

Legislative Council Panel on Commerce and Industry

The Chief Executive's 2021 Policy Address

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

This paper briefs Members on the policy initiatives of the Constitutional and Mainland Affairs Bureau (CMAB) in relation to Mainland co-operation. Panel paper on policy initiatives relating to improving the electoral system, implementing the principle of “patriots administering Hong Kong”, promotion of the Constitution of the People’s Republic of China (the Constitution) and the Basic Law of the Hong Kong Special Administrative Region of the People’s Republic of China (the Basic Law), promotion of equal opportunities and elimination of discrimination, etc., has been separately submitted to the Panel on Constitutional Affairs for discussion.

Our vision

2. Over the past two years, Hong Kong has encountered unprecedented political challenges. The Central Authorities have made two major moves, comprising the promulgation and implementation of the Law of the People’s Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region and improving the electoral system of the Hong Kong Special Administrative Region (HKSAR), to put the implementation of “One Country, Two Systems” in the HKSAR back on the right track. This has also boosted Hong Kong’s confidence in capitalising on our strengths and proactively integrating into the overall development of our country.

3. Hong Kong has the strong backing of the Motherland and the staunch support of the Central Government. Through capitalising on our strengths and enhancing our role in the Outline of the 14th Five-Year Plan for National Economic and Social Development of the People’s Republic of China and the Long-Range Objectives Through the Year 2035 (the 14th Five-Year Plan), development of the Guangdong-Hong Kong-Macao Greater Bay Area (the Greater Bay Area) and the dual circulation economic strategy of the Mainland, Hong Kong can enjoy unlimited business opportunities. The HKSAR Government will, under the “One Country, Two Systems” principle, capitalise on the enormous growth opportunities arising from the 14th Five-Year Plan and development of the Guangdong-Hong Kong-Macao Greater Bay Area 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.

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

New initiatives

- (a) Seek the Central Government's support for resuming quarantine-free travel of people between Hong Kong and the Mainland in a gradual, orderly and safe manner;
- (b) Proceed with the establishment of a new Hubei-Hong Kong high-level co-operation mechanism with the Hubei Province to strengthen co-operation between Hong Kong and Hubei on multiple fronts; and
- (c) Review the role of Mainland offices of the HKSAR Government and the effectiveness of their work, and examine the need to retitle these offices so as to better reflect their extensive duties.

On-going initiatives

- (a) Implement the 14th Five-Year Plan under the "One Country, Two Systems" principle, with a view to consolidating and enhancing Hong Kong's competitive advantages and maintaining Hong Kong's long-term prosperity and stability;
- (b) Take forward proactively the HKSAR's participation in the high-quality development of the Guangdong-Hong Kong-Macao Greater Bay Area, so as to better integrate into the overall development of our country;
- (c) Deepen regional co-operation through our co-operation mechanisms with the Pan-Pearl River Delta (PPRD) region, the Guangdong, Fujian and Sichuan Provinces, the Municipalities of Beijing, Shanghai and Shenzhen, as well as the Macao Special Administrative Region (SAR), and promote regional co-operation with other Mainland provinces and municipalities by adopting a pragmatic

approach and launching initiatives once they are ready;

- (d) Launch publicity programmes in the Mainland to rebuild confidence in Hong Kong to pave way for the resumption of economic activities and people flow between the two places in an orderly manner; and
- (e) Maintain close liaison with the Mainland authorities to proactively strive for and follow up on the implementation of policies and measures facilitating Hong Kong residents to study, work and live in the Mainland, and strengthen dissemination of the latest relevant information to Hong Kong residents.

Detailed measures

The National 14th Five-Year Plan

5. On 11 March this year, the National People's Congress approved the 14th Five-Year Plan. The part concerning Hong Kong and Macao states from the outset that to maintain the long-term prosperity and stability of Hong Kong, it is imperative to fully and faithfully implement the principle of "One Country, Two Systems", under which "the people of Hong Kong administer Hong Kong" with a high degree of autonomy; administer Hong Kong according to the rule of law; uphold the constitutional order as enshrined in the Constitution and the Basic Law; uphold the Central Authorities' overall jurisdiction over the HKSAR; implement the legal system and enforcement mechanisms for the HKSAR to safeguard national sovereignty; safeguard the sovereignty, security and development interests of our country as well as social stability of the HKSAR; and resolutely prevent and curb interference by external forces in the affairs of Hong Kong, etc.

6. The 14th Five-Year Plan establishes a clear positioning for Hong Kong's future development, covering three major development directions from political, economic and social perspectives. In addition to maintaining the long-term prosperity and stability of Hong Kong, the 14th Five-Year Plan supports Hong Kong in consolidating and enhancing its competitive advantages for better integration into the overall development of our country.

7. Apart from the continuous support for Hong Kong in enhancing its status as an international financial, transportation and trade centre, as

well as a centre for international legal and dispute resolution services in the Asia-Pacific region which are the four traditional centres, the 14th Five-Year Plan has raised for the first time the support for Hong Kong in four emerging sectors, namely supporting Hong Kong to enhance its status as an international aviation hub, and to develop into an international innovation and technology hub, a regional intellectual property trading centre, as well as a hub for arts and cultural exchanges between China and the rest of the world. Furthermore, the 14th Five-Year Plan mentions the support for high-quality development of the Guangdong-Hong Kong-Macao Greater Bay Area. All these demonstrate the confidence of the Central Authorities in Hong Kong's high degree of competitiveness in many aspects.

8. Under the new development pattern of our country featuring dual circulation, which takes the domestic market as the mainstay while enabling the domestic and international markets to interact positively with each other, and with the support of the 14th Five-Year Plan, Hong Kong will leverage on its advantages as a highly market-oriented and an international economy underpinned by the rule of law to proactively become a “participant” in domestic circulation and a “facilitator” in international circulation. We will also take the Guangdong-Hong Kong-Macao Greater Bay Area development as the best entry point to better integrate into the overall development of our country.

9. We, together with other relevant policy bureaux, reported to the Panel in June this year on the priority areas and latest progress of bureaux' efforts in seizing the opportunities under the 14th Five-Year Plan. The Chief Executive's 2021 Policy Address has also set out the work plan on supporting the enhancement of the four traditional centres and capitalising on the opportunities presented by the four emerging sectors. A factsheet setting out Hong Kong's strengths, present situation, as well as strategy and measures in respect of each of the “centres” was also printed. Besides, to facilitate members of the public to have a more in-depth understanding on the 14th Five-Year Plan, the HKSAR Government plans to produce a television programme to introduce the positioning of Hong Kong under the 14th Five-Year Plan as well as the opportunities and facilitation measures brought about by the Plan to Hong Kong, with a view to encouraging various sectors and the public to activity participate in and capitalise on the opportunities of integrating into the overall development of our country.

Guangdong-Hong Kong-Macao Greater Bay Area development

10. The development of the Guangdong-Hong Kong-Macao Greater Bay Area is a key development strategy in the country's reform and opening up for a new era, as well as a further step in enriching the practice of "One Country, Two Systems". It will also be a key direction for Hong Kong to regain economic impetus after the epidemic subsides. The HKSAR Government attaches great importance to the work relating to the development of the Guangdong-Hong Kong-Macao Greater Bay Area, and has introduced various policy measures in different areas to support Hong Kong residents and professionals who wish to live, work and start their businesses in the Mainland cities of the Greater Bay Area, as well as Hong Kong enterprises and industries which Hong Kong has clear advantages to make good use of the development opportunities of the Greater Bay Area. Such policy measures also help the Mainland cities of the Greater Bay Area to tap into international markets, leveraging on Hong Kong's role in "going global and attracting foreign investment".

11. The Leading Group for the Development of the Guangdong-Hong Kong-Macao Greater Bay Area (the Leading Group), which is chaired by Vice Premier of the State Council, Mr HAN Zheng, is a top-level institution of the Central Authorities for taking forward the development of the Greater Bay Area. The vast majority of the 24 policy measures announced after the two meetings of the Leading Group in 2019 have been implemented by now. They include: tax concessions; facilitation of property purchase; support for young entrepreneurs; cross-boundary remittance of science and technology funding; liberalisation of legal, insurance and construction-related professional services; the use of Hong Kong-registered drugs and common medical devices in designated Hong Kong-owned healthcare institutions in the Greater Bay Area; and Cross-Boundary Wealth Management Connect, etc. All of these measures can facilitate Hong Kong residents and professional sectors in making good use of the Greater Bay Area's opportunities and seeking development in the Mainland cities of the Greater Bay Area. On 22 April this year, the Chief Executive attended the thematic meeting of the Leading Group chaired by Vice Premier Mr HAN Zheng in Guangzhou.

12. Through the participation of the Chief Executive in the Leading Group as a member, the HKSAR Government will continue to fully reflect, at the national level, the aspirations of the residents and enterprises of Hong Kong to capitalise on the development opportunities of the Guangdong-Hong Kong-Macao Greater Bay Area. The HKSAR

Government has also been maintaining close contact with relevant Central Ministries and Commissions, the Guangdong Provincial Government, and the Macao SAR Government with a view to seeking policy innovation and breakthroughs in different areas, and strengthening connectivity between Hong Kong and other cities of the Greater Bay Area on the basis of “One Country, Two Systems”. The HKSAR Government will also proactively take forward the high-quality development of the Guangdong-Hong Kong-Macao Greater Bay Area based on the principles of complementarity and mutual benefits.

13. Within the HKSAR Government, the Chief Executive personally chairs the high-level Steering Committee for the Development of the Guangdong-Hong Kong-Macao Greater Bay Area (the Steering Committee), which comprises all Secretaries of Departments and Directors of Bureaux as members, to holistically co-ordinate the HKSAR’s participation in the development of the Greater Bay Area, including devising strategic objectives, policy measures and concrete work plans.

14. In November 2020, approval was given by the Finance Committee of the Legislative Council for the Constitutional and Mainland Affairs Bureau to formally establish the Guangdong-Hong Kong-Macao Greater Bay Area Development Office (the GBA Office). The GBA Office is the main unit of the HKSAR Government responsible for liaison with the Mainland authorities and the Macao SAR Government. The GBA Office is also responsible for strengthening internal co-ordination within the HKSAR Government, providing support for the Steering Committee, as well as fostering exchanges with local and overseas stakeholders, such as chambers of commerce and professional organisations. At the same time, the GBA Office disseminates information about the development of the Greater Bay Area to different sectors of the community more frequently and comprehensively through strategic publicity and promotion efforts. After the epidemic subsides, the GBA Office will organise larger scale publicity events to further enhance local and overseas promotion of the development of the Greater Bay Area. We will also encourage active participation by different sectors of society in the development of the Greater Bay Area to reap the benefits the development brings about.

15. On 14 May this year, the Chief Executive led the HKSAR delegation to convene, through video conferencing, the 22nd Plenary of the Hong Kong/Guangdong Co-operation Joint Conference, together with the Guangdong delegation led by Guangdong Governor Mr MA Xingrui.

The Hong Kong/Guangdong Co-operation Joint Conference was established in 1998 and is the closest co-operation platform between the HKSAR and the Mainland. At the conference, both sides held discussions on co-operation areas, including the development of the Guangdong-Hong Kong-Macao Greater Bay Area, support for Hong Kong enterprises to tap into the Mainland domestic market, finance, legal and dispute resolution services, innovation and technology, Safe Greater Bay Area, medicine and healthcare, youth development, education, cross-boundary infrastructure, equine industry, and investment promotion, etc. After the conference, both sides signed three co-operation agreements covering economic and trade areas, investment promotion and sports projects, as well as two agreements on equine industry co-operation.

16. Moreover, the Chief Executive and the Secretary of the Shenzhen Municipal Committee of the Communist Party of China (CPC), Mr WANG Weizhong, leading the delegations of the governments of the HKSAR and Shenzhen respectively, held the High-level Meeting cum Hong Kong/Shenzhen Co-operation Meeting 2021 in Shenzhen on 6 September this year. At the meeting, both sides discussed various areas of co-operation, including innovation and technology, financial services, professional services, Qianhai development, education co-operation, medical co-operation, youth development, investment promotion, environmental protection, culture and retirement services, etc. Hong Kong and Shenzhen will continue to promote high-level co-operation in different areas and make joint contribution to the development of the Guangdong-Hong Kong-Macao Greater Bay Area and the overall development of the country in the spirit of complementarity and mutual benefits. The governments of the HKSAR and Shenzhen have earlier agreed to set up 19 working groups to take forward Hong Kong/Shenzhen co-operation on all fronts.

17. The Central Authorities promulgated the Plan for Comprehensive Deepening Reform and Opening Up of the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone (the Qianhai Plan) on 6 September, which is a key strategic plan to elevate the level of co-operation amongst Guangdong, Hong Kong and Macao. The Qianhai Plan utilises modern service industries as an entry point to further promote Guangdong/Hong Kong and Hong Kong/Shenzhen co-operation, with a view to enabling Hong Kong to better integrate into the overall development of our country.

18. As clearly stated in the Outline Development Plan for the

Guangdong-Hong Kong-Macao Greater Bay Area, Qianhai is one of the major co-operation platforms in the Greater Bay Area. According to the Qianhai Plan, the area of the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone will be increased significantly from 14.92 square kilometres to 120.56 square kilometres. It also focuses on the promotion of high-level opening up in Qianhai, the fostering of innovative development of modern service industries, and the acceleration of the building up of a system of modern services that is compatible with Hong Kong and international standards. Hong Kong will capitalise on its own advantages to assist in promoting full liberalisation of trade in services in Qianhai, greater mutual access of financial markets, and a higher level of opening up in legal matters, thereby expanding the room for development for professionals in different sectors and enterprises in Hong Kong.

19. Separately, to help Hong Kong enterprises tap into the domestic market of the Mainland, the Hong Kong Trade Development Council (HKTDC) launched the GoGBA One-stop Platform and set up the HKTDC Greater Bay Area Centre in Shenzhen in June this year. InvestHK also signed the Memorandum of Understanding on Deepening Investment Promotion Co-operation in the Guangdong-Hong Kong-Macao Greater Bay Area with Guangdong Province to take forward co-operation in investment promotion and establish the Pan-Greater Bay Area Inward Investment Liaison Group.

20. Looking ahead, the development of the Guangdong-Hong Kong-Macao Greater Bay Area, combined with the support provided to Hong Kong by the National 14th Five-Year Plan, will undoubtedly expand Hong Kong's scope for development significantly. Hong Kong enjoys the unique institutional strength of "One Country, Two Systems". The HKSAR Government will continue to proactively take forward the development of the Guangdong-Hong Kong-Macao Greater Bay Area to seek and create new opportunities for Hong Kong in areas such as economic, social and livelihood development.

Resumption of cross-boundary people flow between Hong Kong, Mainland and Macao

21. As a first step to gradually resume the normal cross-boundary flow of people amongst Hong Kong, Guangdong and Macao in an orderly manner, the HKSAR Government introduced the Return2hk Scheme on 23 November last year. During the initial phase of operation, Hong Kong residents staying in the Guangdong Province or in Macao who,

upon fulfilment of all the specified conditions under the Scheme, can be exempted from compulsory quarantine requirement upon entry into Hong Kong. Since 26 April this year, the Scheme has been extended to other parts of the Mainland. So far, the Return2hk Scheme has been operating smoothly, and over 310 000 passenger trips have been made by Hong Kong residents returning to Hong Kong under the Scheme.¹

22. As the next step, the HKSAR Government launched the Come2hk Scheme on 15 September to exempt non-Hong Kong residents fulfilling all the specified conditions under the Scheme from compulsory quarantine when they enter Hong Kong from the Guangdong Province or from Macao. So far, the Come2hk Scheme has been operating smoothly, and over 6 000 passenger trips have been made by non-Hong Kong residents entering Hong Kong under the Scheme.¹

23. The HKSAR Government will continue to closely liaise with the Mainland authorities and the Macao SAR Government on measures for epidemic prevention and control, and actively explore the resumption of normal cross-boundary flow of people amongst the three places in a gradual and orderly manner, on the premise that the epidemic situation in the three places is under control and without posing additional public health risks.

24. On 26 September, HKSAR representatives led by the Chief Secretary for Administration attended a meeting on the anti-epidemic work of the Mainland and Hong Kong hosted by Deputy Director of the Hong Kong and Macao Affairs Office of the State Council, Mr HUANG Liuquan, in Shenzhen. At the meeting, HKSAR and Mainland representatives had detailed exchanges on the strategies to prevent and fight the COVID-19 virus, and studied the resumption of quarantine-free travel between the Mainland and Hong Kong in a gradual and orderly manner.

25. At the meeting, the two sides explored in detail issues and factors of consideration relating to the resumption of quarantine-free travel in a gradual and orderly manner. They candidly exchanged views and examined the possible risks after the resumption of quarantine-free

¹ In light of the latest epidemic situation in Macao, all arrivals in Hong Kong from Macao were no longer exempted from compulsory quarantine under the Return2hk or Come2hk Scheme from 10pm, 25 September 2021 onwards. The HKSAR Government will continue to maintain close communication and liaison with the Guangdong and Macao authorities, and closely monitor the implementation of the schemes as well as the latest epidemic development to make suitable arrangements at an appropriate juncture.

travel. The Chief Secretary for Administration expressed Hong Kong people's eagerness for resumption of quarantine-free travel, and the close correlation of resuming quarantine-free travel with the economy and people's livelihood. The two sides discussed earnestly, provided relevant information, and built a solid foundation for creating favourable conditions to take forward the resumption of quarantine-free travel. The two sides will further study the details and strive to hold a second meeting as soon as possible.

Establishment of Hong Kong/Hubei co-operation mechanism and enhancing co-operation with the Mainland

26. The HKSAR Government actively strengthens co-operation with various Mainland provinces and municipalities by performing its role as a "facilitator" and "promoter", with a view to creating more business and development opportunities for Hong Kong residents and enterprises.

27. We are now maintaining close liaison with the Hubei Province on the establishment of a new Hong Kong/Hubei high-level co-operation mechanism, with a view to convening the first plenary session within this year and strengthening co-operation between Hong Kong and Hubei on multiple fronts. Besides the Guangdong-Hong Kong-Macao Greater Bay Area, the HKSAR Government has established co-operation mechanisms with the PPRD region, Beijing Municipality, Shanghai Municipality, Fujian Province and Sichuan Province respectively to promote co-operation on multiple fronts.

28. As regards Hong Kong/Shanghai co-operation, the Chief Executive and the Mayor of Shanghai, Mr GONG Zheng, co-chaired the Fifth Plenary Session of the Hong Kong/Shanghai Co-operation Conference through video conferencing on 30 August. During the conference, both sides reached consensus on 13 co-operation areas, including expansion in the Mainland domestic market and the Belt and Road initiative; cultural and creative industries; innovation and technology; finance; education and talent development; legal and dispute resolution; healthcare and medicine regulation; and youth development, etc. Four co-operation agreements on trade, innovation and technology, healthcare and culture were also signed by government departments, statutory bodies and relevant organisations of the two places.

29. As regards Hong Kong/Sichuan co-operation, the Chief Executive and the Secretary of the Sichuan Provincial Committee of the CPC, Mr PENG Qinghua, leading delegations of the governments of the

HKSAR and Sichuan respectively, held the High-Level Meeting cum Second Plenary Session of the Hong Kong/Sichuan Co-operation Conference in Chengdu, Sichuan on 23 September. During the conference, both sides reached consensus on 12 co-operation areas, including economic, trade and the Belt and Road Initiative; finance; civil aviation, maritime transport and logistics; and innovation and technology, etc. Three co-operation agreements on economic and trade areas, Chinese medicine, and vocational education were also signed by government departments and statutory bodies of the two places.

30. The PPRD is an important regional co-operation platform that covers nine provinces/ regions, namely the Fujian Province, Jiangxi Province, Hunan Province, Guangdong Province, Guangxi Zhuang Autonomous Region, Hainan Province, Sichuan Province, Guizhou Province and Yunnan Province, as well as the Hong Kong and Macao SARs. The PPRD region accounts for about one-third of the country's population and gross domestic product.

31. On 24 September, the Chief Executive participated in the 2021 PPRD Regional Co-operation Chief Executive Joint Conference held in Chengdu, Sichuan, promoting Hong Kong's co-operation with the PPRD provinces/ regions in the areas of trade, civil aviation and maritime transport, cultural exchange, and innovation and technology, etc. The HKSAR Government encourages Hong Kong businesses to capitalise on the huge markets in the PPRD region, utilise Hong Kong's strengths on international experiences, modern services and professional talents, and serve as a bridge for PPRD enterprises' participation in the Belt and Road Initiative and expansion of overseas markets.

32. In respect of other regional co-operation mechanisms, the HKSAR Government will explore the convening of the Fifth Plenary Session of the Hong Kong/Beijing Co-operation Conference and the Fourth Plenary Session of the Hong Kong/Fujian Co-operation Conference with the Mainland side in due course.

Reviewing the roles of Mainland offices and effectiveness of their work

33. The National 14th Five-Year Plan supports Hong Kong to better integrate into the overall development of our country. The Mainland offices of the HKSAR Government have been playing an important role on this front. Throughout the years, apart from promoting trade, facilitating investment and providing support for Hong Kong businesses, our Mainland offices also foster communication and exchanges with

Mainland provinces and municipalities in various aspects, promote Hong Kong, as well as maintain liaison with Hong Kong people studying, working and residing in the Mainland, etc. We will review the role of our Mainland offices and the effectiveness of their work, and examine the need to retitle these offices so as to better reflect their extensive duties.

Enhancing promotion in the Mainland

34. To rebuild confidence in Hong Kong amongst various sectors in the Mainland, the HKSAR Government has been enhancing promotion in the Mainland on various fronts. Such efforts include launching promotion through digital and multimedia platforms, arranging senior officials of the HKSAR Government to visit the Mainland in person, organising and participating in business, commercial, cultural and art activities, etc., in the Mainland, as well as fostering closer ties with different Mainland stakeholders, with a view to enabling various sectors in the Mainland to have a more comprehensive understanding of the latest situation in Hong Kong and disseminating positive messages about Hong Kong. The Mainland offices of the HKSAR Government will continue to pay close attention to sentiments in the Mainland and the latest epidemic situation, and launch publicity activities in due course to complement the celebration for the 25th anniversary of Hong Kong's return to the Motherland.

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

35. The National 14th Five-Year Plan proposes improvement in policy measures to facilitate Hong Kong and Macao residents to develop and live in the Mainland. Over the past few years, relevant Central Authorities have already introduced various facilitation measures, including permitting Hong Kong residents living in the Mainland who meet relevant criteria to apply for residence permits in the Mainland, and facilitating Hong Kong residents to use Home Return Permits for receiving public services and handling personal matters in the Mainland, etc. The HKSAR Government will continue to maintain close liaison with the Mainland authorities to keep track of the implementation of the facilitation measures, disseminate the latest information, and strive for more facilitation policies and measures, thereby providing assistance to Hong Kong residents living in the Mainland and enabling Hong Kong residents to capitalise on the opportunities brought by the development of our country.

Conclusion

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

**Constitutional and Mainland Affairs Bureau
October 2021**