

Legislative Council Panel on Commerce and Industry

2018 Policy Address

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

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, promotion of the Constitution and the Basic Law, promotion of equal opportunities and elimination of discrimination has been submitted to the Panel on Constitutional Affairs for discussion.

Our vision

2. The Hong Kong Special Administrative Region (“HKSAR”) Government will, under the “one country, two systems” principle, capitalise on the enormous growth opportunities arising from the 13th Five-Year Plan (“13-5” Plan), the Belt and Road Initiative and the development of the Guangdong-Hong Kong-Macao Greater Bay Area (“Greater Bay Area development”) to enhance co-operation with the Mainland on various fronts through a series of initiatives with a view to expanding Hong Kong’s scope for further development. We will also foster exchanges with Taiwan through the existing co-operation 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) establish a high-level Steering Committee for the Development of the Guangdong-Hong Kong-Macao Greater Bay Area chaired by the Chief Executive, with membership comprising all Secretaries of Departments and Directors of Bureaux, to more efficiently steer, coordinate and take forward the development of the Greater Bay Area;

On-going initiatives

- (b) implement the development strategies related to Hong Kong in the Outline of “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) take forward the development of the Guangdong-Hong Kong-Macao Greater Bay Area pragmatically, and refine, deepen and improve efforts, especially in relation to the development of a global technology and innovation hub, as well as foster the interconnectivity of the flow of people, goods, capital and information within the Greater Bay Area. Set up a Guangdong-Hong Kong-Macao Greater Bay Area Development Office and create the post of Commissioner for the Development of the Guangdong-Hong Kong-Macao Greater Bay Area to promote Hong Kong’s participation in the Greater Bay Area development;
- (d) deepen regional co-operation through our co-operation mechanisms with the Pan-Pearl River Delta region (“PPRD”), the Guangdong, Fujian and Sichuan Provinces, the municipalities of Beijing, Shanghai and Shenzhen and the Macao Special Administrative Region, and promote regional co-operation with the other provinces and municipalities by adopting a pragmatic approach and launching initiatives once they are ready;
- (e) continue to foster economic, trade and cultural exchanges and co-operation between Hong Kong and Taiwan; and
- (f) continue to maintain close liaison with the Mainland authorities to better understand the details of the facilitation measures and their implementation, step up efforts in disseminating the latest information, continue to reflect to the relevant authorities the views of Hong Kong people and strive for more facilitation policies and measures to be put in place.

Detailed measures

The “13-5” Plan

4. The Outline of the “13-5” Plan further acknowledges the significant functions and positioning of Hong Kong in the development of the country. The Steering Committee on Co-operation with the Mainland chaired by the Chief Secretary for Administration will continue to provide the steer to and coordinate the efforts of policy bureaux and departments to actively implement the policy initiatives related to Hong Kong under the Outline.

Guangdong-Hong Kong-Macao Greater Bay Area development

5. The development of the Guangdong-Hong Kong-Macao Greater Bay Area is a key national development strategy. In the past year, relevant central ministries and the governments of Guangdong, Hong Kong and Macao have continued to proactively take forward work relating to the development of the Greater Bay Area and achieved good progress. With the commissioning of the Hong Kong Section of the Guangdong-Shenzhen-Hong Kong Express Rail Link, the Hong Kong-Zhuhai-Macao Bridge and the new land boundary control point at Liantang/Heung Yuen Wai, a one-hour living circle encompassing Guangdong, Hong Kong and Macao is basically formed. From Hong Kong’s perspective, the development of the Greater Bay Area will bring new areas of economic growth and the opportunity to enlarge the living space of Hong Kong residents.

6. Hong Kong is a diverse community and there are worries that the development of the Greater Bay Area may affect the practice and implementation of “one country, two systems”. On the contrary, “one country, two systems” is a unique characteristic of the Greater Bay Area, as well as the key foundation for its internationalisation. In taking forward the development of the Greater Bay Area, the HKSAR Government will, under the framework of “one country, two systems”, strictly adhere to the country’s Constitution and the Basic Law, as well as stay committed to the basis of “one country” and well leverage the benefits of “two systems”.

7. In August this year, the Chief Executive attended, as a member, the first plenary meeting of the leading group for the development of the Guangdong-Hong Kong-Macao Greater Bay Area convened by the Vice

Premier HAN Zheng of the State Council in Beijing to discuss and plan for priority areas of work for the next stage of the Greater Bay Area's development. The leading group serves as a top-tier design to advance the development of the Greater Bay Area and enhance co-ordination of its development. This is the first time the Chief Executives of Hong Kong and Macao Special Administrative Regions (SARs) attended meetings at central leadership level as members, highlighting the importance the Central Government attaches to the role of the two SARs in the Greater Bay Area and its continued support for their integration into the overall national development. The HKSAR Government will make good use of the Chief Executive's membership of the leading group, will continue to leverage on Hong Kong's strengths to serve the needs of the country, and will explore and identify the economic, social and livelihood opportunities for Hong Kong brought by the development of the Greater Bay Area.

8. The Chief Executive will establish a high-level Steering Committee for the Development of the Guangdong-Hong Kong-Macao Greater Bay Area and serve as the Chairperson, with its membership comprising all Secretaries of Departments and Directors of Bureaux, to advise and provide views on matters relating to HKSAR's participation in the development of the Greater Bay Area, including the formulation of strategic goals, policy measures and concrete work plans. CMAB will set up a Guangdong-Hong Kong-Macao Greater Bay Area Development Office. A Commissioner for the Development of the Guangdong-Hong Kong-Macao Greater Bay Area will also be appointed to promote Hong Kong's participation in the Greater Bay Area development. The HKSAR Government will continue to maintain close contact with industries, business associations, professional bodies and relevant stakeholders, and listen to their views on how to effectively take forward the development of the Greater Bay Area, in order to ensure that relevant measures would better suit the needs of different sectors of society. The HKSAR Government will endeavour to play the role of "facilitator" and help industries secure the required policy breakthrough and innovation for business development in the Mainland.

Enhanced co-operation with the Mainland

9. The HKSAR Government will strengthen collaboration with Mainland provinces and municipalities and actively perform its role as a "facilitator" and "promotor", so as to identify more business and development opportunities for Hong Kong people and enterprises. The

HKSAR Government will continue to enhance liaison with the various Mainland provinces, municipalities and autonomous regions through the five offices and 11 liaison units in the Mainland, as well as to introduce the latest development of Hong Kong to the Mainland enterprises and people, to establish platforms for direct communication between Hong Kong's business sector and the relevant Mainland authorities, and to connect with Hong Kong people working, studying and living in the Mainland. In the past year, the HKSAR Government has been actively exploring room for closer co-operation with the Central authorities and the municipal and provincial governments. The scope of co-operation is no longer confined to trade, finance and investment, but has been extended to cover innovation and technology, creative industries, youth exchanges, etc.

Enhanced Co-operation with the PPRD Region

10. The PPRD regional co-operation forum is an important regional co-operation platform encompassing nine provinces/autonomous regions¹ in the Mainland and the Hong Kong and Macao SARs, and accounting for more than one-third of the country's population and gross domestic product. In September this year, the Chief Executive led the HKSAR Government delegation to participate in the 12th PPRD Regional Co-operation and Development Forum and Trade Fair in Guangzhou, Guangdong, promoting Hong Kong's co-operation with the PPRD provinces/regions under the Belt and Road Initiative and the development of the Greater Bay Area, the innovation and technology sector, the transportation and logistics sectors, etc. Given the dual advantages of the "one country, two systems" arrangement, Hong Kong will continue to provide to enterprises in the PPRD region professional services in the fields of finance, legal services, accounting, engineering and project management, etc., helping them to take part in the Belt and Road Initiative. We will also identify more collaboration opportunities with the PPRD provinces/regions and encourage them to leverage on Hong Kong's international network when taking forward external promotions together.

Hong Kong/Sichuan, Hong Kong/Shanghai, Hong Kong/Beijing and Hong Kong/Fujian Co-operation

11. On 11 May 2018, the high-level meeting cum the First Plenary

¹ Including Fujian, Jiangxi, Hunan, Guangdong, Guangxi, Hainan, Sichuan, Guizhou and Yunnan.

Session (“meeting cum plenary”) of the Hong Kong/Sichuan Co-operation Conference, led by the Chief Executive and the Secretary of the CPC Sichuan Provincial Committee, was held in Chengdu, Sichuan. At the meeting cum plenary, the two sides agreed to establish a new co-operation mechanism as a platform for the multifaceted co-operation between Hong Kong and Sichuan. Consensus was also reached on 11 co-operation areas, namely, the Belt and Road Initiative and economic and trade matters; cultural co-operation and creative industries; innovation and technology; finance; youth development; building and construction; education; Chinese medicine and food safety; tourism; airport and railway construction and management; and facilitation measures for Hong Kong people working, studying and living in the Mainland.

12. On 24 August 2018, the Chief Executive and the Mayor of Shanghai convened the Fourth Plenary Session of the Hong Kong/Shanghai Co-operation Conference in Hong Kong. The two sides reached consensus on 16 co-operation areas, namely, the Belt and Road Initiative; cultural co-operation and creative industries; education; finance; youth development; innovation and technology; facilitation measures for Hong Kong people working, studying and living in the Mainland; legal and dispute resolution services; commerce, trade and investment as well as co-operation in the Shanghai Pilot Free Trade Zone; civil aviation, maritime transport and logistics; exchange of professionals; healthcare, food and medicine; urban planning, development and management; environmental protection; sports and tourism; as well as social and elderly services; and signed 15 co-operation agreements on a number of areas.

13. The Chief Executive will convene the Fourth Plenary Session of the Hong Kong/Beijing Co-operation Conference with the Mayor of Beijing in Beijing in the latter half of October 2018. The Chief Secretary for Administration will also convene the Third Hong Kong/Fujian Co-operation Conference in late November 2018 in Fujian together with Vice Governor of Fujian.

Development of Hong Kong–Taiwan relations

14. We will continue to pragmatically foster economic, trade and cultural exchanges and co-operation between Hong Kong and Taiwan 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 introduce the Taiwan community to the latest developments of Hong Kong through various activities and strive to enhance its liaison with Hong Kong people, businessmen and students in Taiwan.

Facilitation measures for Hong Kong people working, studying and living in the Mainland

15. At the Celebration of the 20th Anniversary of Hong Kong's Return to the Motherland and the Inaugural Ceremony of the Fifth-Term Government of the HKSAR held on 1 July 2017, President Xi Jinping said that the relevant Central Government departments would actively consider adopting concrete measures to make it more convenient for the people of Hong Kong studying, working and living in the Mainland. Over the past year, a series of measures have been introduced, including the installation of automatic ticket vending and issuing machines that can read and verify Home Re-entry Permits at train stations; the stipulation that higher education institutions in the Mainland must offer equal treatment in their recruitment, nurture, administration and support for students from Hong Kong and Macao to safeguard their rights; the requirement for higher education institutions in the Mainland to issue “Employment Agreement” and “Employment Registration Certificate” to Hong Kong and Macao graduates to facilitate job search and employment in the Mainland; the increase in the number and rates of scholarship awards available to students from Hong Kong and Macao pursuing studies in the higher education institutions in the Mainland; the permission for the people of Hong Kong and Macao working in the Mainland to join the Housing Provident Fund; and the removal of the requirement for the people of Hong Kong and Macao to apply for employment permits for working in the Mainland.

16. In August this year, the Central Government announced the implementation of the Regulations for the Application of Residence Permit for Hong Kong, Macao and Taiwan Residents with effect from 1 September, under which Hong Kong residents living in the Mainland who meet the relevant criteria can apply for residence permits. A residence permit holder is entitled to enjoy three categories of rights, six basic public services and nine facilitation measures in the place where he or she is residing, encompassing areas of daily living such as employment,

education, medical care, travel, financial services; etc.² From 1 September (when the relevant Mainland authorities started to accept applications) to 30 September, over 50 000 Hong Kong residents applied for residence permits. In introducing residence permits, the Central Government has responded to the needs of Hong Kong people and provided them with more opportunities to participate in the country's development. The HKSAR Government will continue to maintain close liaison with the Mainland authorities so as to better understand the implementation of the facilitation measures, step up efforts in disseminating the latest information, and strive for more facilitation policies and measures to be put in place.

Conclusion

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

Constitutional and Mainland Affairs Bureau
October 2018

² The three categories of rights include (1) employment; (2) participation in the social security scheme; and (3) the rights to pay, withdraw and use the Housing Provident Fund. The six basic public services include (1) free education; (2) basic public employment services; (3) basic public hygiene services; (4) public cultural and sports services; (5) legal assistance and other legal services; and (6) other basic public services provided by the country and the place of residence. The nine facilitation measures include (1) transportation, such as taking domestic flights, trains, etc.; (2) hotel accommodation; (3) financial services, such as banking, insurance, securities and futures transaction, etc.; (4) allowing permit holder to enjoy the same treatment as Mainland residents in various kinds of consumer activities, such as shopping, purchasing entry tickets for parks and cultural and sports facilities, participating in cultural and entertainment activities, etc.; (5) allowing permit holder to apply for vehicle registration in place of residence; (6) allowing permit holder to apply for vehicle driving permits in place of residence; (7) allowing permit holder to apply for vocational qualification examinations and certificates in place of residence; (8) allowing permit holder to apply for birth registration services in place of residence; and (9) other facilitation measures provided by the country and the place of residence.