

**For information on
19 March 2019**

**Panel on Economic Development
Panel on Financial Affairs
Panel on Commerce and Industry
Panel on Information Technology and Broadcasting**

**Outline Development Plan
for the Guangdong-Hong Kong-Macao Greater Bay Area**

Purpose

This paper introduces the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area (Outline Development Plan)¹ promulgated by the Central Government on 18 February 2019 and the related work of the Hong Kong Special Administrative Region (SAR) Government.

Background of the Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area

2. The development of the Guangdong-Hong Kong-Macao Greater Bay Area is a national strategy personally devised, personally planned and personally driven by President Xi Jinping. It is a key development strategy in the country's reform and opening up in the new era. As the preamble to the Outline Development Plan points out, the development of the Guangdong-Hong Kong-Macao Greater Bay Area is not only a new attempt to break new ground in the country's pursuit of opening up on all fronts in a new era, but also a further step in taking forward the implementation of "one country, two systems". The Outline Development Plan also clearly provides that through further deepening cooperation amongst Guangdong, Hong Kong and Macao, the objectives of the development of the Greater Bay Area are to promote coordinated economic development in the Greater Bay Area, leverage the complementary advantages of the three places, and develop an international first-class bay area for living, working and travelling.

¹ The link to the text of the Outline Development Plan is:
https://www.bayarea.gov.hk/filemanager/en/share/pdf/Outline_Development_Plan.pdf

3. The Guangdong-Hong Kong-Macao Greater Bay Area includes the two SARs of Hong Kong and Macao, as well as nine municipalities in Guangdong, namely, Guangzhou, Shenzhen, Zhuhai, Foshan, Huizhou, Dongguan, Zhongshan, Jiangmen and Zhaoqing. The total area and population of the Greater Bay Area are approximately 56 000km² and over 70 million respectively. The gross domestic product of the Greater Bay Area is around 1.6 trillion US dollars. The Greater Bay Area has significant development potential: it is experiencing robust economic growth and possesses the most intensive cluster of ports and airports in the world.

4. The Outline of the 13th Five-Year Plan for the National Economic and Social Development of the People's Republic of China was promulgated officially on 17 March 2016. The contents of the section concerning Hong Kong and Macao include "encouraging Hong Kong and Macao to play an important role in promoting cooperation in the Pan-Pearl River Delta region, and advancing the development of the Guangdong-Hong Kong-Macao Greater Bay Area and major transprovincial cooperation platforms". In his Report on the Work of the Government of 5 March 2017, Premier of the State Council Li Keqiang also mentioned drawing up a development plan for the Guangdong-Hong Kong-Macao Greater Bay Area.

5. On 1 July 2017, witnessed by President Xi Jinping, the National Development and Reform Commission (NDRC) and the governments of Guangdong, Hong Kong and Macao signed the Framework Agreement on Deepening Guangdong-Hong Kong-Macao Cooperation in the Development of the Greater Bay Area in Hong Kong. Since then, the Hong Kong SAR Government has all along kept in close contact with relevant central ministries and the governments of Guangdong and Macao to draw up a development plan for the Greater Bay Area. The Hong Kong SAR Government also expeditiously agreed three work focuses with the Guangdong Provincial Government at the Plenary of the Hong Kong/Guangdong Cooperation Joint Conference of 18 November 2017, namely developing an international innovation and technology hub; facilitating the development of sectors in which Hong Kong's strengths lie in the Mainland cities of the Greater Bay Area, such as healthcare services and education; and fostering the interconnectivity of the flow of people, goods, capital and information within the Greater Bay Area.

6. In the report he delivered at the 19th National Congress of the Communist Party of China on 18 October 2017, President Xi Jinping said,

“the development of Hong Kong and Macao is closely tied up with that of the Mainland. We will continue to support Hong Kong and Macao in integrating their own development into the overall development of the country. We will give priority to the development of the Guangdong-Hong Kong-Macao Greater Bay Area, cooperation between Guangdong, Hong Kong, and Macao, and regional cooperation in the Pan-Pearl River Delta, thus fully advancing mutually beneficial cooperation between the Mainland and the two regions. We will formulate and improve policies and measures to make it more convenient for people from Hong Kong and Macao to develop careers on the Mainland.” During her December 2017 report to the Central People’s Government, the Chief Executive (CE) pointed out that as a part of the country’s regional development strategy, the development of the Greater Bay Area is as important as the coordinated development of the Beijing-Tianjin-Hebei Region and the development of the Yangtze Economic Belt. Moreover, the Greater Bay Area has “one country, two systems” as its unique background, as well as an international and innovative vision. As such, the Hong Kong SAR Government suggested elevating the status of the development of the Greater Bay Area to that of a national strategy, and that a top-tier body responsible for coordination be set up in the form of a senior national-level leading group. This would enable more effective coordination, thereby driving cities in the Greater Bay Area to complement each other’s advantages and to develop a Greater Bay Area city cluster together.

7. In his Report on the Work of the Government of 5 March 2018, Premier Li Keqiang said, “we should unveil and implement the Guangdong-Hong Kong-Macao Greater Bay Area development plan, and promote in all areas mutually beneficial cooperation between the Mainland, Hong Kong, and Macao.” At the press conference after 2018’s “Two Sessions”, Premier Li Keqiang, in response to a question, clearly stated that the Central Government will continue to observe the principle of “one country, two systems”, under which “the people of Hong Kong govern Hong Kong” with a high degree of autonomy; under “one country, two systems”, the Mainland and Hong Kong will draw upon each other’s strengths and work together in building a new and strong region of vibrant growth.

8. On 15 August 2018, the CE attended the first plenary meeting of the Leading Group for the Development of the Guangdong-Hong Kong-Macao Greater Bay Area (Leading Group) as a member in Beijing. The meeting was hosted and convened by Vice Premier Han Zheng to discuss and plan for priority areas of work for the next stage of the Greater Bay Area’s development. At the meeting, Vice Premier Han Zheng indicated

that the development of the Guangdong-Hong Kong-Macao Greater Bay Area will enrich the implementation of “one country, two systems”, support the integration of Hong Kong and Macao into the development of the country, enhance the well-being of Hong Kong and Macao compatriots, maintain the long-term prosperity and stability of Hong Kong and Macao, and enable compatriots in Hong Kong and Macao to share with the people in the motherland both the historic responsibility of national rejuvenation and the pride of a strong and prosperous motherland.

9. The Leading Group serves as a top-tier body to coordinate and advance the development of the Greater Bay Area. This is the first time the CEs of Hong Kong and Macao SARs have attended a meeting 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 Hong Kong SAR Government will make good use of the CE’s membership of the Leading Group, capitalise on Hong Kong’s strengths to serve the country’s needs, and explore and identify the economic, social and livelihood opportunities brought to Hong Kong by the development of the Greater Bay Area.

10. The CE, in her capacity as a member, attended the second plenary meeting of the Leading Group on 1 March 2019 in Beijing. At the meeting, the Leading Group reviewed the progress made in 2018 in taking forward the development of the Greater Bay Area, and discussed the priority areas of work for 2019. The CE reported the Hong Kong SAR Government’s progress in 2018 in developing an international innovation and technology hub at the meeting. She also mentioned that based on the solid foundations built in 2018, the Hong Kong SAR Government would continue to cooperate closely with relevant parties, including the NDRC, the Ministry of Science and Technology (MOST) and the Guangdong Provincial Government, to implement various initiatives. After the meeting, the CE announced that the Central Government would introduce eight policy measures that could facilitate Hong Kong residents to develop, work and reside in the Mainland cities of the Greater Bay Area, as well as strengthen the convenient flow of people and goods within the Greater Bay Area.

The Outline Development Plan

11. The Outline Development Plan is an important outline document guiding the development of the Greater Bay Area. In the process of

drawing up the Outline Development Plan, the NDRC and the governments of Guangdong, Hong Kong and Macao prepared the first draft together. The text was continuously refined in collaboration with the Hong Kong and Macao Affairs Office of the State Council and the Liaison Offices of the Central People's Government in the Hong Kong and Macao SARs. For the consultation draft of the Outline Development Plan, the NDRC sought the views of relevant central ministries, as well as the governments of Guangdong, Hong Kong and Macao. Views raised by Hong Kong SAR were generally taken on board.

12. The Outline Development Plan covers the period from now to 2022 in the immediate term, extending to 2035 in the long term. It involves a wide range of areas. Chapters 1 and 2 broadly describe the background of the Plan and the overall requirements respectively, including the basic principles and objectives of development. Chapter 3 is on the spatial layout, namely building on the four core cities of Hong Kong, Macao, Guangzhou and Shenzhen as core engines for regional development, continuing leveraging their comparative advantages in striving for excellence and achievements, and strengthening the radiating effect in leading the development of nearby regions. Chapters 4 to 11 include policy measures for developing an international innovation and technology hub, expediting infrastructural connectivity, building a globally competitive modern industrial system, taking forward ecological conservation, developing a quality living circle for living, working and travelling, strengthening cooperation and jointly participating in the Belt and Road Initiative, jointly developing Guangdong-Hong Kong-Macao cooperation platforms, as well as the implementation of the Plan.

Relationship between the Guangdong-Hong Kong-Macao Greater Bay Area and Hong Kong

Advantages of Different Guangdong-Hong Kong-Macao Greater Bay Area Cities and the Role of Hong Kong

13. The nine Greater Bay Area cities in Guangdong Province, together with the two SARs of Hong Kong and Macao, have different yet complementary advantages. Hong Kong is known for being the most international city in China, as well as international financial, transportation and trade centres. It also enjoys considerable strengths in professional services. Shenzhen is a hub with a high concentration of the Mainland's innovation and technology resources and talents. Furthermore, Guangdong has developed into a globally influential high-tech industrial

belt with a division of labour amongst its cities. For example, Guangzhou and Shenzhen specialise in innovation and technology; Foshan and Zhongshan endeavour to become advanced manufacturing bases.

14. Fully and faithfully implementing the principle of “one country, two systems” under which “the people of Hong Kong govern Hong Kong” with a high degree of autonomy, as well as acting in strict adherence to the Constitution and the Basic Law, are the guiding ideology for the development of the Guangdong-Hong Kong-Macao Greater Bay Area. In fact, under “one country, two systems”, Hong Kong enjoys unique dual advantages. On the one hand, Hong Kong is part of China; on the other hand, our economic, legal and social systems are different from those of the Mainland. As a highly open and international city, Hong Kong can extend its international connections and experiences to the Mainland and help bring in foreign investments. Hong Kong can also join hands with Mainland enterprises to develop overseas markets and explore development opportunities, thereby enhancing economic development on the Mainland.

15. As President Xi Jinping mentioned in his speech at the meeting with the Hong Kong and Macao delegations from various sectors in celebration of the 40th anniversary of country’s reform and opening up on 12 November 2018, the Greater Bay Area is to be developed under the conditions of one country, two systems, three customs territories and three currencies, without any precedents internationally. We should be bold in experimenting in order to break new ground. Hong Kong should improve its inner strength and resilience, as well as strive to create new drivers of economic growth. The Outline Development Plan clearly supports Hong Kong in consolidating and enhancing Hong Kong’s status as international financial, transportation and trade centres as well as an international aviation hub, strengthening Hong Kong’s status as a global offshore Renminbi business hub and its role as an international asset management centre and a risk management centre, promoting the development of high-end and high value-added financial, commercial and trading, logistics and professional services, making great efforts to develop the innovation and technology industries, nurturing emerging industries, and establishing Hong Kong as the centre for international legal and dispute resolution services in the Asia-Pacific region. These areas of work are all conducive to developing Hong Kong into an international metropolis with enhanced competitiveness. At the same time, the Hong Kong SAR Government will also fully put the principle of “one country, two systems” into practice, act in accordance with the law, integrate the adherence to the “one country” principle and the respect for the differences of the “two systems”, stay

committed to the basis of “one country”, and leverage the benefits of “two systems”.

Opportunities for Hong Kong Brought about by the Development of the Guangdong-Hong Kong-Macao Greater Bay Area

16. For Hong Kong, the benefits of the development of the Guangdong-Hong Kong-Macao Greater Bay Area manifests itself beyond economics. The development of the Greater Bay Area is an important initiative which provides a key new opportunity for Hong Kong to integrate its own development into the overall development of the country under the principle of “one country, two systems”.

17. The development opportunities for Hong Kong brought about by the development of the Greater Bay Area involve two aspects. First, Hong Kong has faced the issue of uniformity in its industrial structure in recent years. The Greater Bay Area can help locate new areas of growth for the Hong Kong economy and foster the diversified development of the economy and of industries. Second, the Greater Bay Area will be developed into a quality living circle and will expand the space for living and development of Hong Kong residents, thereby turning the Greater Bay Area into a vast hinterland of Hong Kong.

Work of the Hong Kong SAR Government in Taking Forward the Development of the Greater Bay Area in Individual Areas as per the Outline Development Plan

Developing an International Innovation and Technology Hub

18. On developing an international innovation and technology hub, the focuses mentioned in the Outline Development Plan include pursuing the development of an “Guangzhou-Shenzhen-Hong Kong-Macau” innovation and technology corridor, exploring measures to facilitate the cross-boundary flow of innovation elements, such as talent, capital, information and technologies, strengthening international innovation and technology cooperation, developing quality technology infrastructure and innovation platforms, deepening reform of innovation systems and mechanisms in the region, promoting the commercial application of technological achievements, and stepping up the protection and exploitation of intellectual property.

Innovation and Technology

19. The country has all along given staunch support to Hong Kong's innovation and technology development. President Xi Jinping's personal instruction affirmed that Hong Kong has a solid science and technology foundation and high-quality technology talent, and that Hong Kong's science and technology sector has made significant contributions to the development of Hong Kong and the country. The instruction also supports Hong Kong's development into an international innovation and technology hub. With the support of the Central Government, the Hong Kong SAR Government implemented concrete measures in the past year, including (i) realising cross-boundary remittance of science and technology funding of the Central Government to Hong Kong; (ii) signing a cooperation arrangement with MOST, fostering innovation and technology cooperation between the Mainland and Hong Kong; (iii) establishing that the Chinese Academy of Sciences (CAS) will set up an affiliated institution in Hong Kong to facilitate its research institutes to establish their presence in the two research clusters to be set up at the Hong Kong Science Park; and (iv) establishing a Greater Bay Area academician alliance in Hong Kong to promote exchange and cooperation amongst academicians of the CAS and the Chinese Academy of Engineering, bringing prominent scientists in the region to advise on technological development in Greater Bay Area. In fact, the Greater Bay Area's resources and strengths are prominent in the field of innovation and technology. Hong Kong has world-class universities, tremendous strength in scientific research, international business environment, a robust rule of law and intellectual property rights protection system, and so forth. Meanwhile, the Greater Bay Area has a massive market, as well as the capability of research results commercialisation and advance manufacturing. Hong Kong can pool together innovation resources from the Mainland and across the globe and achieve synergistic development with other cities in the Greater Bay Area with regard to their comparative strengths. Hong Kong will, on the one hand, attract international innovation and technology enterprises to enter the Greater Bay Area, and, on the other hand, help Mainland innovation and technology enterprises go global. This would play a key role in developing the Greater Bay Area into an international innovation and technology hub.

20. Looking ahead, the Hong Kong SAR Government will take forward the following measures to enhance the level of Hong Kong's innovation and technology development, and will actively facilitate the work of developing the Greater Bay Area into an international innovation and technology hub, which will provide Hong Kong with a broader arena

for innovation and technology development, including (i) establishing two international research clusters on healthcare technologies and on artificial intelligence and robotics technologies at the Hong Kong Science Park; (ii) supporting Hong Kong's universities and research institutes to participate in major national and Guangdong technology projects, and to use the project funding remitted directly from the Mainland in Hong Kong; (iii) facilitating the opening up of major national technological infrastructure and large scale scientific equipment on the Mainland to Hong Kong; (iv) enhancing the management of the cross-boundary use of medical data and bio-samples necessary for scientific research projects in Hong Kong; (v) launching the "Mainland-Hong Kong Joint Funding Scheme" to encourage scientific research cooperation in both places; (vi) developing the Lok Ma Chau Loop into the "Hong Kong-Shenzhen Innovation and Technology Park" and strengthening collaboration with the "Shenzhen Innovation and Technology Zone" to develop the "Shenzhen/Hong Kong Innovation and Technology Cooperation Zone"; (vii) supporting technology start-ups, fostering the nurturing and exchange of talent; (viii) promoting "re-industrialisation" development through complementary development with the Greater Bay Area; and (ix) fostering smart city development and cooperation.

Intellectual Property

21. The Outline Development Plan includes an express statement of "support[ing] the development of Hong Kong as a regional intellectual property (IP) trading centre". The Hong Kong SAR Government has been taking a wide range of measures to promote IP commercialisation and IP trading in Hong Kong, and to strengthen Hong Kong's role as an IP trading hub in the region. Such measures include holding the Business of IP Asia Forum, launching free IP consultation service and IP Manager training programmes for SMEs, and promoting through publicity the awareness and tapping of business opportunities brought about by IP trading.

Expediting Infrastructural Connectivity

22. On expediting infrastructural connectivity, the focuses mentioned in the Outline Development Plan include: enhancing the international competitiveness of the Pearl River Delta port cluster, developing a world-class airport cluster, ensuring the smooth flow of comprehensive external transport links, building a rapid transport network in the Greater Bay Area, raising the standards of passenger and cargo transport services, developing a new generation of information infrastructure, building smart city clusters,

enhancing the level of cyber security protection, enhancing the energy supply structure, strengthening the energy storage and transport system, improving water infrastructure, and improving flood prevention and mitigation systems.

Aviation Hub and Maritime Centre

23. Hong Kong, being an international aviation hub and maritime centre, has a significant role to play in the development of the Greater Bay Area. For aviation development, the Outline Development Plan proposes various strategic directions to develop a world-class airport cluster in the Greater Bay Area, including (i) to consolidate and enhance Hong Kong's status as an international aviation hub and strengthen its role as an aviation management training centre; (ii) to further expand the Greater Bay Area's international and domestic aviation networks, develop inter-modal connectivity, as well as to expedite the development of general aviation and steadily develop cross-boundary helicopter services; (iii) to strengthen airspace coordination and air traffic management collaboration to enhance the efficiency of the utilisation of airspace resources and the air traffic management capacity; (iv) to develop high value-added cargo, aircraft leasing and aviation financing services; and so forth. On the maritime and logistics front, measures in the Outline Development Plan include (i) consolidating and enhancing Hong Kong's status as an international maritime centre and enhancing the international competitiveness of the Pearl River Delta port cluster; (ii) supporting Hong Kong's development of high-end maritime services such as ship management and leasing, ship finance, marine insurance, maritime law and dispute resolution services, and so forth; (iii) capitalising on Hong Kong's strengths in high value-added maritime services to jointly tap on international markets; and (iv) promoting the development of high-end and high value-added commercial, trading and logistics services, and developing a modern freight and logistics system, enhancing the level of supply chain management, and developing an international logistics hub. These strategic directions are in line with the policy objectives of the Hong Kong SAR Government. The Hong Kong SAR Government will actively complement relevant strategic directions and work with respective industries to promote aviation and maritime development in the Greater Bay Area.

Building a Globally Competitive Modern Industrial System

24. On building a globally competitive modern industrial system, the focuses mentioned in the Outline Development Plan include: enhancing the core competitiveness of the manufacturing industry, optimising the layout

of the manufacturing industry, expediting the structural adjustment of the manufacturing industry, nurturing and strengthening strategic emerging industries, developing an international financial hub, vigorously developing special financial products and services, progressively promoting mutual financial markets access, developing a system of modern service industries, and vigorously developing the marine economy.

Finance

25. Hong Kong, as an international financial centre, can leverage the development of the Greater Bay Area to promote the efficient flow of factors of production (particularly talents and capital) to support the development of the real economy. Meanwhile, we should make good use of the Greater Bay Area's enormous population and economic scale to promote the development of the financial services sector in Hong Kong (including cross-boundary Renminbi (RMB) business, insurance and assets and wealth management industries). Being able to implement financial liberalisation measures on an early and pilot basis in the Greater Bay Area, Hong Kong could consolidate and enhance its status in the process of the Mainland's reform and opening up (including RMB internationalisation).

26. Under the Outline Development Plan, we should leverage Hong Kong's leading position in the financial services sector, consolidate and enhance Hong Kong's status as an international financial centre; progressively expand the scale and scope of the cross-boundary use of RMB in the Greater Bay Area; widen the scope for cross-boundary investment by Hong Kong and Mainland residents and institutions, and steadily expand the channels for Mainland and Hong Kong residents to invest in financial products in each other's market; progressively promote cross-boundary transactions of financial products such as funds and insurance within the Greater Bay Area, continue expanding the types of investment products and investment channels, and establish a mechanism for mutual access to capital and products.

27. To this end, the Financial Services and the Treasury Bureau and the financial regulators have maintained close liaison with the Mainland authorities to explore and implement measures to promote financial cooperation within the Greater Bay Area, especially those facilitation measures relating to people's livelihood. Since October 2018, certain Hong Kong e-wallet operators have launched cross-boundary payment services on a pilot basis such that Hong Kong residents could make mobile payments to designated merchants on the Mainland. The operators are

also planning to expand the scope of the merchants accepting such payments. As a next step, we will continue to explore measures to simplify bank account opening procedures on the Mainland for Hong Kong residents and satisfy the demand for cross-boundary wealth management.

28. In terms of fintech, as the first step to promote complementarity amongst Greater Bay Area cities, the Hong Kong Monetary Authority (HKMA) entered into two Memoranda of Understanding with the Office of Financial Development Service, the People's Government of Shenzhen Municipality (OFDS) in 2017 to strengthen fintech collaboration between Hong Kong and Shenzhen, including: (i) in terms of promoting research and application of Distributed Ledger Technology (DLT), the HKMA is discussing with relevant Mainland departments the feasibility of enabling banks on the Mainland to connect to eTradeConnect²; (b) in terms of talent development, with help from the OFDS, 50 Hong Kong students experienced the fintech ecosystem in Shenzhen by working in eight renowned firms for six weeks in 2018 summer; (c) in terms of fostering exchanges between the two cities, the HKMA and the OFDS jointly organised the Shenzhen-Hong Kong Fintech Award for two consecutive years in 2017 and 2018 to recognise and reward outstanding fintech products and solutions in the two cities. Response from the industry was positive. The Hong Kong Fintech Week 2018 was the first cross-boundary fintech event, with a Shenzhen Day where fintech communities from overseas, Hong Kong and the Mainland were brought together for business exchanges.

29. On insurance, we are pursuing with the relevant Mainland authorities the proposals of enabling Hong Kong insurance companies to set up insurance service centres and facilitating the cross-boundary sale of Hong Kong insurance products with simple structure and high protective element (such as health insurance products) in the Greater Bay Area through "Insurance Connect".

Professional Services

30. The Outline Development Plan supports considering the introduction of further liberalisation measures under the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) framework, and enabling Hong Kong professionals and enterprises practising, investing and doing business on the Mainland to enjoy national treatment, that is, enjoying the same treatment as Mainland service

² eTradeConnect is a DLT-based trade finance platform. It was developed by a consortium of 12 major banks in Hong Kong and launched in October 2018.

suppliers, in more sectors. The Hong Kong SAR Government will continue to enhance the access of Hong Kong professional services to the Mainland market under the CEPA framework, and proactively consider and seek more liberalisation measures for early and pilot implementation, so as to further the development of Hong Kong professional services in the Greater Bay Area.

Creative Industries

31. For creative industries³, the Outline Development Plan sets out to “deepen cooperation among Guangdong, Hong Kong and Macao in the cultural and creative industries, and progressively open up the market”, “fully leverage the strengths and expertise of Hong Kong talents in the film and television industries, promote cooperation among the film and television industries in Guangdong, Hong Kong and Macao, strengthen film investment and cooperation and exchanges among talents, and support Hong Kong in its development into an exposition hub for television and film”, and “support Hong Kong in attracting creative talents and consolidating its position as a creative capital by leveraging its world-renowned events such as the Hong Kong International Film & TV Market, the Hong Kong Book Fair and the Business of Design Week”.

32. The development of the Greater Bay Area presents precious opportunities to Hong Kong’s creative industries. The Hong Kong SAR Government will continue to, through the CreateSmart Initiative (CSI) and the Film Development Fund (FDF), support our industries to strengthen connection, exchanges and collaboration with other Mainland regions including the Greater Bay Area through promotional and business-matching activities and participation in trade fairs. We shall also continue to invite Greater Bay Area cities to participate in our annual signature events, including the Business of Design Week, Entertainment Expo Hong Kong and Hong Kong – Asia Film Financing Forum, and support our industries to organise more exchange activities similar to the Hong Kong-Shenzhen Design Twin Cities Exhibition and the Hong Kong and Shenzhen Bi-City Biennale of Urbanism\Architecture.

33. Besides, the Hong Kong-Shenzhen Design Innovation Hub (Zetta Bridge, Qianhai Shenzhen) is scheduled for opening in the second half of 2019. The project is industry-led on Hong Kong’s part. The Hong Kong SAR Government has supported the trade to organise promotional and exchange activities in the run-up to the opening of the project.

³ Advertising, architecture, design, digital entertainment, film, printing and publishing, television and music.

Thereafter, the Hong Kong SAR Government will continue to suitably sponsor the trade to promote the long-term development of and collaboration between the design sectors of Hong Kong and Shenzhen through the hub, by facilitating talent exchanges and business matching, as well as assisting Hong Kong's young designers and start-ups to launch their career/business in the Greater Bay Area.

34. For the film industry, the Hong Kong SAR Government will continue to, through the FDF, provide funding to support film productions (including Mainland-Hong Kong co-productions) and subsidise the sales and distribution of Cantonese versions of Hong Kong films on the Mainland (mainly in Guangdong Province). We shall also continue to collaborate with Greater Bay Area cities to organise film-related activities such as film shows, delegation visits and workshops, with a view to enhancing cooperation of the film industry in the Greater Bay Area.

Taking Forward Ecological Conservation

35. On taking forward ecological conservation, the focuses mentioned in the Outline Development Plan include: establishing ecological protection barriers, strengthening environmental protection and management, and adopting an innovative, green and low-carbon development model.

Ecological and Environmental Protection

36. The report delivered at the 19th National Congress of the Communist Party of China advocates taking forward ecological conservation, whilst the 2018 Central Economic Work Conference also pointed out that green development is a future national strategic opportunity. The Hong Kong SAR Government proposes exploring the development of an ecological conservation demonstration area in the Guangdong-Hong Kong-Macao Greater Bay Area, and considering the implementation of a range of items including: (i) to explore strengthening collaboration in the treatment of waste in the Greater Bay Area, promote the recovery and recycling of recyclable materials generated therein, and explore putting surplus public fill from the Hong Kong SAR into beneficial use in the Greater Bay Area; (ii) to further strengthen the exchanges and cooperation amongst cities in the Greater Bay Area regarding energy, low-carbon development, energy saving and green building technologies, as well as adaptation to climate change; (iii) to strengthen cooperation amongst Greater Bay Area cities in improving air quality, such as the reduction of emission from vehicles, control of emissions from vessels, and

strengthening joint preventive and control measures against ozone and fine suspended particulates (PM_{2.5}); and (iv) to strengthen Hong Kong-Guangdong cooperation in ecological conservation, such as establishing ecological corridors, enhancing ecological conservation for adjacent regions, as well as strengthening enforcement in combating the cross-boundary smuggling of endangered plant and animal species.

Developing a Quality Living Circle for Living, Working and Travelling

37. On developing a quality living circle for living, working and travelling, the focuses mentioned in the Outline Development Plan include: promoting cooperation and development in education, developing a talent pool, shaping the Greater Bay Area's cultural values, jointly promoting vibrant cultural development, strengthening exchanges amongst the youth of Guangdong, Hong Kong and Macao, promoting the exchange and mutual learning between Chinese and other cultures, building a bay area for leisure, expanding the scope for employment and entrepreneurship, stepping up cooperation in medical and healthcare services, enhancing cooperation in food and edible agricultural product safety, fostering cooperation in social security, and deepening cooperation in social governance.

Youth Innovation and Entrepreneurship

38. The Hong Kong SAR Government encourages Hong Kong young people to participate in the development of the Greater Bay Area and endeavours to provide more space and opportunities for the development of Hong Kong young talents in innovation and entrepreneurship. Our objective is to foster the Greater Bay Area to become a world-class international platform for innovation and entrepreneurship. In this regard, the Home Affairs Bureau (HAB) of the Hong Kong SAR Government recommends a three-step strategy to build an ecosystem that is premised upon non-governmental organisations (NGOs) and youth innovation and entrepreneurial bases in the Greater Bay Area to support Hong Kong youth innovation and entrepreneurship.

39. As a first step, HAB has collaborated with the Hong Kong United Youth Association (HKUYA) to roll out a pilot scheme, under which the HKUYA has been using its own resources to openly recruit Hong Kong youth entrepreneurs and, through collaboration with operators of youth innovative and entrepreneurial bases in Shenzhen and partner organisations such as Hong Kong universities and scientific research institutes, facilitate participants to understand the opportunities in the Greater Bay Area and

help them establish a foothold in youth innovative and entrepreneurial bases therein that suit their needs and on concessionary terms. The HKUYA launched the pilot scheme in December 2018 and completed the assessment process in early January 2019. It has successfully recruited eight Hong Kong youth entrepreneurial teams to settle in three youth innovative and entrepreneurial bases in Shenzhen, and has commenced the provision of relevant entrepreneurial support to them. Moving on to the second step, drawing from the experience of the HKUYA's pilot scheme, as well as the views of other relevant organisations and stakeholders, HAB will, with the support and cooperation of various Mainland cities in the Greater Bay Area, introduce new funding schemes in the first quarter of 2019 to subsidise Hong Kong NGOs to provide young people starting their businesses in various Greater Bay Area cities with start-up grants, support, counselling, guidance and incubation services. Besides, HAB will subsidise Hong Kong NGOs to organize short-term experiential programmes on entrepreneurship in the Greater Bay Area, in order to enable other Hong Kong young people who are interested in starting their businesses in the Greater Bay Area to understand the start-up environment and policies therein before implementing their business plans. HAB will also pool together community resources, such as the Greater Bay Area Homeland Youth Community Fund, to promote cross-sectoral synergy and strengthen support for youth entrepreneurship. Finally, as the third step, with support from the Hong Kong SAR and Guangdong governments, an Alliance of Hong Kong Youth Innovative and Entrepreneurial Bases in the Greater Bay Area will be established within 2020, with a view to providing a one-stop information, publicity and exchange platform that is premised upon NGOs and youth innovative and entrepreneurial bases in the Greater Bay Area, thereby supporting the development of Hong Kong youth entrepreneurs in the Greater Bay Area.

Quality Medical Services

40. Medical service is one of Hong Kong's major sectors. Quality medical services are an important factor in developing the Greater Bay Area into an ideal place for living and working, thereby attracting talents around the world or giving Hong Kong people the option of living in the Greater Bay Area. Through facilitating the development of our quality medical services in the Greater Bay Area, the Hong Kong SAR Government hopes that our medical and healthcare sector could have more room for expansion by tapping into the rich resources of the Greater Bay Area. Such development would help bring in new services and raise the standard of professional healthcare on the Mainland so as to meet the demands for quality medical services in Mainland cities of the Greater Bay

Area.

Education

41. Higher education is the source of talents of our society. The Hong Kong SAR Government supports post-secondary institutions of Hong Kong to offer education services in the Greater Bay Area and to give full play to the strengths of Hong Kong's higher education sector in terms of high-quality teaching and research, as well as internationalisation. This will help attract internationally renowned educational institutions to establish a presence in the Greater Bay Area, promote collaborative research of high academic standard, and build the position of the Greater Bay Area as an international education base. At the same time, Hong Kong's post-secondary institutions can make optimal use of the land and human resources in the Greater Bay Area to support scientific research development, knowledge transfer, and commercialisation for providing quality education facilities and nurturing talents for the development of the Greater Bay Area and the country.

Tourism

42. The Greater Bay Area is located at the southern part of China and possesses abundant tourism resources, with strong potential to be developed into a world-class tourist destination cluster. The Outline Development Plan expressly supports Hong Kong to develop into an international tourism hub and a core demonstration zone for multi-destination tourism, and establish a diverse tourism platform. The Hong Kong SAR Government will leverage the opportunities brought about by the development of the Greater Bay Area, as well as the commissioning of new infrastructure projects including the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link and the Hong Kong-Zhuhai-Macao Bridge, in promoting the development of tourism in the Greater Bay Area as a whole for mutual benefits.

43. The Hong Kong SAR Government and the tourism authorities of the other ten Greater Bay Area cities jointly established the Tourism Federation of Cities in the Guangdong-Hong Kong-Macao Greater Bay Area in December 2017 to strengthen exchanges and cooperation in the area. In addition, the Hong Kong SAR Government, in cooperation with the Hong Kong Tourism Board (HKTB) and the Travel Industry Council of Hong Kong (TIC), organised the Hong Kong International Tourism Convention in December 2018, exploring with participants, including representatives of the tourism authorities and trade members from the

Greater Bay Area, how to leverage the tourism potential of the development of the Greater Bay Area and the Belt and Road Initiative.

44. On multi-destination tourism development in the Greater Bay Area, the HKTB has been co-operating with the tourism authorities of Guangdong Province and Macao, through the platform of the “Guangdong, Hong Kong & Macau Tourism Marketing Organisation”, to jointly promote to overseas visitors multi-destination itineraries and tourism products. The TIC has organised three visits to the Greater Bay Area since 2018 for the local trade to explore business opportunities with trade members in the area. The TIC is also developing a web-based platform to provide the trade with tourism information on, amongst other things, the Greater Bay Area, such that they can develop more diversified tourism products. Moreover, the Hong Kong SAR Government suggested allocating additional funding in the 2019-20 Budget for the HKTB and the TIC to step up promotion of Hong Kong’s image as a premier tourism destination, further encourage the development of more thematic tourism products, organise business forums or business cooperation and exchange activities outside Hong Kong, and so forth.

Facilitation Measures

45. One of the focuses of the Hong Kong SAR Government’s work in taking forward the development of the Greater Bay Area is strengthening interconnectivity amongst Greater Bay Area cities through policy innovation and breakthrough. There are two systems and three separate customs territories in the Greater Bay Area. Although the liberalisation of trade has essentially been achieved, there are still restrictions to the flow of people, goods, capital and information within the Greater Bay Area. At the daily living level, Hong Kong residents studying, living and working on the Mainland are still treated differently compared to their Mainland counterparts. This brings inconveniences to Hongkongers living on the Mainland and also makes it harder for Hong Kong enterprises which are expanding on the Mainland to attract talents from Hong Kong to work in the Greater Bay Area. We shall grasp opportunities brought about by the development of the Greater Bay Area, break through existing frameworks, strengthen interconnectivity amongst Greater Bay Area cities, and foster the flow of factors of production, thereby enhancing the flow of people, goods, capital and information between Hong Kong and other cities in the Greater Bay Area.

46. Since August 2017, the relevant Central Government departments have introduced a series of concrete measures to facilitate Hongkongers

studying, working and living on the Mainland. The measures which cover the areas of education, employment, setting up business and daily life matters enable Hongkongers to capitalise on the opportunities brought about by the development of the country. In August 2018, the Central Government announced the introduction of residence permits. A residence permit holder is entitled to enjoy, in accordance with the law, three categories of rights, six basic public services and nine facilitation measures in the place where he or she is residing. This covers areas relating to daily living including employment, education, medical care, travel, financial services and so on, which will provide convenience for Hong Kong residents who are living on the Mainland on a long-term basis, and provide them with more opportunities to participate in the country's development, especially the development of the Greater Bay Area. Since the policy was implemented on 1 September 2018, around 100 000 Hong Kong residents applied for residence permits.

47. In July 2018, the State Council abolished the requirement of work permits for employment on the Mainland for Taiwan, Hong Kong and Macao residents. To take Guangdong Province as an example, Hongkongers no longer require work permits for employment and may use residence permits, Mainland Travel Permits for Hong Kong and Macao Residents, or other valid identity documents to make the relevant applications. To attract young people and professionals to develop their careers on the Mainland, the Hong Kong SAR Government will continue to work closely with relevant central ministries and the Guangdong Provincial Government to ensure that more facilitation measures are implemented in the Greater Bay Area.

Taxation Issues

48. We have all along been actively liaising with the Central Government on taxation issues to enhance talent flow as well as economic development within the area. The Leading Group announced the determination of the 183 days for individual income tax residents on 1 March 2019, that is, any presence on the Mainland for less than 24 hours in a day will not be counted as a day of residence; it also announced the policy initiative regarding the financial subsidies provided for non-Mainland talents for individual income tax differential. For non-Mainland high-level and high-demand talents (including those from Hong Kong, Macao and Taiwan) working in the nine Mainland municipalities of the Guangdong-Hong Kong-Macao Greater Bay Area fulfilling certain conditions, the municipal governments will provide financial subsidies from 2019 to 2023 based on the individual income tax differential between

the Mainland and outside the Mainland and such financial subsidies are not subject to individual income tax.

49. Apart from the above, the Hong Kong SAR Government has reached an in-principle agreement with relevant Mainland authorities to provide a special tax arrangement to eligible cross-boundary teachers and researchers, so that they can enjoy tax exemption on the Mainland for a prescribed period of time, subject to the condition that the income is derived from Hong Kong and taxed in Hong Kong. We hope to amend the Comprehensive Avoidance of Double Taxation Arrangement with the Mainland within this year to implement the arrangement.

Strengthening Cooperation and Jointly Participating in the Belt and Road Initiative

50. On strengthening cooperation and jointly participating in the Belt and Road Initiative, the focuses mentioned in the Outline Development Plan include: creating a globally competitive business environment, promoting investment facilitation, promoting trade liberalisation, facilitating the flow of people and goods, developing an important support area for the pursuit of the Belt and Road Initiative, fully participating in international economic cooperation, and jointly expanding international markets.

Trade and Investment

51. The Agreement on Trade in Goods of CEPA has included a dedicated Chapter on “Trade Facilitation Measures in the Guangdong-Hong Kong-Macao Greater Bay Area”. The dedicated chapter specifies that the two sides agree to implement trade facilitation measures, including publishing periodically and further shortening the overall time for cargo customs clearance, in order to promote the convenient and efficient flow of goods in the Greater Bay Area. To facilitate the flow of goods between Hong Kong and the Mainland (including different cities in the Greater Bay Area), the Customs and Excise Department will continue to take forward various schemes in collaboration with the Mainland customs, with a view to enhancing cargo clearance efficiency. Take the Single E-lock Scheme⁴ as an example, starting from January 2019, the number of clearance points in Guangdong Province under the Scheme has been increased significantly

⁴ For inter-modal transshipment cargoes between Hong Kong and Guangdong, the Single E-lock Scheme launched in 2016 can, by way of using technology, reduce repeated inspections on the same shipment by both customs authorities when crossing the boundary, thus streamlining the clearance process and speeding up the cargo flow.

from 32 to 51, covering seven Mainland municipalities within the Greater Bay Area. More recently, after the second plenary meeting of Leading Group for the Development of the Guangdong-Hong Kong-Macao Greater Bay Area on 1 March 2019, the Chief Executive announced that the Central Government would introduce eight policy measures to take forward the development of the Greater Bay Area. The expansion of the applicability of the Scheme to all nine Mainland municipalities⁵ within the Greater Bay Area is one of such measures. The expansion in the network of clearance points under the Scheme can enhance cargo clearance efficiency, including cargo shipments going through Hong Kong using the Hong Kong-Zhuhai-Macao Bridge, and complement the development of the Greater Bay Area.

52. The Outline Development Plan also supports taking forward the implementation of special liberalisation measures for Hong Kong in various sectors, including finance, education, legal and dispute resolution, maritime transport, logistics, rail transport, telecommunications, Chinese medicine, as well as construction and related engineering; considering further lifting or relaxing investor restrictions on Hong Kong such as qualification requirements, percentage of shareholding, as well as market access; and continuously enhancing the level of liberalisation in the Mainland's trade in services with Hong Kong. The Mainland and Hong Kong have already reached a consensus on the working targets for the next phase of liberalisation on trade in services under CEPA to further open up the Mainland market to Hong Kong in trade in services, promote the pilot implementation of measures on further services liberalisation in the Greater Bay Area under CEPA, and advance the full liberalisation of trade in services in the Greater Bay Area. We are discussing specific measures and implementation details with the Mainland, and hope to achieve concrete results as soon as possible.

Jointly Developing Guangdong-Hong Kong-Macao Cooperation Platforms and the Implementation of the Plan

53. On jointly developing Guangdong-Hong Kong-Macao cooperation platforms and the implementation of the Plan, the focuses mentioned in the Outline Development Plan include: enhancing the functions of the Shenzhen-Hong Kong Modern Service Industry Cooperation Zone in Qianhai of Shenzhen, developing Nansha of Guangzhou into a demonstration zone for comprehensive cooperation amongst Guangdong, Hong Kong and Macao, taking forward the

⁵ These nine Mainland municipalities within the Greater Bay Area are Guangzhou, Shenzhen, Zhuhai, Foshan, Huizhou, Dongguan, Jiangmen, Zhongshan and Zhaoqing. Amongst them, Zhongshan and Zhaoqing are new clearance points to be set up as announced on 1 March 2019.

demonstrative functions of Hengqin of Zhuhai for in-depth cooperation amongst Guangdong, Hong Kong and Macao, developing special cooperation platforms, strengthening organisation and leadership, taking forward major tasks, preventing and mitigating risks, and broadening social participation.

Mode of Cooperation between the Hong Kong SAR Government and Mainland Government Authorities

54. The CE attaches much importance to her role as a member of the leading group. Since the first plenary meeting of the leading group of August 2018, she has strengthened coordination with the leaders of Guangdong Province at her level. On 20 November 2018, the CE met in Hong Kong Secretary of the Guangdong Provincial Committee of the Communist Party of China Li Xi, who visited Hong Kong for the first time since his assumption of office, and the delegation led by him which includes the Governor of Guangdong Province Ma Xingrui. At the meeting, the CE and Secretary Li Xi had in depth discussions about strengthening cooperation in taking forward the development of the Guangdong-Hong Kong-Macao Greater Bay Area, with specific regard to developing an international innovation and technology hub, as well as arranging more activities to promote the advantages of the Greater Bay Area overseas. On 15 January 2019, the CE visited Guangzhou for a working meeting with Secretary Li Xi and Governor Ma Xingrui to follow up on matters discussed between Hong Kong and Guangdong in November 2018, and make preparations for the second plenary meeting of the leading group, especially confirming Guangdong Province's support for the policy recommendations that Hong Kong intended to submit to the leading group for discussion.

55. Policy bureaux of the Hong Kong SAR Government have maintained close contact with relevant central ministries and Guangdong Provincial Government departments to ensure that central ministries and the Guangdong Provincial Government support the Hong Kong SAR Government's proposed policies relating to the Greater Bay Area. For example, the Innovation and Technology Bureau of the Hong Kong SAR Government has a strong working relationship with MOST and the CAS, which accounts for achievements such as realising cross-boundary remittance of science and technology funding of the Central Government to Hong Kong, and the CAS setting up an affiliated institution in Hong Kong to facilitate its research institutes to establish their presence in the two research clusters to be set up at the Hong Kong Science Park. Policy bureaux of the Hong Kong SAR Government will continue to strengthen

cooperation with relevant central ministries and Guangdong Provincial Government departments to strive for the implementation of more concrete policies that are conducive to the development of the Greater Bay Area.

56. The Constitutional and Mainland Affairs Bureau (CMAB) of the Hong Kong SAR Government has been communicating with the Guangdong Provincial Government and the Macao SAR Government on the proposal for establishing a coordination mechanism for Guangdong, Hong Kong and Macao to take forward the development of the Greater Bay Area. The Hong Kong SAR Government supports the establishment of such a mechanism to ensure that the governments of the three places would be able to fully implement the tasks set out by the leading group together.

Internal Coordination within the Hong Kong SAR Government

57. The CE announced in her 2018 Policy Address that a high-level Steering Committee for the Development of the Guangdong-Hong Kong-Macao Greater Bay Area would be established, with her as the chairperson and its membership comprising all Secretaries of Departments and Directors of Bureaux. The Steering Committee will be responsible for the overall coordination of matters relating to Hong Kong's participation in the development of the Greater Bay Area. CMAB will also set up a Guangdong-Hong Kong-Macao Greater Bay Area Development Office and appoint a Commissioner for the Development of the Guangdong-Hong Kong-Macao Greater Bay Area. The Office will be responsible for coordinating with central ministries, the Guangdong Provincial Government and the Macao SAR Government, as well as policy bureaux of the Hong Kong SAR Government in implementing the relevant work to take forward the development of the Greater Bay Area. For the establishment proposal for the Office, the Hong Kong SAR Government will consult the Panel on Commerce and Industry of the Legislative Council (LegCo), and thereafter submit the proposal to the Establishment Subcommittee for consideration and the Finance Committee for approval. The Hong Kong SAR Government sets out the details of the expenditure and establishment involved for the Office in its LegCo documents.

Encouraging the Community to Participate in the Development of the Guangdong-Hong Kong-Macao Greater Bay Area

58. With the support of the Central Government, the governments of Guangdong, Hong Kong and Macao introduced many measures (see [Annex](#)) for implementing the development of the Greater Bay Area. The

promulgation of the Outline Development Plan signifies the development of the Greater Bay Area entering a key stage of fully fledged implementation. Apart from proactively cooperating with relevant central ministries, the People's Government of Guangdong Province and the Macao SAR Government in jointly taking forward work relating to the development of the Greater Bay Area, we hope to proactively maintain close contact with 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 Hong Kong SAR Government will endeavour to play the role of "facilitator" and discuss with central ministries, the Guangdong Provincial Government and the Macao SAR Government to help industries with the required policy innovation and breakthrough in the process of expanding opportunities.

59. On the day when the Central Government promulgated the Outline Development Plan, the Hong Kong SAR Government uploaded the Outline Development to the official website dedicated to the Greater Bay Area. Subsequently, the governments of Guangdong, Hong Kong and Macao held a symposium on 21 February 2019 to introduce the contents of the Outline Development Plan and explore the development opportunities of the Greater Bay Area. Around 800 guests, representing relevant central ministries and various sectors of Hong Kong, Macao and Guangdong, attended the symposium. At the symposium, the CE of the Hong Kong SAR, Mrs Carrie Lam; the Deputy Chairman of the Office of the Leading Group for the Development of the Guangdong-Hong Kong-Macao Greater Bay Area, Mr Lin Nianxiu; the Governor of Guangdong Province, Mr Ma Xingrui; and the CE of the Macao SAR, Mr Chui Sai-on, delivered speeches respectively. The Director General of the Department of Regional Economy of the NDRC, Mr Guo Lanfeng, also gave a briefing on the contents of the Outline Development Plan.

60. Since August 2018, the Hong Kong SAR Government has launched a series of publicity efforts to increase understanding and interest in the development of the Greater Bay Area amongst various sectors of society. Such efforts include setting up a dedicated website on the Guangdong-Hong Kong-Macao Greater Bay Area, preparing pamphlets with information on the Greater Bay Area, as well as producing television promotional clips and radio promotional soundtracks. They also target communication channels that are widely used by young people, such as social media and online platforms. The dedicated website contains regular updates on policies of Greater Bay Area cities and the work of the Hong Kong SAR Government to help enterprises and members of the

public understand and take advantage of development opportunities brought about by the development of the Greater Bay Area. The Hong Kong SAR will strengthen relevant publicity efforts, such as increasing the frequency of television and radio publicity, focusing on promoting the dedicated website and social media pages, and setting up a WeChat official account. Furthermore, the Hong Kong SAR Government has also facilitated representatives from different sectors to visit Mainland cities of the Greater Bay Area such that they could gather first-hand information about the latest situation in the development of the Greater Bay Area. Examples include LegCo Members' duty visit of April 2018, as well as the delegation comprising representatives from private hospitals, private healthcare facilities, healthcare professional associations, medical training institutions and healthcare professionals led by the Secretary for Food and Health in August 2018. The Hong Kong SAR Government hopes the symposium and other relevant activities can help raise awareness of the development of the Greater Bay Area and the Outline Development Plan in Hong Kong society, and encourage the community to take advantage of the development opportunities brought to Hong Kong by the development of the Greater Bay Area together.

**Constitutional and Mainland Affairs Bureau
Innovation and Technology Bureau
Commerce and Economic Development Bureau
Financial Services and the Treasury Bureau
March 2019**

**Key Measures for Taking Forward the Development
of the Guangdong-Hong Kong-Macao Greater Bay Area
since 1 July 2017**

Innovation and Technology

- As promulgated in May 2018, higher education institutions and research institutions in Hong Kong may apply for projects under the science and technology funding of the Central Government.
- In September 2018, the Arrangement on Enhancing Innovation and Technology Cooperation between the Mainland and Hong Kong was signed with the Ministry of Science and Technology, enhancing further exchange and cooperation between the two places. The Mainland-Hong Kong Joint Funding Scheme would be launched in the first half of 2019 to encourage universities and research institutions to pursue scientific research projects with various provinces on the Mainland.
- A memorandum of understanding was signed with the Chinese Academy of Sciences in November 2018 to facilitate its Guangzhou Institutes of Biomedicine and Health and its Institute of Automation to establish their presence at the Hong Kong Science Park.
- A Greater Bay Area academician alliance will be established in Hong Kong.

Enhancing the Convenient Flow of People and Goods within the Greater Bay Area

- It is specified in clear terms that to protect the rights and interests of Hong Kong and Macao students, Mainland higher education institutions and relevant authorities must accord equal treatment to Hong Kong and Macao students in admission, nurture, management and supporting services.
- Mainland higher education institutions should facilitate Hong Kong and Macao students' job search and employment and issue Employment Agreements and Employment Registration Certificates to them upon their graduation.

- Both the quota and amount of scholarships open to Hong Kong and Macao students as well as overseas Chinese students studying at Mainland higher education institutions have been increased.
- Hong Kong and Macao people working on the Mainland can join the Housing Provident Fund and enjoy the same treatment accorded to Mainland residents in terms of base deposit, deposit ratio, processing procedures, as well as the drawing of money from the Housing Provident Fund, the application for personal housing loans under the Housing Provident Fund, and so forth. People from Hong Kong/Macao leaving the Mainland to relocate back to Hong Kong/Macao will be allowed to withdraw any remaining balance in their Housing Provident Fund accounts, thereby facilitating them to plan for the longer term and achieve personal goals.
- Eligible Hong Kong and Macao residents can take part in the qualification accreditation examinations for primary and secondary school teachers.
- The introduction of a host of talent schemes and youth development plans to facilitate Hong Kong people's development in the Greater Bay Area.
- The China Railway Corporation has installed automatic ticket vending and issuing machines to read and verify Mainland Travel Permit for Hong Kong and Macao Residents at train stations of various provinces and cities with relatively large demand for ticketing services from Hong Kong people. These ticketing machines can reduce the amount of time otherwise spent on queuing and ticket processing over the counter.
- In July 2018, the removal of the requirement for people from Taiwan, Hong Kong and Macao working on the Mainland to apply for employment permits was announced.
- Residence permits were introduced in September 2018, allowing holders to enjoy, in accordance with the law, three categories of rights, six basic public services and nine facilitation measures in the place where he/she is residing.
- A new agreement was signed in December 2018 with the Ministry of Commerce under the framework of the Mainland and Hong Kong

Closer Economic Partnership Arrangement. Starting from 1 January 2019, goods of Hong Kong origin imported into the Mainland will fully enjoy zero tariff through the enhanced arrangement for rules of origin. Moreover, the agreement also establishes principles of trade facilitation, including stipulation of commitment of the two sides in facilitating trade between the two places, simplifying customs procedures, enhancing transparency of related measures and strengthening cooperation in the relevant areas, and in particular sets out measures to expedite customs clearance of goods with a view to facilitating movement of goods in the Guangdong-Hong Kong-Macao Greater Bay Area, thereby enhancing the customs clearance capacity and efficiency of the control points in Guangdong and Hong Kong.

- From 1 January 2019, an individual who has no domicile and has resided on the Mainland for an annual aggregate of 183 days or more for less than six consecutive years may, upon filing records with relevant tax authorities, be exempted from payment of individual income tax with respect of his/her income derived from outside the Mainland and paid by organisations or individuals outside the Mainland. If an individual has resided on the Mainland for an annual aggregate of 183 days or more but during which there is a single absence from the Mainland for more than 30 days, the continuous years of residence on the Mainland with an annual aggregate of 183 days or more shall be recounted.
- A memorandum of understanding was signed in February 2019 with the Civil Aviation Administration of China to expand the Air Services Arrangement between the Mainland and the Hong Kong Special Administrative Region to expand the air-to-land intermodal arrangements between the Mainland and Hong Kong, which allow designated airlines of both sides to enter into code-sharing arrangements with operators of all types of land transport (including railway services, passenger vehicles and coaches) of all cities on the Mainland. The air-to-sea intermodal code-sharing arrangements were also opened up to sea transport between Hong Kong and the Pearl River Delta region. Both sides also agreed to expand the scope of cross-boundary helicopter services to cover points in Guangdong Province.
- In March 2019, it was announced that the Central Government would introduce eight policy measures, including –
 - relaxing the method for calculating “183 days” for paying

individual income tax on the Mainland (that is, any presence on the Mainland for less than 24 hours in a day will not be counted as a day of residence);

- providing financial subsidies by local governments based on the individual income tax differential between the Mainland and outside the Mainland for non-Mainland (including those from Hong Kong) high-level and high-demand talents;
- supporting the open recruitment of Hong Kong and Macao residents by public institutions in the Greater Bay Area;
- encouraging innovation and entrepreneurship in the nine Mainland municipalities of the Greater Bay Area by the youth of Hong Kong and Macao;
- supporting Hong Kong's universities and research institutes to participate in Guangdong technology projects;
- introducing immigration facilitation reform pilots schemes in the Greater Bay Area;
- facilitating vehicles from Hong Kong and Macao entering and exiting Mainland ports; and
- expanding the applicability of the Single E-lock Scheme to all nine Mainland municipalities within the Greater Bay Area.