/Guangdong co-operation over the past year, but also set directions for future co-operation, including the Belt and Road Initiative, financial services, professional services, environmental protection, co-operation in key regions, education and tourism, etc. Specifically, the two sides had in-depth discussions and exchanges on two important topics, namely, innovation and technology, as well as youth co-operation.

12. The two sides also signed nine co-operation agreements after the meeting, including the “Letter of Intent on Guangdong-Hong Kong Co-operation in Participating in the Belt and Road Initiative”; the “Co-operation Arrangement between Guangdong and Hong Kong on Exchanges on Medical and Health Services”; the “Co-operation Agreement on Guangdong-Hong Kong Co-operation in Taking Forward the Development of China (Guangdong) Pilot Free Trade Zone”; the “2016-2020 Co-operation Agreement between Guangdong and Hong Kong on Environmental Protection”; the “Co-operation Arrangement between Guangdong and Hong Kong on Food Safety Risk Exchange”; the “Co-operation Agreement between Guangdong and Hong Kong on Tourism”; the “Co-operation Agreement on Marine Accident Investigation”; the “Arrangement on Strengthening Health Quarantine Measures for Cross-boundary Travellers in Shenzhen and Hong Kong”; and the “Co-operation Agreement between Guangdong and Hong Kong on the Work on Quality, Testing and Certification”.

13. CMAB and relevant Government bureaux will continue to implement the various co-operation areas under the Framework Agreement on Hong Kong/Guangdong Co-operation. We are now preparing the “2017 Work Plan” (“the Work Plan”) based on the consensus reached on the directions for co-operation in 2017 at the 19th Plenary of the HK/GDCJC. The Work Plan is proposed to be signed by the Chief Secretary for Administration and the Vice-Governor of Guangdong Province in accordance with the co-operation mechanism at the coming 22nd Working Meeting of the HK/GDCJC to be held this year.

Promotion of Nansha, Qianhai and Hengqin development

14. The chapter dedicated to Hong Kong and Macao in the “13-5” Plan expresses support in expediting the development of co-operation platforms among Guangdong-Hong Kong-Macao, such as Nansha, Qianhai and Hengqin. The three regions of the Guangdong Pilot Free Trade Zone (GDFTZ) have implemented a number of preferential policy measures, such as Qianhai and Hengqin offering a reduced 15% enterprise income tax for qualified enterprises, the scope of implementing the lending policy in respect of cross-border Reminbi extended from Qianhai to Nansha and Hengqin, etc., which are attractive to Hong Kong enterprises.

15. The three regions of the GDFTZ each has its unique characteristics, with Nansha focusing on promoting Guangdong-Hong Kong in-depth co-operation and establishing a technology and innovation transfer platform between the two places; Qianhai serving as the Shenzhen-Hong Kong modern service industry co-operation zone; and Hengqin attaching importance to development of cultural, creativity, tourism and leisure industries. The HKSAR Government has established co-operation mechanisms with the Governments of the Guangzhou, Shenzhen and Zhuhai Municipalities, taking advantage of the unique development potentials of these three regions and their role as co-operation platforms for promoting pilot measures to open up greater development opportunities for Hong Kong people and enterprises. In terms of professional services, on legal services, the applicable scope of setting up of law firms in the form of partnership has been extended from Nansha, Qianhai and Hengqin to Guangzhou, Shenzhen and Zhuhai in June last year. In respect of the construction and related engineering sector, on the basis of the “List of Consultants of the Architectural and Associated Consultants Selection Board” provided by the Development Bureau, the Qianhai Management Authority has compiled a “Register of Hong Kong Professional Firms” that included the filing of professional firms in the engineering sectors of architecture, building services, quantity surveying and structural engineering. The register was promulgated together with related implementation measures in June last year which would allow Hong Kong professionals and firms to practice and provide professional services for development projects in Qianhai that are wholly or majority owned by Hong Kong enterprises. In addition, the Qianhai Management Authority has also selected a pilot property development project that allows the developer to directly engage Hong Kong construction and related engineering professionals and enterprises to take part in the development project and provide the

relevant services. The relevant measures have brought along greater development opportunities for Hong Kong professionals.

Hong Kong –Fujian Co-operation

16. Chief Secretary for Administration and the Vice-Governor of Fujian Province, co-chaired the Second Hong Kong-Fujian Co-operation Conference in Hong Kong in April 2016. Both sides agreed to further strengthen economic and trade co-operation as well as financial co-operation under the two agreements signed in 2015 through the liaison mechanism. Both sides also agreed to explore means to promote co-operation on innovation and technology between the two places, as well as to strengthen youth exchange and exchanges on cultural and creative industries. The HKSAR Government will continue to enhance co-operation with Fujian Province through the Hong Kong-Fujian Co-operation Conference, with a view to promoting the development of the two places.

Development of Hong Kong –Taiwan relations

17. We will continue to conduct exchanges, in the spirit of pragmatism and mutual benefit, on issues in relation to public policies on both sides through the platform of the Hong Kong-Taiwan Economic and Cultural Cooperation and Promotion Council and the Taiwan-Hong Kong Economic and Cultural Co-operation Council. Our Hong Kong Economic, Trade and Cultural Office in Taiwan will continue to leverage on its local presence to enhance liaison and provide services, as well as introduce the Taiwan community to the latest developments, unique culture and hospitality of Hong Kong through organising and joining various activities. The office will also strive to enhance the breadth and depth of its liaison network with Hong Kong people, businessmen and students in Taiwan.

Conclusion

18. Members are invited to note the content of this paper.

Constitutional and Mainland Affairs Bureau
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