

**Motion on “Continuing to put forward proposals conducive to the development of the country and the HKSAR as the 14th Five-Year Plan is coming to a successful conclusion”  
at the Legislative Council meeting of 11 December 2024**

**Progress Report**

**PURPOSE**

At the Legislative Council meeting on 11 December 2024, a motion on “Continuing to put forward proposals conducive to the development of the country and the HKSAR as the 14th Five-Year Plan is coming to a successful conclusion” moved by Ir Hon LEE Chun-keung as amended by Dr Hon Johnny NG was passed. The full text of the motion is at **Annex**. This paper informs Members of the work progress of the Government in areas set out in the motion.

**PROGRESS**

2. The “Fourteenth Five-Year Plan for National Economic and Social Development of the People’s Republic of China” (the “14th Five-Year Plan”) promulgated in March 2021 supports the development of Hong Kong in eight key areas (“eight centres”), viz. four traditional centres - international financial centre, international shipping centre, international trade centre, and international aviation hub, as well as four emerging centres - international innovation and technology centre, centre for international legal and dispute resolution services in the Asia-Pacific region, regional intellectual property trading centre, and East-meets-West centre for international cultural exchange.

3. The Chief Executive established the Steering Group on Integration into National Development in late 2022, with himself as the Chairperson and the three Secretaries of Departments as deputies, in order to further Hong Kong’s active dovetailing with the country’s major strategic plans. The three deputies report to the Chief Executive on the progress and

coordination of various policy areas related to Hong Kong's integration into national development strategies, including the National 14th Five-Year Plan, the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) development and the Belt and Road Initiative. The Chief Executive monitors the implementation of various policy measures, and provides directives and guidance.

4. With the full support from the Central People's Government and the strenuous efforts of the Steering Group on Integration into National Development led by the Chief Executive, Hong Kong continues to capitalise on its distinctive advantages and make the most out of the impetus for growth as well as the opportunities brought by our country's high-quality development. Good progress has been made in different areas. This year is crucial for achieving the targets set out in the 14th Five-Year Plan. Riding on the momentum, the Government will continue introducing more proactive measures to foster the development of "eight centres" and lay a stronger foundation for the next stage of development.

#### International Financial Centre

5. The Government is committed to making full use of our role and unique advantages as a "super connector" and "super value-adder" to enhance our status as an international asset and wealth management centre, and consolidate our significance as an important bridge connecting our country with the rest of the world.

6. We have waived the stamp duty for the transfer of real estate investment trust units with effect from 21 December 2024. The Mainland-Hong Kong mutual recognition of funds arrangement has also been enhanced with effect from 1 January 2025, significantly increasing the diversity as well as the scale of fund products and facilitating the two-way flow of capital between the Mainland and global markets. We also announced in January 2025 the enhancement measures for the New Capital Investment Entrant Scheme on Net Asset Requirement and investment holding mechanism, which will take effect from 1 March 2025, to further

attract talents and capital to Hong Kong.

7. On mutual access with the Mainland financial market, further to the expansion of eligible scope of Exchange-traded Funds under Stock Connect in July 2024, the Hong Kong Monetary Authority (HKMA) and the People's Bank of China (PBoC) announced on 13 January 2025 new policy measures to deepen mutual market access, which include further enhancement and expansion of Southbound Bond Connect, extending the settlement time under the Central Securities Depositories (CSDs) linkage and supporting the settlement of multi-currency bonds through the CSDs linkage. These measures will broaden the overseas investment channels for Mainland institutional investors, address their needs for diversified asset allocation, and improve transaction and settlement efficiency. They will also bolster the development of the Hong Kong bond market, particularly the Dim Sum bond market. We will continue to actively implement other measures supported by regulator of the two places, including the inclusion of real estate investment trusts and Renminbi (RMB) stock trading counter under Stock Connect, introduction of block trading under mutual market access programme, etc., and work closely with relevant Mainland authorities and institutions to explore expansion of mutual access in the next stage.

8. With the support of the Central People's Government, Hong Kong continues to be the world's largest offshore RMB business hub. Hong Kong currently processes about 80% of global offshore RMB payments and has the world's largest offshore of RMB funds. As of end-November 2024, the RMB deposits (including the outstanding Certificates of Deposit) in Hong Kong was about RMB1.1 trillion, providing liquidity support to offshore RMB trading and financial activities globally. The HKMA and the PBoC announced in January 2025 the introduction of the HKMA RMB Trade Financing Liquidity Facility for banks in Hong Kong as a stable source of relatively lower-cost RMB funds, so as to support banks in providing RMB trade finance services to their corporate customers. The new facility has a total size of RMB100 billion. To capitalise on this

enormous opportunity, we will press ahead with the development of an offshore RMB ecosystem to promote the internationalisation of the RMB in a steady and prudent manner.

9. Hong Kong has also made significant progress in the field of sustainable finance. The Government launched in December 2024 a roadmap on sustainability disclosure in Hong Kong. The roadmap provides a well-defined pathway for large publicly accountable entities to fully adopt the International Financial Reporting Standards (IFRS) - Sustainability Disclosure Standards (ISSB Standards) no later than 2028, leading Hong Kong to be among the first jurisdictions to align its local requirements with the ISSB Standards. The roadmap not only demonstrates our firm commitment to global green transformation, but also provides transparent and clear guidance for market participants, allowing Hong Kong to align with international standards in the field of sustainable finance. As the first step, the Stock Exchange of Hong Kong Limited introduced in April 2024 enhanced climate-related disclosure requirements, based on the IFRS S2 Climate-related Disclosures. These requirements have been phased in starting from January this year.

10. The Financial Services and the Treasury Bureau submitted the Companies (Amendment) (No.2) Bill 2024 to the Legislative Council on 8 January 2025. It seeks to introduce a simple and straightforward company re-domiciliation mechanism that draws in companies incorporated elsewhere to become new impetus for the growth of the local market, whereby consolidating Hong Kong's status as an international commercial and financial centre. The mechanism will be launched upon gazettal of the relevant enactment.

11. On digital finance, the Government will continue to work closely with financial regulators and industry players to promote the fintech development. In October 2024, the Government issued the Policy Statement on Responsible Application of Artificial Intelligence (AI) in Financial Market. We will foster a healthy and sustainable market environment, thereby facilitating the financial institutions to seize the

opportunities and adopt AI in a responsible manner for accelerating the development of new quality productive forces.

12. Hong Kong has implemented a number of measures in recent years to promote the development of the insurance industry. The Risk-based Capital regime for the Hong Kong insurance industry was implemented in July 2024, replacing the previous rule-based capital adequacy regime. This has effectively enhanced the financial soundness of insurance companies and aligned with international standards. The Insurance Authority will further review the regime in 2025 and examine capital requirements for infrastructure investment, enriching insurance companies' asset allocation for risk diversification. Besides, we are proactively promoting the development of insurance-linked securities by establishing a dedicated regulatory regime and launching a pilot grant scheme. To date, we have facilitated the issuance of six catastrophe bonds in Hong Kong, with issuance amount of over HK\$5.8 billion. We will continue to attract more issuing institutes to Hong Kong, while nurturing talent and propelling the industry's development.

#### International Shipping Centre

13. The National 14th Five-Year Plan and the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area explicitly support the status of Hong Kong Port (HKP) and the development of maritime services for better integration into the national development.

14. The HKP is among the busiest and most efficient ports in the world and an important hub port in the Asia-Pacific region. It ranks fourth in the International Shipping Centre Development Index and handled over 14.4 million twenty-foot equivalent units in 2023, of which nearly 60% were transshipment cargo. The HKP provides frequent and comprehensive liner shipping services connecting to close to 500 destinations worldwide, with over 300 international container vessel sailings per week. The Hong Kong Shipping Registry (HKSR) is the

fourth largest register in the world in terms of gross tonnage. Hong Kong is also home to a strong base of shipowners. Hong Kong shipowners and ship management companies together own or manage a sizeable fleet which accounts for about 10% of the deadweight tonnage of the world's merchant fleet. There are currently over 1 100 port and maritime-related companies operating in Hong Kong, providing a wide range of quality high-value-added maritime services to local, Mainland and overseas maritime enterprises, including port services, ship operating and management, ship broking and agency, ship finance, marine insurance, maritime legal and arbitration services, ship classification and marine surveying, etc. Hong Kong is also a ship finance centre in the region. The Government will step up our efforts in fostering Hong Kong's maritime industry while taking a multi-pronged approach to consolidate and enhance our status as an international shipping centre.

15. The Transport and Logistics Bureau (TLB) promulgated the Action Plan on Maritime and Port Development Strategy in December 2023, outlining 10 strategies and 32 action measures in four directions aimed at consolidating and enhancing Hong Kong's status as an international maritime centre. TLB has been advancing various action measures, including the introduction of cash incentives by the Marine Department for Hong Kong-registered ships meeting relevant international standards on decarbonisation starting from June 2024, bolstering Hong Kong's reputation for quality in the international maritime arena. In addition, HKSR will implement the Block Registration Incentive Scheme to provide a refund of the ship registration fee and the first-year annual tonnage charge to shipowners registering more than one eligible ship, with a view to attracting more shipowners to register their ships in Hong Kong. TLB tabled the relevant proposed legislative amendments at the Legislative Council on 18 December last year, and the Scheme was launched on 14 February this year. To enhance our multi-faceted external promotion, TLB together with representatives of the Hong Kong Maritime and Port Board and the trade visited Japan, Europe and the Middle East last year. We also enhanced the importance of the Hong Kong Maritime Week

(HKMW), our annual flagship event. Last year's HKMW concluded in November 2024, and was more prominent, larger in scale and more international than ever before, being well-received by industry professionals both domestically and abroad.

16. In order to develop high value-added maritime and professional services, the Government implemented a series of tax concessionary measures from 2020 to 2022 for ship lessors, marine insurance businesses and shipping commercial principals, with a view to encouraging more maritime service enterprises to establish presence in Hong Kong. We will step up promotion of existing tax concessionary measures and enhance the preferential tax regime, with a view to publishing the research result in the first half of this year and commencing the relevant legislative work thereafter.

17. With a view to developing Hong Kong into a green maritime fuel bunkering centre, TLB promulgated the Action Plan on Green Maritime Fuel Bunkering in November 2024, setting out a number of targets as well as five green-centric strategies and 10 actions, covering a wide range of areas such as the supply of green maritime fuels, green port, incentive measures, collaboration with the Mainland and overseas, and talent training, so as to consolidate Hong Kong's position as an international maritime centre and enhance the competitiveness of our port.

18. Logistics is closely related to the development of international maritime centre. Since the Government promulgated in 2023 the Action Plan on Modern Logistics Development, setting out the five development directions of smart development, modernisation, green and sustainability, internationalisation and facilitation, the Government has been working together with the trade to implement various action measures in an orderly manner. Among others, to further develop new cargo sources and thereby maintain the edge of Hong Kong as an international maritime centre and regional logistics hub, the Government is stepping up logistics cooperation with the GBA through intermodal transport measures and making good use

of the Hong Kong-Zhuhai-Macao Bridge (“HZMB”), with a view to opening up new markets for Hong Kong in the Western part of Guangdong and its neighbouring regions. Meanwhile, to attract cargoes to transship through Hong Kong, TLB is collaborating with other relevant bureaux and departments to study the extension of the existing Air Transshipment Cargo Exemption Scheme to other intermodal transshipment modes, so as to enhance competitiveness.

19. In addition, commodities involving metals and minerals account for more than half of the global shipping trade volume. Shipowners and commodity traders are the key users of shipping routes and maritime services. Their presence and operation in Hong Kong can drive the maritime services industry, and boost demand for related financial and professional services such as hedging activities of related futures products, conducive to consolidating and enhancing Hong Kong’s status as an international financial, shipping and trade centre. TLB will explore the introduction of tax concessions and support measures to attract relevant enterprises in the Mainland and overseas to set up businesses in Hong Kong, building a commodity trading ecosystem in our city. The target is to complete the study within this year.

20. In relation to smart port development, the Government has started to trial the concept of a port community system (PCS) in phases for specific cargo delivery processes starting from January 2023. As of end-2024, a total of over 100 companies have utilised the platform to track 647 shipments (with a total of 1 036 containers). The industry provided very positive feedbacks and considered that the PCS could enhance the transparency of cargo delivery processes, assist all parties to effectively plan their logistics flow, and improve operational efficiency. We have concluded our experiences from the trials and will complete installation of the PCS by end-2025, to be equipped with functions such as shipment tracking, real-time transport information, analysis and alert and value-added electronic services. The PCS will enhance information interconnectivity among stakeholders in the maritime, port, and logistics



industries, thereby strengthening the port competitiveness.

21. To strengthen the collaboration mechanism and organisational structure between the Government and the industry, the 2024 Policy Address announced that the existing Hong Kong Maritime and Port Board will be reconstituted into the Hong Kong Maritime and Port Development Board, a high-level advisory body to assist the Government in formulating policies and long-term development strategies. A non-official member will be appointed as the chairman, with other members largely from the maritime sector. The new body will be underpinned by dedicated staff to undertake research and publicity work. Additional funding will be provided to enhance its research capabilities, strengthen its Mainland and overseas promotional work and step up manpower training, supporting the Government in policy implementation more effectively and promoting the sustainable development of Hong Kong's maritime industry. Our target is to have the new structure in place by mid-2025.

22. The Government will continue to collaborate closely with the Hong Kong Maritime and Port Board, the future Hong Kong Maritime and Port Development Board, and other stakeholders, adopting a multi-pronged approach to showcase Hong Kong's maritime advantages to the world and to lead the steady development of Hong Kong's maritime industry.

#### International Trade Centre

23. To further consolidate and enhance Hong Kong's positions as an international trade centre under the National 14th Five-Year Plan, the Hong Kong Special Administrative Region (HKSAR) Government has been actively opening up emerging markets, including the Association of Southeast Asian Nations (ASEAN) and the Middle East. The Government has long maintained harmonious relationship with ASEAN. The Chief Executive led delegations to visit various ASEAN countries from 2022 to 2024, including Thailand, Singapore, Indonesia, Malaysia, Laos, Cambodia and Viet Nam, and met with leaders of the economies, relevant

government officials and local business leaders. The visit concluded nearly 90 memoranda of understanding and agreements, creating business opportunities for Hong Kong. As for the Middle East, the Government has been actively reaching out to potential partners in the region (in particular, member states of the Cooperation Council for the Arab States of the Gulf), and signed an Investment Promotion and Protection Agreement (IPPA) with Bahrain in March 2024, which is the third IPPA signed with Middle East countries after Kuwait and the United Arab Emirates. The Financial Secretary also led a delegation to Riyadh, Saudi Arabia in October 2024 to promote closer bilateral trade and economic relations.

24. Meanwhile, Hong Kong is also actively seeking for accession to the Regional Comprehensive Economic Partnership (RCEP). Following the adoption of the Procedures for Accession to the RCEP Agreement by the RCEP Joint Committee (RJC) in September 2024, the HKSAR Government will continue to proactively follow up with the RJC and maintain close liaison with RCEP Members to promote relevant discussions and foster favourable conditions for the early accession of Hong Kong to RCEP, with a view to contributing to the promotion of regional economic integration.

25. On the other hand, Invest Hong Kong (InvestHK) and the Hong Kong Trade Development Council (HKTDC) have, in accordance with the 2024 Policy Address, commenced setting up a high value-added supply chain services mechanism to jointly attract Mainland enterprises to establish international or regional headquarters in Hong Kong for managing their offshore trading and supply chain. They also provide those enterprises in Hong Kong with high value-added supply chain services to assist them to expand business globally to ASEAN and other emerging markets. In 2024, InvestHK organised many supply chain-related investment promotion events in various Mainland cities, including Hangzhou, Nanjing, Xiamen, etc. In 2025, InvestHK and HKTDC will continue to enhance their collaboration to provide high value-added supply

chain services to more Mainland enterprises.

26. According to the latest annual survey jointly conducted by InvestHK and the Census and Statistics Department, the number of companies in Hong Kong with overseas or Mainland parent companies rose to 9 960 in 2024, reaching a record high. At the same time, the number of start-ups in Hong Kong also increased to a record high of almost 4 700 in 2024. In addition, InvestHK assisted 539 Mainland or overseas enterprises to set up or expand their businesses in Hong Kong in 2024, representing an increase of over 40% when compared with the figure in 2023. On a pro-rata basis, this figure also well exceeded the performance indicator as set out in the Chief Executive's 2022 Policy Address. The above positive results fully demonstrate that Mainland and overseas enterprises continue to have full confidence in Hong Kong despite geopolitical impact. They have selected Hong Kong as their base to expand regional businesses in Asia so as to enjoy the commercial values brought by Hong Kong's roles as a "super connector" and a "super value-adder".

27. The Ministry of Commerce and the HKSAR Government signed an agreement on 9 October 2024 under the framework of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) (i.e. Amendment Agreement II) to further amend the CEPA Agreement on Trade in Services, further lowering the market access thresholds to the Mainland for Hong Kong enterprises and professional sectors. The Amendment Agreement II introduces further liberalisation measures in a number of services sectors which Hong Kong enjoys competitive advantages (e.g. financial services, construction and related engineering services, testing and certification services, telecommunications services, film, television, tourism services, etc.), and at the same time brings institutional innovation and collaboration enhancement, including addition of "allowing Hong Kong-invested enterprises to adopt Hong Kong law" and "allowing Hong Kong-invested enterprises to choose for arbitration to be seated in Hong Kong" as facilitation measures for Hong Kong investors, addition of commitments regarding domestic regulation to ensure

transparency, predictability and efficiency of regulations on trade in services, as well as removal of the period requirement on Hong Kong service suppliers to engage in substantive business operations in Hong Kong for three years in most services sectors. Most of the liberalisation measures are applicable to the whole Mainland, while some are meant for pilot implementation in the nine Pearl River Delta municipalities in the GBA.

28. Foreign investors, which establish businesses in Hong Kong or join forces with Hong Kong enterprises and meet the criteria of Hong Kong service suppliers, can enjoy preferential treatments in developing businesses on the Mainland. Hence, CEPA not only creates more favourable conditions for Hong Kong enterprises and professionals in developing the Mainland market, but also brings new business opportunities to foreign investors, which help attract more start-ups, overseas enterprises, and talents from around the world to establish their presence in Hong Kong to tap into the Mainland market. To better promote the importance of CEPA to Hong Kong businesses, the Ministry of Commerce and the Trade and Industry Department will jointly organise a forum in February 2025 in Hong Kong to introduce the liberalisation measures under the major services sectors to business representatives as well as industrial and trade organisations to promote the opportunities brought by the Amendment Agreement II. The implementation of the liberalisation measures under the Amendment Agreement II will start from 1 March 2025.

#### International Aviation Hub

29. On the aviation side, by December 2024, Hong Kong International Airport (HKIA) was served by around 140 airlines serving nearly 200 destinations around the world, which is 90% of the total number of destinations before the pandemic. During Christmas in 2024, the daily flight movements reached 1 150 and passenger throughput by and large reached the pre-pandemic levels at HKIA. As for cargo services, HKIA

remained as the world's busiest cargo airport in 2023. In 2024, the growth momentum continued as Hong Kong handled around 4.9 million tonnes of air cargo in the year, exceeding the cargo volume handled in 2023, reflecting the leading position of HKIA as an international aviation and cargo hub.

30. With the commencement of operation of the Three Runway System (3RS) in November 2024, HKIA's handling capacity will increase by 50% from 2035, and will be able to handle 120 million passengers and 10 million tonnes of cargo annually. The HKSAR Government will seize the huge opportunities brought by the 3RS to help consolidate and further enhance Hong Kong's leading position as an international aviation hub.

31. Over the past two years, Hong Kong has expanded bilateral air services agreements with a number of its civil aviation partners. In order to fully leverage the additional capacity brought by the 3RS, we will adopt a more forward-looking approach to the development and expansion of our aviation network and make early preparations for civil aviation cooperation with Belt and Road countries. At the same time, we will continue to support HKIA in enhancing services on key routes and will work strategically with the Airport Authority Hong Kong (AAHK) to attract both local and non-local airlines to open new routes and increase flight frequencies through outreach efforts, incentive schemes and policy facilitation measures.

32. In addition, we are committed to strengthening cooperation with cities in the GBA and enhancing the intermodal transport network of HKIA. On the passenger side, following the signing of an agreement by AAHK and Zhuhai Transportation Holdings Group in November 2024 to implement AAHK's acquisition of the shares of Zhuhai Airport, we will enhance the "Fly-via-Zhuhai-HK" direct passenger service to achieve a win-win outcome for the development of the two airports. On the cargo side, in order to fully utilise the advantages of HKIA in air cargo transportation and meet the international air transport needs of the GBA

manufacturing industry, the AAHK will also work with Dongguan to fully promote the innovative development of “sea-air intermodal cargo transshipment”. The AAHK will complete first phase construction of Phase 1 development of a permanent facility for the HKIA Dongguan Logistics Park by end-2025 and commence the preliminary study of the development plan for Phase 2 development.

33. In terms of hardware, the Government jointly plans with the AAHK to expand the scale of the Airport City development by more than double in the bay area among the Airport Island, the HKP Island of the HZMB and Tung Chung East New Town. In January this year, the AAHK announced the development plan for the expanded Airport City with a new brand name “SKYTOPIA”, which will be developed into a world leading, aviation-centric landmark to promote high-end commercial, tourist and leisure activities.

34. In addition to attracting investment under “SKYTOPIA”, the AAHK will continue to promote existing projects under the Airport City vision. Among them, the various components of the SKYCITY are being put into service in phases. The AAHK is also completing by phases the automated car parks on HKP Island of the HZMB, for use by transit passengers or inbound visitors from Guangdong and Macao, with a view to commissioning them within this year. Meanwhile, the construction of the Airport City Link, connecting the HKP Island of the HZMB and the SKYCITY, is underway. It is expected to begin carrying passengers using an autonomous transportation system by the end of this year.

#### International Innovation and Technology (I&T) Centre

35. All along, our country has been placing I&T at the core of its overall development and affirmed the important positioning of Hong Kong as an international I&T centre in the 14th Five-Year Plan. To achieve high-quality development, the current-term Government is committed to promoting innovation and diversification of industries through I&T.

Overall speaking, various I&T initiatives are gradually taking effect. Improvement has also been recorded in various I&T-related figures in recent years.

36. To create a vibrant I&T ecosystem and optimise the benefits brought by I&T to the society, Hong Kong needs to develop a comprehensive I&T ecological chain encompassing the upstream, midstream and downstream sectors. Along the chain, transformation and commercialisation of upstream research and development (R&D) outcomes should take place in the midstream. This will stimulate industry development in the downstream, and in turn generate demands and resources for R&D in the upstream. Thus, a healthy cycle will be created with various complementary sectors.

37. We will continue to consolidate our strengths in upstream research and further enhance capability in taking forward original, leading and disruptive technological innovation and research. The Government plans to issue invitation for proposals in the first quarter of 2025 to establish the third InnoHK research cluster, which will focus on advanced manufacturing, materials, energy and sustainable development. Moreover, the Government is now inviting proposals from local universities for the \$6 billion Subsidy Programme for the Setup of Life and Health Technology Research Institutes to foster cross-university/institutional and multi-disciplinary co-operation. In addition, we will launch a \$3 billion Frontier Technology Research Support Scheme to assist the eight funded universities, on a matching basis, in procuring facilities and conducting cross-territorial research projects which target the seven frontier technology fields proposed by the country's 14th Five-Year Plan, with an aim to further strengthen our frontier technological research.

38. Computing power is one of the pre-requisites for promoting scientific research and the development of the AI industry. Cyberport's AI Supercomputing Centre (AISC) supports the strong local demand for computing power. The first phase of AISC was launched in

December 2024 to provide computing power of around 1 300 petaFLOPS<sup>1</sup>, and will gradually ramp up to reach 3 000 petaFLOPS. The Government has also launched a three-year AI Subsidy Scheme of \$3 billion to subsidise local universities, research institutes and enterprises in leveraging AISC's computing power.

39. To promote the transformation of mid-stream outcomes, we launched the \$10 billion Research, Academic and Industry Sectors One-plus (RAISe+) Scheme in 2023 to promote the transformation and commercialisation of R&D outcomes. Two solicitation exercises have been launched under this Scheme. In addition, the Hong Kong Microelectronics Research and Development Institute was established last year with an aim to facilitate R&D on third-generation semiconductors among universities, R&D centres and the industry, and set up pilot lines to assist start-ups and small and medium-sized enterprises to conduct trial production.

40. In terms of developing downstream industries, we enhanced the “New Industrialisation Funding Scheme” in January 2024 to encourage the traditional manufacturing industry to turn to smart manufacturing. As at end-December 2024, 60 applications were supported, involving over 90 production lines. Also, we launched the “New Industrialisation Acceleration Scheme” in September 2024 to support enterprises of industries with strategic importance to set up new smart production facilities in Hong Kong. As at end-December 2024, the NIAS has received a total of six applications. Furthermore, the Government will revamp our approach in I&T industries investment. We will set up an Innovation and Technology Industry-Oriented Fund (ITIF). In mid-January 2025, we invited the market to submit expression of interest for the ITIF so as to collect views for drawing up the details of the proposal and will subsequently seek approval from the Finance Committee of the Legislative Council.

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<sup>1</sup> Apart from setting up the first phase of supercomputing facilities (around 300 petaFLOPS) in 2024, Cyberport has also set up supercomputing facilities at data centres outside Cyberport at a level of 1 000 petaFLOPS, with a view to increasing the computing capacity of the AISC as soon as possible.



41. Regarding I&T land supply, with the first three buildings in the first batch of the Hong Kong Park of the Loop completed gradually, the Park will enter into operation stage later this year, with gross floor area of Phase 1 around 1 million square metres. The HKSAR Government is developing the Hong Kong Park of the Loop at full steam in accordance with the four development directions as promulgated in the Development Outline for the Hong Kong Park of the Hetao Shenzhen-Hong Kong Science and Technology Innovation Co-operation Zone announced in November 2024. We are also actively exploring with the relevant authorities in the Mainland to set out innovative policies to facilitate the flow of personnel, materials, capital and data between the Shenzhen Park and Hong Kong Park, making the co-operation zone a crucial source of new quality productive forces for our country. Furthermore, San Tin area in the San Tin Technopole of the Northern Metropolis will be one of the important sources of new I&T land. Among others, about 20 hectares of sites will be delivered in phases, beginning in 2026-27, for development and operation by the Hong Kong Science and Technology Parks Corporation. As for Sandy Ridge in the North District, the rezoning process commenced last year for changing the use of the 10 hectare-sites as data centres and related purposes.

#### Centre for International Legal and Dispute Resolution Services in the Asia-Pacific Region

42. To align with our country's development and overall strategy, the Department of Justice ("DoJ") will continue to enhance Hong Kong's unique strengths and reinforce the strategic positioning of Hong Kong as a regional centre for international legal and dispute resolution services through the following policy initiatives.

#### *Deepening Mediation Culture*

43. To establish Hong Kong as a mediation hub, the Government outlined initiatives in the Chief Executive's 2024 Policy Address aimed at

deepening mediation culture, including:

- (i) DoJ established the Working Group on Mediation Regulatory System in October 2024 to advise DoJ on the mediation regulatory regime in Hong Kong, including reviewing and making recommendations to reform or improve the current regime in relation to matters such as accreditation and disciplinary issues. The aim is to propose measures to strengthen the regulatory system on the accreditation and disciplinary matters of the mediation profession and commence related work within 2025.
- (ii) The Government took the lead to incorporate mediation clauses in government contracts and DoJ issued the Policy Statement on the Incorporation of Mediation Clauses in Government Contracts on 6 November 2024 which took effect on 6 February 2025. To complement the implementation of the policy, DoJ has prepared a mediation clause for incorporation in government contracts and a set of tailor-made mediation rules – “Government of the Hong Kong Special Administrative Region Mediation Rules”.
- (iii) Furthermore, DoJ, in collaboration with the Environment and Ecology Bureau and the Food and Environmental Hygiene Department, is preparing to launch a pilot scheme on community mediation. The scheme aims to enhance the property management staff’s understanding of mediation as a dispute resolution method and to equip them with mediation skills for their daily work, particularly in addressing issues like water seepage that can easily lead to neighborhood disputes. The scheme aims to empower them to intervene early in disputes, thereby increasing the chances of resolving disputes amicably and deepening the community mediation culture.

### *Sports Dispute Resolution*

44. To enhance the sports dispute resolution system in Hong Kong, the Government has been actively engaging with key stakeholders to understand the needs of the local sports sector. As announced in the Chief Executive's 2024 Policy Address, the Government will explore establishing a sports dispute resolution system and promote sports arbitration, leveraging the institutional advantages of Hong Kong in dispute resolution. In this regard, the Government supports the industry in launching a pilot scheme on sports dispute resolution in Hong Kong ("Pilot Scheme") within 2025.

45. DoJ established the Advisory Committee on Sports Dispute Resolution ("Advisory Committee") and convened its first meeting in January 2025. The Advisory Committee comprises representatives from DoJ, the Culture, Sports and Tourism Bureau, the Law Society of Hong Kong and the Hong Kong Bar Association, and will advise the Government on the design, setting up and implementation of the Pilot Scheme. The Government will continue to work with the Advisory Committee to promote the development of sports dispute resolution in Hong Kong at full steam.

### *Pilot Scheme on Facilitation for Persons Participating in Arbitral Proceedings in Hong Kong (Pilot Scheme)*

46. As an international centre for legal and dispute resolution services in the Asia-Pacific region, Hong Kong is and has always been one of the most preferred seats and destinations of arbitration in the world. The Pilot Scheme was launched on 29 June 2020 to provide immigration facilitation for eligible visitors participating in arbitral proceedings in Hong Kong on a short-term basis. This is conducive to maintaining Hong Kong's competitiveness as an international legal and dispute resolution services centre and in line with the National 14th Five-Year Plan, the Belt and Road Initiative and the Outline Development Plan for the Guangdong-Hong

## Kong-Macao Greater Bay Area.

47. Under the Pilot Scheme, relevant individuals are allowed to participate in arbitral proceedings in Hong Kong as visitors without the need to obtain an employment visa if they are in possession of a letter of proof (Letter) issued by a designated arbitral and dispute resolution institution or venue provider proving that they are eligible persons participating in arbitral proceedings in Hong Kong.

48. With effect from 1 March 2025, the Pilot Scheme will be regularised with refinements of expansion of the categories of eligible persons as well as covering all arbitrations physically taking place in Hong Kong, including those in which parties opt to, as a matter of law, have the “seat of arbitration” elsewhere.

### *Online Dispute Resolution and LawTech*

49. Hong Kong’s pioneer in online dispute resolution, eBRAM International Online Dispute Resolution Centre (“eBRAM”), was listed by the Asia-Pacific Economic Cooperation (APEC) as the first batch of online dispute resolution service providers under the APEC Collaborative Framework for Online Dispute Resolution in May 2022, and eBRAM launched its online mediation platform and online arbitration platform in October 2022, providing fast and affordable cross-border dispute resolution services to enterprises.

50. eBRAM subsequently launched its Deal-Making Portal in December 2023, which provides enterprises with a more convenient and secure way to conduct cross-border business transactions, and expands overseas markets for professional services, including the legal disputes industry. eBRAM also launched the Greater Bay Area Online Collaborative Platform in July 2024 to provide the general public with one-stop information on dispute resolution services in the GBA.

51. To promote the development of new quality productive forces, it was announced in the Chief Executive's 2024 Policy Address that DoJ will set up the Consultation Group on LawTech Development in the first quarter of 2025 to help the Government formulate policies and measures on LawTech, thereby encouraging the legal sector to enhance its efficiency and competitiveness with the use of LawTech.

*Development of Mediation and Arbitration in the GBA*

52. DoJ is actively promoting the interface of regulatory frameworks and the establishment of a diversified dispute resolution mechanism in the GBA. DoJ promulgated the GBA Mediator Accreditation Rules (Hong Kong Special Administrative Region) applicable to the accreditation for GBA mediator through Hong Kong on 28 March 2024. On 16 August 2024, DoJ organised the Hong Kong GBA Mediator Training Course 2024. The GBA Mediator Panel was officially released on 30 December 2024, facilitating the interface of mediation professionals among Guangdong, Hong Kong, and Macao.

53. For arbitration, the three places endorsed the Working Guidelines on the Panel of GBA Arbitrators at the 6th Guangdong-Hong Kong-Macao Greater Bay Area Legal Departments Joint Conference on 18 November 2024 and reached consensus on the detailed arrangements for the mechanism of setting up a panel of arbitrators. The three places will commence their respective nominations of local arbitrators and selection procedures this year, endeavouring to announce the first batch of GBA arbitrators within this year.

54. By taking forward the interface of regulatory frameworks and the establishment of a diversified dispute resolution mechanism in the GBA, Hong Kong not only promotes professional exchanges among Guangdong, Hong Kong, and Macao, but also strengthens its competitiveness as an international legal and dispute resolution center.

## *International Organization for Mediation*

55. The International Organization for Mediation (“IOMed”), convened by the People’s Republic of China (“PRC”) together with other countries which embrace the principles of consultation and contribution, is an international body underpinned by the rule of law founded as a result of the contribution made by developing countries to the international society. The IOMed Preparatory Office was established in Hong Kong in early 2023 and had organized and completed the negotiation for the Convention on the Establishment of The International Organization for Mediation (“the Convention”). During the negotiation conducted in early 2024, the negotiating parties unanimously decided that after the establishment of the IOMed, the PRC will be the host country and the IOMed headquarters will situate at the HKSAR of the PRC. The final round of negotiation was completed on 17 October 2024 in Hong Kong, during which the negotiating parties agreed that the signing ceremony of the Convention will be held in Hong Kong in 2025. Upon the adoption and entry into force of the Convention, the headquarters of the IOMed will be formally established in the HKSAR. The HKSAR Government actively carries forward the site conversion of the IOMed headquarters (i.e. the Old Wan Chai Police Station). The conversion is expected to substantially complete by mid-2025 and the opening of the headquarters may take place by the end of 2025 at the earliest.

56. Upon the establishment of the headquarters in Hong Kong, the IOMed will become the first inter-governmental organization situating its headquarters in Hong Kong, and will also become the first inter-governmental organization in the world specializing in resolving international disputes by way of mediation. The IOMed endeavours to drive for win-win cooperation between disputing parties, and provides an important mechanism to implement the stipulation under the United Nations Charter that international disputes be resolved peacefully by way of mediation. The IOMed also provides a new alternative for resolving international disputes peacefully. The establishment of the IOMed

headquarters facilitates cooperation between Hong Kong and other places, thereby enhancing the international competitiveness of Hong Kong. This also strengthens Hong Kong's position as an international legal and dispute resolution service centre in the Asia-Pacific region under the National 14th Five-Year Plan, fostering Hong Kong's development as a global hub for mediation.

### *Hong Kong International Legal Talents Training Academy*

57. The Hong Kong SAR officially launched the Hong Kong International Legal Talents Training Academy ("Academy") on 8 November 2024 during the Hong Kong Legal Week 2024. The Academy makes good use of Hong Kong's bilingual common law system and international status to further strengthen its strategic position as an international legal and dispute resolution services centre in the Asia-Pacific region under the National 14th Five-Year Plan. In 2024, DoJ set up the Hong Kong International Legal Talents Training Office and the Hong Kong International Legal Talents Expert Committee, the latter of which advises DoJ on developing the training and capacity-building programmes for foreign-related legal talents. In the meantime, some of the programmes of the Academy have been implemented, and the Academy will launch more capacity-building projects in 2025.

58. The Academy's training programmes will primarily focus on the Hong Kong common law, civil law, Mainland law, international law, etc., and an array of legal topics such as international trade and investment, international commercial disputes resolution, private international law, and public international law, etc. The Academy's training programmes will initially focus on legal practice and procedures. Training targets include the personnel and legal practitioners who need to deal with foreign-related legal matters on a day-to-day basis of the country and other jurisdictions. The first Hong Kong Common Law Practical Training Course, co-organised by the Academy and the Supreme People's Court of the PRC, was officially conducted from 6 to 17 January 2025 ("Course"). The two-

week training course was the inaugural programme of the Academy after its launch in November 2024. It was anticipated that the Course would facilitate exchanges that bridge the legal systems of Hong Kong and the Mainland, and deepen the participants' understanding of Hong Kong's common law system so that they could integrate their learning into practice in future. The Academy will continue to leverage the unique strengths of the "one country, two systems" principle and the Hong Kong common law system to contribute to the country in training foreign-related legal talents, thereby playing a better role in the construction of foreign-related rule of law of the country.

### Regional Intellectual Property Trading Centre

59. The Government will continue to implement various initiatives in accordance with the 2024 Policy Address to strengthen our position as a regional intellectual property (IP) trading centre by expanding the IP trading ecosystem of the I&T sector and creative industries. The Commerce and Economic Development Bureau briefed the Panel on Commerce, Industry, Innovation and Technology of the Legislative Council on the outcomes of the public consultation on copyright and AI and the proposed way forward on 18 February 2025. The Government will continue with the review of the registered designs regime and launch a consultation within this year, and propose legislative amendments to streamline IP litigation processes for the High Court to manage and hear these cases more effectively.

60. In addition, the Government has implemented the original grant patent (OGP) system since December 2019 to support patent owners in conducting scientific research and patent commercialisation in Hong Kong. Over the past five years since its implementation, the OGP system has undergone continuous optimisation and promotion, resulting in a steady increase in the number of applications. To date, more than 1 000 applications have been received. Besides, the Hong Kong Productivity Council (HKPC) has been designated jointly by the China National



Intellectual Property Administration and the World Intellectual Property Organization as part of the new batch of organisations for establishing Technology and Innovation Support Centres (TISCs), and will commence preparatory work which will span a period of one year. The Government will support the HKPC in taking forward the preparatory work, striving for the commencement of operation of the TISC in Hong Kong this year the earliest to provide assistance and services to the trade, with a view to further promoting Hong Kong's development as a regional IP trading centre and an international I&T centre.

61. The Government will also continue to discuss with the patent agent sector and stakeholders to plan for the introduction of regulatory arrangements for local patent agent services, covering qualification, registration, and other areas, and strive to strengthen the substantive examination capability of the patent examination team under the OGP system. In addition, the Intellectual Property Department will launch the practical teaching materials developed in collaboration with the Qualifications Framework Secretariat this year to strengthen the training of IP talents.

#### East-meets-West Centre for International Cultural Exchange

62. The Culture, Sports and Tourism Bureau (CSTB) promulgated the Blueprint for Arts and Culture and Creative Industries Development (Blueprint) in November 2024, setting out a clear vision, principles and strategic directions for the future development of Hong Kong's arts, culture and creative industries. A total of 71 measures under four strategic directions have been proposed in the Blueprint. We will actively take forward the Blueprint to consolidate Hong Kong's position as an East-meets-West Centre for International Cultural Exchange.

63. On Chinese culture promotion, the Chinese Culture Promotion Office will continue to earnestly promote Chinese culture, which includes planning for the construction of a museum to showcase the development

and achievements of our country, and a new Chinese Culture Experience Centre. It will also continue to organise the Chinese Culture Festival and exhibitions of the General History of China series. The Cultural and Creative Industries Development Agency (CCIDA) will launch a new funding scheme through the Film Development Fund to provide funding support for the film industry to produce films with Chinese cultural characteristics and encourage producers to incorporate Chinese cultural elements into film productions, with a view to showcasing the profound traditional Chinese culture to audiences as well as promoting the charm and diversity of Chinese culture through power of film. The new scheme will be opened for applications this year.

64. On enriching the arts and cultural atmosphere and content, the Leisure and Cultural Services Department (LCSD) will organise the third Pop Culture Festival from April to July 2025, showcasing Hong Kong's distinctive cultural characteristics, diverse and inclusive creativity and charisma. In addition, 21 applications were approved under the Mega Arts and Cultural Events Fund, 16 of which, covering a wide range of arts genres (such as art fairs, exhibitions, pop culture events, etc.), were completed and attracted an attendance of over 4.79 million in total, bringing a positive impact on the arts and cultural ecology of Hong Kong.

65. On fostering east-meets-west arts and cultural exchanges, CSTB supports arts groups/artists (including the awardees of the China National Arts Fund) from Hong Kong to stage arts and cultural activities and conduct touring programme outside Hong Kong each year. LCSD also organises Hong Kong Week in the Mainland and overseas, for instance an edition of the Hong Kong Week will be held in Seoul from September to October 2025, thereby promoting Chinese culture and Hong Kong's arts and cultural achievements, strengthening exchanges and collaboration, and enhancing people-to-people bond. At the same time, the Government actively organises large scale cultural events and international forums to further foster cultural exchanges. The inaugural Hong Kong Performing Art Expo and the 4th Guangdong-Hong Kong-Macao Greater Bay Area

Culture and Arts Festival were held in 2024, attracting an attendance of 31 000 and 2.15 million respectively. In 2025, we will organise the biannual Asia Cultural Co-operation Forum and Museum Summit 2025, bringing new momentum for cultural development.

66. The West Kowloon Cultural District Authority (WKCD) actively organises and curates performing arts programmes and exhibitions to be staged outside Hong Kong. For example, M+'s first Special Exhibition *Yayoi Kusama: 1945 to Now* was toured at the Guggenheim Museum Bilbao in Spain and Serralves Museum in Porto, Portugal in 2023 and 2024 respectively, attracting approximately 1.37 million visitations in total. *The Impossible Trial – a musical*, the original Cantonese musical commissioned by WestK and co-presented and co-produced with Hong Kong Repertory Theatre, will debut in Shanghai and Beijing in June and July 2025.

67. On enhancing the ecosystem for the arts, culture and creative industries, CCIDA provides funding support for and incubate cultural and creative projects with potential for industrialisation through the CreateSmart Initiative for the seven creative sectors including advertising, architecture, design, digital entertainment, music, printing and publishing, and television. We will promote cross-sectoral and cross-genre collaboration projects, leverage market resources and support the industries to participate in trade shows and exhibitions around the world to explore business opportunities. We will also encourage designers from Hong Kong to collaborate with major museums and cultural and creative institutions in the Mainland to co-create cultural and creative products, bringing in more room for the development of Hong Kong's cultural and creative industries. CSTB has also launched the Signature Performing Arts Programme Scheme, and opened it for application, to support representative and large-scale local performing arts productions to be staged as long-running performances, and nurture world-class performing arts productions and international cultural brands that represent Hong Kong.

68. On the other hand, the WKCDA will take a leading role in establishing an industry chain for the arts and culture and creative industries of Hong Kong, promote the creation of a comprehensive art trading ecosystem in Hong Kong and build up the strengths of Hong Kong in art trading. The WKCDA will proactively attract major auction houses and art galleries as well as organisations providing relevant investment, insurance and other professional services outside Hong Kong to establish presence in the West Kowloon Cultural District. They will also explore the provision of high-end storage, conservation and exhibition facilities and relevant professional services for art collections of local and regional arts and cultural institutions and collectors.

## **CONCLUSION**

69. The Government will continue to, building on the existing solid foundation of “eight centres” and adopting a pragmatic and proactive approach, constantly consolidate and enhance Hong Kong’s traditional advantages to give full play to its competitiveness and unique strengths. Further, we will firmly seize the significant opportunities arising from the country’s high-quality development and explore new edge and directions for growth, so as to achieve diversified development while at the same time playing a more proactive and facilitating role in the country’s overall development and planning, thereby leveraging our strengths to serve the needs of and make greater contributions to the country.

**Constitutional and Mainland Affairs Bureau**

**Financial Services and the Treasury Bureau**

**Transport and Logistics Bureau**

**Commerce and Economic Development Bureau**

**Innovation, Technology and Industry Bureau**

**Department of Justice**

**Culture, Sports and Tourism Bureau**

**February 2025**

**Council meeting of 11 December 2024**

**Ir Hon LEE Chun-keung's motion on "Continuing to put forward proposals conducive to the development of the country and the HKSAR as the 14th Five-Year Plan is coming to a successful conclusion"**

**Motion as amended by Dr Hon Johnny NG**

That General Secretary of the Central Committee of the Communist Party of China and President XI Jinping steered and devised the 14th Five-Year Plan, which laid down a five-year plan while setting the long-range objectives through the year 2035, leading the country into a new stage of development; the 14th Five-Year Plan has also established the role and significant functions and positioning of the HKSAR in the overall development of the country, as well as its development space and opportunities in a number of important areas; amidst the sluggish recovery of the global economy, the aggravation of a number of global problems, and a complex and volatile external environment, the country remains committed to the general principle of pursuing progress while ensuring stability, rises to the challenge and opens up a promising situation for the realization of the second centenary goal; a series of major reform measures and works projects are being fully and effectively implemented in various provinces and municipalities in the Mainland and the HKSAR; in this connection, this Council urges the SAR Government to continue to put forward more proactive proposals and measures in 2025, when the 14th Five-Year Plan comes to a successful conclusion, to establish Hong Kong's positioning as the 'eight centres' and conduct preliminary studies on the next five-year plan to put forward opinions on promoting the country's

prosperity and Hong Kong's role and way forward, with a view to bolstering the future development of the country and the HKSAR.