

立法會
Legislative Council

LC Paper No. CB(1)444/19-20
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by the Administration)

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Panel on Commerce and Industry

Minutes of meeting
held on Tuesday, 21 January 2020, at 2:30 pm
in Conference Room 2 of the Legislative Council Complex

Members present : Hon Jimmy NG Wing-ka, BBS, JP (Chairman)
Hon Alvin YEUNG (Deputy Chairman)
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon WONG Ting-kwong, GBS, JP
Hon WU Chi-wai, MH
Hon YIU Si-wing, BBS
Hon Charles Peter MOK, JP
Hon CHAN Chi-chuen
Hon Dennis KWOK Wing-hang
Hon Christopher CHEUNG Wah-fung, SBS, JP
Hon Elizabeth QUAT, BBS, JP
Hon Martin LIAO Cheung-kong, GBS, JP
Dr Hon CHIANG Lai-wan, SBS, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon CHU Hoi-dick
Hon SHIU Ka-fai, JP
Hon CHAN Chun-ying, JP

Members absent : Hon MA Fung-kwok, SBS, JP
Hon CHUNG Kwok-pan
Hon LAU Kwok-fan, MH

Member attending: Hon Abraham SHEK Lai-him, GBS, JP

**Public officers
attending**

: Agenda item IV

Commerce and Economic Development Bureau

Ms Leona LAW

Principal Assistant Secretary for Commerce and
Economic Development (Commerce and Industry) 2

Invest Hong Kong

Mr Stephen PHILLIPS

Director-General of Investment Promotion

Mr Vincent TANG

Associate Director-General of Investment Promotion 3

Mr Kingston SUN

Head, Market Intelligence

Agenda item V

Commerce and Economic Development Bureau

Mr Bill WONG

Principal Assistant Secretary for Commerce and
Economic Development (Commerce and Industry) 5

Trade and Industry Department

Ms Salina YAN, JP

Director-General of Trade and Industry

Mr Kerr LI

Assistant Director-General of Trade and Industry
(Mainland)

Mr Arthur CHAR

Principal Trade Officer of Trade and Industry

Tourism Commission

Miss Carol OR

Assistant Commissioner for Tourism 1

Clerk in attendance : Mr Desmond LAM
Chief Council Secretary (1)3

Staff in attendance : Mr Joey LO
Senior Council Secretary (1)8

Mr Terence LAM
Council Secretary (1)3

Ms May LEUNG
Legislative Assistant (1)3

Miss Zoe YIP
Clerical Assistant (1)3

Action

I. Confirmation of minutes of meeting

(LC Paper No. CB(1)330/19-20 -- Minutes of meeting held on
19 November 2019)

The minutes of meeting held on 19 November 2019 were confirmed.

II. Information paper issued since last meeting

(LC Paper No. CB(1)293/19-20(01) -- Information paper on the financial
position of the Applied Research
Fund for the period from 1 June to
31 August 2019)

2. Members noted the above paper issued since the last meeting.

III. Date of next meeting and items for discussion

(LC Paper No. CB(1)329/19-20(01) -- List of outstanding items for
discussion

LC Paper No. CB(1)329/19-20(02) -- List of follow-up actions)

3. Members noted that the next regular Panel meeting would be held on
18 February 2020 at 2:30 pm to discuss the following items proposed by the
Administration –

- (a) Latest development of the Hong Kong Science Park and industrial estates; and
- (b) Hong Kong's participation in the Belt and Road Initiative.

(Post-meeting note: Members were informed under LC Paper No. CB(1)405/19-20 dated 12 February 2020 that on consideration of the latest situation of the novel coronavirus infection, the Chairman decided to cancel the above February regular meeting.)

IV. Findings of the survey of companies in Hong Kong with parent companies located outside Hong Kong and the survey of startups in Hong Kong

(LC Paper No. CB(1)329/19-20(03) -- Administration's paper on "Findings of the Survey of Companies in Hong Kong with Parent Companies Located outside Hong Kong and the Survey of Startups in Hong Kong"

LC Paper No. CB(1)329/19-20(04) -- Paper on the two annual surveys conducted by Invest Hong Kong prepared by the Legislative Council Secretariat (background brief)

Presentation by the Administration

4. At the invitation of the Chairman, Director-General of Investment Promotion ("DGIP") briefed members on the key findings of two surveys in 2019, namely, the survey of companies in Hong Kong with parent companies located outside Hong Kong (conducted by Invest Hong Kong ("InvestHK") in collaboration with the Census and Statistics Department) and the survey of startups in Hong Kong (conducted by InvestHK). Details were set out in the Administration's paper (LC Paper No. CB(1)329/19-20(03)).

Discussion

Source countries of inward investment

5. Mr CHAN Chun-ying noted in the findings of the 2019 survey of companies in Hong Kong with parent companies located outside Hong Kong that the total number of persons engaged by these companies reached 493 000, but there was no details of which source country/territory with companies set up in Hong Kong

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created the most local employment. Mr CHAN said that InvestHK should consider putting up extra promotion efforts to attract more companies from that source country/territory to set up business operations in Hong Kong, thereby creating more local employment. In this regard, Mr CHAN requested and Associate Director-General of Investment Promotion 3 ("ADG3") undertook to provide information on the number of persons engaged by business operations in Hong Kong with parent companies located outside Hong Kong, with a breakdown by source country/territory.

6. Ir Dr LO Wai-kwok said that when compared to the setting up of regional offices ("ROs") and local offices ("LOs"), the setting up of regional headquarters ("RHQs") by international businesses in Hong Kong would be of greater significance to Hong Kong economy. He then enquired about the breakdown of RHQs in Hong Kong by source country/territory, and the measures taken by the Administration to attract more international businesses to set up RHQs in Hong Kong.

7. DGIP said that the overall situation of the projects completed in 2019 by InvestHK largely tallied with the results of the two surveys, with the top five source countries being Mainland China, the United States ("US"), the United Kingdom ("UK"), Japan and France. Members of the Association of Southeast Asian Nations as a whole were also becoming a significant source of foreign direct investment ("FDI") in Hong Kong. InvestHK would continue to promote the business opportunities which Hong Kong could offer to large international and Mainland businesses in a targeted and customized approach. ADG3 added that in terms of RHQs in Hong Kong, among the major source countries/territories, Mainland China recorded the largest growth of 40.3% over 2017, followed by France (18.5%), UK (15.6%) and Germany (11.5%).

Factors affecting Hong Kong's attractiveness for inward investment

8. Mr CHAN Chun-ying noted that the top unfavourable factors of Hong Kong as a location for setting up business were all associated with costs of accommodation and staff, and that Hong Kong had recently been ranked the world's most costly city by the Global Wealth and Lifestyle Report 2020 published by a Swiss private bank. Given such deterrent factors, he enquired about the Administration's measures to attract direct investment from Mainland and overseas. Mr CHAN also suggested that in the survey of startups, the favourable and unfavourable factors of Hong Kong as a destination for startups should also be identified so that more targeted strategies to attract startups could be formulated.

9. DGIP said when Mainland or overseas companies came to invest in Hong Kong, they were focusing on different business opportunities Hong Kong had to offer, such as opportunities offered by Hong Kong itself, or as a gateway to the

Guangdong-Hong Kong-Macau Greater Bay Area ("Greater Bay Area") or to Asia or to Belt and Road markets. Companies assisted by InvestHK would be asked about the factors influencing their investment decisions. InvestHK would make reference to the gathered information to develop its promotional messages for general marketing uses, and to tailor make propositions for individual investors. On the costs issue, he said InvestHK would discuss with companies ways to mitigate the costs of market entry in Hong Kong, for example, by making use of co-work spaces at the initial stage.

10. Noting that 3% of the respondents of the survey of companies in Hong Kong with parent companies located outside Hong Kong had planned to phase out or relocate outside Hong Kong part or all of the business in Hong Kong, Ms Elizabeth QUAT said that InvestHK should get to know the reasons and find out if it was due to the recent social incidents arising from the Fugitive Offenders and Mutual Legal Assistance in Criminal Matters Legislation (Amendment) Bill 2019. In this regard, she enquired about the Administration's measures to restore the confidence of the international investors in Hong Kong, and what measures the Administration would take to help startups tide over the difficult times.

11. DGIP responded that InvestHK had significantly stepped up aftercare efforts to address the concerns of existing overseas and Mainland companies in Hong Kong and their parent companies in view of the social incidents in Hong Kong. While some potential investors were putting investment decisions on hold or adopting a wait-and-see approach, others had nonetheless proceeded with their investment plans in Hong Kong. Meanwhile, existing investors which were concerned about the local situation were considering contingency plans rather than planning their exit from Hong Kong. Looking ahead, FDI remained reasonably robust, and InvestHK would continue to engage both existing and potential investors to provide them with information on the latest situation in Hong Kong, and to closely monitor investment sentiments through its overseas representative offices. To help local and international startups in Hong Kong tide over the difficult times, the Administration had introduced a number of support schemes. In the preceding week, InvestHK held a seminar to share with the representatives of the international business community the different support packages which were available to them.

12. Mr Alvin YEUNG enquired whether overseas and Mainland companies would take into account the ratings of Hong Kong by international credit rating agencies when making direct investment decisions in Hong Kong, and how the Administration would respond to negative feedback from the international community on issues such as the governance and degree of autonomy of Hong Kong.

13. DGIP said that a downgrade in credit ratings could have an impact on the cost of capital for businesses. Nevertheless, besides looking at credit ratings and findings of surveys on business environment which were relatively minor factors, international investors would consider, most of all, business opportunities on offer and revenue generation when making investment decisions. Credit ratings alone could not provide a holistic picture of the attractiveness of a city for direct investment. InvestHK's overseas representative offices had been closely liaising with the international business community, and regularly reporting their views and concerns to the head office.

14. Noting that the two surveys were conducted from June to August 2019, Mr YIU Si-wing said that the findings might not fully reflect the change in investment sentiments as a result of the recent social incidents in Hong Kong. He enquired about the timing for conducting the next round of surveys. Mr YIU also enquired about the proportion of local vis-à-vis expatriate staff among the 493 000 persons engaged by overseas and Mainland companies in Hong Kong, as well as the number of companies coming to set up business in Hong Kong due to its close economic relationship with the Mainland.

15. DGIP said that the next round of surveys would be conducted around the same period this year from June to August 2020, and the findings would reflect the updated situation of investment sentiments on Hong Kong. ADG3 added that the data compiled by the Census and Statistics Department did not cover the proportion of local vis-à-vis expatriate staff among the 493 000 persons engaged by Mainland and overseas companies in Hong Kong. Generally speaking, a simple and low tax system, rule of law and geographical location were among the attractiveness of Hong Kong to international businesses, with a large number of them aiming at access to the Mainland market.

16. Mr YIU Si-wing said that it would be desirable for the Administration to compile more information on the attractiveness of Hong Kong as a destination for FDI, in order to gauge more accurately Hong Kong's competitive edge. In this regard, he enquired whether access to the Greater Bay Area market was taken as an important factor for the international businesses. He also considered it important to compile statistics on the proportion of local vis-à-vis expatriate staff among the 493 000 persons engaged by the international businesses.

17. DGIP estimated that around 90% of the companies which InvestHK had worked with were aiming at business opportunities in the Mainland. InvestHK had begun to collect data on how many of them were looking for opportunities in the Greater Bay Area in particular. Among the projects completed by InvestHK in 2019, around 47% and 36% of the companies concerned considered access to the Greater Bay Area and Belt and Road markets respectively as one of the factors in their investment/expansion decisions.

18. Dr CHIANG Lai-wan said that as Hong Kong's leading edge had continued to diminish when compared to other Mainland or neighbouring cities, the Administration should formulate more measures, such as tax concessions, to attract foreign businesses to invest in Hong Kong. In response to Dr CHIANG's enquiry about how international businesses would compare Hong Kong to other Mainland or neighbouring cities in making decisions on where to locate their RHQs/ROs/LOs, DGIP advised that the most important considerations for international businesses were the end market which they aimed for, and whether the location they chose could in turn help them generate the most revenue. These two factors therefore formed the focus of InvestHK's engagement with international businesses. Other factors, such as the availability of health care services and school places, were far less significant.

19. Mr WONG Ting-kwong enquired about the Administration's assessment of the outlook of Hong Kong's business environment and its attractiveness to overseas businesses in the midst of the uncertainties brought by the ongoing social incidents and the China-US trade conflicts.

20. DGIP replied that Hong Kong was indeed facing a challenging business environment. While external factors such as the slowdown of the global economy were beyond Hong Kong's control, the Administration's top priority was to restore Hong Kong's law and order so as to dispel the uncertainties deterring FDI. InvestHK would continue to engage international investors to promote Hong Kong's opportunities for them to grow their businesses.

V. Trade relations between the Mainland and Hong Kong – Amendments to the Agreement on Trade in Services of the Mainland and Hong Kong Closer Economic Partnership Arrangement

(LC Paper No. CB(1)329/19-20(05) -- Administration's paper on "Trade Relations between the Mainland and Hong Kong – Amendments to the Agreement on Trade in Services of the Mainland and Hong Kong Closer Economic Partnership Arrangement"

- LC Paper No. CB(1)329/19-20(06) -- Paper on the Mainland and Hong Kong Closer Economic Partnership Arrangement prepared by the Legislative Council Secretariat (updated background brief)
- LC Paper No. CB(1)343/19-20(01) -- Administration's paper on "Trade relations between the Mainland and Hong Kong — Amendments to the Agreement on Trade in Services of the Mainland and Hong Kong Closer Economic Partnership Arrangement" (PowerPoint presentation material)
(Chinese version only, tabled at the meeting and subsequently issued on 21 January 2020)

Presentation by the Administration

21. At the invitation of the Chairman, Director-General of Trade and Industry ("DGTI") briefed members that the Hong Kong Special Administrative Region Government and the Ministry of Commerce had signed on 21 November 2019 under the framework of the Mainland and Hong Kong Closer Economic Partnership Arrangement ("CEPA") an Agreement to amend the CEPA Agreement on Trade in Services ("Amendment Agreement"). With the aid of PowerPoint presentation, Assistant Director-General of Trade and Industry (Mainland) highlighted some of the new liberalization measures introduced by the Amendment Agreement. Details were set out in the Administration's papers (LC Paper Nos. CB(1)329/19-20(05) and CB(1)343/19-20(01)).

Discussion

Construction and related engineering services

22. Ir Dr LO Wai-kwok considered the signing of the Amendment Agreement a good news for Hong Kong services industry. He recalled his joint letter with Mr Tony TSE to the Ministry of Housing and Urban-Rural Development of the People's Republic of China ("MOHURD") in April 2018, suggesting a proposal for the Mainland to relax the restrictions with regard to the scope of projects undertaken by Hong Kong construction and engineering enterprises in the Mainland. MOHURD took the proposal very positively and agreed to consider removing the relevant restrictions under the framework of CEPA. Ir Dr LO was pleased that, with the assistance of the Trade and Industry Department ("TID") in following up with the Mainland authorities, the Amendment Agreement had included a number of

new liberalization measures for the construction and related engineering services.

23. Ir Dr LO Wai-kwok said that practitioners of different industries were keen to know more about the implementation arrangements for the new liberalization measures, for example, the application procedures and contact points in the Mainland for Hong Kong construction and engineering professionals to register for practice in the Mainland. He suggested that the Administration should publish guidelines on the application for the preferential treatments under CEPA onto a dedicated webpage and provide a contact point for answering further enquiries.

24. DGTI responded that the specific case as mentioned by Ir Dr LO Wai-kwok had illustrated the way in striving for new liberalization measures under the framework of CEPA. In that case, the trade's request was referred to MOHURD for consideration. The State Council then promulgated in November 2018 the "Notice Concerning Certain Support Measures to Deepen Reforms and Innovations in the Pilot Free Trade Zones" to allow Hong Kong trade to participate in more Mainland construction and related engineering projects under the framework of CEPA. Similarly, the new liberalization measures in the Amendment Agreement were also concluded after the discussions between the respective government bureaux/departments ("B/Ds") and their counterparts in the Mainland.

25. On the implementation of the new liberalization measures, DGTI emphasized the importance of raising the trade's awareness of the contents of CEPA as and when updates were available. Following the signing of the Amendment Agreement, TID had met with the relevant trade to brief them on the details of the respective new liberalization measures. TID planned to organize a CEPA Forum later to facilitate the trade to get familiar with the new liberalization measures and related implementation arrangements. The trade would have the opportunities to meet with representatives from Mainland ministries at the CEPA Forum and share views on practical questions they might have in utilizing the new liberalization measures. TID would also, in collaboration with other B/Ds, make available all the latest information (including contact points in the Mainland) in relation to the implementation of the CEPA measures on CEPA's dedicated webpage.

26. DGTI added that enquiry hotlines were available to handle relevant questions and receive feedbacks from the trade. The trade might also send their comments to the relevant B/Ds for follow up.

27. Noting that the Amendment Agreement had included facilitation measures to help construction and engineering professionals enter the Mainland market and develop their businesses through mutual recognition of qualifications, Dr CHIANG Lai-wan enquired whether such measures were initiated by the Mainland or proposed by the relevant professional services sectors.

28. DGTI replied that TID worked closely with the Development Bureau to follow up the trade's request for mutual recognition of construction and engineering qualifications. The Administration also took the opportunity to renew the expired agreements for mutual recognition of structural engineers, planners, building surveyors and architects. Apart from the mutual recognition of construction and engineering qualifications as stated in the Amendment Agreement, CEPA also provided for mutual recognition of other professional qualifications.

29. DGTI added that in addition to mutual recognition of professional qualifications, the Amendment Agreement had provided for a new liberalization measure for Hong Kong professionals, whereby Hong Kong General Practice Surveyors could directly register for practice in Qianhai of Shenzhen, Hengqin of Zhuhai and Nansha of Guangzhou to provide property valuation services, without the need to acquire the Mainland's professional qualifications through taking examination or mutual recognition. The Administration would explore the possibilities to extend such measure to other Hong Kong professional services in the future.

Banking services

30. Mr CHAN Chun-ying welcomed the signing of the Amendment Agreement, which included nine measures in relation to the banking services. Referring to the Mainland's policy support for launching cross-boundary financial management pilot programmes, Mr CHAN enquired about the exact timing for the announcement of the relevant implementation arrangements.

31. Mr CHAN Chun-ying also referred to the measure to support Hong Kong-funded non-bank payment institutions to conduct electronic payment business in the Mainland. Similar to what the Octopus Cards Limited had done in the past, it was anticipated that non-bank payment institutions would choose to provide electronic payment services at the public transport system in the Mainland as its entry point to the Mainland market. In this regard, Mr CHAN asked whether the Administration and/or the Mainland authorities would provide any specific support for the non-bank payment institutions to start their businesses in the Mainland, say by encouraging the Mainland public transportation operators to use the electronic payment services provided by Hong Kong-funded non-bank payment institutions.

32. DGTI responded that the Mainland had provided policy support for the two mentioned measures. The Financial Services and the Treasury Bureau ("FSTB") was discussing with its counterparts in the Mainland the implementation details of the measures. It was hoped that some progress could be made before the CEPA

Forum.

33. Mr CHAN Chun-ying sought clarifications on whether TID (which was responsible for discussing with the Mainland authorities measures to enrich the content of CEPA) or FSTB (which assumed the policy responsibilities in respect of, among others, the banking system and financial cooperation with the Mainland) should be contacted to further discuss the implementation arrangements of the new measures in relation to the banking services.

34. DGTI replied that the CEPA Agreement on Trade in Services had covered many industries which fell within the portfolios of different B/Ds. Individual B/Ds would determine the policy directions and take the lead in formulating proposals for promoting the further liberalization and facilitation of trade and investment between the Mainland and Hong Kong under their respective purviews. TID worked closely with B/Ds in the development and implementation of free trade agreements signed between Hong Kong and other economies, including CEPA. Specifically, TID gathered proposals from individual B/Ds on new liberalization measures or implementation of existing measures, and followed up with the Ministry of Commerce under the framework of CEPA. DGTI added that members and the trade might send their views to TID and/or relevant B/Ds (i.e. FSTB for banking services related measures).

Financial services

35. Mr Christopher CHEUNG noted that the Amendment Agreement had introduced various new liberalization measures for the securities services. He reiterated that in order to develop cross-boundary financial services, it was equally important to strive for the Mainland's policy support for the securities industry to develop verification service in remote account opening. Without such policy, the industry was unable to provide "remote cross-border account opening" services and connect with its customers in a non-face-to-face situation. He requested TID to assist in striving for the necessary policy support as soon as possible.

36. DGTI said that the new liberalization measures provided in the Amendment Agreement for the securities industries would promote the development of the fund and securities markets in both places. Specifically, FSTB had been following up on issues relating to online client onboarding. DGTI welcomed Mr Christopher CHEUNG to provide more information for TID and relevant B/Ds to follow up.

Tourism services

37. Mr YIU Si-wing declared that he worked in a group with one of the subsidiaries winning a bid for the provision of management services in the East Artificial Island of the Hong Kong-Zhuhai-Macao Bridge ("HZMB"). Mr YIU welcomed the optimization of the "144-hour visa-exemption transit" policy for foreign group tours entering the Pearl River Delta Area and Shantou from Hong Kong as it could promote multi-destination tourism and attract more overseas visitors to the Mainland via Hong Kong, thus boosting the ratio of non-Mainland visitor arrivals (22% of the total visitor arrivals in 2019). He asked when the optimized policy would be implemented and whether such policy would cover HZMB's East Artificial Island, which might be opened to tourists soon.

38. Assistant Commissioner for Tourism 1 ("AC(T)1") advised that the Amendment Agreement had provided a broad policy direction on optimizing the "144-hour visa-exemption transit" policy for foreign group tours entering the Pearl River Delta Area and Shantou from Hong Kong through increasing the number of inbound control points and expanding the area allowed to stay. The Administration had been closely liaising with the relevant Mainland ministries on the details of the measure and would update the tourism trade once details were available.

39. Pointing out the importance for the Governments of Hong Kong, Guangdong and Macao to join hands to take forward the initiative of multi-destination tourism, Mr YIU Si-wing asked whether the three Governments had prepared any budget, plan and timetable for developing multi-destination tourism and whether there was any specific cooperation project under discussion. Mr YIU also enquired whether the Administration had any plan or allocated any resources for introducing specific measures to support the tourism trade to develop multi-destination products.

40. AC(T)1 responded that the Tourism Commission had been keeping close liaison with its counterparts of Guangdong, Macao and other relevant Mainland cities such as Guangzhou and Shenzhen, on the development of multi-destination tourism. Besides, the Administration had been actively supporting the development of multi-destination tourism. For instance, the Administration had provided additional funding to the Travel Industry Council of Hong Kong ("TIC") to further encourage the tourism trade to develop more multi-destination tourism products. TIC would continue to organize visits to the Greater Bay Area and business forums for the local trade to explore business opportunities with trade members in the area. The most recent visit was held in January 2020 to Hengqin.

41. Dr CHIANG Lai-wan asked whether her previous suggestion to the Administration on "144-hour visa-exemption transit" policy had been included in the Amendment Agreement so as to facilitate foreign visitors to visit the Mainland

via Hong Kong.

42. DGTI replied that the Mainland had provided in the Amendment Agreement its policy support for optimizing the "144-hour visa-exemption transit" policy for foreign group tours entering the Pearl River Delta Area and Shantou from Hong Kong through increasing the number of inbound control points and expanding of the area allowed to stay.

43. AC(T)1 supplemented that CEPA had provided two major liberalization measures in this regard. Under the existing policy of the "144-hour facilitation visa" policy in Guangdong Province, foreign visitors might visit Guangdong Province by joining tour groups organized by registered Hong Kong travel agents who would apply for the facilitation visas for the tour groups through Guangdong travel agents. On the other hand, the "144-hour visa-exemption transit" policy as stated in the Amendment Agreement would provide further convenience to foreign visitors as there would no longer be a need to apply for visa before visiting the Pearl River Delta Area and Shantou.

Legal services

44. Dr CHIANG Lai-wan noted that, under the Amendment Agreement, Hong Kong legal practitioners would, after passing the special examination, be qualified to provide legal services in the Greater Bay Area and to engage in matters on specific areas of Mainland law. She sought clarification on whether the special examination would be tailored to Hong Kong legal practitioners so that the legal terminologies and styles could be suitably adjusted. She also hoped that the areas of Mainland law which were allowed to be practised by Hong Kong legal practitioners passing the special examination would be wide enough to attract more Hong Kong legal practitioners to sit the examination.

45. DGTI said that the liberalization measure would be applicable to Hong Kong barristers and solicitors. While the Department of Justice ("DoJ") was discussing with the relevant Mainland authorities the content and mode of the special examination, it was expected that the special examination would to a certain extent be tailored to Hong Kong legal practitioners. Currently, a Hong Kong resident who had obtained the Mainland lawyer's practice certificate could practise as a lawyer in the Mainland only in certain areas in accordance with the specific scope of permitted business provided in the relevant provisions of the judicial administrative authority. Similarly, Hong Kong legal practitioners passing the special examination would only be allowed to engage in specific areas of Mainland law. The exact scope would be finalized after the discussion between DoJ and its counterparts in the Mainland.

Medical services

46. Following the development of the Greater Bay Area, Dr CHIANG Lai-wan considered that Hong Kong-based private healthcare groups would be eager to set up medical institutions in the Greater Bay Area to provide Hong Kong-style services to Hong Kong people living and working there. She asked whether Hong Kong's healthcare professionals were eligible to practise in the Mainland.

47. DGTI replied that under CEPA, Hong Kong service suppliers might set up medical institutions in the Mainland in the form of wholly-owned entity, or in the form of equity or contractual joint venture with Mainland's medical institutions. Principal Trade Officer of Trade and Industry supplemented that statutory healthcare professionals who had registered to practise in Hong Kong might provide short-term services in the Mainland. Eligible Hong Kong permanent residents might sit the Mainland's Qualification Examinations for Medical Practitioners in clinical medicine, traditional Chinese medicine or dental medicine. A Medical Practitioner's Qualification Certificate would be issued to those who passed the examination.

Trade in goods

48. Following the implementation of the Agreement on Trade in Goods under CEPA from 1 January 2019, Dr CHIANG Lai-wan was keen to ensure that all goods of Hong Kong origin could enjoy zero tariff preference upon importation into the Mainland.

49. DGTI replied that the Agreement on Trade in Goods under CEPA had affirmed that all goods of Hong Kong origin could enjoy zero tariff preference upon importation into the Mainland. Before the implementation of the Agreement on Trade in Goods, goods imported into the Mainland with zero tariff under CEPA must be produced in Hong Kong and must fulfil the specific rules of origin ("ROOs") agreed by the two sides. Hong Kong and the Mainland had developed Product Specific ROOs ("PSRs") for some 1 900 items of goods under CEPA. Following the signing of the Agreement on Trade in Goods, a general ROO ("General Rule") based on the calculation of the value added to the products in Hong Kong was introduced, thus allowing products without PSRs to instantly enjoy zero tariff upon importation into the Mainland subject to the fulfillment of the General Rule. While the General Rule was welcomed by the trade, PSRs continued to cater for the needs of the trade and the uniqueness of certain products. At the request of Dr CHIANG Lai-wan, DGTI undertook to provide information on (a) the total number of items of Hong Kong goods imported into the Mainland under CEPA zero tariff preference in 2018 and 2019; and (b) the major type of Hong Kong goods imported into the Mainland under CEPA zero tariff preference in 2019.

(Post-meeting note: The information provided by the Administration was circulated to members on 28 February 2020 (LC Paper No. CB(1)432/19-20(01)).)

VI. Any other business

50. There being no other business, the meeting ended at 4:13 pm.

Council Business Division 1
Legislative Council Secretariat
6 March 2020