

Legislative Council Panel on Commerce and Industry

2019 Policy Address

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

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

Our vision

2. The Hong Kong Special Administrative Region (“HKSAR”) Government will, under the “one country, two systems” principle, capitalise on the enormous growth opportunities arising from the 13th Five-Year Plan (“13-5” Plan), the Belt and Road Initiative and the development of the Guangdong-Hong Kong-Macao Greater Bay Area (“Greater Bay Area development”) to enhance co-operation with the Mainland on various fronts through a series of initiatives with a view to expanding Hong Kong’s scope for further development. We will also foster exchanges with Taiwan through the existing co-operation platform in a pragmatic manner.
3. The on-going initiatives we will continue to implement are highlighted as follows –

- (a) implement the development strategies related to Hong Kong in the Outline of “13-5” Plan, with a view to consolidating and enhancing Hong Kong’s competitive advantages and complementing the long-term development of the country;
- (b) take forward Hong Kong’s participation in the Greater Bay Area development proactively, pursue policy innovation and breakthrough which strengthen the interconnectivity of the flow of people, goods, capital and information amongst Guangdong, Hong Kong and Macao, as well as explore and identify the economic, social and livelihood opportunities

brought by the development of the Greater Bay Area to Hong Kong;

- (c) deepen regional co-operation through our co-operation mechanisms with the Pan-Pearl River Delta region (“PPRD”), the Guangdong, Fujian and Sichuan Provinces, the municipalities of Beijing, Shanghai and Shenzhen and the Macao Special Administrative Region, and promote regional co-operation with the other provinces and municipalities by adopting a pragmatic approach and launching initiatives once they are ready;
- (d) continue to foster economic, trade and cultural exchanges and co-operation between Hong Kong and Taiwan; and
- (e) continue to maintain close liaison with the Mainland authorities to better understand the details of the facilitation measures and their implementation, step up efforts in disseminating the latest information, continue to reflect to the relevant authorities the views of Hong Kong people and strive for more facilitation policies and measures to be put in place.

Detailed measures

The “13-5” Plan

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

Guangdong-Hong Kong-Macao Greater Bay Area development

5. The Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area (“Outline Development Plan”) promulgated by the Central Government on 18 February 2019 signifies the Greater Bay Area development has entered a key stage of fully fledged implementation. The HKSAR Government will, following the guiding direction set out in

the Outline Development Plan, take an important leading role in the Greater Bay Area development. In 2019, the HKSAR Government continued to strengthen cooperation with major partners in the Greater Bay Area and held the 13th Hong Kong/Shenzhen Co-operation Meeting, the 21st Plenary of the Hong Kong/Guangdong Co-operation Joint Conference and the 11th Hong Kong Macao Co-operation High Level Meeting on 29 April, 16 May and 26 September respectively.

6. The Chief Executive, in her capacity as a member, attended the second plenary meeting of the Leading Group for the -Hong Kong-Macao Greater Bay Area (“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. After the meeting, the Chief Executive 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 policy measures include the method for calculating “183 days” for paying individual income tax on the Mainland (that is, any stay of less than 24 hours on the Mainland will not count as a day of presence); providing tax relief by municipal governments to non-Mainland (including Hong Kong) high-end talents and talents in short supply tax by offsetting the tax differential between the two places; 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 cities of the Greater Bay Area by the youth of Hong Kong and Macao; supporting higher education institutions and scientific research institutes from Hong Kong and Macao to participate in projects under Guangdong technology programmes; 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 implementation scope of the connection with the Speedy Customs Clearance between Customs administrations.

7. The HKSAR Government will make good use of the Chief Executive’s membership of the Leading Group, will continue to leverage Hong Kong’s strengths to serve the needs of the country, and will explore and identify economic, social and livelihood opportunities brought by the development of the Greater Bay Area to Hong Kong, thereby providing Hongkongers with more lifestyle and career development choices. The HKSAR Government’s future work focuses in taking forward the Greater

Bay Area development include: (i) consolidating and enhancing Hong Kong's status as international financial, transportation and trade centres, as well as an international aviation hub; (ii) developing an international innovation and technology hub; (iii) strengthening infrastructural connectivity amongst Greater Bay Area cities; (iv) expanding the scope of development for sectors in which Hong Kong's strengths lie; (v) fostering youth innovation and entrepreneurship; and (vi) fully utilising Hong Kong's international connections and networks to promote the Greater Bay Area overseas and attract capital and talents to the Greater Bay Area.

Enhanced co-operation with the Mainland

8. The HKSAR Government has strengthened co-operation with Mainland provinces, municipalities and autonomous regions and actively performed its role as a “facilitator” and “promotor”, with a view to creating more business and development opportunities for Hong Kong people and enterprises. Co-operation areas include trade, finance, innovation and technology, creative industries, youth exchanges, etc. In the past year, the HKSAR Government has deepened regional co-operation by participating in the PPRD co-operation platform, convening plenary sessions of the Hong Kong/Beijing Co-operation Conference and the Hong Kong/Fujian Co-operation Conference, and implementing the co-operation items agreed at the Hong Kong/Sichuan Co-operation Conference and the Hong Kong/Shanghai Co-operation Conference. The HKSAR Government has also promoted regional co-operation with other provinces, municipalities and autonomous regions by adopting a pragmatic approach and launching initiatives once they are ready.

Enhanced Co-operation with the PPRD Region

9. The co-operation mechanism with the PPRD region is an important regional co-operation platform encompassing nine provinces/autonomous regions¹ in the Mainland and the Hong Kong and Macao SARs, and accounting for more than one-third of the country's population and gross domestic product. On 6 September 2019, the Chief Executive led the HKSAR Government delegation to participate in the 2019 PPRD Regional Co-operation Chief Executive Joint Conference held in Nanning, Guangxi Zhuang Autonomous Region, promoting Hong Kong's co-operation with the PPRD provinces/regions in the development of the Greater Bay Area, the Belt and Road Initiative, and the transport and

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

logistics sector, etc. Hong Kong will co-operate with them to explore overseas market opportunities and promote regional economic development by leveraging its unique advantages under “one country, two systems” and its highly open and internationally-aligned economic and legal systems, as well as the huge market offered by the Greater Bay Area and the PPRD provinces/regions.

10. During her visit to Guangxi in September this year, the Chief Executive took the opportunity to meet with the Secretary of the Guangxi Zhuang Autonomous Region Committee and the Chairman of the Autonomous Region. The two sides had an in-depth discussion and agreed to enhance co-operation in areas including transport and logistics, education, medical and health care, testing and certification, tourism and youth development.

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

11. On 24 October 2018, the Chief Executive and the Mayor of Beijing co-chaired the Fourth Plenary Session of the Hong Kong/Beijing Co-operation Conference in Beijing. The two sides reached consensus on eight co-operation areas, namely, the Belt and Road Initiative and economic and trade co-operation; services industries; innovation and technology; cultural and creative industries; education and training of civil servants; city management and public services; youth development; and facilitation measures for Hong Kong people in the Mainland.

12. In early November 2018, the Sichuan-Hong Kong-Macao Co-operation Week was held in Hong Kong. That was the first large-scale co-operation event between Hong Kong and Sichuan after the First Plenary Session of the Hong Kong/Sichuan Co-operation Conference was convened in May 2018. The Secretary of the Sichuan Provincial Committee led a delegation to visit Hong Kong and joined the Chief Executive and other officials of the HKSAR Government to attend a series of events, including a seminar on logistics co-operation, a forum on economic and trade co-operation, and the 2018 Sichuan Nature Conservation Week held in the Ocean Park.

13. On 28 November 2018, the Chief Secretary for Administration and the Vice-Governor of Fujian Province co-chaired the Third Plenary Session of the Hong Kong/Fujian Co-operation Conference in Fuzhou, Fujian. The two sides reached consensus on exchanges and co-operation

in ten areas, namely close liaison and exchanges; trade and investment; joint participation in Belt and Road Initiative; innovation and technology co-operation; youth exchanges; facilitation measures for Hong Kong people in the Mainland; finance; cultural and creative industries; tourism; and education.

14. Hong Kong and Shanghai have actively implemented the co-operation items agreed at the Fourth Plenary Session of the Hong Kong/Shanghai Co-operation Conference held in August 2018. For example, the HKSAR Government participated and will participate in the China International Import Expo in Shanghai in November 2018 and November 2019 respectively, and will hold Festival Hong Kong 2019 - A Cultural Extravaganza@Shanghai, a mega cultural event, in Shanghai in November 2019.

15. The HKSAR Government will continue to enhance liaison and co-operation with Mainland provinces, municipalities and autonomous regions through co-operation mechanisms, visits by senior officials and the five offices and 11 liaison units in the Mainland.

Development of Hong Kong–Taiwan relations

16. We will continue to pragmatically foster economic, trade and cultural exchanges and co-operation between Hong Kong and Taiwan through the platform of the Hong Kong-Taiwan Economic and Cultural Cooperation and Promotion Council and the Taiwan-Hong Kong Economic and Cultural Co-operation Council. Our Hong Kong Economic, Trade and Cultural Office in Taiwan will continue to conduct promotion and liaise with Hong Kong people and businessmen in Taiwan.

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

17. The relevant Central Government departments have introduced a number of policy measures to facilitate Hong Kong people studying, working and living in the Mainland. For instance, since 1 September 2018, Hong Kong residents living in the Mainland who meet the relevant criteria can apply for residence permits. A residence permit holder is entitled to enjoy, in accordance with the law, a series of rights, basic public services and facilitation measures in the place where he or she is residing, covering areas of daily living including employment, education, medical care, travel, financial services, etc.

18. In May this year, to further facilitate Hong Kong and Macao residents to use the Hong Kong and Macao Residents Entry and Exit Permits (commonly known as the “Home Return Permits”) for receiving government and public services and handling personal matters in the Mainland, the National Immigration Administration announced the establishment of a service platform for the use of entry and exit permits for identity authentication. The Mainland authorities concerned will promote the use of the platform by the relevant government departments, organisations and enterprises, with a view to facilitating the use of the Hong Kong and Macao Residents Entry and Exit Permits in areas of transport, finance, communications, education, healthcare, social security, industry and commerce, taxation, accommodation, etc.

19. The HKSAR Government will continue to maintain close liaison with the Mainland authorities in order to keep track of the implementation of the facilitation measures, disseminate the latest information, and strive for more facilitation policies and measures, thereby enabling Hong Kong people to capitalise on the opportunities brought about by the development of the country.

Conclusion

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

Constitutional and Mainland Affairs Bureau
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