

Legislative Council Panel on Commerce and Industry

The Chief Executive's 2020 Policy Address

**Policy initiatives of the 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, etc will be separately 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 development of the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) and the National 14th Five-Year Plan 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 new initiatives we will pursue and the on-going initiatives we will continue to implement are highlighted as follows –

New initiatives

- (a) gradually resume normal cross-boundary activities for residents in Guangdong, Hong Kong and Macao in an orderly manner, when the COVID-19 epidemic is under control in Hong Kong and through mutual recognition of health code with COVID-19 test results; and
- (b) 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 after the epidemic.

On-going initiatives

- (a) proactively take forward Hong Kong's participation in the Guangdong-Hong Kong-Macao Greater Bay Area development, especially for providing vital support to Hong Kong's economic recovery after the epidemic;
- (b) complement the preparatory work for the National 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;
- (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) 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; and
- (e) continue to foster economic, trade and cultural exchanges and co-operation between Hong Kong and Taiwan.

Detailed measures

Guangdong-Hong Kong-Macao Greater Bay Area development

4. The HKSAR Government has been proactively taking forward the development of the Greater Bay Area. We have been working closely with relevant Mainland Ministries to take forward the implementation of the 24 new policy measures announced after the two meetings of the Leading Group for the Development of the Guangdong-Hong Kong-Macao Greater Bay Area in 2019. The Chief Executive visited Beijing in early November this year and secured the

Central Government's support for the full implementation of the aforementioned 24 policy measures by the end of this year. In addition to the measures rolled out earlier such as tax concessions, facilitation of property purchase, support for young entrepreneurs, cross-boundary remittance of science and technology funding as well as liberalisation of legal and construction professional services, the Central Government announced on 25 November a work plan for permitting the use of Hong Kong-registered drugs and common medical devices in designated Hong Kong-owned healthcare institutions in the Mainland cities of the Greater Bay Area. Relevant bureaux and departments of the HKSAR Government will proactively follow up with their counterparts in the Mainland on the early implementation of remaining measures, which include relaxing the limitation on exporting Mainland human genetic resources to Hong Kong for research purposes, facilitating Hong Kong private cars to travel to Guangdong via the Hong Kong-Zhuhai-Macao Bridge, and expediting the implementation of the cross-boundary wealth management connect scheme.

5. The HKSAR Government attaches great importance to economic recovery after the COVID-19 epidemic. The development of the Greater Bay Area will provide vital support for revitalising Hong Kong's economy. Given the advantages under "one country, two systems", Hong Kong can further strengthen its "intermediary" role in international circulation. Besides, we can focus on the business opportunities in the Mainland market, better integrate into the overall development of our country, take the development of the Greater Bay Area as an entry point, and proactively become a "participant" in domestic circulation and a "facilitator" in international circulation. Playing the dual role well will bring continuous impetus to Hong Kong's economy.

6. Looking ahead, the HKSAR Government will continue to reinforce Hong Kong's role in the development of the Greater Bay Area. We will strive for policy breakthroughs in different areas including finance, aviation, cross-boundary infrastructure development, clearance facilitation, joint development of an international innovation and technology hub, co-operation in modern services industries, education, nurturing of talents, youth exchanges, as well as joint development of a quality living circle, with a view to exploring and creating new economic, social and livelihood opportunities for Hong Kong.

7. To attract international capital and talents, the HKSAR Government will also promote the Greater Bay Area to overseas businesses. The HKSAR Government has stepped up publicity efforts

locally, such as promoting, through television and radio programmes, the characteristics of individual Greater Bay Area cities and their respective unique roles in the context of the Greater Bay Area development, and how different policy measures can facilitate and support Hong Kong residents and businesses interested in pursuing further development in the Greater Bay Area. We will also continue to publish publicity materials, organise exhibitions, and utilise the dedicated website, social media pages and official WeChat account on the Greater Bay Area, etc to enhance public awareness about the Greater Bay Area development and encourage members of the community to seize the opportunities for Hong Kong brought about by the Greater Bay Area development.

Resumption of cross-boundary people flow

8. As a result of COVID-19 epidemic, Guangdong, Hong Kong and Macao have implemented strict immigration quarantine measures. The HKSAR Government understands that a lot of people, especially those having relatives in the Mainland or those who need to cross the boundary to do business, hope that normal cross-boundary activities could resume as soon as possible.

9. As a first step to gradually resume the 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 2020. Under the Scheme, Hong Kong residents returning from Guangdong or Macao who, upon fulfilment of the conditions specified under Section 12(2) and 12A of the Compulsory Quarantine of Certain Persons Arriving at Hong Kong Regulation (Cap 599C), could be exempted from the 14-day compulsory quarantine requirement when they return to Hong Kong. During the first two weeks of implementation of the Scheme (i.e. from 23 November to 6 December), about 10 000 Hong Kong residents returned to Hong Kong under the Scheme. The HKSAR Government is considering the next step forward of the Scheme.

10. Besides, the HKSAR Government has been liaising closely with the Guangdong Provincial and Macao SAR Governments to explore, when the epidemic situation in Hong Kong is under control, to resume the normal cross-boundary activities amongst residents of Guangdong, Hong Kong and Macao in a gradual and orderly manner through mutual recognition of health code with COVID-19 test results.

Enhancing promotion in the Mainland after the epidemic

11. The social unrests last year dealt a heavy blow to Hong Kong's image as a safe city in the Mainland, and has inevitably affected the impression of and confidence in Hong Kong amongst various sectors in the Mainland. To rebuild their confidence in Hong Kong, the HKSAR Government plans to enhance promotion in the Mainland, in order to pave way for the resumption of economic activities and people flow between the two places in an orderly manner after the epidemic.

12. In collaboration with relevant departments and organisations, the five Mainland Offices of the HKSAR Government will launch publicity programmes through diversified platforms in various places in the Mainland, organise and participate in business, commercial, cultural and art activities, etc in the Mainland, foster closer ties with different Mainland stakeholders, and arrange visits and exchanges between the two places. The promotion initiatives will enable various sectors in the Mainland to have a more comprehensive understanding of the latest situation in Hong Kong, promote Hong Kong's unique advantages and opportunities under the development of the Greater Bay Area, and rebuild Hong Kong's positive image as a safe, law-abiding, civilised, pluralistic and inclusive society.

The National 14th Five-Year Plan

13. The National 14th Five-Year Plan serves as the development blueprint and action agenda for the country from 2021 to 2025. The fifth plenary session of the 19th Central Committee of the Communist Party of China adopted in October 2020 the Proposals for Formulating the 14th Five-Year Plan for National Economic and Social Development and the Long-Range Objectives through the Year 2035, stating that reform and innovation will be the fundamental driving forces to accelerate the establishment of a new development pattern featuring "dual circulation", which takes the domestic market as the mainstay while enabling domestic and foreign markets to interact positively with each other.

14. Being a highly market-oriented and an international economy underpinned by the rule of law, Hong Kong's development opportunities under our country's new development pattern are evident. Under the "one country, two systems" principle, the HKSAR Government will continue to communicate with the relevant Mainland authorities with a view to grasping the new opportunities brought by the National

14th Five-Year Plan to consolidate and enhance the competitive advantages of Hong Kong and maintain Hong Kong's long-term prosperity and stability.

Enhancing co-operation with the Mainland

15. The HKSAR Government will also continue to strengthen co-operation with various Mainland provinces and municipalities and has actively performed its role as a “facilitator” and “promoter”, with a view to creating more business and development opportunities for Hong Kong residents and enterprises. Co-operation areas include trade, finance, innovation and technology, creative industries and youth exchanges, etc.

16. As regards co-operation with the PPRD region¹, the Chief Executive participated in the 2020 PPRD Regional Co-operation Chief Executive Joint Conference held in Sanya, Hainan Province on 18 September 2020 through video conferencing, promoting Hong Kong's co-operation with the PPRD provinces/ regions in the areas of the Guangdong-Hong Kong-Macao Greater Bay Area development, transport, and innovation and technology, etc. The HKSAR Government will continue to consolidate Hong Kong's status as an international aviation hub, promote Hong Kong's high value-added maritime services, and encourage enterprises of the PPRD region to leverage on the strengths of Hong Kong's professional services, such as financial and legal services, to explore overseas markets.

17. In addition, the HKSAR Government established a high-level co-operation mechanism with Sichuan and convened meetings with Shanghai, Beijing and Fujian under the respective co-operation mechanisms in 2018. In the past year, the HKSAR Government has continued to liaise with relevant Mainland provinces and municipalities, and actively implemented the co-operation items as agreed by both sides. For example, the HKSAR Government organised a mega cultural event called “Festival Hong Kong 2019 – A Cultural Extravaganza@Shanghai” in Shanghai in November 2019, and participated in the China International Import Expo in Shanghai, etc.

18. Although exchanges between Mainland and Hong Kong have been affected by the epidemic since early this year, the five offices and

¹ The PPRD is an important regional co-operation platform that covers nine provinces/ regions (namely Fujian, Jiangxi, Hunan, Guangdong, Guangxi, Hainan, Sichuan, Guizhou and Yunnan) and the Hong Kong and Macao SARs, accounting for about one-third of the country's population and gross domestic product.

11 liaison units of the HKSAR Government in the Mainland have continued to perform their functions by enhancing government-to-government liaison, conducting investment promotion as well as strengthening trade and commercial relations. The HKSAR Government will continue to deepen liaison and co-operation with various Mainland provinces and municipalities through the network of our Mainland offices.

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

19. The relevant Central Authorities have introduced a number of policy measures to facilitate Hong Kong residents studying, working and living in the Mainland, 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. In January 2020, the National Immigration Administration announced that a total of 35 facilitation measures covering the three categories of administrative services, public services and Internet application had basically been implemented.

20. In the past, if the Home Return Permit of a Hong Kong resident expired, was lost or damaged, he or she would need to return to Hong Kong to apply for renewal or re-issuance of the Permit. The National Immigration Administration has announced that Hong Kong and Macao residents can apply for renewal and re-issuance of Home Return Permit from public security authorities above county level in the Mainland, according to the same application procedures as those in Hong Kong and Macao. This new measure benefits Hong Kong residents working and living in the Mainland by substantially saving the time and money needed for returning to Hong Kong to complete the procedures.

21. 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 enabling Hong Kong residents to capitalise on the opportunities brought about by the development of the country.

Development of Hong Kong-Taiwan relations

22. 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. The Hong Kong Economic, Trade and Cultural Office in Taiwan will continue to conduct promotion and liaise with Hong Kong residents and businessmen in Taiwan.

Conclusion

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

**Constitutional and Mainland Affairs Bureau
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