



The Hong Kong Special Administrative Region
Legislative Council Delegation



Duty Visit to Japan

21 to 24 December 2024

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Acknowledgements

The visit to Japan undertaken by the Delegation of the Legislative Council (“LegCo”) of the Hong Kong Special Administrative Region (“HKSAR”) is the second overseas duty visit by the Seventh LegCo, following its visit in May 2024 to three member states of the Association of Southeast Asian Nations, namely Malaysia, Indonesia and Singapore.

2. During the visit, the Delegation met with officials from Japan’s Ministry of Foreign Affairs; the Ministry of Economy, Trade and Industry; and the Ministry of Agriculture, Forestry and Fisheries to conduct in-depth exchanges on issues covering economic and trade cooperations between Hong Kong and Japan, food safety and cultural tourism, etc. The observations and insights gained from these exchanges will not only facilitate LegCo and the HKSAR Government to follow up relevant policies, but also enable further cooperation between Hong Kong and Japan in various aspects, thereby creating new opportunities for both sides. The Delegation also took the opportunity to canvass Japan’s support for Hong Kong’s early accession to the Regional Comprehensive Economic Partnership, with a view to promoting regional economic cooperation and integration for mutual benefits and win-win outcomes.

3. The Delegation held high-level meetings with the Vice-President of the House of Councillors as well as the Vice-Speaker of the House of Representatives of the National Diet of Japan; and members of the Japan-Hong Kong Parliamentarians Caucus to strengthen the friendship between LegCo and the legislature of Japan. Moreover, the Delegation met with representatives from Japan’s chambers of commerce, enterprises and organizations. Notably, Mr Kiyotaka ANDO, Chairman of the Board and Chief Executive Officer of Nissin Foods Company Limited, made a dedicated trip back to Japan to brief the Delegation in person on the Company’s development. Both sides jointly explored how Hong Kong’s distinctive advantages could assist Japanese enterprises in tapping into the Guangdong-Hong Kong-Macao Greater Bay Area market. The Delegation also visited a

number of tourism projects featuring Japanese characteristics, many of which offer valuable reference for Hong Kong.

4. The Delegation took this excellent opportunity to pay a courtesy call on the Ambassador of the People's Republic of China ("China") to Japan, Mr WU Jianghao, who speaks fluent Japanese and is a recognized expert on Japan. Mr WU listened attentively to the Delegation's briefing on the latest developments in Hong Kong, and engaged in in-depth discussions with the Delegation on key issues such as the current China-Japan relations, global economy, food imports and people-to-people exchanges. These discussions provided profound inspiration for the Delegation.

5. The Delegation is grateful for the Consulate-General of Japan in Hong Kong for its thoughtfulness in planning and arranging this visit. The newly appointed Consul-General, Mr Jun MIURA, specially made the way back to Japan to accompany the Delegation for most parts of the visit. The former Consul-General, Mr Kenichi OKADA, also took his time to meet with some members of the Delegation during the visit, reflecting his interest in the affairs of Hong Kong and LegCo.

6. The Delegation also appreciates the valuable advice and assistance provided by the Hong Kong Economic and Trade Office ("ETO") in Tokyo. Upon the Delegation's arrival on Saturday, the ETO in Tokyo hosted a welcome dinner, during which they discussed ways to promote economic and trade cooperation between Hong Kong and Japan. Coinciding with the Winter Solstice, the dinner was a heartwarming occasion for the attendees to exchange seasonal greetings while away from home. The company of the Principal Hong Kong Economic and Trade Representative (Tokyo), Ms Winsome AU Wai-sum, throughout the Delegation's visit has made it much smoother.

7. The successful and fruitful conclusion of this duty visit owes much to the invaluable assistance and support from the HKSAR Government and the Japanese authorities. All parties attached great importance to this visit by taking time out of their busy schedules to meet with the Delegation, which was extremely encouraging. The Delegation hereby expresses its deepest gratitude.

Chapter 1 - Introduction

1.1 Introduction

1.1.1 Hon Andrew LEUNG Kwan-yuen, President of the Legislative Council (“LegCo”) of the Hong Kong Special Administrative Region (“HKSAR”), led a LegCo delegation (“the Delegation”) on a duty visit to Japan from 21 to 24 December 2024. This visit is the first official trip to Japan by the LegCo President since 2015 and the second overseas duty visit by the current-term LegCo, following its visit to three member states of the Association of Southeast Asian Nations (“ASEAN”), namely Malaysia, Indonesia and Singapore, in May 2024. This report provides an overview of the background and objectives of the visit, key highlights, and the Delegation’s observations and recommendations.

1.2 Background and objectives of the visit

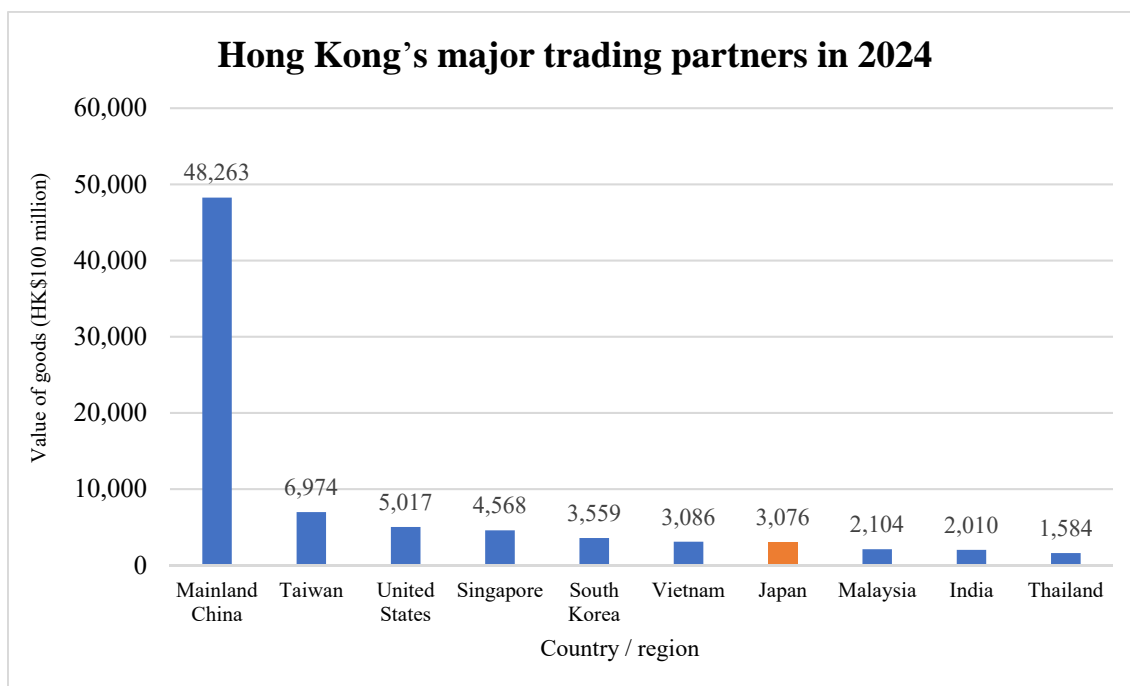
Close economic, trade and cultural ties between Hong Kong and Japan

1.2.1 When Mr Jun MIURA, Consul-General of Japan in Hong Kong, assumed office in December 2024, he highlighted that Hong Kong is **an important partner for Japan**, with close economic ties and people-to-people exchanges.¹ His predecessor, Mr Kenichi OKADA remarked that **few places in the world made him feel such strong ties with Japan as Hong Kong did**.² Indeed, the relationship between Hong Kong and Japan has always been very close. In 2024, **Japan was Hong Kong’s seventh largest trading partner**, with trade amounting to HK\$307.6 billion.³

¹ Greeting from Ambassador Jun MIURA, Consul-General:
https://www.hk.emb-japan.go.jp/itpr_en/CG_message202412.html.

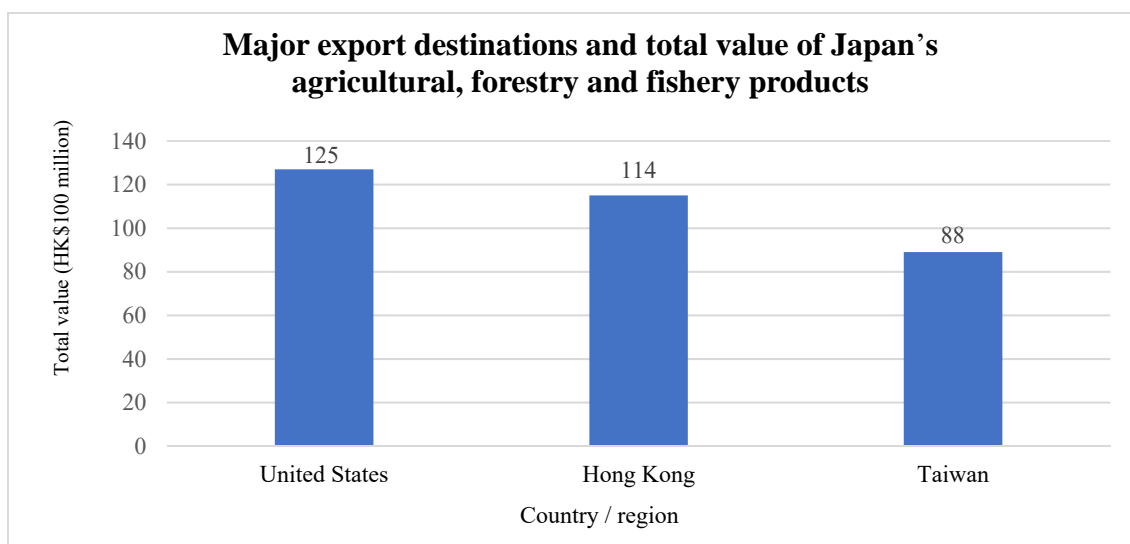
² Farewell Message from Ambassador Kenichi OKADA, Consul-General:
https://www.hk.emb-japan.go.jp/itpr_en/CG_leavingmessage_202412.html.

³ Hong Kong’s Trade and Industry Department:
https://www.tid.gov.hk/en/our_work/statistics/trade_partners/japan.html.



Source: Hong Kong's Trade and Industry Department

1.2.2 Hong Kong ranks as the second largest export market for Japan's agricultural, forestry and fishery products, with exports to Hong Kong totalling approximately HK\$11.4 billion in 2024,⁴ second only to the United States ("US").⁵

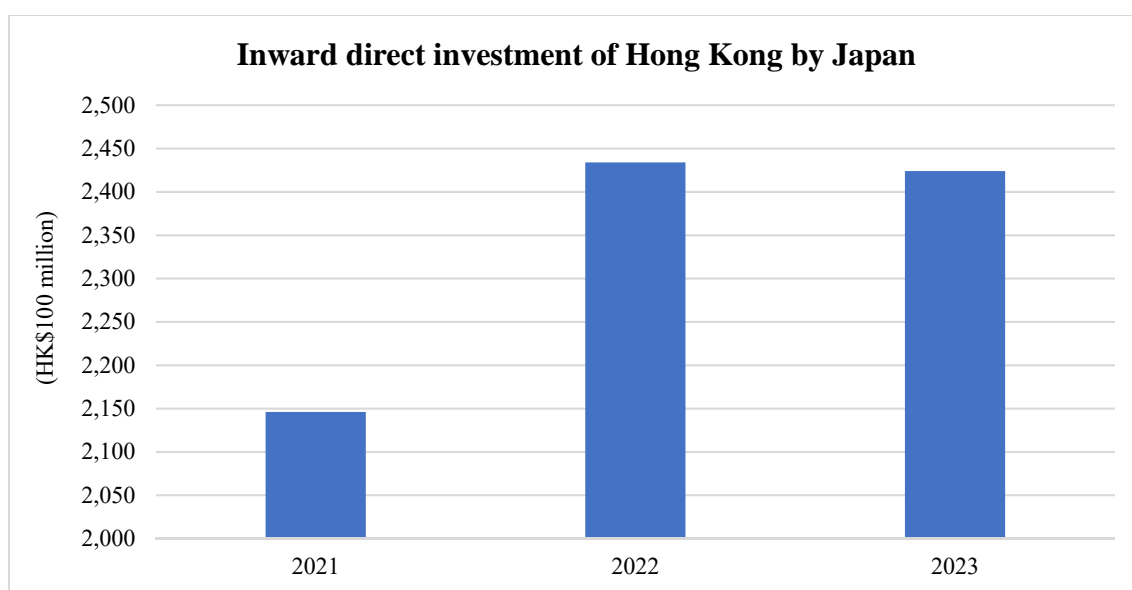


Source: Ministry of Agriculture, Forestry and Fisheries of Japan

⁴ The content of this report is calculated based on the exchange rate for 2024, which is JP¥1 to HK\$0.0516.

⁵ Ministry of Agriculture, Forestry and Fisheries of Japan: https://www.maff.go.jp/j/tokei/kouhyou/kokusai/pdf/yusyutu_2412.pdf (Japanese only).

1.2.3 In addition, Hong Kong is an important entrepôt for merchandise trade between Japan and China, with re-export trade between the two economies through Hong Kong amounting to HK\$224.5 billion in 2024.⁶ Moreover, **Japan was the ninth largest source of external investment in Hong Kong** in 2023, with an inward investment totalling HK\$242.4 billion, surpassed only by Mainland China and Singapore in Asia.⁷ For many years, Hong Kong has been a key business hub for Japanese companies operating in the Asia-Pacific region and globally. As of 2024, as many as 1 430 Japanese companies maintained regional headquarters and offices in Hong Kong, **the highest number among foreign enterprises.**⁸



Source: Census and Statistics Department

Statistics on regional headquarters and offices of Japanese companies in Hong Kong	
Year	Number of companies
2024	1 430
2023	1 403
2022	1 388

Source: Invest Hong Kong, and Census and Statistics Department

⁶ Hong Kong's Trade and Industry Department:

https://www.tid.gov.hk/en/our_work/statistics/trade_partners/japan.html.

⁷ Hong Kong's Census and Statistics Department: https://www.censtatd.gov.hk/en/wbr.html?ecode=B10400032023AN23&scode=260#section_3.

⁸ Press release of HKSAR: <https://www.info.gov.hk/gia/general/202412/17/P2024121700178.htm?fontSize=1>.

1.2.4 At the same time, people-to-people exchanges between Hong Kong and Japan are very frequent. In 2024, there were over 2.68 million visitor arrivals from Hong Kong to Japan in 2024, accounting for 7.3% of Japan's total visitor arrivals (36.87 million), exceeded only by South Korea (approximately 8.82 million), Mainland China (approximately 6.98 million), Taiwan (approximately 6.04 million), and the US (approximately 2.72 million).⁹ In January 2025 alone, over 240 000 visitors arrivals from Hong Kong to Japan, marking a significant increase of 31% over the same period in the previous year.¹⁰ In 2024, Hong Kong tourists spent as much as HK\$34 billion in Japan. On a per capita basis, each visitor spent about HK\$12,800, a figure second only in Asia to Singaporean tourists (approximately HK\$15,000 per capita) and Mainland Chinese tourists (approximately HK\$14,300 per capita).¹¹

Major issues in Hong Kong-Japan relations

1.2.5 Despite the close economic, trade and people-to-people ties between Hong Kong and Japan, the relationship between the two places have been strained or stagnant in recent years due to a number of issues, including:

- (1) Following the nuclear incident at Tokyo Electric Power Company's Fukushima Daiichi Nuclear Power Station in 2011, the HKSAR Government has imposed import control measures on certain food products from Japan to safeguard food safety and public health. These measures include a ban on the import of all vegetables, fruits, milk, milk beverages and dried milk from Fukushima into Hong Kong.¹² In August 2023, the Japanese Government announced the initiation of its

⁹ The Japan National Tourism Organization: https://www.jnto.go.jp/statistics/data/files/20250115_1615-1.pdf. (Japanese only)

¹⁰ The Japan National Tourism Organization: https://www.jnto.go.jp/statistics/data/files/20250219_1615-1.pdf. (Japanese only)

¹¹ Ministry of Land, Infrastructure, Transport and Tourism of Japan: <https://www.mlit.go.jp/kankocho/content/001856155.pdf>. (Japanese only)

¹² Centre for Food Safety's control measures on foods imported from Japan: <https://www.info.gov.hk/gia/general/201103/23/P201103230308.htm>.

discharge plan to release treated nuclear wastewater from the Fukushima Daiichi plant's reactors into the sea. The HKSAR Government has strongly opposed this plan and prohibited the import of aquatic products originating from 10 Japanese metropolises/prefectures into Hong Kong.¹³ The Japanese Government has repeatedly urged the HKSAR Government to lift these control measures immediately. Some in Japan have expressed doubts as to whether Hong Kong can uphold "one country, two systems" and "a high degree of autonomy" in dealing with food safety issues related to Japan, and whether it can decide on its own to lift the relevant control measures without adhering to the national policy;

- (2) In response to the large-scale riots in Hong Kong in 2019, the Central Authorities enacted the Law of the People's Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region ("Hong Kong National Security Law")¹⁴ in June 2020, which was promptly promulgated for implementation by the HKSAR Government. Subsequently, the current-term LegCo passed the Safeguarding National Security Ordinance in 2024.¹⁵ The two pieces of legislation are closely intertwined, aiming to plug the loopholes in the legal system and enforcement mechanisms of the

¹³ The HKSAR's press conference on gazetting of the ban on the import of aquatic products from 10 Japanese metropolises/prefectures:

https://www.news.gov.hk/eng/2023/08/20230823/20230823_180117_016.html?ty=category&name=health.

¹⁴ On 30 June 2020, the Law of the People's Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region was passed at the 20th session of the Standing Committee of the National People's Congress and listed in Annex III to the Basic Law in accordance with Article 18 of the Basic Law. The legislation was gazetted for promulgation and took effect in the HKSAR on the same day.

¹⁵ In March 2024, LegCo passed the Safeguarding National Security Ordinance, fulfilling its constitutional responsibility to legislate for Article 23 of the Basic Law, which had been delayed for nearly 27 years. The Ordinance is crucial to safeguarding national sovereignty, security and development interests, and the long-term prosperity and stability of Hong Kong.

HKSAR to safeguard national security, providing solid institutional safeguards to promote good governance. However, concerns have been raised in Japan that these laws might further “mainlandize” Hong Kong, erode the characteristics of “one country, two systems” and Hong Kong’s “high degree of autonomy”, and undermine the confidence of foreign enterprises, including those from Japan, in Hong Kong’s development prospects;

- (3) Some Hong Kong people involved in inciting or organizing the 2019 riots have continued to bad-mouth Hong Kong by spreading misinformation in overseas countries such as Japan. This has, to some extent, adversely affected the perceptions and trust of Japan’s political and business sectors, as well as the general public, towards Hong Kong. It has even caused some Japanese people to question the safety of travelling to or living in Hong Kong. Coupled with the multi-year impact of the COVID-19 pandemic (“the pandemic”), the number of Japanese visitor arrivals has plummeted from approximately 1.29 million in 2018 to less than half of the number. Although the number slightly rebounded to around 560 000 in 2024,¹⁶ it still represents around 21% of the 2.68 million Hong Kong visitor arrivals to Japan in the same year, resulting in a huge “tourism deficit”; and
- (4) In recent years, amid the US’s ongoing efforts to suppress the development of China (including Hong Kong), the Japanese Government’s perception of China has become negative, even to the point of viewing China as an

¹⁶ Figures from the Hong Kong Tourism Board:
2018: <https://partnernet.hktb.com/filemanager/intranet/ir/ResearchStatistics/paper/Stat-Review/StatReview2018/Statistical%20Review%202018.pdf>.
2024: https://www.discoverhongkong.com/content/dam/dhk/intl/corporate/newsroom/tourism-statistics/2024/tourism_stat_12_2024.pdf.

“unprecedented challenge” or threat.¹⁷ According to the balance of payments statistics for 2024 released by Japan’s Ministry of Finance, Japan’s investment in China amounted to US\$3.26 billion, down 60% from a decade ago.¹⁸ The growing estrangement of Japan and the US from China has also cast a shadow on the development of Hong Kong-Japan relations, exemplified by the fact that Japan has yet to explicitly express its support for Hong Kong’s early accession to the Regional Comprehensive Economic Partnership (“RCEP”).

China-Japan warming ties

1.2.6 China and Japan are close neighbours separated by a narrow strip of water. In 1972, they signed and published the Joint Statement of the Government of the People’s Republic of China and the Government of Japan, which led to the normalization of diplomatic relations. Over the past 50 years or so, China-Japan relations have undergone complex changes, marked by both cooperation and friction. Despite Japan’s distancing from China in recent years, China has adhered to the principles of good-neighbourliness, friendship, equality and mutual benefit, and hopes to develop a win-win bilateral relationship with Japan.

1.2.7 The past year has seen signs of a thaw in China-Japan relations. In November 2024, during the Asia-Pacific Economic Cooperation meeting in Peru, State President XI Jinping met with Japan’s newly appointed Prime Minister Shigeru ISHIBA. President XI pointed out that as the current international and regional situations face changes and turbulence, **China-Japan relations are in a critical**

¹⁷ National Security Strategy of Japan: <https://www.cas.go.jp/jp/siryoku/221216anzenhoshou/nss-e.pdf>.

¹⁸ News report of *Nikkei*: <https://zh.cn.nikkei.com/politicsaeconomy/investtrade/57991-2025-02-11-09-31-15.html>. (Chinese only)

period of improvement and development.¹⁹ China is willing to work with Japan, in accordance with the principles and directions established in the four political documents between China and Japan,²⁰ to firmly uphold the important common understandings that the two countries should be “cooperative partners rather than threats to each other”, make joint efforts to comprehensively advance the strategic relationship of mutual benefit between China and Japan, and endeavour to build a constructive and stable China-Japan relationship fit for the new era.²¹ Prime Minister ISHIBA said that the Japanese side adheres to the principles and consensus established in the four political documents between Japan and China, and keeps pursuing a path of peaceful development. The Japanese side is willing to engage in candid dialogue at all levels with the Chinese side in the spirit of facing history squarely and looking to the future, so as to enhance mutual understanding and mutual trust. Japan has no intention of “decoupling and severing industrial and supply chains” with China. It is hoped that both sides will strengthen people-to-people exchanges, push for more outcomes in cooperation across various fields such as economy and trade, green development, and medical and healthcare, and bring more benefits to the people of both countries.

Seizing the opportunity to promote Hong Kong-Japan relations

1.2.8 As the saying goes, “Friendship between the peoples boosts relations between the two countries”. Strengthening the friendship and understanding between the peoples of China and Japan

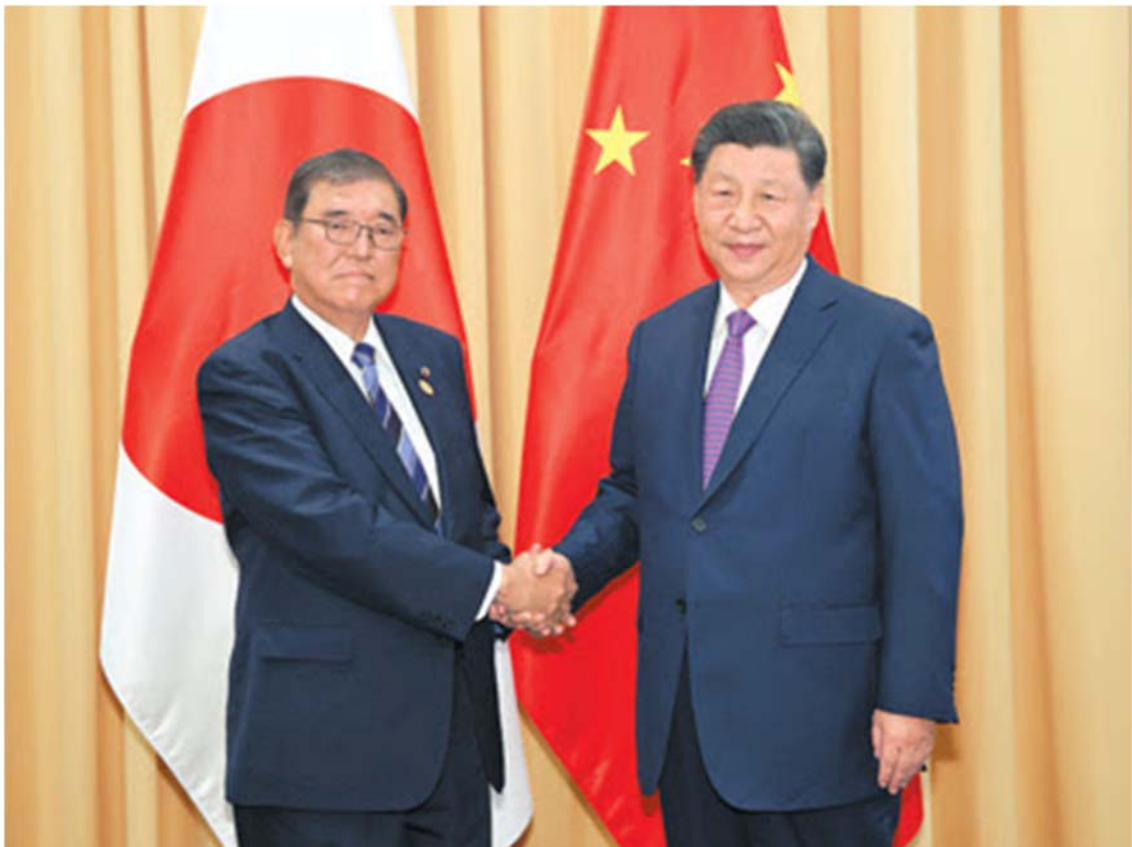
¹⁹ Remarks by President XI Jinping at his meeting with Japanese Prime Minister Shigeru ISHIBA on 16 November 2024.

²⁰ Ministry of Foreign Affairs: https://www.mfa.gov.cn/web/gjhdq_676201/gj_676203/yz_676205/1206_676836/sbgx_676840/. (Chinese only)

- (i) Joint Declaration of the Government of the People’s Republic of China and the Government of Japan (1972)
- (ii) Treaty of Peace and Friendship between China and Japan (1978)
- (iii) China-Japan Joint Declaration on Building a Partnership of Friendship and Co-operation for Peace and Development (1998)
- (iv) China-Japan Joint Statement on All-round promotion of Strategic Relationship and Mutual Benefit (2008)

²¹ News report of *Xinhuanet*: <http://www.news.cn/politics/leaders/20241116/113533b92b674dd3ade2a0ab53c8c101/c.html>. (Chinese only)

will consolidate the foundation of bilateral goodwill. As China-Japan relations are in a critical period of improvement and development, Hong Kong, which is positioned as a “super connector” and a “super value-adder”, can seize this opportunity to capitalize on its distinctive advantages of “enjoying strong support of the Motherland and being closely connected to the world” to **deepen the ties among the nation, Hong Kong and Japan**. Indeed, amid the current international geopolitical tensions and the resurgence of unilateralism and protectionism, Hong Kong, as one of the world’s most open economies and a founding member of the World Trade Organization (“WTO”), has a dual responsibility. It should help our country to promote regional and multilateral economic cooperation, and strive to maintain a stable and smooth flow of the global industrial and supply chains while working with other founding members of WTO, including Japan, to maintain the global free trade system.



State President XI Jinping meets with Japanese Prime Minister Shigeru ISHIBA (left)
(Photo: *Xinhua*)

1.2.9 In fact, the warming of China-Japan relations provides an opportunity for Hong Kong and Japan to enhance exchanges and communication, so that the above-mentioned issues of concern to Hong Kong and Japan can be properly addressed as early as possible. During his visit to Hong Kong in 2022, President XI Jinping already stressed that the Central Government fully supports Hong Kong in carrying out more extensive exchanges and close cooperation with the rest of the world.²² During his visit to Macao in 2024, President XI further emphasized that Hong Kong and Macao should leverage their distinctive strengths and reinforce their connectivity with both the Mainland and the world. Hong Kong and Macao should be more open and inclusive, expand international linkages, and raise their global standing and appeal.

1.2.10 The Delegation would like to take the opportunity of this duty visit to achieve the following objectives:

- (1) To explain to the Japanese authorities the main considerations behind Hong Kong's import control measures on certain Japan's food products and to engage in in-depth discussions on issues such as the monitoring mechanism and testing standards. This would enable the Delegation to gain a comprehensive understanding of the latest developments, with a view to assisting the HKSAR Government in actively exploring the possibility of relaxing or even lifting the relevant control measures;
- (2) To tell the good stories about China and Hong Kong to the political and business communities in Japan face to face, including a comprehensive and accurate account of the latest situation of Hong Kong's transition "from chaos to order" and "from stability advancing to

²² State President XI Jinping's address at the meeting celebrating the 25th anniversary of Hong Kong's return to the motherland and the inaugural ceremony of the sixth-term government of the Hong Kong Special Administrative Region: https://www.gov.cn/xinwen/2022-07/01/content_5698904.htm. (Chinese only)

prosperity” since the implementation of the Hong Kong National Security Law and the Safeguarding National Security Ordinance, and to clarify any misconceptions about Hong Kong promptly and directly;

- (3) To lobby the political and business communities in Japan to support Hong Kong’s early accession to RCEP, and strengthen the liaison and cooperation between LegCo and the National Diet of Japan to identify more diversified and mutually beneficial development opportunities for Hong Kong;
- (4) To introduce the enormous opportunities for Japan and other foreign investors presented by Hong Kong’s development of the “Eight Centres” under 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 National 14th Five-Year Plan”); its accelerated integration into the development of the country and the Guangdong-Hong Kong-Macao Greater Bay Area (“GBA”); its promotion of the development of the Northern Metropolis; and its proactive efforts to drive economic restructuring; and
- (5) To gain an in-depth understanding of the planning support and operational experience of Japan’s local tourism hotspots, with a view to inspiring the Delegation to more effectively promote the concept of “tourism is everywhere” in Hong Kong, and at the same time to showcase Hong Kong’s development and tourism appeal to the Japanese political and business communities, so as to attract more Japanese visitors to Hong Kong.

1.2.11 In view of this, LegCo's House Committee, at its meeting on 29 November 2024, endorsed a duty visit to Japan to be led by the LegCo President with members of the Parliamentary Liaison Subcommittee ("PLS").²³ The report on the duty visit will be presented to the House Committee before being submitted to the Executive Authorities.

1.3 Arrangements for the duty visit

1.3.1 The Delegation consisted of eight members:

President of the Legislative Council

Hon Andrew LEUNG Kwan-yuen, GBM, GBS, JP
(*Leader of the Delegation*)

Parliamentary Liaison Subcommittee

Hon Tommy CHEUNG Yu-yan, GBM, GBS, JP
Chairman of the Subcommittee

(*Deputy Leader of the Delegation*)

Hon Jeffrey LAM Kin-fung, GBM, GBS, JP

Hon Dominic LEE Tsz-king

Hon Nixie LAM Lam

Hon JoePHY CHAN Wing-yan

Hon TANG Fei, MH

Hon YIM Kong, JP

1.3.2 The Delegation was also accompanied by the Secretary General of the LegCo Secretariat, Ms Dora WAI, during the visit. The programme of the Delegation's visit is in **Appendix 1**; the visit and exchanges are highlighted in Chapter 2, while the observations and recommendations of the Delegation are set out in Chapter 3.

²³ At its meeting on 29 November 2024, the House Committee endorsed support for the Delegation to conduct a duty visit to South Korea and Japan from 18 to 24 December 2024. At its meeting on 6 December 2024, the House Committee endorsed the cancellation of the Delegation's visit to South Korea from 18 to 21 December in the light of the latest political development in South Korea, while the visit to Japan from 21 to 24 December would proceed as scheduled.



Members of the Delegation take a group photo before departure

Chapter 2 — Visits and Exchanges

2.1 Organizations met

2.1.1 During the duty visit, the Delegation had a busy schedule of meetings with representatives of the relevant Japanese government ministries, the National Diet of Japan, chambers of commerce and major multinational companies. Discussions focused on issues such as accession to RCEP, Hong Kong's business environment and related facilitative policies, food safety and tourism development.

Organization met	About the organization	Representative(s)
Ministry of Foreign Affairs	Overseeing foreign policy	Mr Hisayuki FUJII, State Minister for Foreign Affairs
Ministry of Economy, Trade and Industry	Responsible for the formulation and implementation of various economic, industrial and trade policies. The Trade Policy Bureau under the Ministry mainly handles Japan's participation in multilateral organizations, bilateral trade relations with various trading partners and other matters	Mr Takehiko MATSUO, Vice-Minister for International Affairs
Ministry of Agriculture, Forestry and Fisheries	Responsible for stabilizing food supply, managing food safety and overseeing policies on the import and export of agricultural, forestry and fishery products	Mr Taku ETO, Minister of Agriculture, Forestry and Fisheries
The National Diet of Japan	The House of Councillors and the House of Representatives jointly carry out the functions of the National Diet through the consideration of bills and measures, including enactment of laws, scrutiny of national finance proposals such as the budget, deliberation and approval for the conclusion of international treaties, designation of the Prime Minister, and initiation of amendments to the Constitution	Mr Hiroyuki NAGAHAMA, Vice-President of the House of Councillors
		Mr Koichiro GEMBA, Vice-Speaker of the House of Representatives

Organization met	About the organization	Representative(s)
Japan-Hong Kong Parliamentarians Caucus	Comprising members of the National Diet of Japan, the Japan-Hong Kong Parliamentarians Caucus is committed to promoting bilateral relations between Hong Kong and Japan	Ms Hanako JIMI, Chairman
Japan Business Federation (Keidanren)	Communicating with local and overseas stakeholders to strengthen corporate value creation and promoting closer economic relations and development between Japan and other regions	Mr Takeshi KUNIBE and Mr Junichiro IKEDA, Co-Chairmen
Nissin Foods Group	To date, the Group has so far secured a leading position in the instant noodle market in Hong Kong and the Mainland. With Hong Kong as its regional headquarters, the Group has expanded its business to overseas markets such as South Korea, Vietnam, Australia, etc.	Mr Kiyotaka ANDO, Chairman of the Board and Chief Executive Officer of Nissin Foods Company Limited
Representatives of the Toyosu Market and Tokyo Metropolitan Central Wholesale Market	Opened in October 2018, the Toyosu Market replaces the Tsukiji Market in Tokyo, which closed in the same year. As the largest fish market in the world, it attracts a large number of tourists every year for sightseeing and fresh seafood	Mr Ryuutarou SASAMORI, Director of Toyosu Market, Central Wholesale Market
Yokohama Chinatown Development Association	The coordinator and administrative body that manages the Yokohama Chinatown and regulates matters such as street planning, business rules and environmental protection	Mr Akio TAKEMATSU, Vice President
Embassy of China in Japan	Promoting mutual understanding and friendship between the peoples of China and Japan, and providing facilitative services to compatriots in Japan	Mr WU Jianghao, Ambassador
Hong Kong Economic and Trade Office in Tokyo	Enhancing global understanding of Hong Kong's advantages, attracting enterprises and investments, promoting Hong Kong's economic and trade interests, and supporting overseas enterprises to expand their businesses in Hong Kong	Miss Winsome AU Wai-sum, Principal Representative

2.2 Rallying support for Hong Kong's early accession to RCEP

2.2.1 After years of negotiations, RCEP was signed by 15 countries in the Asia-Pacific region (i.e. China, the 10 ASEAN member states, Australia, Japan, South Korea and New Zealand) on 15 November 2020. It is the largest free trade agreement in the world, with the combined Gross Domestic Product (“GDP”) of the members accounting for about one-third of the world’s total GDP. Under RCEP, import tariffs among members on more than 90% of commercial goods will be lifted. Common rules on e-commerce, customs clearance procedures and intellectual property rights will be established.²⁴ These measures will help reduce the costs of international trade and trade barriers, thereby facilitating trade interactions among RCEP members.

2.2.2 Japan is a founding member of RCEP. **One of the key tasks of the duty visit is to canvass the support of the Japanese Government for Hong Kong’s early accession to RCEP.** This issue was highlighted in the Delegation’s discussions during meetings with various Japanese ministries and organizations, including the Ministry of Foreign Affairs; the Ministry of Economy, Trade and Industry; the House of Councillors; the House of Representatives; the Japan-Hong Kong Parliamentarians Caucus; the Japan Business Federation; the Ambassador of China to Japan; and the Hong Kong Economic and Trade Office (“ETO”) in Tokyo.

Promoting Hong Kong’s role as a “super connector”

2.2.3 The Delegation told the Japanese side that Hong Kong has close ties with the 15 RCEP members, which are the major trading partners of Hong Kong and the major destinations for Hong Kong’s outward investment.²⁵ The Delegation stressed that Hong Kong, as an

²⁴ The Joint Leaders’ Statement on Regional Comprehensive Economic Partnership: https://www.mfa.gov.cn/eng/zy/gb/202405/t20240531_11367426.html.

²⁵ The 15 RCEP members account for around 70% of Hong Kong’s total merchandise trade in 2023 and around 48% of Hong Kong’s service trade in 2022. They are also primary destinations for Hong Kong’s outward investment, amounting to nearly 60% of Hong Kong’s total outward foreign direct investment in 2023. Please refer to: <https://www.info.gov.hk/gia/general/202501/15/P2025011500468.htm?fontSize=1>.

international city and a separate customs territory in the heart of Asia, is the world's freest economy,²⁶ and is also one of the most competitive places in the world.²⁷ After joining RCEP, Hong Kong will be able to further **facilitate closer economic and trade interactions with Japan and other RCEP members**, and play a unique and active role in promoting regional economic integration, which will be conducive to fostering trade ties and promoting economic stability in the Asia-Pacific region, and will be of great significance in maintaining global free trade. In addition to fully expressing Hong Kong's wish to accede to RCEP as soon as possible, the Delegation has also pointed out to the various Japanese organizations that in May 2024, the LegCo President led a delegation to visit three ASEAN member states. The representatives of these three countries unequivocally indicated their support for Hong Kong's early accession to RCEP. **If Japan expresses its support for Hong Kong's early accession to RCEP, it will elevate the relationship between the two places to a new level, bringing mutual benefits to both sides.** At the meetings with Japanese government officials, the participants clearly understood Hong Kong's intention to join RCEP. The Delegation indicated that Hong Kong will continue to maintain close communication with Japan and other RCEP members, and work together to facilitate Hong Kong's early accession to RCEP to further strengthen regional economic cooperation.

²⁶ According to the Economic Freedom of the World 2024 Annual Report published by the Fraser Institute on 16 October 2024, Hong Kong was ranked as the world's freest economy:

<https://www.info.gov.hk/gia/general/202410/16/P2024101600606.htm?fontSize=1>.

²⁷ According to the World Competitiveness Yearbook 2024 published by the International Institute for Management Development, Hong Kong's global ranking improved to the fifth place:

<https://www.info.gov.hk/gia/general/202406/18/P2024061800226.htm?fontSize=1>.

2.2.4 The Delegation explained to the Japanese side that under “one country, two systems”, Hong Kong’s strategic advantages as a **“super connector”** and **“super value-adder”** between Mainland China and the rest of the world will enable Japanese enterprises to make greater use of Hong Kong’s professional services in areas such as finance, accounting, logistics and legal services, while leveraging the strengths of GBA in order to explore greater opportunities in the vast Mainland market. By setting up headquarters or regional offices in Hong Kong, Japanese enterprises can also **make use of Hong Kong as a bridge between the Mainland and the rest of the world** to look for new opportunities in the Asia-Pacific region, the Belt and Road countries and even more places around the world.

2.2.5 In 2023, Japan’s direct investment in Hong Kong amounted to more than HK\$240 billion; and in 2024, over 1 400 Japanese enterprises set up branches or offices in Hong Kong, making it one of the largest sources of foreign investment in Hong Kong. The Japanese Government has stated that it always encourages domestic enterprises, especially those in the fields relating to healthcare and clean energy, to actively seek investment opportunities around the world. At the meeting with the Ministry of Foreign Affairs of Japan, **the Japanese side expressed its wish to further strengthening relations between Hong Kong and Japan, and emphasized that they expect the gradual resumption of travel between the two places would bring opportunities for the comprehensive development and resumption of exchanges and cooperation in a wide range of areas, such as culture, education, community and parliamentary affairs.** Both sides understood that cultural and educational exchanges are important bridges to enhance mutual understanding between the people of the two places, while community and parliamentary interactions would be conducive to strengthening the foundation of bilateral relations, thereby creating more opportunities for mutual benefit for the people of the two places.

2.2.6 The Delegation welcomes the Japanese Government's indication to further explore opportunities for investment cooperation with Hong Kong. The Delegation is confident that with Hong Kong's accession to RCEP, cooperation between the two places in terms of economic and trade activities, investment, finance, innovation and technology ("I&T") as well as culture and tourism will certainly be strengthened, and both the Hong Kong-Japan and China-Japan relations will also be elevated to a new level.

2.2.7 The Delegation also met with the Ambassador of China to Japan, Mr WU Jianghao. Mr WU is very familiar with the situation of Hong Kong as he was responsible for Hong Kong, Macao and Taiwan affairs during his tenure at the Ministry of Foreign Affairs ("MFA"). The Delegation would like to express its sincere gratitude to the Central Authorities and Mr WU for their full support for Hong Kong's accession to RCEP, so that Hong Kong can play a more pivotal role in the economic and trade integration in the Asia-Pacific region.

2.2.8 The Delegation noted that ETOs collaborate with various organizations, including Invest Hong Kong, the Hong Kong Trade Development Council ("HKTDC"), the Hong Kong Tourism Board ("HKTB"), the Hong Kong Science and Technology Parks Corporation ("HKSTPC"), the Hong Kong-Shenzhen Innovation and Technology Parks Limited and the Japan Hong Kong Society, to garner support from various sectors in Japan for Hong Kong's early accession to RCEP. By organizing different types of seminars and exchange activities, it can promote Hong Kong's unique status and its advantages in supply chain management, financial and professional services, etc., as well as the vast opportunities arising from the development of the I&T ecosystem and GBA, etc.



The Delegation rallies support from the Ministry of Economy, Trade and Industry for Hong Kong's early accession to RCEP



The Delegation meets with Mr Takehiko MATSUO, Vice-Minister for International Affairs of the Ministry of Economy, Trade and Industry (sixth left)



The Delegation meets with Mr Hiroyuki NAGAHAMA, Vice-President of the House of Councillors (second right), emphasizing that Hong Kong's role as a “super connector” and “super value-adder” between the Mainland and the rest of the world enables it to help Japanese enterprises seize business opportunities in the Mainland market



The Delegation exchanges views with the House of Councillors on deepening regional collaborations and other issues



The Delegation exchanges views with Mr Koichiro GEMBA, Vice-Speaker of the House of Representatives (sixth left), to canvass support for Hong Kong's early accession to RCEP

2.3 Promoting Hong Kong as a stable and safe place

2.3.1 The Delegation acknowledges that since the implementation of the Hong Kong National Security Law and the Safeguarding National Security Ordinance, the international community, including Japan's political and business sectors, has expressed varying degrees of concern and even misconceptions about whether Hong Kong remains free and open, with the rule of law and judicial independence being upheld under "one country, two systems". The misunderstanding may stem from the incomprehension of the actual situation of Hong Kong or even from the influence of external forces spreading inaccurate information. In this connection, at the meetings with the Japanese government officials in the presence of the Consul-General of Japan in Hong Kong, Mr Jun MIURA, **the Delegation specifically asked Mr MIURA to serve as a bridge between Hong Kong and Japan by providing detailed explanations about the actual situation of Hong Kong to different sectors in Japan, such as the political and business sectors, the media and members of the public,** with a view to dispelling their misunderstandings. The Delegation underlined Hong Kong's continued adherence to the core values of the rule of law within the legal framework for safeguarding national security, and the city has remained steadfast in preserving judicial independence and ensuring a free and open business environment. The Delegation looks forward to promoting a comprehensive understanding of Hong Kong among the Japanese and solidifying mutual trust between the two places through frank communication and pragmatic exchanges.

2.3.2 The Delegation also proactively elaborated to various organizations on the latest situation of the Hong Kong society and explained in detail the legislative intent and the key provisions of the above legislation. Meetings were held with the Ministry of Foreign Affairs; the Ministry of Economy, Trade and Industry; the House of Councillors; the House of Representatives; the Japan-Hong Kong Parliamentarians Caucus and the Japan Business Federation.

Laws safeguarding national security ensure Hong Kong's stability and security

2.3.3 The Delegation told the Japanese side that any responsible government would make every effort to protect the safety of its people, and believed that Japan is no exception. The Safeguarding National Security Ordinance enacted by LegCo in 2024 complements the Hong Kong National Security Law passed by the Central Authorities in 2020, with the aim of improving the legal system and enforcement mechanisms to safeguard national security, rather than **targeting any particular country or individual**. **Legislating for national security laws is not unique to Hong Kong**. Other regions or countries (e.g. Japan) have already enacted legislation in this regard. The provisions of the above two pieces of legislation are clear and concise, and have been drafted in accordance with common law principles. They fill the gaps in the existing laws and draw on the experience of other common law jurisdictions, while adequately protecting **the human rights and freedoms of all Hong Kong residents (including expatriates residing in Hong Kong)**. The Delegation stressed that a favourable and sustainable business environment, which effectively protects local and overseas investors from Japan and other countries, can only be created if a safe and stable society is ensured.

2.3.4 The Japanese side welcomed the visit of the Delegation, and the latter's explanation of the latest situation in Hong Kong on various fronts. At the meeting with the Ministry of Foreign Affairs of Japan, the Japanese side expressed concern about the developments in Hong Kong and whether Hong Kong remained free and open under "one country, two systems". The Delegation told the Japanese side

that after the enactment of the Safeguarding National Security Ordinance, Hong Kong's ranking in the Global Financial Centres Index 2024²⁸ had risen by one place to the third in the world, regaining its previous ranking. In the same year, Hong Kong's ranking in the World Competitiveness Yearbook 2024²⁹ had also risen by two places to the fifth globally.

“One country, two systems” to remain unchanged in the long run

2.3.5 The Delegation pointed out to the Japanese side that, during his visit to Hong Kong in 2022, President XI Jinping publicly stressed that “one country, two systems” has been tested repeatedly in practice. It serves the fundamental interests of not only Hong Kong and Macao, but also the whole country and the nation. It has gained wide support from the 1.4 billion-plus Chinese people including the residents of Hong Kong and Macao. It is also widely accepted by the international community. **There is no reason for us to change such a good policy, and we must adhere to it in the long run.**³⁰ The Delegation specifically drew the Japanese side's attention to the enactment of the Extension of Government Leases Ordinance in 2024, which provides that applicable leases (i.e. general residential, commercial and industrial leases) that are due to expire in a specified period will be automatically extended for 50 years without payment of additional premium.³¹ The Ordinance **removes businesses' concerns about the future of land leases** and helps strengthen investors' confidence that “one country, two systems” will remain unchanged in the long run.

²⁸ Global Financial Centres Index published in September 2024: https://www.longfinance.net/media/documents/GFCI_36_Report_2024.09.24_v1.1.pdf.

²⁹ 2024 IMD World Competitiveness: https://www.imd.org/centers/wcc/world-competitiveness-center/rankings/world-competitiveness-ranking/rankings/wcr-rankings/#_tab_List.

³⁰ The speech delivered by President XI Jinping at the meeting to celebrate the 25th anniversary of Hong Kong's return to the Motherland and the inaugural ceremony of the sixth-term Government of the Hong Kong Special Administrative Region: https://www.gov.cn/xinwen/2022-07/01/content_5698904.htm. (Chinese only)

³¹ The HKSAR Government's press release on the Extension of Government Leases Ordinance: <https://www.info.gov.hk/gia/general/202407/04/P2024070400682.htm?fontSize=1>.



The Delegation points out to the Ministry of Foreign Affairs of Japan that the Safeguarding National Security Ordinance effectively protects overseas investors, including Japanese enterprises operating business in Hong Kong



The LegCo President explains to Mr Hisayuki FUJII, State Minister for Foreign Affairs of Japan (first right), that “one country, two systems” is a good policy for maintaining Hong Kong’s long-term prosperity



The Delegation points out that the Safeguarding National Security Ordinance helps maintain a favourable and sustainable business environment in Hong Kong, as evidenced by Hong Kong's top international rankings in various areas such as competitiveness and finance

Local and overseas investors casting a vote of confidence in “one country, two systems”

2.3.6 During meetings with the Japanese political and business sectors, **the Japanese side pointed out that the people in Japan were not quite familiar with the various advantages of Hong Kong under “one country, two systems” and its distinctive position of “enjoying strong support of the Motherland and being closely connected to the world”.** Many Japanese people's impression of Hong Kong had remained the same as in the past, and they were not fully aware of Hong Kong's strategic advantages as an international financial, trading and logistics centre, its distinctive position and role in our country's economic development, and how it would serve as a gateway for international enterprises to tap the vast market in the Mainland.

2.3.7 In response to the Japanese side, the Delegation stressed that the Hong Kong National Security Law and the Safeguarding National Security Ordinance have come into effect smoothly, ensuring the full implementation of and long-term adherence to the principles of “one country, two systems”, “Hong Kong people administering Hong Kong” and a high degree of autonomy guaranteed by the Basic Law. Hong Kong has maintained a sound legal system, an independent Judiciary, as well as robust and stable financial systems and investment environment. With its close ties with the Mainland, Hong Kong serves not only as a bridge between Mainland China and the rest of the world, but also as a vital nexus for Asian and global economic cooperation. **The city continues to be recognized as one of the freest economies and safest places in the world.**³² The Delegation pointed out that the number of Hong Kong-based companies with overseas or Mainland parent companies reached a record high of nearly 10 000 in 2024, representing an increase of almost 10% as compared with 2023.³³ This has fully demonstrated **the confidence of both local and overseas enterprises in Hong Kong.** During the meetings, the Delegation extended invitations to the Japanese political and business sectors to visit Hong Kong to witness first-hand its latest development. Such visits would enable them to experience Hong Kong’s safe and stable business environment and the strengths of an international financial centre under “one country, two systems”.

2.3.8 The Delegation noted that the ETO in Tokyo has been closely monitoring the comments on Hong Kong affairs made by the people and the media in Japan, and published articles to address concerns about Hong Kong-related issues. If there are any inaccurate reports about Hong Kong, the ETO in Tokyo would **promptly issue clarifications and rebuttals.** The ETO also explains to stakeholders

³² Statistics published by Brand Hong Kong in October 2024:
https://www.brandhk.gov.hk/docs/default-source/factsheets-library/hong-kong-themes/2024-10-24/rankings_en_oct-2024.pdf.

³³ The speech delivered by CE, Mr John LEE Ka-chiu, in December 2024 on the record high numbers of both Hong Kong-based companies and start-ups in Hong Kong:
https://www.news.gov.hk/chi/2024/12/20241217/20241217_103324_768.html.
(Chinese only)

from time to time the implementation of the Basic Law and “one country, two systems” in Hong Kong, as well as important issues related to the Hong Kong National Security Law, the Safeguarding National Security Ordinance, the judicial system and so on, so that various sectors of the Japanese society can develop a comprehensive and accurate understanding of the actual situation in Hong Kong.



The Delegation exchanges views with Miss Winsome AU Wai-sum, Principal Hong Kong Economic and Trade Representative (Tokyo) (second left, front row), and learns about ETO's work for Hong Kong in Japan

2.4 Promoting Hong Kong's new policies on advancing I&T and facilitating business operation

2.4.1 The Delegation met with various organizations, including the Ministry of Economy, Trade and Industry; the House of Councillors; the House of Representatives; the Japan Business Federation and Nissin Foods Group, to discuss the above issues.

Encouraging Japanese businesses to seize the development opportunities in Hong Kong and GBA

2.4.2 **In the National 14th Five-Year Plan, the Central Authorities expressed support to Hong Kong's development into an international I&T hub**, so as to facilitate the upgrading and transformation of traditional industries and the active development of emerging industries in Hong Kong. In this connection, the Delegation briefed the Japanese side on the Hong Kong Innovation and Technology Development Blueprint ("I&T Development Blueprint"), promulgated earlier by the HKSAR Government. The Blueprint establishes a clear development path and formulates systematic strategic planning for Hong Kong's I&T development over the next five to ten years.³⁴

2.4.3 The Delegation specifically emphasized to the Japanese side that the Seventh LegCo has strongly supported the HKSAR Government's proactive development of **the Northern Metropolis project**. The Northern Metropolis can **inject new impetus into Hong Kong's economic development**, provide ample land resources and infrastructure for the development of I&T industries, and complement the strengths of neighbouring Shenzhen, thereby **facilitating Hong Kong's integration into the development of the country and GBA**. This presents a new and invaluable development opportunity for foreign enterprises and talents, including those from Japan. Hong Kong can be leveraged as a platform connecting with both the Mainland and the world to access the Mainland and the GBA markets for development.

³⁴ The HKSAR Government's press release on I&T Development Blueprint: <https://www.info.gov.hk/gia/general/202212/22/P2022122200213.htm?fontSize=1>.

2.4.4 The current-term LegCo has all along been supportive of the HKSAR Government's policy initiatives to pursue economic growth and advance development, and has passed a large number of bills and financial proposals to remove barriers and red tape, stimulate the economy and facilitate business operations. The Delegation briefed the Japanese side on the latest developments in this regard, such as enacting a series of tax concession-related legislation to promote the development of family office business in Hong Kong,³⁵ refining Hong Kong's foreign-sourced income exemption regime,³⁶ promoting intellectual property trading and so on.³⁷ The relevant legislative amendments create favourable conditions for foreign enterprises to develop in Hong Kong. The Delegation also explained to the Japanese side that following Hong Kong's transition from chaos to order, the city has been advancing from stability to prosperity. With a stable and safe social environment, Hong Kong offers desirable conditions for economic development and **presents an opportune time for Japanese enterprises to invest and expand their business in Hong Kong.**

2.4.5 The Delegation drew the attention of the Japanese side to a **series of policies put forward by the HKSAR Government to promote the development of I&T industries.** LegCo has approved a number of financial proposals, including:

- (1) the HK\$10 billion New Industrialization Acceleration Scheme which aims to promote the downstream development of new industrialization. It provides matching funding for enterprises in the fields of life and health technology, artificial intelligence ("AI") and data science, advanced manufacturing and new energy technologies;

³⁵ Inland Revenue (Amendment) (Tax Concessions for Family-owned Investment Holding Vehicles) Ordinance 2022.

³⁶ Inland Revenue (Amendment) (Taxation on Foreign-sourced Disposal Gains) Ordinance 2023.

³⁷ Inland Revenue (Amendment) (Tax Concessions for Intellectual Property Income) Ordinance 2024.

- (2) the HK\$10 billion Research, Academic and Industry Sectors One-plus Scheme which aims to organically integrate the Government, industry, academic and research sectors to step up efforts in promoting the transformation and commercialization of research and development (“R&D”) outcomes, and enhance the local I&T ecosystem; and
- (3) the Digital Transformation Support Pilot Programme which provides additional support for promoting the development of digital economy to accelerate the pace of digital transformation for small and medium enterprises (“SMEs”).

2.4.6 The Delegation emphasized to the Japanese side that the HKSAR Government is committed to promoting the development of I&T industries. The Delegation called on Japanese enterprises and R&D institutions **to strengthen collaboration with universities in Hong Kong** to upgrade and **promote Japanese products to the vast markets in GBA and overseas through Hong Kong**.

Table 1: Major legislation passed in the Seventh LegCo for facilitating business operation

Date of passage	Major legislation	Purpose
13/7/2022	Inland Revenue (Amendment) (Tax Concessions for Certain Shipping-related Activities) Ordinance 2022	To give profits tax concessions to eligible ship agents, ship managers and ship brokers; and to attract commercial principals of the maritime industry to develop their business in Hong Kong, with a view to enhancing Hong Kong's status as an international maritime centre
7/12/2022	Copyright (Amendment) Ordinance 2022	To update the copyright regime and strengthen copyright protection in the digital environment, with a view to keeping the regime abreast with international norms and promoting the development of Hong Kong into a regional intellectual property trading centre
10/5/2023	Inland Revenue (Amendment) (Tax Concessions for Family-owned Investment Holding Vehicles) Ordinance 2022	To provide tax concessions for eligible family-owned investment holding vehicles managed by single family offices in Hong Kong, with a view to consolidating Hong Kong's position as a leading family office hub
6/12/2023	Inland Revenue (Amendment) (Disposal Gain by Holder of Qualifying Equity Interests) Ordinance 2023	To give effect to the Tax Certainty Enhancement Scheme, with a view to reducing the compliance cost and enhancing tax competitiveness
10/1/2024	Inland Revenue (Amendment) (Tax Deductions for Spectrum Utilization Fees) Ordinance 2023	To provide tax deductions for spectrum utilization fees payable by mobile network operators on radio spectrum acquired in future auctions, with a view to encouraging mobile network operators to invest more proactively in telecommunications infrastructure
21/2/2024	Inland Revenue (Amendment) (Aircraft Leasing Tax Concessions) Ordinance 2023	To enhance the aircraft leasing preferential tax regime, with a view to strengthening Hong Kong's competitiveness in the global aircraft leasing industry
26/6/2024	Inland Revenue (Amendment) (Tax Concessions for Intellectual Property Income) Ordinance 2024	To implement the "patent box" tax incentive, with a view to promoting intellectual property trading and consolidating Hong Kong's competitiveness as a regional intellectual property trading centre
18/12/2024	Inland Revenue (Amendment) (Tax Deductions for Leased Premises Reinstatement and Allowances for Buildings and Structures) Ordinance 2024	To introduce tax deductions for lease reinstatement costs and remove the time limit for claiming annual allowances for industrial/commercial buildings or structures, with a view to facilitating business operations

Table 2: Major financial proposals approved in the Seventh LegCo for facilitating business operations

Date of approval	Major financial proposal	Purpose
9/6/2023	Research, Academic and Industry Sectors One-plus Scheme	To organically integrate the Government, industry, academic and research sectors, step up efforts in promoting the transformation and commercialization of R&D outcomes, and facilitate the development of I&T downstream industries, with a view to enhancing the local I&T ecosystem
14/7/2023	Incubation Programme for Smart Living Start-ups	To provide a financial subsidy and professional services support for smart living start-ups under the Incubation Programme, with a view to fostering the development of more smart living solutions and services, and promoting smart city development
14/7/2023	Digital Transformation Support Pilot Programme	To provide additional support for promoting the development of digital economy, with a view to accelerating the pace of digital transformation for SMEs
17/5/2024	New Industrialization Acceleration Scheme	To provide financial assistance to encourage enterprises from industries of strategic importance (i.e. life and health technology, AI and data science, etc.) in setting up new production facilities in Hong Kong
14/6/2024	Setting up of the “Digital Corporate Identity” Platform	To enable corporations to undergo corporate identity authentication and make use of digital signature in a secure, convenient and efficient manner, and to simplify the complicated procedures, with a view to accelerating their digital transformation

Latest amendments to CEPA further facilitate business operations of foreign enterprises

2.4.7 The Second Agreement Concerning Amendment to the Mainland and Hong Kong Closer Economic Partnership Arrangement (“CEPA”) Agreement on Trade in Services (“CEPA Amendment Agreement II”) signed between the State Ministry of Commerce and the HKSAR Government took effect on 1 March 2025. The Delegation briefed the Japanese side on the **relaxed restrictions for eligible enterprises or professionals entering the Mainland market** under CEPA Amendment Agreement II, which covers a wide range of trades and industries, including financial services, construction and related engineering services, testing and certification, telecommunications, motion pictures, television, tourism services and so on. The Delegation believes that **Japanese enterprises setting up subsidiaries in Hong Kong can also benefit from such initiatives.** In addition, our country has already relaxed entry requirements, allowing non-Chinese permanent residents of Hong Kong and Macao to apply for permits for travelling to the Mainland multiple times. The Delegation believes that the series of facilitative measures will **significantly enhance Hong Kong’s role as a bridge between Mainland China and overseas markets for trade and investment.**

2.4.8 The Delegation told the Japanese side that people in Hong Kong have a strong affinity for the Japanese culture, merchandise and cuisine. They also welcome well-known Japanese companies and brands to **set up offices or branches in Hong Kong.** The Mainland is the largest source of visitors for Hong Kong’s tourism industry. In 2024, the number of inbound visitors from the Mainland reached 34 million, representing an increase of 27% from the previous year.³⁸ The strong growth trend will not only attract Japanese brands to expand their overseas business in Hong Kong, but will also greatly enhance their popularity among the Mainland travellers.

³⁸ Hong Kong Tourism Board: https://partnernet.hktb.com/en/industry_news/hktb_updates/index.html?id=7507.

Attracting businesses and talents

2.4.9 The Delegation briefed the Japanese side on the HKSAR Government's policies of "competing for enterprises" and "competing for talents" to develop a high value-added and diversified economy.³⁹ Among them, the Research Talent Hub Scheme and the Top Talent Pass Scheme aim at **attracting R&D talents in the information technology and related fields**, as well as high-income, well-educated and experienced talents to Hong Kong for development. The Delegation noted that the ETO in Tokyo has been **organizing business conferences and collaborating with renowned Japanese universities to host seminars**. These initiatives aim at proactively promoting Hong Kong's various talent admission schemes and providing information to the targeted talents on Hong Kong's employment opportunities and development prospects.

Promoting the upgrading and transformation of industries

2.4.10 The Chief Executive ("CE") proposed in his 2024 Policy Address to promote the upgrading and transformation of traditional industries through technological empowerment. The Delegation met with the Chairman of the Board and Chief Executive Officer of Nissin Foods Company Limited, Mr Kiyotaka ANDO, for an in-depth exchange on issues of mutual concern, such as **promoting smart production and tapping the GBA market**.

2.4.11 Mr Kiyotaka ANDO explained that the Nissin Foods Group has been actively exploring the integration of I&T into traditional industries. He has also expressed his gratitude to the HKSAR Government for approving funding of HK\$15 million under the Re-industrialization Funding Scheme in 2021 to upgrade the Company's

³⁹ CE's 2023 Policy Address: https://www.policyaddress.gov.hk/2023/public/pdf/policy/policy-annex_en.pdf.

original production model,⁴⁰ so that **full automation with robotics** can be adopted to set up a smart production line at its Tai Po factory. It has **greatly improved the production efficiency** and better ensured food safety and quality control.

2.4.12 Mr Kiyotaka ANDO further pointed out that with Hong Kong as its strategic base, the Group has been making plans proactively to tap the Asia-Pacific markets and has successfully expanded its business to South Korea, Vietnam, Australia, etc. At the same time, the Group has also seized the golden opportunities arising from the rapid development in GBA by setting up production bases in Dongguan, Zhuhai, Shunde, etc.

2.4.13 To strengthen its market competitiveness, the Group continues to focus on product R&D and innovation, as well as production line expansion, with a view to achieving product diversification under the brand to meet the demand of different markets. The Group also capitalizes on **Hong Kong's status as an international trade centre to effectively export high-quality products manufactured in GBA to the global market**, and jointly promote the brand of "Made in GBA" to the international market. This will not only help enhance business competitiveness, but also inject impetus into the economic developments of Hong Kong and GBA, thereby creating a win-win situation for all parties.

2.4.14 The Delegation told Mr Kiyotaka ANDO that in recent years, many Hong Kong consumers have become more health-conscious, and are willing to pay a premium price for quality-assured products. To meet consumer demand and help enterprises seize business opportunities, the governments of Guangdong, Hong Kong and Macao are working to develop the GBA Standards for different

⁴⁰ The HKSAR Government's press release on the funding approved under the Re-industrialization Funding Scheme: <https://www.info.gov.hk/gia/general/202111/09/P2021110800672.htm?fontSize=1>.

products and services.⁴¹ **The Group and other Japanese enterprises may also adopt the relevant standards in the future, so that the food products manufactured in GBA that meet these standards would effectively receive a GBA version of certification that is equivalent of the “Q-Mark” certification. This significantly enhances consumer confidence in the products, and leverages the advantages and convenience of Hong Kong’s trade and logistics industry to create unlimited business opportunities for Japanese brands.** Mr Kiyotaka ANDO expressed keen interest in learning more about the detail of relevant standards, and has arranged meetings with the leader and some members of the Delegation for follow-up discussions after his return to Hong Kong.



The Delegation exchanges views with Mr Kiyotaka ANDO, Chairman of the Board and Chief Executive Officer of Nissin Foods Company Limited

⁴¹ Written reply to LegCo by the Secretary for Commerce and Economic Development of the HKSAR Government, Mr Algernon YAU, on the GBA Standards:
<https://www.info.gov.hk/gia/general/202412/11/P2024121100449.htm?fontSize=1>.



Mr Kiyotaka ANDO (first left) expresses keen interest in the widely recognized GBA version of the “Q-Mark” certification



The Delegation briefs the Japan Business Federation on various facilitative measures Hong Kong implemented in recent years for foreign enterprises



The LegCo President poses for a group photo with Mr Takeshi KUNIBE (third right) and Mr Junichiro IKEDA (third left), Co-Chairmen of Japan Business Federation

2.5 Food safety

2.5.1 For many years, Hong Kong has been one of the most important export markets for Japan's agricultural and fishery products and foodstuffs.⁴² On 11 March 2011, a major earthquake struck the northeast of Japan, triggering the Fukushima nuclear plant incident. To **protect public health and food safety**, the HKSAR Government **imposed a ban on the import and supply of a range of Japan's food products** on 24 March of the same year. Subsequently, the Japanese Government announced that, from 24 August 2023, the treated nuclear wastewater would be discharged into the sea over a 30-year period.



Fukushima Daiichi Nuclear Power Plant (Website of the Agency for Natural Resources and Energy of the Ministry of Economy, Trade and Industry of Japan)

⁴² According to the statistics of the Ministry of Agriculture, Forestry and Fisheries of Japan, in 2024, Japan's exports of agricultural, forestry and fishery products and foodstuffs to Hong Kong totalled JP¥221 billion (equivalent to approximately HK\$11.4 billion), accounting for 15.7% of Japan's exports of related products. From 2010 to 2020, Hong Kong was the top destination for Japan's exports of related products. From 2021 to 2023, Mainland China took over the first place, with Hong Kong ranking second – a position the city maintained in 2024, while the US took over the top spot.

2.5.2 The HKSAR Government has strongly opposed the discharge of nuclear wastewater, and prohibited the import of aquatic food products from 10 designated Japanese metropolises/prefectures into Hong Kong. Details are as follows:

Implementation date	Japanese metropolis/ prefecture	Imported Japan's food products	Control measures
24 August 2023 ⁴³	10 designated metropolises / prefectures ⁴⁴	Live, frozen, chilled, dried or otherwise preserved aquatic products, sea salt and seaweeds harvested, manufactured, processed or packed on or after that date	Import and supply in Hong Kong are prohibited
	Other areas in Japan		Conditional import ⁴⁵
24 July 2018 ⁴⁶	Chiba, Tochigi, Ibaraki, and Gunma	Fruits, vegetables, milk, milk beverages and dried milk	Conditional import
	Fukushima		Import prohibition continued
24 March 2011 ⁴⁷	Fukushima, Chiba, Tochigi, Ibaraki and Gunma	Fruits, vegetables, milk, milk beverages and dried milk	Prohibited from import
		Chilled or frozen game, meat and poultry, and poultry eggs; and live, chilled or frozen aquatic products	Conditional import

⁴³ The HKSAR Government's press conference on the gazettal of ban on imported aquatic products from 10 metropolises or prefectures in Japan: https://www.news.gov.hk/eng/2023/08/20230823/20230823_180117_016.html?type=%20%20%20category&name=health.

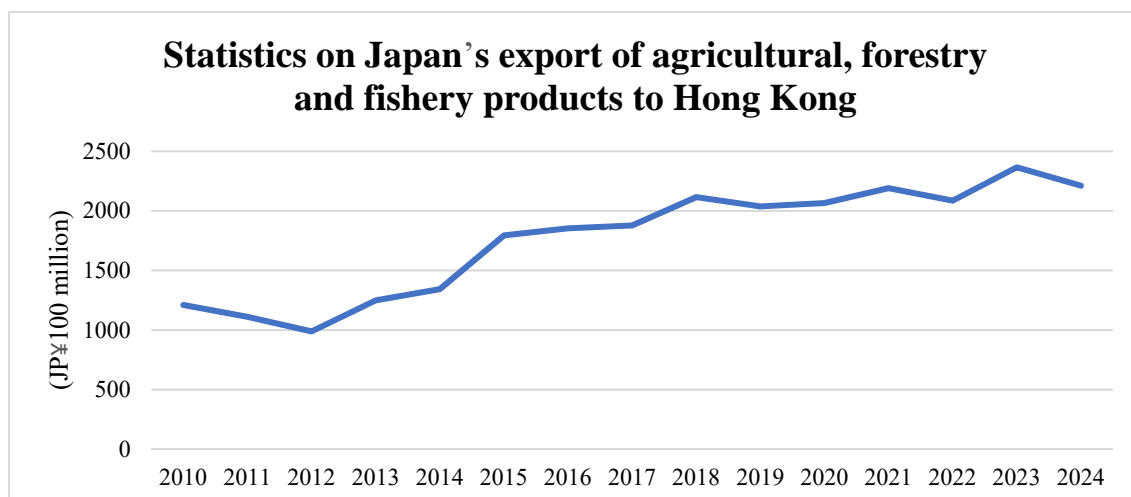
⁴⁴ Tokyo, Miyagi, Niigata, Nagano, Saitama, Gunma, Tochigi, Ibaraki, Chiba and Fukushima.

⁴⁵ Other Japan's aquatic products, sea salt, and seaweed that are not prohibited from being imported into Hong Kong must undergo radiological tests conducted by Hong Kong's Centre for Food Safety ("CFS"). These products can only be placed on the market after verification of not exceeding the radiation levels.

⁴⁶ CFS's press release: https://www.fehd.gov.hk/english/news/details/20180720_7049.html.

⁴⁷ CFS's press release: https://www.cfs.gov.hk/english/press/2011_03_23_1.html.

2.5.3 As shown in the chart below, despite the implementation of the aforesaid control measures, **there has not been a significant decline for** the export volume of Japan's agricultural, forestry and fishery products to Hong Kong, indicating a strong demand from Hong Kong for Japan's products.



Source: Ministry of Agriculture, Forestry and Fisheries of Japan

2.5.4 Concerning the safety of food exported from Japan to Hong Kong, the Delegation exchanged views with the Ministry of Economy, Trade and Industry; the Ministry of Agriculture, Forestry and Fisheries; the House of Councillors; the House of Representatives; the Japan-Hong Kong Parliamentarians Caucus; the Ambassador of China to Japan; and the Toyosu Market.

Explaining Hong Kong's import control measures on Japan's food products

2.5.5 Japanese government officials had in-depth exchanges with the Delegation. The Japanese side stressed that Hong Kong has long been one of the major export markets for Japan's premium agricultural, forestry and fishery products, and played an important role in Japan's food exports. In view of the expert-level technical dialogue on the discharge of treated nuclear wastewater from the Fukushima nuclear power plant already underway between China and Japan, the Japanese side went further to expect the HKSAR Government to review the existing import control measures on foodstuffs based on scientific data and international standards, and make pragmatic and practical

adjustments as soon as possible to resume normal trading of Japan's foodstuffs. Since the commencement of the discharge plan of the Fukushima nuclear power plant's treated water, the Japanese Government has been actively cooperating with the International Atomic Energy Agency ("IAEA") in the comprehensive monitoring and assessment efforts to ensure that the discharge process complies with international safety standards. The Japanese side reiterated its hope that the HKSAR Government would fully consider the expert advice of internationally recognized authorities and review the existing control measures, with a view to fostering the positive development of bilateral economic and trade relations between the two places.

2.5.6 The Delegation conveyed to the Japanese side the **grave concerns of Hong Kong citizens and various sectors of society about Japan's decision to discharge nuclear wastewater into the sea**. As nuclear wastewater contains various radioactive elements, many environmental groups, fishery practitioners and members of the public are concerned about its long-term adverse impacts on marine ecosystems, the food chain and food safety. In particular, the Delegation expressed concerns that given the 30-year span of the discharge plan, any ineffective operation of the purification devices during this period could pose significant risks to food safety and marine ecosystems.

2.5.7 The Delegation pointed out that the HKSAR Government's control measures on food imported from Japan **are aimed at protecting food safety and public health**. Hong Kong has put in place a **stringent surveillance mechanism for imported food**, which consistently applies objective, scientific, and internationally recognized criteria to inspect food imports from **all regions**.

2.5.8 In fact, following the 2011 Fukushima nuclear power plant incident, Hong Kong citizens temporarily lost confidence in Japan's agricultural, forestry and fishery products. However, thanks to Hong Kong's rigorous testing regime and the HKSAR Government's proactive efforts to explain to the public that Japan's food products allowed for import after testing are safe for consumption, public confidence has been restored and the demand for Japan's agricultural,

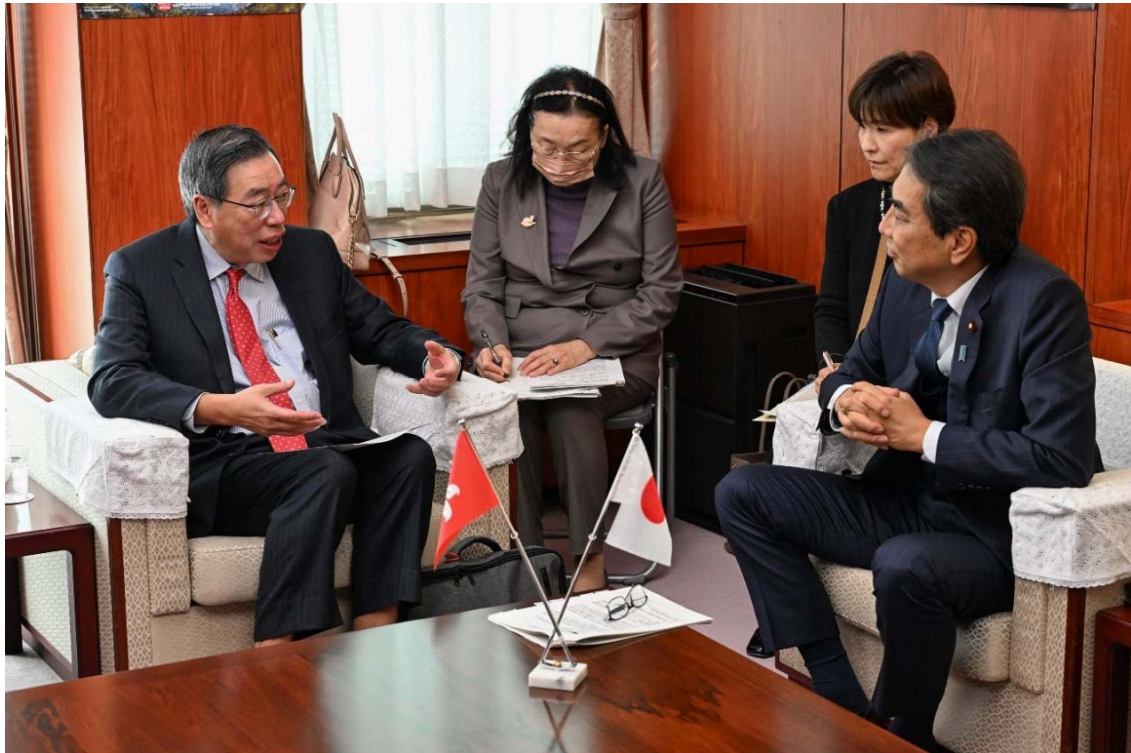
forestry and fishery products has increased instead. **This exactly reflects that Hong Kong’s testing regime has benefited the Japanese food market** and helped maintain Hong Kong’s reputation as a “Gourmet Paradise”.

2.5.9 The Delegation specifically mentioned that Hong Kong citizens’ preference for Japan’s food products is due to the latter’s **superior quality and safety**. With the HKSAR Government’s **open and transparent control measures** on Japan’s foodstuffs, Hong Kong citizens can “**consume with peace of mind**”. This can create a **win-win situation** by bolstering the sales of Japan’s food products in Hong Kong and boosting the revenue for the city’s retail and catering industries.

2.5.10 **The Delegation reiterated to the Japanese side that Hong Kong has been exercising “a high degree of autonomy” guaranteed by “one country, two systems”**. To further illustrate that Hong Kong’s stringent surveillance of food imports applies impartially to all regions, the Delegation pointed out that in 2016, three samples of hairy crabs from Mainland China were found to contain carcinogens exceeding the standards set by Hong Kong’s Centre for Food Safety (“CFS”). To safeguard public health, the hairy crabs from the two aquaculture farms concerned in the Mainland were suspended from importing and selling in Hong Kong. Currently, each consignment of hairy crabs imported from different places of origin or aquaculture farm with a health certificate would be tested by CFS every year.⁴⁸ Only if the test results are satisfactory are these crabs permitted for sale in the market. This practice reflects **Hong Kong’s rigorous risk management system for the safety of imported food has been implemented impartially**.

⁴⁸ CFS’s “Food Safety Focus” report (2017): https://www.cfs.gov.hk/english/multi-media/multimedia_pub/multimedia_pub_fsf_135_01.html.

2.5.11 The Delegation expects the Japanese side would **disclose all data related to the nuclear wastewater**. This would provide the HKSAR Government with sufficient information to review whether adjustments to the import control measures on Japan's food products are warranted. The Delegation also conveyed to the Japanese side that it would actively follow up with the HKSAR Government on issues related to Japan's food imports.



The LegCo President meets with the Minister of Agriculture, Forestry and Fisheries, Mr Taku ETO (first right), to discuss food safety issues



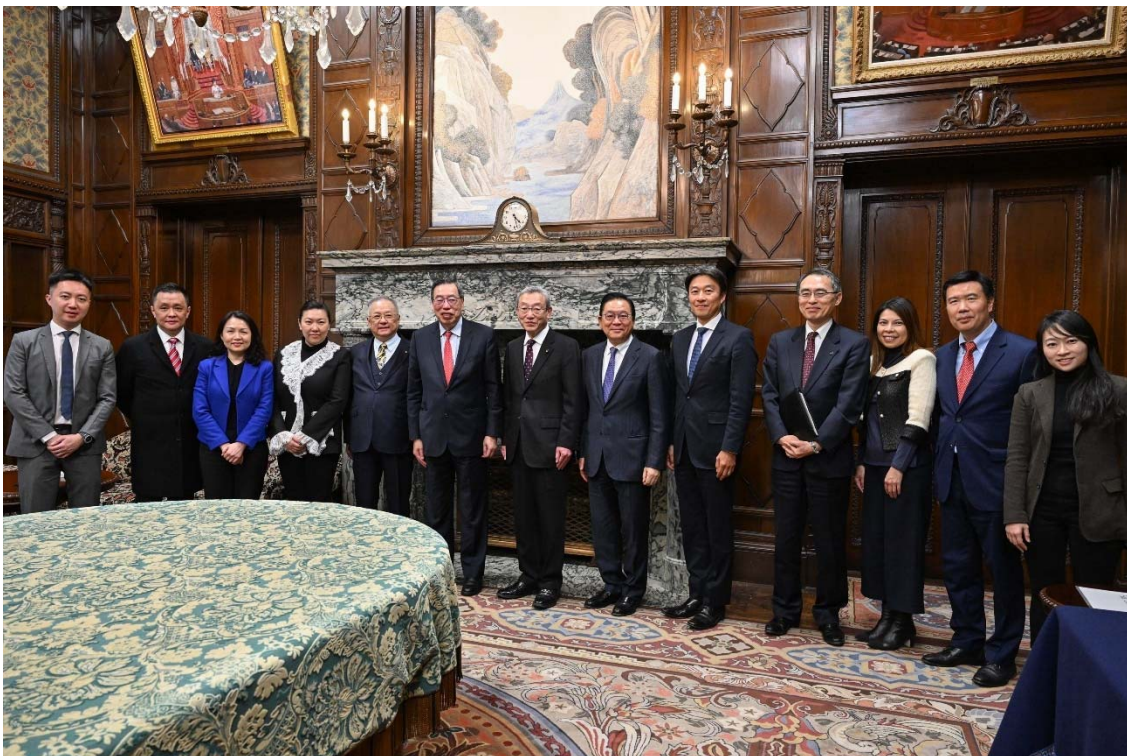
The Delegation emphasizes to Mr Taku ETO (fourth left) that Hong Kong's stringent surveillance mechanism for food imports, which ensures food safety, is the cornerstone of maintaining the city's reputation as a "Gourmet Paradise"



The LegCo President and the Vice-Speaker of the House of Representatives, Mr Koichiro GEMBA (second left), exchange views on food safety issues



The Delegation expresses concern about food safety issues



The Delegation explains to Mr Hiroyuki NAGAHAMA, Vice-President of the House of Councillors (seventh left), that the HKSAR Government's control measures on food products imported from Japan are aimed at protecting food safety and public health

Understanding food safety measures and operations of the Toyosu Market

2.5.12 To gain an in-depth understanding of the transportation processes for aquatic products exported from Japan and the related food safety measures, the Delegation, accompanied by the newly appointed Consul-General of Japan in Hong Kong, Mr Jun MIURA, visited Tokyo's Toyosu Market. Opened in October 2018 and replaced the renowned Tsukiji Central Wholesale Market, the Toyosu Market recorded a daily trading volume of 1 303 tonnes of aquatic products and a turnover reaching JP¥1.8 billion (approximately HK\$93 million) on average in 2024.⁴⁹

2.5.13 The Delegation first visited the wholesale market and exchanged views with a number of wholesalers. During the visit, a wholesaler pointed out that the aquatic products exported to Hong Kong account for 10% of its business volume, while vendors explained to the Delegation **the process of exporting aquatic products to Hong Kong**. The Delegation also met with Mr Ryuutarou SASAMORI, Director of Toyosu Market of Tokyo Metropolitan Central Wholesale Market, to **learn more about the Market's operation and food safety measures**.

2.5.14 Mr Ryuutarou SASAMORI explained that the Toyosu Market adopts a **fully enclosed design**, which not only prevents air, insects and dust from entering the premises, but also allows for temperature adjustments in different zones according to the requirements of different products. For example, the temperature of the Fisheries Wholesale Market Building (i.e. the auction venue for aquatic products originating from domestic and overseas) is maintained at around 10°C all year round⁵⁰ to ensure the freshness of the aquatic products. Compared with the open design of the Tsukiji Market, the design of the Toyosu Market is more effective in preventing products from spoiling due to sudden changes in weather conditions, such as temperature or humidity.

⁴⁹ Website of the Toyosu Market: <https://www.shijou.metro.tokyo.lg.jp/torihiki/geppo>. (Japanese only)

⁵⁰ *Inheriting the Rich Food Culture of the Marketplace*: https://shun-gate.com/en/power/power_75/.



The Toyosu Market (Website of the Toyosu Market)

2.5.15 The Delegation discussed with Mr Ryuutarou SASAMORI about **the hygiene inspection and quarantine of aquatic products exported from Japan**. Mr Ryuutarou SASAMORI explained that the Tokyo Metropolitan Wholesale Market Sanitary Inspection Station (“Wholesale Market Sanitary Inspection Station”) under the Tokyo Metropolitan Government’s Bureau of Public Health⁵¹ is responsible for overseeing the hygiene conditions and food safety of products sold at the Toyosu Market. The Wholesale Market Sanitary Inspection Station conducts inspections in the early morning (before auctions) and regular inspections (after auctions) to prevent the sale of food products that fail to meet the safety standards. The Wholesale Market Sanitary Inspection Station also carries out chemical and biological tests on food samples from the Market, covering food additives, environmental pollutants, pesticide residues and bacteria in food, etc. Moreover, seminars are held regularly during the summer months, when cases of food poisoning peak, to raise food hygiene awareness among wholesalers and workers.

⁵¹ The Wholesale Market Sanitary Inspection Station is responsible for overseeing 10 wholesale markets in Tokyo, ensuring the safety of food products circulating in the markets under its purview through surveillance, supervision and inspection: <https://www.hokeniryo.metro.tokyo.lg.jp/shisetsu/jigyosyo/itiba>.



The Delegation interacts with a number of wholesalers while visiting the wholesale market to understand the export process of Japan's aquatic products to Hong Kong



The Delegation, accompanied by the Consul-General of Japan in Hong Kong, Mr Jun MIURA (second left), learns about the operation of the Toyosu Market

Logistics and transportation efficiency

2.5.16 In response to the Delegation's enquiry about the transportation of Japan's aquatic products to Hong Kong, Mr Ryuutarou SASAMORI explained that the premium fresh seafood from various coastal regions of Japan is delivered punctually to the Toyosu Market every early morning. After undergoing rigorous quality checks, open and transparent auction procedures and highly efficient sales processes, the aquatic products are swiftly packaged and then transported by air to Hong Kong in the same afternoon via a dedicated cold-chain logistics system. Fresh aquatic products can be transported directly from the Toyosu Market to the airport in Tokyo without any transshipment, thereby significantly reducing transportation time. The Japanese side emphasized that this highly efficient logistics system not only reflects Japan's commitment to food quality, but also ensures that consumers can enjoy the freshest Japanese seafood at the earliest opportunity.

2.5.17 The Delegation observed that the four buildings of the Toyosu Market are organized into three sections based on product types and functions,⁵² and they are interconnected by tunnel-like passageways to facilitate the smooth movement of goods between the sections. Furthermore, the Market offers ample parking spaces, which enhance overall logistics efficiency and reduce transportation time, thereby further ensuring the timely delivery of fresh food products.

⁵² The four buildings of the Toyosu Market are: the Fisheries Wholesale Market Building, where domestic and foreign aquatic products are auctioned; the Fisheries Intermediate Wholesale Market Building, where purchases of aquatic products take place; the Fruits and Vegetables Building, where vegetables and fruits are sold; and the Management Office Building.



The Delegation enquires about the operation of the Toyosu Market's cold-chain air logistics system for aquatic products



The Delegation poses for a group photo with Mr Ryuutarou SASAMORI, Director of Toyosu Market of Tokyo Metropolitan Central Wholesale Market (sixth left)

2.6 Tourism development

2.6.1 According to statistics from HKTb, the total number of visitor arrivals to Hong Kong for the whole year of 2018 reached 65 million. Following the large-scale riots in the city in 2019 and the pandemic spanning three years, the total number of visitor arrivals to Hong Kong dropped drastically. In recent years, the number has gradually rebounded, reaching 44.5 million in 2024, or 70% of the 2018 figure. Compared to the overall trend of a rebound in total visitor arrivals to Hong Kong, the **recovery in visitor arrivals from Japan has been undesirable**. In 2024, visitor arrivals from Japan reached only 560 000, which was still **less than half of the pre-pandemic level in 2018** (approximately 1.3 million). This is in stark contrast to the 2.68 million visits by Hong Kong residents to Japan in 2024, resulting in a significant **“tourism deficit”**.

2.6.2 During the meeting between the Delegation and representatives of the Japan Business Federation, **both sides agreed that Hong Kong and Japan have great potential for cooperation in tourism, especially in promoting the development of bilateral tourism**. Representatives of the Japanese business sector pointed out that Hong Kong has launched several new and compelling landmark projects in recent years, such as the West Kowloon Cultural District. These projects have not only enriched Hong Kong’s cultural tourism resources but also provided visitors with unique experiences. However, **the awareness of these new landmarks has remained limited among members of the public in Japan, and many Japanese visitors are not familiar with these projects**.

2.6.3 Therefore, **the Japanese business community suggested that Hong Kong further enhances its publicity efforts to promote these tourist attractions to the Japanese public through various channels**, with a view to attracting more Japanese tourists to Hong Kong, while facilitating cultural exchanges and economic cooperation between the two places. The Delegation looks forward to the collaboration between political and business sectors of Hong Kong and Japan to **enhance the promotion of Hong Kong’s tourism appeal**.

2.6.4 The Delegation conducted site visits and met with various organizations, namely the Japan Business Federation, the Yokohama Chinatown Development Association (“the Chinatown Association”), the Toyosu Market and Nissin Foods Group. The Delegation took reference from a number of famous tourism initiatives in Japan to learn about their strengths in planning and management, developing distinctive tourism products, promoting the panda economy and attracting a diverse source of visitors. The insights gained will serve as valuable references for Hong Kong. Places visited were the Yokohama Chinatown, Toyosu Market, Yokohama Red Brick Warehouse Christmas Market and Cupnoodles Museum Yokohama.

Yokohama Chinatown

2.6.5 The Yokohama Chinatown is the **largest Chinatown in Asia**, drawing large numbers of both local and foreign visitors and generating significant economic benefits. Its history dates back to 1859. When the Port of Yokohama officially opened that year, it attracted Chinese merchants to settle in the area and gradually formed a small Chinese community. After the establishment of diplomatic relations between China and Japan in 1972, the Yokohama Chinatown gradually developed into a major tourist attraction in the city.⁵³ Currently, it features approximately 500 shops, mainly offering Chinese cuisine, pickled foods, Chinese herbs, wine, clothing, accessories and giant panda-themed souvenirs. The Yokohama Chinatown also houses the Guandi Temple, the Mazu Temple, and 10 Pai Laus with distinctive Chinese architectural features, which draw a constant stream of visitors for taking photographs.

⁵³ Travel Japan’s introduction on the Yokohama Chinatown: <https://www.japan.travel/en/spot/1600/>.



Yokohama Chinatown

Harnessing community wisdom to drive development in the neighbourhood

2.6.6 Before visiting the Yokohama Chinatown, the Delegation met and exchanged views with the **Vice President of the Chinatown Association, Mr Akio TAKEMATSU**. Mr TAKEMATSU pointed out that the Association consisted of local restaurants, shops and related businesses in the Yokohama Chinatown. Its core value is to promote the overall development of the Yokohama Chinatown through planning and management. The Association is not only responsible for formulating rules for business activities and promotional strategies, but also for actively representing the Chinatown's business operators in communications and coordinations with various departments of the Yokohama Municipal Government, with a view to ensuring effective handling of community affairs and fostering harmonious relationships between business operators and local residents.

2.6.7 Mr Akio TAKEMATSU remarked that the Chinatown Association has contributed greatly to cultural preservation and streetscape enhancement. It has not only preserved the essence of Chinese culture, but also diligently maintained the unique streetscape of the Yokohama Chinatown and transformed it into a tourist attraction that combines historical heritage with a modern appeal. At the same time, the Association has successfully developed the Yokohama Chinatown into a safe, pleasant and distinctive neighbourhood through a series of measures, such as enhancing safety management, improving environmental hygiene standards, and organizing a wide array of cultural activities. These initiatives have effectively attracted large numbers of nearby residents and foreign tourists to the Yokohama Chinatown.

2.6.8 In 1995, the Chinatown Association established **the Yokohama Chinatown Charter** (“the Charter”),⁵⁴ which set out a number of principles for the improvement of Yokohama Chinatown, **for regulating the proper conducts of business operators** in the matters of **hospitality etiquette, culture, professional ethics, environmental protection and public safety, etc.**

2.6.9 The Delegation noted that the Yokohama Chinatown Community Development Agreement⁵⁵ (“the Agreement”) has been implemented since 2006. Key initiatives under the Agreement include the establishment of the Yokohama Chinatown Town Planning Review Committee, which is responsible for coordinating issues relating to new and expansion of residential projects; the opening of new businesses; and restrictions on the use of buildings in the neighbourhood. The Agreement develops the Charter’s seven principles into specific guidelines, covering areas such as **requirements for opening restaurants, land use, outdoor advertising, road usage, nuisance behaviour, waste disposal/street cleaning, and noise management.** The Agreement aims to **create a safe and attractive community that is both business-friendly and liveable.**

⁵⁴ Website of the Yokohama Chinatown:
<https://www.chinatown.or.jp/hattenkai/institution/charter/>. (Japanese only)

⁵⁵ Website of the Yokohama Chinatown:
<https://www.chinatown.or.jp/hattenkai/institution/>. (Japanese only)

Yokohama Chinatown Community Development Agreement (extract)	
1. Requirements for opening restaurants	Welcoming Chinese restaurants that contribute to the brand value and appeal of the Yokohama Chinatown only
2. Land use	Prohibiting buildings that spoil the cityscape or are involved in activities such as adult entertainment
3. Outdoor advertising	Specifying regulations for the display of outdoor advertisements
4. Road usage	Prohibiting the placement of tables and chairs on roads, and distribution of leaflets, etc.
5. Nuisance behaviour	Prohibiting improper solicitation
6. Waste disposal/ Street cleaning	Prohibiting waste disposal by business operators before 9:00 pm; Requiring business operators to conduct daily cleaning of shop-front pavements
7. Noise management	Prohibiting the use of loudspeakers outside shops

2.6.10 **The Chinatown Association takes up the roles of coordinator and regulator in managing the Yokohama Chinatown.** This includes the effective regulation of zoning, business rules and environmental protection, etc. It also seeks to **balance the impact of commercial activities on the daily lives of local residents** in order to maintain harmony in the neighbourhood. The Delegation deeply commends the efforts of the Association, as it has greatly contributed to the orderly development of the Yokohama Chinatown.



The Vice President of the Chinatown Association, Mr Akio TAKEMATSU (second left), briefs the Delegation on the Yokohama Chinatown Charter

Inheriting Chinese culture and promoting the panda economy

2.6.11 The Delegation learnt that the Chinatown Association fully recognizes the importance of preserving and inheriting Chinese cultural characteristics for the development of the Yokohama Chinatown and enhancing its appeal to visitors. As a result, the Association spares no effort in promoting Chinese culture. One of its key strategies is to **host regular, themed events**. Throughout the year, a series of traditional Chinese cultural activities, including the Spring Festival countdown, Lion Dance performances, dancing parades, as well as Chinese Lantern Carnival, Mazu Festival, Guandi's Birthday, Dragon Boat Festival, Mid-Autumn Festival and National Day celebrations, are organized, with the aim of attracting more visitors and stimulating spending.

2.6.12 The Delegation also noted that the Yokohama Chinatown’s **cultural activities extend beyond its own neighbourhood**. The Chinatown Association partners with the City of Yokohama to co-organize the Yokohama Spring Festival, which stages festive events at over 50 locations across Yokohama, as well as in Tokyo and Kobe for a wider reach.⁵⁶ The Association also works with the other two major Chinatowns in Kobe and Nagasaki in Japan with the aim of “growing the pie” together.



The Delegation exchanges views with the Chinatown Association on how to promote Chinese culture

2.6.13 In addition to promoting Chinese culture through various activities, the Yokohama Chinatown offers an array of **unique Chinese merchandise**. By incorporating innovative ideas, these products have become highly sought-after, especially among young people. Among them, the adorable “panda buns” attract long queues of eager shoppers, while neighbouring shops sell panda-themed souvenirs, reflecting the widespread appeal of China’s national treasure. The Delegation also noted that most Chinese residents of Yokohama Chinatown have their

⁵⁶ Website of the Yokohama Spring Festival: <https://www.shunsetsu.jp/sites/>.

ancestral roots in Guangdong Province. There are many Cantonese restaurants and snack shops in the Yokohama Chinatown, with those specializing in Hong Kong-style dim sum culture particularly popular among young people. **The appeal of Hong Kong's culinary offerings to both Japanese and overseas tourists is evident.**



The Delegation learns that panda buns attract long queues of eager shoppers, reflecting the widespread appeal of pandas

2.6.14 Regarding marketing strategies, Mr Akio TAKEMATSU explained that in order to meet the significant challenges posed by the increasing popularity of e-commerce, **the Chinatown Association has integrated innovative technology into its daily marketing activities.** In addition to **flexibly utilizing websites and social media platforms in promotion**, the Association also disseminates various information such as weather updates, featured merchandise and attraction highlights, so as to attract customers, especially younger consumers. The Association takes a step further to **use big data to analyze visitor preferences and demands**, which enables them to refine marketing strategies and better cater to consumer tastes. **The goal is to create a “street filled with returning shoppers”.**

Toyosu Market

2.6.15 Tokyo's Tsukiji Market ceased operations in 2018. The Japanese Government rebuilt the 40-hectare industrial site in Toyosu into the Toyosu Market, which is 1.7 times larger than the Tsukiji Market.⁵⁷ The Toyosu Market is **one of the world's largest fish markets in terms of operational scale**. It attracts a large influx of tourists to visit and savour fresh seafood every year. The Delegation observed the operation mode and tourism supporting facilities of the Toyosu Market, aiming to gather insights for Hong Kong's development of featured attractions.

Organizing signature events

2.6.16 Accompanied by the Director of Toyosu Market of the Central Wholesale Market, Mr Ryuutarou SASAMORI, the Delegation first observed the tuna auction venue from the observation deck. The auction is the most iconic and popular event of the Toyosu Market, drawing crowds of tourists who queue as early as 5:00 am every day to visit. The Delegation noted that the Toyosu Market has **adopted a "tourist-friendly" design**, with specially designed panoramic windows on the observation deck to allow visitors to have a clear view of the auction in real time from above, while ensuring that the temperature of the auction venue was maintained at an optimal level to keep the food ingredients fresh.

⁵⁷ News report of Nikkei: <https://zh.cn.nikkei.com/industry/tradingretail/32565-2018-10-11-09-42-35.html>. (Chinese only)

Keeping aquatic products fresh by advanced market design

2.6.17 The Delegation also visited the Fisheries Intermediate Wholesale Market. Mr Ryuutarou SASAMORI pointed out that the market **adopted a closed design**, equipped with a **zonal temperature control system** to adjust the temperature according to the requirements of different aquatic products, so as to meet the hygiene standards. The Delegation noted that the Market has **a comprehensive logistics network** featuring well-planned flow in the loading/unloading and sales areas, complemented by processing, repacking and packaging facilities to ensure the supply of premium food ingredients to nearby retailers and restaurants.



The Delegation receives a briefing on tuna auction



The Delegation, accompanied by Mr Jun MIURA (first left), the newly appointed Consul-General of Japan in Hong Kong, visits the Toyosu Market



The Delegation visits the Fisheries Intermediate Wholesale Market to gain an understanding of its operation and planning



The Delegation exchanges views with fish wholesalers

Improving tourism supporting facilities

2.6.18 The Delegation also observed that in order to enhance visitors' experience and diversify revenue streams, **an integrated tourism complex** named Senkyaku Banrai (translated as “Tens of thousands of visitors coming from all directions”) **has been developed** next to the Toyosu Market. It features more than 100 shops consisting of dining, shopping and hot spring facilities against the backdrop of a recreated streetscape of Japan in the Edo period. Senkyaku Banrai, as it is aptly named, has successfully attracted a large number of visitors since its opening and has become a brand-new tourist attraction for visitors to take photos and enjoy fresh food products.



Opened in February 2024, the Edo-style integrated tourism complex Senkyaku Banrai attracts a large number of tourists (Website of Senkyaku Banrai)

Yokohama Red Brick Warehouse Christmas Market

2.6.19 Built around 1911, the Yokohama Red Brick Warehouse was mainly used for temporary storage of goods pending customs clearance until 1989. Subsequently, the Yokohama Municipal Government implemented the Minato Mirai 21 project from 1992 onwards to transform the waterfront section of the Red Brick Warehouse into a multi-purpose area consists of commercial, tourism as well as leisure and entertainment facilities. Following a full-scale renovation, the century-old Red Brick Warehouse complex was reopened in 2002 with a brand-new look.⁵⁸



The Yokohama Red Brick Warehouse (Website of the Yokohama Red Brick Warehouse)

2.6.20 After revitalization, one of the buildings of the Red Brick Warehouse has been converted into an exhibition space for hosting regular cultural activities such as dancing, drama, music and art. Another building has been converted into retail and dining facilities, as well as souvenir shops. It has been integrated with the adjacent public space to become the Yokohama Red Brick Park (Akarenga Park). The Red Brick Warehouse **hosted themed seasonal events all year round**, including the Strawberry Festival in February, the Beer Festival in October and the Christmas Market in December. In the 2023-2024

⁵⁸ Website of the Yokohama Red Brick Warehouse:
<https://www.yokohama-akarenga.jp/about/history/>. (Japanese only)

fiscal year, the Red Brick Warehouse attracted a record high of more than 7 million visitors since its reopening in 2002, making it one of Yokohama's most popular attractions.⁵⁹

Organizing regular themed events to draw income and visitors

2.6.21 The Delegation was impressed by the Yokohama Red Brick Warehouse Christmas Market which has 15 years of history. It was bustling with visitors and the Christmas atmosphere was palpable, with a towering 10-metre Christmas tree in the centre of the Market serving as a photo-taking hotspot for tourists. The stalls mainly offered German delicacies, beer and handicrafts. Long queues at popular stalls proved that the Market was a “money magnet”. The ice-skating rink in the Market was particularly popular among young couples. The Delegation also noted that the Market operated in an organized and orderly manner with the implementation of **clear crowd control measures**, together with clearly demarcated sitting-out, catering and shopping areas.



The Delegation observes that the market is well-organized with its fully-packed central catering area

⁵⁹ News report of *Senken Shimbun*:
<https://senken.co.jp/posts/yokohama-akarenga-240308>. (Japanese only)

Cupnoodles Museum Yokohama

2.6.22 The Delegation met with representatives of the Nissin Foods Group and toured the five-storey Cupnoodles Museum Yokohama. The Museum has a meticulous design for its exhibitions and is positioned as **an experiential museum**. While the Nissin Foods Group operates Cupnoodles Museums in Yokohama and Osaka in Japan, as well as in Hong Kong, the Cupnoodles Museum Yokohama stands out for its scale, functions and exhibition contents. It successfully integrates entertainment, brand promotion and public education into a cohesive experience. The Delegation was particularly impressed by a well-made video showing the persevering entrepreneurial spirit of the Group's founder, Mr Momofuku ANDO. This presentation serves as an excellent civic education tool that resonates across all sectors of society and transmits these values to younger generations.




The Delegation exchanges views with representatives of the Nissin Foods Group on how to create an innovative and experiential museum



The Cupnoodles Museum Yokohama features numerous exhibits highlighting the founder's perseverance and entrepreneurial spirit, offering an excellent tool of civic education

Comparison of the Cupnoodles Museums in the three places

Place	Hong Kong	Yokohama	Osaka
Opening year	2021	2011	1999
Area/Size	About 8 rented shop units (about 929 square metres)	Five-storey building (Largest in area)	Two-storey building (about 3 400 square metres)
Attractions			
Brand history	The story of the brand's development is illustrated mainly through exhibition panels featuring text, images and exhibits; the larger the area, the richer the information		
About the Founder (creative thinking)	<p>A small exhibition panel</p> <ul style="list-style-type: none"> The Spirit of the Founder (Only a small panel displaying the founder's motto) 	<p>Several exhibition panels + video</p> <ul style="list-style-type: none"> A video with a detailed introduction of the history of the founder's endeavours, commending his creative thinking and perseverance Creative Thinking Boxes (Presenting the six elements of creative thinking* by engaging the five senses through exhibits and artworks) 	<p>Several exhibition panels + video</p> <ul style="list-style-type: none"> A video presenting the anecdotes that led to the invention of cup noodles, and the manufacturing process of cup noodles Traces of the life of Momofuku ANDO (Displaying the founder's effects and quotes)
Product display areas	<ul style="list-style-type: none"> Displaying the packages of cup noodles from 17 countries on a wall 	<ul style="list-style-type: none"> Displaying the packages of over 3 000 varieties of instant noodles on a three-sided wall Displaying the development history of instant noodles 	<ul style="list-style-type: none"> A tunnel displaying the packages of about 800 varieties of instant noodles Displaying different packages of instant noodles from around the world, showing their consumption figures and popularity
Other attractions	<ul style="list-style-type: none"> Holmes at the Museum (Interactive games asking participants to follow instructions and find clues in the museum, aiming to enhance visitors' understanding of the brand) 	<ul style="list-style-type: none"> Cupnoodles Park (Experiential games enabling children to see from the noodles' point of view and experience the manufacturing process of cup noodles) World Noodles Road (Noodles Bazaar) 	<ul style="list-style-type: none"> Space Ramen Exhibition (A special exhibition displaying instant noodles that are edible in space, available until March 2025)

* The six elements are: (1) discover something completely new; (2) find hints in all sorts of places; (3) nurture an idea; (4) look at things from every angle; (5) don't just go with the status quo; and (6) never give up.

Resonating customers across generations and inspiring creativity

2.6.23 The Delegation observed that, compared with the Cupnoodles Museum Hong Kong, which offers only a brief introduction to the motto of the Nissin Foods Group's founder in the form of an exhibition panel, the Cupnoodles Museum Yokohama focuses primarily on promoting the founder's spirit of creativity. According to Mr Kiyotaka ANDO, Chairman of the Board and Chief Executive Officer of Nissin Foods Company Limited, the Museum's exhibits go beyond the conventional textual and visual narratives. Instead, they vividly present the founder's creative spirit and corporate culture through a variety of interactive and multimedia presentations. The Museum features fascinating animated displays, exquisite models, unique artworks as well as game facilities and workshops that are designed for edutainment. Through visual and tactile sensations as well as first-hand experience, the exhibits enable visitors to gain a deeper understanding of Nissin's development history and facilitate the transmission of the remarkable thinking of its founder to future generations.

2.6.24 The Delegation watched a video about the founder's entrepreneurial journey and his invention of the world's first cup noodles. The story highlighted **the artisan spirit of the founder, who "never stopped, was undeterred by failure and never gave up"**. Driven by his desire to ensure the sustenance of the Japanese people, especially the grassroots, the founder devoted painstaking efforts to the invention of the classic Japanese cup noodles. The Delegation observed that the spirit of perseverance as well as determination and compassion for his country and its people resonate deeply with visitors to the Museum.

2.6.25 The Delegation noted that the Cupnoodles Museum Yokohama is very popular among local residents and tourists, and is **frequented by young parents with their young children**. This also reflects the long-established brand's appeal to customers across generations. The Museum's diverse exhibits not only facilitate the commercial promotion of the brand but also attract visitors of all ages. Through an effective **soft marketing strategy**, the Museum fosters a deeper understanding of and attachment to the brand, ensuring that the legacy of this traditional brand endures and infusing it with ongoing

vitality. In terms of civic education, the Museum's portrayal of the brand's history, along with the story of how the founder built his business from scratch, serves to **inspire the younger generations to cultivate the spirit of creativity and perseverance.**



The Delegation tours the exhibition hall of the Cupnoodles Museum Yokohama and receives a briefing from the staff



The Delegation finds the soft marketing strategy of the Cupnoodles Museum Yokohama highly effective, embodying the founder's original aspiration to serve the people and the spirit of continuous progress and creativity

2.7 Friendly exchanges between Hong Kong and Japan

2.7.1 As the Legislature of the HKSAR, LegCo is tasked with liaison and promoting friendly exchanges with overseas parliaments. Since its establishment, LegCo has been maintaining connections with the National Diet of Japan. In 2015, the then LegCo President, Hon Jasper TSANG Yok-sing, visited the National Diet of Japan and observed a meeting of the Committee on Budget. LegCo's Parliamentary Liaison Subcommittee has long been fostering friendly exchanges with the National Diet of Japan. Over the years, it has met with visiting members of the House of Councillors and the House of Representatives of Japan.⁶⁰ LegCo's panels and subcommittees have also conducted duty visits to Japan to study various policy areas (e.g. food safety, environmental hygiene, poverty alleviation, etc.) and met with relevant Japanese officials.⁶¹

2.7.2 In 2019, the LegCo Complex was intruded and vandalized by a large number of demonstrators, and coupled with the global outbreak of the pandemic, the parliamentary exchanges between Hong Kong and Japan were forced to a halt. Following the enactment of the Hong Kong National Security Law and the Safeguarding National Security Ordinance – which restored the city's stability – and in conjunction with the subsiding of the pandemic, the Seventh LegCo is now dedicated to strengthening its external ties. This includes the resumption of parliamentary exchanges between Hong Kong and Japan, with the aim of deepening mutual understanding and trust between the legislatures of both places and exploring new opportunities for cooperation.

⁶⁰ Since 2013, the Parliamentary Liaison Subcommittee has met with visiting members of the Japan-Hong Kong Parliamentarians Caucus, the House of Councillors and the House of Representatives on 12 occasions.

⁶¹ Since 2010, LegCo's panels have conducted five duty visits to Japan to learn from its experiences in different policy areas such as development, healthcare financing, columbarium facilities, fisheries development, food safety and poverty alleviation.

Promoting exchanges between the Hong Kong and Japanese legislatures

2.7.3 The National Diet of Japan is the highest organ of Japan's state power and sole law-making organ.⁶² It operates under a bicameral system, with the House of Councillors and the House of Representatives jointly exercising parliamentary functions and powers. These include enactment of laws, scrutiny of bills on national finances such as the budget, deliberation and approval for the conclusion of international treaties, etc.⁶³ The Delegation toured the facilities of the House of Councillors and the House of Representatives, such as their chambers and press areas. The Delegation also met with the Vice-President of the House of Councillors, Mr Hiroyuki NAGAHAMA; and the Vice-Speaker of the House of Representatives, Mr Koichiro GEMBA.

2.7.4 Key discussion topics included Hong Kong's accession to RCEP and Hong Kong's import control measures on food products from some areas of Japan. Both Mr Hiroyuki NAGAHAMA and Mr Koichiro GEMBA expressed their hope that Hong Kong would lift these restrictions. Mr Hiroyuki NAGAHAMA, who had previously worked in Hong Kong, expressed his understanding of the role of Hong Kong in trade and economy. He agreed with the Delegation that **fostering an amicable and frank dialogue would be conducive to enhancing mutual understanding, which is essential for resolving problems.**

2.7.5 During the visit to the National Diet of Japan, the Delegation noted that in recent years, the legislatures of Hong Kong and Japan **have employed smart technologies and AI to enhance the efficiency and transparency of their operations.** LegCo employs the Intelligent Transcription System to compile verbatim transcripts of its meetings, while the National Diet of Japan employs a similar speech recognition system to compile meeting minutes, thereby enhancing work efficiency. The Delegation believes that the Hong Kong and Japanese legislatures can strengthen cooperation, and exchange

⁶² Article 41 of the Constitution of Japan: https://japan.kantei.go.jp/constitution_and_government_of_japan/constitution_e.html.

⁶³ Website of the House of Representatives of Japan: https://www.shugiin.go.jp/internet/itdb_english.nsf/html/statics/guide/powers.htm.

experiences on utilizing smart technologies, improving efficiency of meeting proceedings and addressing geopolitical challenges. This would deepen bilateral relationship and promote further collaborations. Through mutual learning and sharing practices, the two legislatures will not only be able to enhance their own effectiveness, but potentially make a greater contribution to regional and global governance.



The Delegation visits Japan's National Diet Building



The Delegation gains an understanding of the facilities of Japan's National Diet Building



The Delegation poses for a group photo inside Japan's National Diet Building

Japan-Hong Kong Parliamentarians Caucus

2.7.6 In addition to meeting with members of both Houses of the National Diet of Japan, the Delegation also exchanged views with the Japan-Hong Kong Parliamentarians Caucus (“the Caucus”). Since its establishment in 1992, the Caucus has been committed to promoting cooperation and exchanges between the legislatures of Hong Kong and Japan in a wide range of areas. The then LegCo President, Hon Jasper TSANG Yok-sing, met with representatives of the Caucus during his visit to Japan in 2015. The Caucus also paid a visit to LegCo and met with PLS during its visit to Hong Kong in 2018. The Delegation’s **return visit holds great significance**, as it aims to **re-establish bilateral communications** following the end of the pandemic.



The Delegation and the Japan-Hong Kong Parliamentarians Caucus pose for a group photo

2.7.7 The Delegation expressed its sincere gratitude to Ms Hanako JIMI, who is the Chairman of the Caucus and a Member of the House of Councillors, as well as members of the Caucus for their tireless efforts in promoting exchanges between Hong Kong and Japan over the years. Their dedication has helped lay a solid foundation for the cooperation between the two legislatures and fostered a strong bilateral bonding. Ms Hanako JIMI thanked the Delegation for their support for the World Expo 2025 in Osaka. She also remarked that under “one country, two systems”, the development of Japan and Hong Kong has been mutually beneficial. She expressed her hope that the future generations from both sides could continue to maintain the friendly relations between Japan and Hong Kong. The Delegation indicated to members of the Caucus that the duty visit could strengthen the Hong Kong-Japan parliamentary ties, and that there is room for cooperation between Hong Kong and Japan at various levels and areas. Furthermore, **Hong Kong’s early accession to RCEP would bring Hong Kong and Japan even closer**, leading to greater benefits to the development of both places.



The LegCo President expresses gratitude to Ms Hanako JIMI (first right) for her tireless participation in Hong Kong-Japan affairs

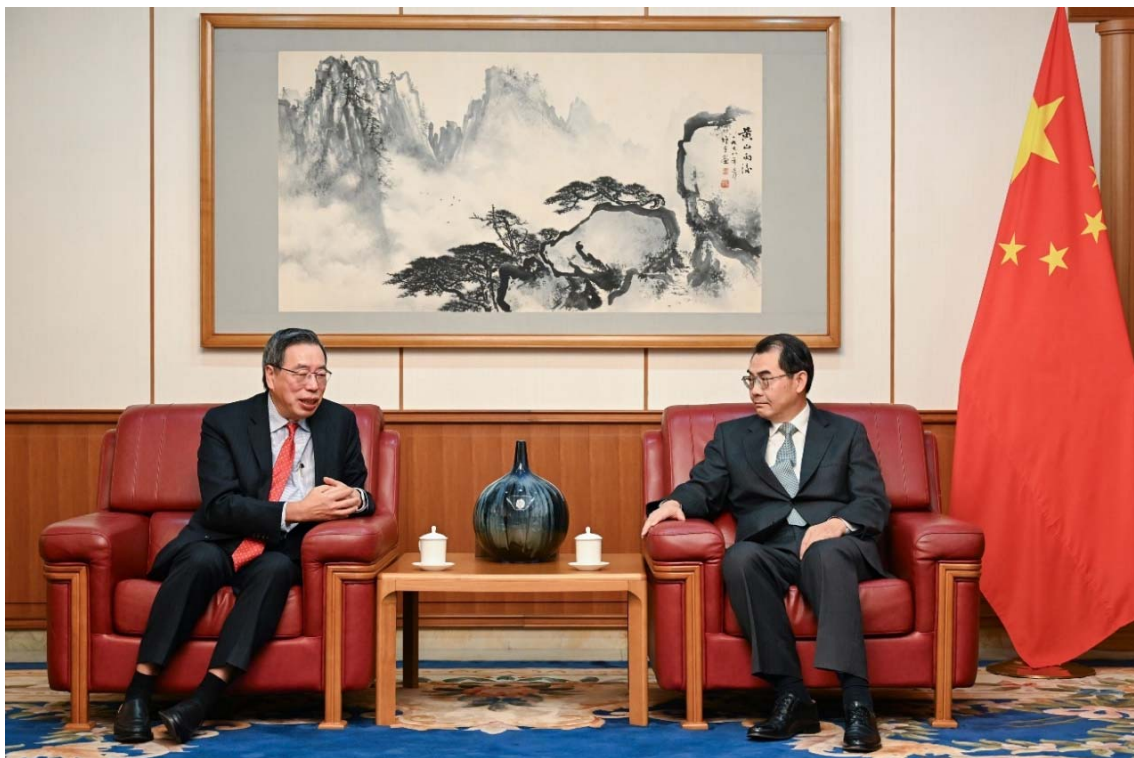


The Delegation expects Hong Kong's early accession to RCEP will bring Hong Kong and Japan even closer

2.8 Meeting with the Ambassador of China to Japan

2.8.1 The Delegation visited the Ambassador of China to Japan, Mr WU Jianghao, and briefed him on the latest social and economic developments in Hong Kong.

2.8.2 Having served at the Embassy of China in Japan for many years, Mr WU Jianghao is highly knowledgeable about Japanese affairs and is widely regarded as a “**Japan expert**”. During the meeting with the Delegation, Mr WU not only shared his extensive experience working in Japan, but also discussed in detail **the current state of China-Japan relations and global economic development**. The Delegation benefited greatly from his profound insights, and also took the opportunity **to express gratitude to the Central Authorities and Mr WU Jianghao for their full support for Hong Kong’s early accession to RCEP**.



The LegCo President briefs the Ambassador of China to Japan, Mr WU Jianghao, on Hong Kong’s latest developments

2.8.3 The Delegation also told Mr WU Jianghao that **the unanimous passage of the Safeguarding National Security Bill** by LegCo in March 2024 has put up a shield of security and strengthened the defence wall to ensure Hong Kong's transition from chaos to order. With the protracted internal rifts resolved, Hong Kong can now focus on **pursuing economic growth, accelerating development and actively addressing livelihood issues** to make Hong Kong a better place to live, travel and work.

2.8.4 Mr WU Jianghao fully affirmed the duty visit of the Delegation and the work of LegCo. The Delegation extended its sincere gratitude to Mr WU for his valuable support and thoughtful arrangements for the duty visit. His active assistance to the Delegation in liaising with the relevant parties in Japan has made the duty visit a resounding success.



The Delegation poses for a group photo with the Ambassador of China to Japan, Mr WU Jianghao (centre)

Chapter 3 — Observations and Recommendations

3.1 Summary of recommendations

3.1.1 This duty visit featured a packed programme and yielded fruitful results. Through observations as well as candid and in-depth exchanges with representatives of the Japanese Government, the National Diet and the business sector, the Delegation has formulated recommendations in the following areas aimed at promoting Hong Kong's high-quality development and advancing the city's progress:

- (1) Promoting the distinctive advantages of “one country, two systems”;
- (2) Strengthening economic and trade ties with Japan and other overseas regions;
- (3) Accelerating the promotion of new industrialization;
- (4) Safeguarding food safety and promoting the development of agriculture and fisheries;
- (5) Boosting the attractiveness of Hong Kong's tourism to realize “tourism is everywhere”; and
- (6) Expanding the channels for people-to-people exchanges to unleash Hong Kong's cultural appeals.



A summary of the recommendations is presented below, with the details elaborated in paragraphs 3.2.1 to 3.7.15.

Summary




(1) Promoting the distinctive advantages of “one country, two systems”

To achieve “connectivity with the world”, the Delegation visited Japan and learnt first-hand that Japan’s political and business sectors hold misconceptions about Hong Kong’s current situation under “one country, two systems”. Through candid dialogues, the Delegation sought the support of neighbouring countries and regions for Hong Kong’s early accession to RCEP, while dispelling misconceptions, enhancing mutual trust, explaining Hong Kong’s actual situation, and proactively upholding the discursive authority of “one country, two systems”.

“One country, two systems” ensures stability, security and a favourable business environment in Hong Kong

-  The HKSAR Government officials and LegCo Members should foster a wide range of friendships with overseas governments, legislatures and communities. They should also strongly encourage members of various professional sectors in Hong Kong to conduct overseas visits. A dual-track approach, combining efforts from the Government and community, should be adopted to articulate the actual situation in Hong Kong from diversified perspectives to dispel misconceptions
-  Inviting and welcoming members of the overseas political and business communities to visit Hong Kong more frequently to deepen mutual understanding

Enhancing the role of ETOs and optimizing lobbying strategies








-  As Hong Kong’s representatives abroad, ETOs can enhance their coordination efforts by providing one-stop services to facilitate overseas enterprises to develop their businesses in Hong Kong
-  Strengthening lobbying efforts by presenting a wide range of measures and concessions designed to attract investment in an easily understandable manner, such as producing clear and accessible promotional materials in respective foreign languages with illustrations
-  Inviting foreign enterprises investing in Hong Kong to share their successful experiences with overseas investors

Summary

(2) Strengthening economic and trade ties with Japan and other overseas regions

Hong Kong's strengths in regional connectivity enable it to serve as an important business hub for RCEP. The Delegation considers that while consolidating the city's existing advantages, Hong Kong needs to enhance its competitiveness to attract more enterprises to establish their presence in the city. The Northern Metropolis, as the new engine for Hong Kong's future development, will be an ideal platform to attract overseas enterprises and talents from Japan and other regions to come or relocate to Hong Kong for development.

Competing for enterprises and talents, and attracting foreign companies to Hong Kong

-  Studying the streamlining of administrative procedures to enable enterprises and their personnel to settle in the Northern Metropolis swiftly
-  Discussing with the Mainland authorities to establish more fast-track cross-boundary lanes to reinforce Hong Kong's role as a gateway for business between the Mainland and the rest of the world
-  Streamlining tendering procedures to accelerate the construction of Talent Apartments in the Northern Metropolis and enhancing supporting facilities
-  Setting up a dedicated team for attracting businesses to the Northern Metropolis and providing incentives for foreign enterprises that establish operations therein
-  Stepping up promotion of the Northern Metropolis, emphasizing the advantages of shared technological resources between Hong Kong and the Mainland
-  Fostering scientific research collaboration with Japanese higher education institutions and research institutes, and establishing talent exchange programmes
-  Stepping up overseas promotion of the HKSAR Government's business-friendly policies and the CEPA Amendment Agreement II to boost investor confidence

Developing the “headquarters economy”







- ✚ Leveraging the competitive advantages of Hong Kong and neighbouring cities in GBA to help enterprises achieve synergy and reduce production and transportation costs
- ✚ Providing tax concessions to eligible enterprises to attract more Mainland and multinational corporations to establish their headquarters in Hong Kong
- ✚ Further expediting the formulation of forward-looking strategies, including strengthening the construction of Smart Port, continuously promoting digital upgrading and transformation, encouraging enterprises to adopt I&T, such as the Internet of Things (“IoT”), big data analytics and blockchain, to accelerate Hong Kong’s development into a multinational supply chain management centre

Summary





(3) Accelerating the promotion of new industrialization

The National 14th Five-Year Plan expressly supports Hong Kong's development as an international innovation and technology centre. The HKSAR Government has promulgated the I&T Development Blueprint to promote and assist traditional industries in using innovative technologies such as IoT, AI and big data to achieve smart production, thereby enhancing the overall competitiveness of Hong Kong's manufacturing industry. However, given the rapid development of AI, it is necessary for the HKSAR Government to formulate a comprehensive and in-depth blueprint for AI development. The Delegation also suggests that the HKSAR Government promote new industrialization and build the "Made in Hong Kong" brand to inject new elements to the diversified development of Hong Kong's economy.

Promoting the application of AI

-  Formulating a comprehensive blueprint or guidelines for AI development and establishing a regulatory framework
-  Strengthening the coordination among policy bureaux to holistically address matters related to AI, I&T research and development, etc.
-  Proactively liaising with industry players and relevant trade associations to understand the needs of SMEs and streamline the application process for the New Industrialization Funding Scheme
-  Exploring ways to boost AI adoption across various sectors to facilitate the effective integration of AI with the labour force and enhance the productivity of Hong Kong's workforce
-  Strengthening AI education by establishing a lifelong learning system to promote territory-wide AI literacy
-  Fostering collaboration between enterprises and universities, as well as enhancing the development of AI-related post-secondary education programmes to nurture more local talent

Leveraging the strengths of the “Made in Hong Kong” brand

-  Promoting the “Made in Hong Kong” brand by leveraging the city’s quality control monitoring system to ensure product quality and develop GBA and overseas markets
-  Promoting GBA Standards, a GBA’s version of “Q-Mark” certification, to the Mainland and overseas businesses and consumers, so as to enable more domestic and overseas enterprises to recognize the benefits and business opportunities of adopting GBA Standards
-  Enhancing the existing funding schemes for SMEs, including extending the geographical coverage of the Dedicated Fund on Branding, Upgrading, and Domestic Sales (“the BUD Fund”), to encourage enterprises to further expand into overseas markets
-  Introducing a “revolving approval” mechanism upon the consolidation of the SME Export Marketing Fund into the BUD Fund on 30 June 2026 to streamline the re-application process for applicants with good track records

Summary

(4) Safeguarding food safety and promoting the development of agriculture and fisheries

Hong Kong citizens are fond of Japanese food and attach great importance to food safety. In response to the nuclear incident at Japan's Fukushima Daiichi nuclear power plant and the subsequent discharge of treated nuclear wastewater into the sea, the HKSAR Government has maintained control measures on food imports from specified regions in Japan to the present day. During the duty visit to Japan, the Delegation had candid exchanges with various Japanese officials and representatives of organizations on issues such as food safety concerns arising from the discharge of treated nuclear wastewater. Furthermore, following the visit to Toyosu Market, the Delegation is of the view that it could serve as a blueprint for the development of the Jet Fresh Market at the Airport City. This market could integrate the wholesale, processing and retail of agricultural and fishery products, along with catering and tourism under one roof.

Ensuring the safety of food imported from Japan

- ✚ Urging the Japanese authorities to make all data on the nuclear wastewater available to the public so that the HKSAR Government can conduct a comprehensive review on the safety of aquatic products from different regions of Japan
- ✚ Liaising with national testing authorities to obtain first-hand data of nuclear wastewater samples for analysis, with a view to reviewing the possibility of adjusting Hong Kong's control measures on Japan's agricultural, forestry and aquatic products at the earliest opportunity

Building a world-class Jet Fresh Market

- ✚ Gaining a detailed understanding of Toyosu Market's architectural design, the latest cold chain technologies, and related logistics and food testing processes to facilitate the development of Airport City as a global hub for premium and fresh food products
- ✚ Taking full advantage of the prime location of the Hong Kong Port Island of the Hong Kong-Zhuhai-Macao Bridge, where there are spectacular views of aircraft take-offs and landings, and combining this with Hong Kong's unique culinary culture, which blends Chinese and Western influences, to create a one-stop travel and dining experience

Upgrading and transforming Hong Kong's agriculture and fisheries

- ✚ Fully implementing the Blueprint for the Sustainable Development of Agriculture and Fisheries to build a brand for local agricultural and fishery products, with a view to expanding the reach of quality agricultural and fishery products to overseas markets
- ✚ Enhancing cooperation between local catering, agriculture and fisheries industries to organize crossover events

Developing leisure farming and fisheries




- ✚ Leveraging Lantau's natural resources and rural features, in complement to the Sustainable Lantau Blueprint, to facilitate the integration of characteristic tourism with leisure farming and fisheries
- ✚ Providing aquaculture and farm operators with facilitative measures, such as tax incentives and relaxed licensing requirements, to fully unlock the market potential of leisure farming and fisheries

Summary






(5) Boosting the attractiveness of Hong Kong's tourism to realize "tourism is everywhere"

Our country supports Hong Kong in developing into an international tourism hub. Through visits to tourist attractions in Japan and meetings with representatives of relevant organizations, the Delegation learnt about Japan's successful experiences and considered that Hong Kong requires the active participation, aspiration and determination of all parties to press ahead with the development of tourism and the implementation of "tourism is everywhere" at full speed, so as to enhance visitors' cultural and travel experiences.

Creating Panda IP and improving street management to revitalize neighbourhoods with distinctive characteristics

-  Capitalizing on the panda economy and developing unique souvenirs
 - Encouraging businesses and restaurants to enhance the development of a diverse array of panda-themed products, foods and services with Hong Kong characteristics
 - Having the Government to take lead in strengthening the collaboration with the cultural and creative sectors by inviting local designers to create an intellectual property ("IP") chain which incorporates panda elements
 - Further popularizing district activities featuring panda elements and setting up panda-themed areas
-  Improving the street management mechanism, strengthening support for bazaar vendors and business associations, and enhancing the role of business associations to involve them in the monitoring and management of the neighbourhoods
-  Leveraging social media and technology for brand-building of the neighbourhoods, with a view to attracting young customers and enhancing marketing effectiveness
-  Preserving "Hong Kong characteristics" by establishing designated zones in renowned neighbourhoods for displaying Hong Kong's iconic neon signs
-  Strengthening tourism collaboration with other GBA cities, as well as the cooperation and exchanges with areas with renowned neighbourhoods in the Mainland and overseas

Enhancing planning for bazaars to create cultural and creative landmarks

-  Establishing a dedicated office to provide one-stop services, coordinating various application procedures and streamlining administrative processes
-  Organizing distinctive seasonal bazaars to build reputation and create a bazaar brand with the strategic promotion of seasonal themes and timely characteristics
-  Integrating the forces of community with a bottom-up approach by inviting local business associations, community organizations and youth groups to participate in the planning of bazaars
-  Making reference from HKTb's Pilot Scheme for Characteristic Local Tourism Events to identify more neighbourhoods with potential for trial run of bazaars, and providing support to local participating parties in areas such as venue coordination and promotion
-  Encouraging bazaar organizers to review venue planning, making good use of the foot traffic brought by photo hotspots in order to maximize economic benefits

Promoting “industrial tourism” to enrich local tourism resources

-  Encouraging brands with Hong Kong characteristics or “Long-established Brands” to open their factories or part of their production lines for tourists
-  Reviewing or relaxing the regulations on the use of some factory premises to facilitate the joint development of tourism and industry

Summary

(6) Expanding the channels for people-to-people exchanges to unleash Hong Kong's cultural appeals

The “tourism deficit” between Hong Kong and Japan has been widening after the pandemic. The Delegation considers that the Government can adopt a multi-pronged approach to reduce the “tourism deficit”, with measures ranging from facilitative visa, flight and entry arrangements to the use of the film and television culture as well as online media, so as to promote Hong Kong's characteristics and attract more Japanese and other international travellers to visit Hong Kong.

Enhancing experience for inbound visitors

- ✚ Optimizing the Airport Network Development Programme to attract more airlines to operate new routes to and from Hong Kong, and enhancing the capacity of existing routes at an appropriate time
- ✚ Increasing the number of flight destinations by more proactively negotiating for air traffic rights expansion, so as to establish more routes with good potential
- ✚ Further enhancing the facilitative visa and entry arrangements, such as relaxing specified requirements for certain immigration facilitation schemes to bring more talents from around the world for exchanges in Hong Kong
- ✚ Relaxing the existing eligibility criteria and allowing online applications for the Automated Immigration Clearance (e-Channel) Service for Frequent Visitors, thereby facilitating and encouraging more repeat visits to Hong Kong by international visitors

Promoting cultural and arts exchanges

- ✚ Consolidating arts and cultural resources, such as museums in Hong Kong, to design distinctively themed tourism routes

Telling Hong Kong's good stories through novel and creative approaches

- ✚ Promoting the “film and TV tourism” economy. The Government is suggested to invite domestic and international film, television and animation industry players to visit Hong Kong for location shooting or producing works against Hong Kong's backdrop
- ✚ Enhancing the promotion of shooting spots of film and TV productions, as well as related merchandise, to boost spending
- ✚ Inviting more celebrity bloggers, key opinion leaders and expatriates living in Hong Kong to share the city's appeal through video logs and social media posts to showcase Hong Kong's strong human touch

Building on the past and opening up new fronts in promoting international youth exchange

- ✚ Better utilizing youth cultural facilities, such as the “Youth Post” hostel in Kai Tak

3.2 Promoting the distinctive advantages of “one country, two systems”

Background

3.2.1 The duty visit to Japan allowed the Delegation to learn first-hand **that Japan’s political and business sectors hold misconceptions about Hong Kong’s current situation under “one country, two systems”**. Some representatives of the Japanese side expressed concerns about whether “one country, two systems” was merely a façade following the implementation of the Safeguarding National Security Ordinance in Hong Kong. They also failed to understand that, under “one country, two systems”, the HKSAR Government’s imposition of control measures on certain food products from Japan was essential for protecting public health based on Hong Kong’s actual circumstances. The Delegation believes that some countries or Western media might, whether intentionally or not, hold misconceptions about the implementation of “one country, two systems” in Hong Kong. This underscores the need for the HKSAR Government and the entire patriotic governing team of Hong Kong to **proactively uphold the discursive authority of “one country, two systems”**.

“One country, two systems” ensures stability, security and a favourable business environment in Hong Kong

3.2.2 During the visit, the Delegation clarified misunderstandings face-to-face with officials from the Ministry of Foreign Affairs of Japan, emphasizing that “one country, two systems” serves the interests of our country, the nation, as well as Hong Kong and Macao, and it has been recognized by the international community. The Delegation explained to the Japanese side that **the local legislation on Article 23 of the Basic Law** has made reference to the legislative experience of common law jurisdictions, and aligned with prevailing international practices and existing local laws. It is also fully consistent with the international standards for the protection of human rights and freedoms. This ensures that the fundamental rights and freedoms of all Hong Kong residents and foreign nationals in Hong

Kong are better protected, thereby **creating a more stable and business-friendly environment in Hong Kong and allowing the Japanese business community to invest with greater confidence and peace of mind.** The Delegation had open and candid exchanges with the Japanese side, effectively explaining to them that Hong Kong is on the right track of “advancing from stability to prosperity” amidst harmony and stability in society with a focus on pursuing progress. These are objective indicators of the institutional superiority of “one country, two systems”. The Delegation believes that **such candid communication has to continue.**

Combining government and community efforts to foster a wide range of overseas friendships

3.2.3 The Delegation highlighted that while Hong Kong enjoys distinctive advantages under “one country, two systems”, **it should caution against a complacent mentality of “good wine needs no bush” that assumes Hong Kong can sit back and take these long-term and inherent advantages for granted.** Instead, the HKSAR Government officials and LegCo Members should **proactively widen their network with overseas governments, legislatures and communities, and expand their circle of friends to articulate Hong Kong’s uniqueness and clarify any misconceptions or defamatory remarks about Hong Kong** in a fair and reasoned manner. LegCo Members and the Administration should **strongly encourage members of various professional sectors in Hong Kong to conduct overseas visits** to explain Hong Kong’s actual situation from diversified perspectives through **the dual-track approach engaging both officials and the community.**



The Delegation explains to the officials of the Ministry of Foreign Affairs of Japan that “one country, two systems” is a good system and that there is no reason to change it

3.2.4 In the 2024 Policy Address, CE stated that the Government would continue to actively expand and deepen its overseas networks, including making better use of various platforms, such as the organization of international summits, to create synergy and tell the good stories of the country and Hong Kong.⁶⁴ The Delegation suggests **inviting and welcoming members of overseas political and business sectors to visit Hong Kong more frequently to deepen mutual understanding**. In considering the ways to expand Hong Kong’s friendship network, **it would be appropriate** for the HKSAR Government **to adopt a more “people-centric” approach** by engaging overseas communities and sharing Hong Kong’s real stories, in the hope that it could eliminate misconceptions about Hong Kong, and foster mutual understanding and respect among different cultures, thereby strengthening people-to-people bonds.

⁶⁴ The Supplement to CE’s 2024 Policy Address stated that the Commerce and Economic Development Bureau would continue to organize the Belt and Road Summit, and create synergy by making better use of various platforms to tell the good stories of our country and Hong Kong.

Enhancing the role of ETOs and optimizing lobbying strategies

3.2.5 There are currently 14 ETOs under the Commerce and Economic Development Bureau which are responsible for enhancing global understanding of Hong Kong's distinctive advantages, advancing Hong Kong's economic and trade interests, and supporting overseas enterprises to expand business in the city. ETOs also join forces with the global network of offices of Invest Hong Kong, HKTB and HKTDC to strengthen Hong Kong's international connections.

3.2.6 The Delegation noted that the ETO in Tokyo has been committed to promoting cooperation and exchanges between Hong Kong, Japan and South Korea. It is suggested that, subject to the availability of resources, **the role of ETOs in Japan and other regions should be strengthened**, including:

- (1) Enhancing the coordination efforts of ETOs by **providing one-stop services to facilitate overseas enterprises to develop their business in Hong Kong**, and to establish connections with local industries, with a view to attracting overseas enterprises to choose Hong Kong as their regional headquarters;
- (2) **Strengthening lobbying efforts** by presenting a wide range of measures and concessions designed to attract foreign investment to Hong Kong in an easily understandable manner, making better use of research or survey data **to produce clear and accessible promotional materials in relevant foreign languages with illustrations for targeted outreach** to overseas political and business sectors, and uploading these materials on well-known and popular platforms. To highlight Hong Kong's advantages and make lobbying efforts more effective, ETOs may also promote **the measures put in place by the HKSAR Government, as well as the latest legislative and funding proposals passed by LegCo, that facilitate foreign trade and business**; and

- (3) In the face of some **unfounded rumours or misconceptions about Hong Kong**, in addition to making clarifications through written statements, the Delegation suggests a multi-pronged approach to dispel rumours with facts, including **organizing face-to-face meetings with stakeholders and regularly arranging representatives of overseas enterprises to visit Hong Kong**. ETOs may also **invite foreign enterprises investing in Hong Kong to share their successful experiences with overseas investors**, so as to promote Hong Kong's strategic advantages in tapping into the vast Mainland market.

3.3 Strengthening economic and trade ties with Japan and other overseas regions

Background

3.3.1 A survey of Japanese enterprises based in Hong Kong conducted by HKTDC in 2023 revealed that the respondents generally recognized Hong Kong's strength in regional connectivity, enabling the city to serve as an important business hub for RCEP. A growing number of Japanese enterprises, such as large-scale supermarkets and restaurants, have established operations in Hong Kong, further enhancing the city's glamour as a "Shopping Capital" and a "Gourmet Paradise". Hong Kong should **take more proactive measures to attract foreign investors from Japan and other regions to participate in the development of high value-added industries such as I&T.** For example, Japan's Rohto Pharmaceutical established its presence at the Hong Kong Science and Technology Park in 2019⁶⁵ to engage in R&D of cell culture and storage technologies. This highlights Hong Kong's robust scientific research capabilities as well as its potential for high-end manufacturing and exports. The Delegation is deeply convinced that the **Northern Metropolis, envisioned as the new engine for Hong Kong's future development, will serve as an ideal platform to attract enterprises and talents from Japan and other overseas regions.**

⁶⁵ The Hong Kong Science and Technology Parks Corporation's press release titled "HKSTP Welcomes Rohto Advanced Research Hong Kong Limited to Science Park's Biotechnology Ecosystem":
<https://www.hkstp.org/en/park-life/news-and-events/news/hkstp-welcomes-rohto-advanced-research-hong-kong-limited-to-science-parks-biotechnology-ecosystem>.

Competing for enterprises and talents, and attracting foreign companies to Hong Kong

3.3.2 In the 2025-2026 Budget, the Financial Secretary emphasized the need to accelerate the development of Northern Metropolis as an investment for the future.⁶⁶ The Delegation believes that the development of Northern Metropolis is crucial to enhancing Hong Kong's economic strength and competitiveness in I&T industries, and that the Government should be more proactive in implementing various policies to **attract foreign investment, promote R&D, and strengthen links with the Mainland market.** The Delegation has the following recommendations:

- (1) The Northern Metropolis project is being progressively rolled out. Phase I Works of San Tin Technopole are already underway, and construction of the first three buildings of the Hong Kong-Shenzhen Innovation and Technology Park located at the Lok Ma Chau Loop have been completed in phases, with the first batch of industrial tenants scheduled to commence operation in 2025. The Delegation suggests that the Government **explore ways to streamline administrative procedures, such as those related to visa and license applications, to enable enterprises and their personnel to settle in swiftly.** In addition, it should actively **introduce facilitative initiatives**, including provision of multilingual services, to attract overseas research talents and business professionals to Hong Kong;

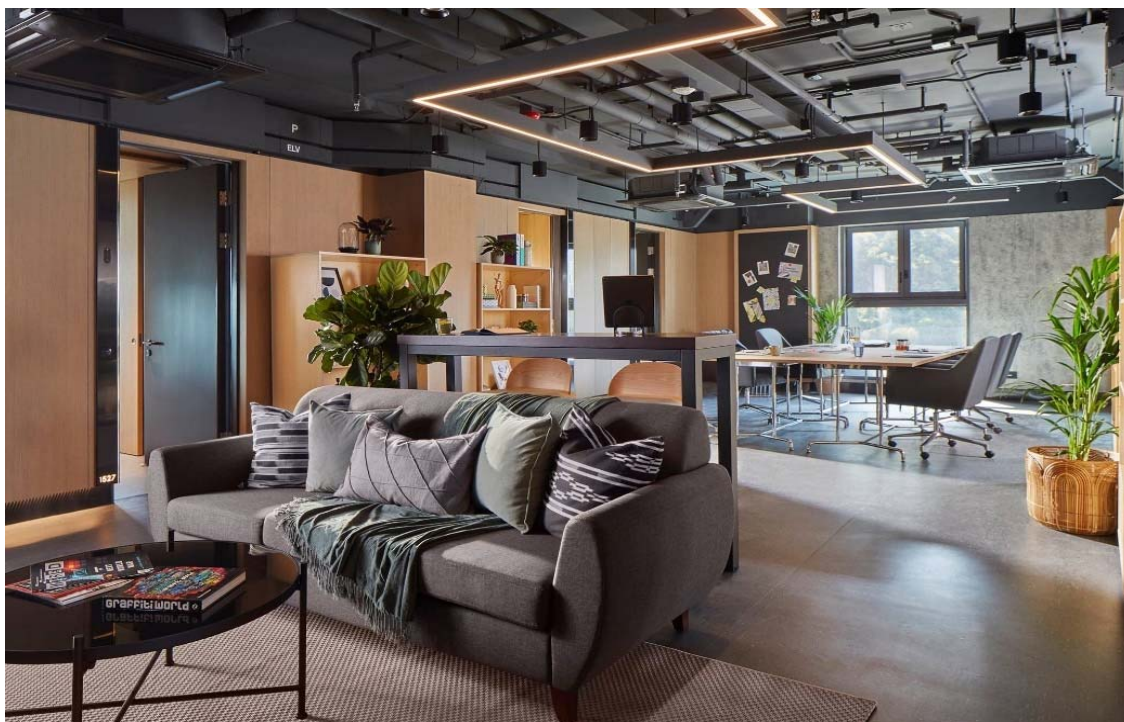
⁶⁶ The 2025-2026 Budget of the HKSAR Government:
https://www.budget.gov.hk/2025/eng/pdf/e_budget_speech_2025-26.pdf.



LegCo's Panel on Development visits New Territories Northwest in January 2024 to learn about the planning and development of the San Tin Technopole and the Kwu Tung North New Development Area located within the Northern Metropolis

- (2) Since July 2024, non-Chinese Hong Kong and Macao permanent residents have become eligible to apply for Mainland Travel Permits, while foreign staff of companies registered in Hong Kong may apply for “multiple-entry visas”. However, foreign nationals who are non-permanent residents still encounter complicated application procedures for visas for travelling to GBA after attending meetings in Hong Kong. The HKSAR Government should discuss with the Mainland authorities to **establish fast-track cross-boundary lanes**, so as to reinforce Hong Kong's role as a gateway for business between the Mainland and the rest of the world;
- (3) The high cost of housing in Hong Kong discourages expatriate staff of overseas enterprises from relocating to Hong Kong for development. HKSTPC's InnoCell offers affordable monthly rental rates and has

become popular among I&T talents. **Talent Apartments** will also be **built** in the Northern Metropolis to meet the accommodation needs of research talents. The Delegation suggests that the Administration should streamline the tendering procedures when collaborating with the private sector to **accelerate the construction of Talent Apartments and enhance supporting facilities, so as to attract more top-tier talents to Hong Kong;**



HKSTPC's InnoCell provides short to medium-term accommodation at affordable rental rates for employees of companies in the Hong Kong Science and Technology Park (Website of HKSTPC)

- (4) The Government **may set up a dedicated team for attracting businesses to the Northern Metropolis, with foreign enterprises as promotion targets. Tax or rental concessions may also be offered to foreign companies that establish operations in the Northern Metropolis,** particularly those from I&T and high value-added sectors, to reduce their operating costs;

- (5) The Government has to **step up the promotion of Northern Metropolis**, highlighting the advantages of shared technological resources between Hong Kong and the Mainland, such as the importance of the Mainland's extensive genomic database to the research in medical technology. Enhanced cooperation between Hong Kong and other cities in GBA can provide a broader market and more resources, especially in fields of green technology, AI, etc. This will attract foreign investors from Japan and beyond to participate in the development of the Northern Metropolis;
- (6) ETOs may collaborate with Invest Hong Kong and other relevant departments to promote the advantages and investment opportunities of the Northern Metropolis through international conferences, exhibitions and business promotion events. They may also actively invite representatives of Japanese enterprises to visit Hong Kong for gaining first-hand insights into the development potential. In addition, they may consider fostering collaboration in scientific research with Japanese higher education institutions and research institutes, as well as establishing talent exchange programmes; and
- (7) The HKSAR Government and the State Ministry of Commerce signed the CEPA Amendment Agreement II in October 2024⁶⁷ and it came into effect on 1 March 2025. The Agreement removes the period requirement for most service sectors to engage in substantive business operations in Hong Kong for three years, enabling start-ups to enjoy preferential treatment. The Delegation considers that the

⁶⁷ Website of Hong Kong's Trade and Industry Department regarding the CEPA Amendment Agreement II:
https://www.tid.gov.hk/en/our_work/cepa/legal_text/trade_in_services_agreement.html#second_agreement.

Government should **step up overseas promotion on Hong Kong’s business-friendly policies and strengths**, citing success cases to boost investor confidence and thereby attracting more enterprises to choose Hong Kong as their base to tap into the Mainland market.



The HKSAR Government and the State Ministry of Commerce signs the CEPA Amendment Agreement II in October 2024 (Photo of Information Services Department)

Developing the “headquarters economy”

3.3.3 The 2024-2025 Budget stated that the HKSAR Government aims to develop Hong Kong into a multinational supply chain management centre.⁶⁸ During the visit to Japan, the Delegation learnt that the Nissin Foods Group **has fully leveraged the respective competitive advantages of Hong Kong and neighbouring cities in GBA in industrial supply chains to achieve synergy and reduce production and transportation costs.** By establishing its regional headquarters in Hong Kong, the Group has expanded into the Mainland

⁶⁸ The 2024-2025 Budget of the HKSAR Government:
https://www.budget.gov.hk/2024/eng/pdf/e_budget_speech_2024-25.pdf.

and Southeast Asian markets. The Delegation is of the view that the Group's success demonstrates a commendable business model worthy of emulation, and shows that Hong Kong has enormous potential to develop the "headquarters economy" and become a multinational supply chain management centre. The Delegation suggests that the Administration may consider **providing tax concessions** by reducing profits tax for multinational enterprises that meet certain business scale or investment thresholds, so as to **attract more Mainland and multinational corporations to establish their headquarters in Hong Kong**.

Strengthening coordination and planning to accelerate the development of a multinational supply chain management centre

3.3.4 The Delegation notes that Invest Hong Kong and the Office for Attracting Strategic Enterprises have been organizing a number of promotional activities to introduce Hong Kong's business advantages and opportunities to overseas business leaders. The Delegation suggests that the HKSAR Government **further expedite the formulation of forward-looking strategies, including strengthening the construction of Smart Port**, continuously promoting digital upgrading and transformation, and encouraging enterprises to adopt I&T, such as IoT, big data analytics and blockchain. These would enhance the efficiency, effectiveness and security of supply chains, thereby **accelerating the development of Hong Kong into a multinational supply chain management centre**.

3.3.5 In building a multinational supply chain management centre and developing the "headquarters economy", the Government **needs to clearly identify Hong Kong's strengths in the supply chain industry**, and focus on upgrading services in areas such as testing and certification, maritime and logistics, legal arbitration, etc. Coupled with its established advantages in trade financing, accounting and export credit risk management, Hong Kong can offer high value-added services in diversified aspects to accommodate the needs of different clients, thereby helping "enterprises to go global, and attract foreign investment".

3.4 Accelerating the promotion of new industrialization

Background

3.4.1 The National 14th Five-Year Plan expressly supports Hong Kong's development into **an international innovation and technology centre**. During his visit to Hong Kong in 2022, President XI Jinping clearly stated that the HKSAR Government should “**seize the major development of the times, giving more prominence to supporting the development of I&T, so as to give full play to the role as a supporter and leader in I&T**”. In the I&T Development Blueprint⁶⁹ promulgated in December 2022, the HKSAR Government stated that it would assist traditional industries to upgrade and transform with the use of innovative technologies, such as IoT, AI and big data, to achieve smart production, with a view to **enhancing the overall competitiveness of Hong Kong's manufacturing industry**. The Delegation is of the view that the **widespread application of innovative technologies such as AI is an inevitable trend and a key driving force in accelerating the promotion of new industrialization in Hong Kong**.

Promoting the application of AI

3.4.2 The Delegation noted that in 2021, the Nissin Foods Company Limited became the first food manufacturer to receive funding under the HKSAR Government's New Industrialization Funding Scheme (“NIFS”) (previously known as the Re-industrialization Funding Scheme (“RFS”)),⁷⁰ securing the maximum funding amount of HK\$15 million. The Company **established a new smart production line** at its factory in the Tai Po InnoPark under HKSTPC. This smart production line integrates robotics, intelligent learning tools, full automation and other smart elements to boost the efficiency and capacity of production while reducing costs. Since 2019, the Group's headquarters in Japan has set targets for **internal**

⁶⁹ The I&T Development Blueprint: https://www.itib.gov.hk/en/publications/I&T%20Blueprint%20Book_EN_single_Digital.pdf.

⁷⁰ Website of the New Industrialization Funding Scheme: <https://www.itf.gov.hk/en/funding-programmes/promoting-new-industrialisation/nifs/index.html>.

digital upgrading and transformation to enhance work efficiency, including setting up fully automated production lines and promoting the comprehensive use of customized generative AI tools for internal purposes such as copywriting and drafting sales proposals.



Nissin Foods (Hong Kong) receives funding from RFS to set up a smart production line at its Tai Po factory (Source: Information Services Department, provided by the Nissin Foods Company Limited)

3.4.3 In August 2023, the Ministry of Economy, Trade and Industry of Japan released a report on promoting digital transformation in Japan.⁷¹ The report highlighted the value and potential of generative AI, which would not only improve operational efficiency and productivity but also assist enterprises in transforming their organizational operations, workflows and corporate culture, thereby improving product quality and service models, as well as enhancing the competitiveness and profitability of enterprises. **The Japanese Government is also committed to formulating application frameworks and practical guidelines for the use of AI,**⁷² while collaborating with academia and the private sector to assess the security risks posed by the widespread adoption of AI and to develop response plans.

⁷¹ Approaches to human resources and skills required for DX promotion in the age of generative AI: https://www.meti.go.jp/english/report/pdf/0807_001.pdf.

⁷² AI Guidelines for Business Ver 1.0 (Ministry of Economy, Trade and Industry of Japan): https://www.meti.go.jp/english/press/2024/0419_002.html.

Formulating a blueprint and regulatory framework for AI development

3.4.4 The Delegation noted that the HKSAR Government has implemented certain policies and guidelines to promote new industrialization and to address the opportunities and challenges posed by AI. These include setting up the New Industrialization Development Office in February 2024 and creating the post of Commissioner for Industry,⁷³ as approved by LegCo's Finance Committee, to promote new industrialization under an industry-oriented principle, **with a focus on developing life and health technology, AI and data science, as well as advanced manufacturing and new energy technology.** The Administration also assists the local manufacturing industry in upgrading and transformation through the use of I&T, as well as providing support for start-ups.

3.4.5 The I&T Development Blueprint has stated that Hong Kong should focus on developing the AI industry, among others. In the 2025-2026 Budget, it was proposed setting aside HK\$1 billion for the establishment of the Hong Kong AI Research and Development Institute. In addition, Cyberport's AI Supercomputing Centre ("AISC") and AI Lab commenced operation in late-2024, complementing the HKSAR Government's HK\$3 billion AI Subsidy Scheme to support local universities, research institutes, government departments and enterprises in harnessing AISC's computing power to drive the development of AI ecosystem in Hong Kong.⁷⁴ The Digital Policy Office under the Innovation, Technology and Industry Bureau has formulated the Ethical Artificial Intelligence Framework.⁷⁵ In June 2024, the Office of the Privacy Commissioner for Personal Data published the Artificial Intelligence: Model Personal Data Protection

⁷³ LegCo's Finance Committee LC Paper No. FCR(2023-24)16: <https://www.legco.gov.hk/yr2023/english/fc/fc/papers/f23-16e.pdf>.

⁷⁴ Website of Artificial Intelligence Subsidy Scheme: https://www.digitalpolicy.gov.hk/en/our_work/digital_infrastructure/industry_development/ai_subsidy_scheme/.

⁷⁵ Ethical Artificial Intelligence Framework: https://www.digitalpolicy.gov.hk/en/our_work/data_governance/policies_standards/ethical_ai_framework/doc/Ethical_AI_Framework.pdf.

Framework⁷⁶ to promote the safety and compliance of AI applications. Moreover, the Administration has proposed amendments to the Copyright Ordinance, seeking to support the development of AI technology while strengthening intellectual property protection.

3.4.6 The Delegation is of the view that, given the rapid development of AI, **it is necessary for the HKSAR Government to refine its policies and formulate a comprehensive and in-depth blueprint or guidelines for AI development.** While promoting the adoption of digital technologies and AI among enterprises and traditional industries, the Government should establish **a robust regulatory framework** to provide clear guidance and standards for data protection, asset management, social ethics and responsibilities arising from the development and application of AI, so as to enhance the safety and reliability of AI development. Meanwhile, the HKSAR Government should **strengthen the coordination among policy bureaux to holistically address matters related to AI, I&T research and development, etc.**

Boosting the adoption of AI across various sectors

3.4.7 Both Hong Kong and Japan face challenges from an ageing population and a shrinking workforce. The Delegation believes that Hong Kong can **draw inspiration from Japanese enterprises** to enhance productivity and mitigate labour shortages by **investing in AI** and adopting smart manufacturing. The Delegation suggests that **the Government should proactively liaise with industry players and relevant trade associations to understand the needs of SMEs, and streamline the application process of NIFS,** with a view to supporting the establishment of smart production lines and further improving operational efficiency. Moreover, the Government should **explore ways to boost AI adoption across various sectors,** so as to develop corresponding training programmes for the local workforce and formulate labour importation policies to enable the effective integration of AI with the workforce, and optimize the productivity of Hong Kong workers.

⁷⁶ Artificial Intelligence: Model Personal Data Protection Framework: https://www.pcpd.org.hk/english/resources_centre/publications/files/ai_protection_framework.pdf.

3.4.8 To nurture local AI talent in the long run and foster understanding and adoption of AI among members of the public, the Delegation suggests that the Education Bureau strengthen AI education by **establishing a lifelong learning system** in addition to the existing AI coding courses offered to primary and secondary students. The Education Bureau should also consider establishing an online AI learning platform, which offers courses at varying levels, to **promote territory-wide AI literacy, as well as foster collaboration between enterprises and universities to offer AI-related post-secondary education programmes, with a view to nurturing more local talent in this field.**

Leveraging the strengths of the “Made in Hong Kong” brand

3.4.9 **Hong Kong upholds a stringent quality control system,** and “Made in Hong Kong” has long been a hallmark of confidence with a strong market appeal and competitiveness. The Delegation is of the view that enterprises can **capitalize on the strengths of the “Made in Hong Kong” brand to tap into GBA and overseas markets.** To further enhance the presence and competitiveness of Hong Kong brands in the Mainland and overseas markets, CE announced in the 2024 Policy Address that HKTDC would plan to establish more Hong Kong Pavilions or brand showcases at exhibitions in the Mainland and overseas. The Trade and Industry Department and HKTDC would also enhance support for SMEs in developing their brands and expanding the e-commerce sales network through organizing mentorship programmes and providing consultation services.

Promoting “Made in Hong Kong” and adopting GBA Standards

3.4.10 During its visit to the Nissin Foods Group, the Delegation learnt that the Group attaches great importance to the Mainland market. It has launched the “Nissin Foodium” WeChat mini programme to **branch out into the Mainland’s e-commerce platforms** and has successively established four factories in the Mainland, specializing in the production of instant noodles, snacks, frozen foods, and packaging

materials respectively. **Leveraging Hong Kong’s quality control monitoring system to ensure product quality**, the factories in the Mainland **operate in synergy with the production lines in Hong Kong** to reduce production and transportation costs.

3.4.11 In fact, the governments of Guangdong, Hong Kong and Macao have been committed to **developing GBA Standards** for various products and services in recent years, and encouraging enterprises to adopt these standards on a voluntary basis. This initiative aims to enhance the quality and safety of products and services, thereby boosting consumer confidence and promoting the integrated development of the three places. As of December 2024, a total of 215 items under GBA Standards⁷⁷ have been formulated and promulgated, covering areas such as food quality and safety, mechanical and electrical products, medical care, education, e-sports, as well as environmental, social and governance issues. The Delegation suggests that the HKSAR Government should step up the **promotion of GBA Standards, a GBA’s version of “Q-Mark” certification, to businesses and consumers** through various platforms such as exhibitions in the Mainland and overseas, so as to **enable more Japanese and other overseas enterprises to recognize the benefits and business opportunities of adopting GBA Standards**.

Improving funding schemes and assisting enterprises in market expansion

3.4.12 The Delegation is of the view that the HKSAR Government should **enhance the existing funding schemes for SMEs**, such as the Dedicated Fund on Branding, Upgrading and Domestic Sales (commonly known as the “the BUD Fund”),⁷⁸ which provides funding for non-listed Hong Kong enterprises to develop their businesses in the Mainland and 39 other economies. The Administration could also consider **further expanding the geographical coverage of the BUD Fund, or even removing the geographical restrictions, to encourage enterprises to tap into more overseas markets**.

⁷⁷ The list of GBA Standards: <https://www.gbsrc.org.cn/listOfBayAreaStandards>. (Chinese only)

⁷⁸ Website of the BUD Fund: <https://www.bud.hkpc.org/index.php/en>.

3.4.13 Currently, the SME Export Marketing Fund⁷⁹ provides financial assistance to encourage SMEs to participate in export marketing activities. The Delegation suggests that, upon the consolidation of the SME Export Marketing Fund into the BUD Fund on 30 June 2026, a **“revolving approval” mechanism could be introduced to streamline the re-application process for applicants with good track records.**

⁷⁹ Website of the SME Export Marketing Fund: <https://www.smelink.gov.hk/en/web/sme-portal/w/sme-export-marketing-fund.html>.

3.5 Safeguarding food safety and promoting the development of agriculture and fisheries

Background

3.5.1 The Hong Kong people are fond of Japanese food and attach great importance to food safety. In response to the nuclear incident at Japan's Fukushima Daiichi nuclear power plant and the subsequent discharge of nuclear wastewater into the sea, the HKSAR Government has maintained import control measures on food products from specified regions in Japan to the present day.

Ensuring the safety of food imported from Japan

3.5.2 The Delegation had candid exchanges with various Japanese officials and representatives of organizations **on issues such as food safety concerns arising from the discharge of treated nuclear wastewater into the sea. While conveying the concerns of the public in Hong Kong, the Delegation reiterated that the HKSAR Government's control measures on Japan's food products are entirely based on objective and scientific considerations** to ensure public health and food safety, so that the public could enjoy Japan's premium food products with peace of mind.

3.5.3 The Delegation noted that MFA announced on 20 September 2024 that China and Japan had reached an agreement on issues relating to discharging nuclear wastewater from the Fukushima Daiichi nuclear power plant into the sea. Subject to China's substantive participation in the long-term international monitoring within IAEA's framework, as well as the implementation of independent sampling and other monitoring activities by participating countries, China would work on adjusting relevant control measures based on scientific evidence, with a view to gradually resuming imports of Japan's aquatic products that meet the regulatory requirements and

standards.⁸⁰ On 20 December of the same year, MFA announced that, in conjunction with top officials from the Ministry of Ecology and Environment, the China Atomic Energy Authority, and the General Administration of Customs, it had conducted a work exchange with a delegation from the HKSAR Government, which included representatives from the Environment and Ecology Bureau. During the exchange, they discussed the issues related to Japan's discharge of nuclear wastewater.⁸¹

3.5.4 The Delegation believes that, in considering any adjustments to the control measures on Japan's food products, the HKSAR Government has to prioritize public health and food safety, while taking into account the assessments of international expert organizations and the surveillance results of Hong Kong and Japanese authorities. Therefore, the Delegation urges the **Japanese authorities to make public all data on the nuclear wastewater so that the HKSAR Government can conduct a comprehensive review on the safety of aquatic products from different regions of Japan.** The Delegation noted that the HKSAR Government has been actively liaising with the Office of the Commissioner of the Ministry of Foreign Affairs in HKSAR and the Consulate-General of Japan in Hong Kong to obtain the relevant data and information. The Delegation suggests that once the relevant national testing authorities have completed the testing of the self-collected nuclear wastewater samples, the HKSAR Government **could liaise with the national testing authorities to obtain the first-hand data for analysis.** This would enable the HKSAR Government to review the need of maintaining control measures on Japan's food products.

⁸⁰ Announcement by MFA on "China and Japan Reach Agreement on Ocean Discharge of Fukushima Nuclear-Contaminated Water":
https://www.fmprc.gov.cn/eng/gjhdq_665435/2675_665437/2721_663446/2724_663452/202409/t20240920_11493511.html.

⁸¹ Announcement by MFA on "Work Exchange between the Ministry of Foreign Affairs and Other Ministries and Agencies, and the HKSAR Government on Ocean discharge of Fukushima Nuclear-contaminated Water":
https://www.mfa.gov.cn/web/wjbxw_673019/202412/t20241220_11510440.shtml.
(Chinese only)



The Delegation meets with the Minister of Agriculture, Forestry and Fisheries, Mr Taku ETO (second right), to exchange views on issues such as the discharge of nuclear wastewater into the sea and food safety

Drawing inspiration from Toyosu Market to build a world-class Jet Fresh Market

3.5.5 As one of the world’s busiest aviation hubs, Hong Kong is connected to more than 220 destinations by air worldwide. The city has topped the global rankings for air cargo throughput for more than a decade in a row, with a highly efficient aviation network bringing fresh and live food products from around the world to Hong Kong. The Delegation strongly supports the proposals put forth in CE’s 2024 Policy Address that the Government will plan with the Airport Authority Hong Kong (“AAHK”) for expanding the scale of the Airport City by more than double, from the original plan of 142 hectares to 340 hectares, in the bay inlet surrounded by the Airport Island, the Hong Kong Port Island of Hong Kong-Zhuhai-Macao Bridge (“HZMB”) and the Tung Chung East New Town. The new project will be named as

“SKYTOPIA”,⁸² with the **establishment of a Jet Fresh Market** among the proposed initiatives. The Delegation agrees that this can leverage the cold chain facilities at the Hong Kong International Airport to **attract industry players to sell fresh and live seafood and other premium food products at the market**, allowing the public to **experience seafood auctions and enjoy on-the-spot tasting of such products**.⁸³

3.5.6 The Delegation opines that Toyosu Market can provide a blueprint for the development of Hong Kong’s Jet Fresh Market to integrate the wholesale, processing and retail of agricultural and fishery products, along with catering and tourism under one roof. During the visit to Toyosu Market, the Delegation learnt about the Market’s facilities, industry integration, environmental safety standards, etc. It also gained first-hand insight into how the closed and low-temperature management facilities introduced along the Market’s redevelopment can ensure hygiene and food safety. The Delegation suggests that the Administration further engage with the operator of Toyosu Market to **gain a detailed understanding of its architectural design, the latest cold chain technologies, and the related logistics, transportation and food testing processes**. Leveraging the relevant experience would facilitate the development of Hong Kong’s Airport City as a global hub for premium and fresh food products.

⁸² AAHK’s press release on the “SKYTOPIA” project:
https://www.hongkongairport.com/en/media-centre/press-release/2025/pr_1771.

⁸³ Proposals on “Airport City” in CE’s 2024 Policy Address:
<https://www.policyaddress.gov.hk/2024/en/p69.html>.

3.5.7 The Delegation further recommends that Hong Kong should draw inspiration from Toyosu Market's positioning of integrating tourism elements. These include the provision of facilities such as a hot spring building, as well as a dining and entertainment complex near the Market. The Jet Fresh Market **should take full advantage of the prime location of the Hong Kong Port Island of HZMB, where there are spectacular views of aircraft take-offs and landings. Paired with Hong Kong's unique culinary culture, which blends Chinese and Western influences,** the Jet Fresh Market can provide a one-stop travel and dining experience.



The Delegation recommends that the Administration should engage with the operator of Toyosu Market to gain a detailed understanding of its architectural design and the logistics, transportation and food testing processes

Upgrading and transforming Hong Kong's agriculture and fisheries

3.5.8 Hong Kong's agriculture and fisheries industries have a rich history, serving as niche industries that embody important cultural symbols of the city. Although these industries are relatively small in scale, contributing only about 0.1% to GDP,⁸⁴ they are of great value in terms of food supply and sustainable development, while providing a considerable number of job opportunities. The Delegation considers that, in complement to the **measures for upgrading and transforming the agriculture and fisheries** as proposed in the Blueprint for the Sustainable Development of Agriculture and Fisheries ("Agriculture and Fisheries Blueprint"),⁸⁵ the new Jet Fresh Market could **build a brand** for local agricultural and fishery products to **expand the reach of these quality products to overseas markets**, thereby enhancing economic benefits. Moreover, local **catering, agriculture and fisheries industries** could enhance their cooperation by **organizing crossover events** for joint promotion.

Developing leisure farming and fisheries

3.5.9 The Agriculture and Fisheries Blueprint proposes to promote the diversified development of local leisure farming and fisheries, establish new business models, and provide free training courses, seminars and study tours for local fishermen and farmers. These initiatives would help them acquire the knowledge and skills required for transforming to leisure farming and fisheries. The Delegation is of the view that **the development of leisure farming and fisheries should complement to the previously published Sustainable Lantau Blueprint.**⁸⁶ This can be achieved by leveraging Lantau's natural resources and rural features to promote the integration of leisure farming and fisheries with characteristic tourism. To this

⁸⁴ GDP by economic activity published by the Census and Statistics Department: https://www.censtatd.gov.hk/en/web_table.html?id=310-34101.

⁸⁵ The Agriculture and Fisheries Blueprint published by the Environment and Ecology Bureau: https://www.eeb.gov.hk/food/download/our_work/afblueprint/AFBlueprint_ENG.pdf.

⁸⁶ The Sustainable Lantau Blueprint published by the Development Bureau: https://www.lantau.gov.hk/filemanager/en/content_92/full_report.pdf.

end, the Delegation recommends that the Administration provide **facilitative measures to aquaculture and farm operators, such as tax incentives and relaxed licensing requirements**, and support relevant practitioners through the **provision of promotional campaigns, educational exhibitions, guided tours and experiential activities, as well as sales technique training**, in order to fully unlock the market potential of leisure farming and fisheries.

3.5.10 During the meetings and site visits, the Delegation was deeply inspired by the **operational models of Japan's agriculture and fisheries**. The reference obtained was highly valuable for Hong Kong to facilitate the **upgrading and development of relevant industries**, thereby **achieving sustainable development of the city's primary industries**.

3.6 Boosting the attractiveness of Hong Kong's tourism to realize “tourism is everywhere”

Background

3.6.1 The “14th Five-Year” Tourism Development Plan, the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area, the Culture and Tourism Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area, etc. all **support Hong Kong in developing into an international tourism hub and a core demonstration zone for multi-destination tourism**. Notwithstanding Hong Kong's unique metropolitan appeal, the city has to further enhance its attractiveness in the face of intensifying competition in the tourism market. During the visits to tourist attractions in Japan and meetings with representatives of relevant organizations, the Delegation gained insight into their successful experience. The Delegation is of the view that the tourism development in Hong Kong **requires the active participation, aspiration and determination of all parties, in order to press ahead with the implementation of “tourism is everywhere” in Hong Kong at full speed** to enhance the cultural and tourism experiences for visitors.

Improving street management to revitalize distinctive neighbourhoods

3.6.2 During its visit to the Yokohama Chinatown, the Delegation noticed that its **main source of customers is the local young people** rather than the more mature or older groups of visitors. Following exchanges with the local business association, the Delegation learnt that the Yokohama Chinatown successfully attracted a new generation of customers through **product design, street management, social media**, etc., injecting new impetus into the traditional neighbourhood. In contrast, while Hong Kong's pedestrianized streets/bazaar economy have reached a considerable

scale and remained popular among tourists,⁸⁷ its development has hit a bottleneck after the pandemic. New elements are urgently needed to enhance the appeal. The Delegation believes that Hong Kong should capitalize on its neighbourhoods with distinctive features and **draw on the experience of the Yokohama Chinatown’s development to enrich local cultural characteristics and appeal to tourists.**

Creating Panda IP and developing unique souvenirs

3.6.3 **The giant panda is a world-famous symbol of Chinese culture and spirit, as well as China’s ambassador of friendship.** It showcases Chinese people’s reverence for peace and their friendliness to the world. In Japan, the local people are very fond of giant pandas. On the day when a pair of pandas on loan to Japan had to be returned to China in September 2024 due to health reasons, more than 2 000 people went to the zoo to bid farewell to the pandas.⁸⁸ The Delegation also observed first-hand the panda craze during the visit to the Yokohama Chinatown, with **crowds forming long queues outside panda-themed shops for panda-shaped steamed buns.** It is a manifestation of the potential of the panda economy and worthwhile for Hong Kong to enhance its promotion. Moreover, in July 2024, the Central Authorities gifted a pair of giant pandas to HKSAR. In addition to the twin panda cubs given birth by giant panda Ying Ying in August of the same year, there are six giant pandas in Hong Kong, making the city home to the largest number of giant pandas outside Mainland China.⁸⁹ Compared with other countries and cities, **Hong Kong is better positioned with greater potential to develop the panda economy.**

⁸⁷ According to the Development Blueprint for Hong Kong’s Tourism Industry 2.0 published by the Culture, Sports and Tourism Bureau, Ladies’ Market/Temple Street ranked second in “The 10 places most visited among overnight visitors” in the first half of 2024:

https://www.cstb.gov.hk/file_manager/en/documents/consultation-and-publications/Tourism_Blueprint_2.0_English.pdf.

⁸⁸ News report of HK01: <https://www.hk01.com/%E5%8D%B3%E6%99%82%E5%9C%8B%E9%9A%9B/1061600>. (Chinese only)

⁸⁹ Speech by CE at the Giant Panda Greeting Ceremony: <https://www.info.gov.hk/gia/general/202412/07/P2024120700391.htm>. (Chinese only)



LegCo held an exhibition of panda sculptures in February 2025 in support of “tourism is everywhere”

3.6.4 The Delegation opines that compared to the economic benefits of the panda economy in Mainland China, Japan, South Korea, etc., **Hong Kong is still at its early stages of development.** Apart from hosting short-term exhibitions such as HELLO PANDAS Carnival and PANDA GO! FEST HK featuring giant panda installations for tourists to take pictures, the Delegation believes that it is more important to **encourage shops and restaurants to develop a variety of panda-themed products, foods and services with Hong Kong characteristics.** As proposed in the Development Blueprint for Hong Kong’s Tourism Industry 2.0 (“the Tourism Blueprint 2.0”) for the development of cultural and creative tourism, the Government could take the lead in collaborating with the cultural and creative sector by **inviting local designers to create an IP chain incorporating panda elements**, with the aim of expanding the scale of relevant local economic activities to achieve economies of scale.



The panda-shaped steamed buns offered in the Yokohama Chinatown are very adorable and attracted a large number of tourists queuing up to purchase

3.6.5 To align with the HKSAR Government’s goal to enrich district tourism resources, the Delegation noted that, in respect of revitalizing neighbourhoods, a series of activities under the theme of **“Pandas Everywhere”** were being held in the Southern District, where a number of photo hotspots were set up with panda merchandise introduced by the shops. The Delegation suggests the Government **further promote** this kind of district activities by setting up **panda-themed areas** in easily accessible and bustling districts, such as Temple Street, Mong Kok, etc. Installing longer-term panda-themed art installations and incorporating panda elements into shop signage and street facilities would help create a unique “panda street” ambiance. The Government should also utilize digital technology to **develop a “Hong Kong Panda Tour” mobile application**. For example, adopting augmented reality technology to **create virtual photo hotspots** for tourists to find “pandas” in different district could add fun to their explorations.

Improving street management mechanism

3.6.6 Compared with Temple Street in Hong Kong, the Delegation observed that the environment of the Yokohama Chinatown is **clean and orderly, and the overall planning and amenities are comprehensive**. While the Yokohama Chinatown also features predominately vendors of food and beverages, the streets remain notably free of greasy smoke – likely one of the reasons why it is popular among young people. The Delegation learnt that the Chinatown Association, **formed by local merchants**, is responsible for managing the neighbourhood, and formulating the **Yokohama Chinatown Community Development Agreement** to regulate **land use, road usage, outdoor advertising, waste disposal, noise management, etc.** within the neighbourhood in a comprehensive manner. The Delegation believes that the **partnership model – involving the government, the business sector and the community** – coupled with government policies and resources backing, and granting communities or business associations a certain extent of autonomy, is instrumental in maintaining orderly management in the Chinatown and ensuring a shop mix that meets tourist preferences.

3.6.7 The Delegation noted that while there is a business association for Temple Street to coordinate the liaison with some vendors, the association does not have substantive power over the overall management of Temple Street, as well as relevant publicity work, district planning, etc. Taking the promotion of the Temple Street Night Market as an example, after its launch in December 2023, HKTb ceased co-organizing the Night Market upon completion of the one-year operation period, leaving vendors to apply for licence renewals on their own to continue operation. The subsequent decline in business at the Night Market highlights that **without sufficient resources and coordinated planning, local business associations would struggle to manage the development of neighbourhood effectively**.⁹⁰

⁹⁰ News report of *Ta Kung Pao*: <https://www.tkwk.hk/a/202309/20/AP6509b5e5e4b07d757f8aafd9.html>. (Chinese only)

3.6.8 The Delegation suggests the Government **strengthen support for vendors and business associations, and enhance the role of business associations** to involve them in the monitoring and management of neighbourhood affairs. Drawing reference from the experience of the Yokohama Chinatown, where the management of pedestrianized streets/bazaars involves multiple policy areas, relevant government departments and District Councils should **step up collaboration** and hold regular meetings with business associations to find out their actual needs. The Delegation believes that the revitalization of Temple Street and Hong Kong's bazaar economy as a whole **cannot rely solely on short-term stimulus measures**. Instead, it requires sustainable planning and activities to drive long-term economic growth at the district level.

Enhancing promotion through better use of social media

3.6.9 During exchanges with the Chinatown Association, the Delegation learnt that it has **utilized social media to attract younger customers**. The social media accounts of the Yokohama Chinatown serves as not only a platform to disseminate information, but also an important channel for **brand building**. Through engaging content in reels and stories, the Association regularly updates followers the real-time happenings in the neighbourhood, such as seasonal delicacies, festive events, time-limited offers, new store openings, etc., successfully capturing the attention of younger audience.⁹¹

3.6.10 On the contrary, Temple Street and many traditional attractions in Hong Kong such as Tung Choi Street (Ladies' Market) and the Jade Market in Yau Ma Tei do not have official social media pages. Relevant information mostly comes from HKTb and scattered sharing by individual travellers or online influencers. This not only makes it difficult to showcase the attractions' unique characteristics in-depth, but also fails to effectively convey the local cultural atmosphere and stories. The promotional efforts have not kept pace with the times

⁹¹ The Instagram account of the Yokohama Chinatown:
https://www.instagram.com/yokohama_chinatown/.

in utilizing technology to attract target customers. The Delegation opines that **creating social media pages for these attractions offers considerable benefits**. For example, **data analytics tools can be used to track social media engagement metrics** to understand different customer segments' interests in the attractions, enabling precise market positioning and **enhancing promotional effectiveness**.



The Yokohama Chinatown is always bustling and many of the visitors are local young people

Preserving the “Hong Kong characteristics”

3.6.11 The number of Japanese visitors to Hong Kong has plummeted significantly in recent years, and has not yet returned to pre-pandemic levels. Summarizing the information gathered from the exchanges in Japan, news reports and social media posts, the Delegation noted that, apart from the depreciation of the Japanese yen which has discouraged Japanese people from travelling abroad, **many Japanese people thought that the original “Hong Kong characteristics” are fading**, making Hong Kong less appealing.⁹²

⁹² Facebook post of “Fortune Insight”:
<https://www.facebook.com/share/p/153GAMANh1/>. (Chinese only)



A Japanese netizen expresses disappointment at large-scale removal of signboards in Hong Kong, with the post sparking widespread discussion

3.6.12 What visitors found most regrettable was the Administration's gradual removal of colourful signboards full of Hong Kong characteristics erected on both sides of the streets. Since 2014, the Buildings Department has been carrying out Large Scale Operation ("LSO") on Target Streets every year, in which the Department selects target street sections, and carry out LSOs, including issuing statutory removal orders, against large unauthorized signboards which pose a risk to the public and the signboards which have not been validated under the Signboard Validation Scheme.⁹³ Between 2018 and 2022, the Administration removed or repaired more than 16 000 signboards.

3.6.13 The Delegation acknowledges that while it is understandable for the Administration to remove unauthorized signboards due to safety concerns, it should also **attach importance on**

⁹³ LegCo's oral question regarding signboard control:
<https://www.info.gov.hk/gia/general/202307/05/P2023070500225.htm>.

conservation. The Delegation suggests that the Administration **establish designated zones in renowned neighbourhoods**, such as Temple Street, Nathan Road, etc., to recreate Hong Kong's signature signboard scenery while ensuring compliance with safety standards. Furthermore, the Administration could **create dedicated zones in traditional commercial districts for displaying Hong Kong's iconic neon signs.** Drawing from the Yokohama Chinatown's experience, the Government could **delegate business associations or District Councils to organize** the matters related to signboard applications within the neighbourhoods. Upon obtaining approved plans and permissions from the Buildings Department under the Buildings Ordinance (Cap. 123), **these bodies would coordinate the themes, dimensions and operating hours of neon signs.** This approach would not only **revive Hong Kong's unique charm as the Pearl of the Orient and a City that Never Sleeps**, but also **minimizes light pollution impact on residential areas.**⁹⁴ From an urban planning perspective, it could also effectively **utilize prime locations in traditional commercial districts** to attract foot traffic after dark, achieving a win-win-win situation.

Strengthening tourism collaboration with other cities

3.6.14 As the development in GBA further deepens and refines, Hong Kong should **strengthen tourism collaboration with other GBA cities.** The Delegation noted that the business association of Temple Street has signed a framework agreement of friendship and cooperation with its counterpart in Shenzhen Dongmen Laojie (Dongmen Pedestrian Street) in mid-2024.⁹⁵ They have planned to invite Mainland's online influencers to Hong Kong on a regular basis to enhance promotion of Temple Street. This is a new mode of cooperation between Shenzhen and Hong Kong in respect of promoting

⁹⁴ To minimize light nuisance caused by external lighting, the Government launched the voluntary Charter on External Lighting in 2016 and implemented enhancements to the Charter from 2023. Participants are required to turn off non-static lighting installations or switch them to static mode at 10:00 pm.

⁹⁵ News report of Xinhua News Agency: <http://www.xinhuanet.com/20240720/bd46cee7c57044939bc89ed0f4f51e9d/c.html>. (Chinese only)

pedestrianized commercial streets. The Government should further **assist local business associations to strengthen cooperation and exchanges with the renowned neighbourhoods in the Mainland and overseas.** The Delegation suggests that in the future, **HKTb could consider taking the lead in establishing cooperation networks with world-famous Chinatowns, such as the one in Yokohama.** The activities such as reciprocal visits between online influencers and cultural exhibitions could raise the global awareness of pedestrianized commercial streets and bazaars in Hong Kong, thereby further enhancing their attractiveness to the Japanese people.

Enhancing planning for bazaars to create cultural and creative landmarks

3.6.15 The Red Brick Warehouse, a famous historic building in Yokohama, has been revitalized and transformed into a space that integrates cultural and creative industries, dining, shopping and cultural events. The Delegation considers that the **key to its success lies in its clear positioning and comprehensive planning.** Not only the Warehouse's original architectural features have been preserved, **a diversified range of commercial and cultural activities have also been introduced** there, injecting new impetus into the two century-old buildings.

3.6.16 Hong Kong has abundant successful examples of revitalized historic buildings, such as Tai Kwun (Central Police Station Compound), where the operator regularly holds specialty markets to increase utilization and successfully attracts both locals and tourists. However, privately-operated markets typically charge higher rents and impose stricter entry thresholds, limiting opportunities for the grassroots and small businesses to participate. In comparison, while Government-run bazaars offer rental concessions, there is **still room for improvement in creating a distinctive atmosphere and sustaining operations.** Similar events in Hong Kong, such as the WestK Christmas Fest organized by the West Kowloon Cultural District, could learn from the experience of the Yokohama Redbrick Warehouse Christmas Market to further **enhance space planning and crowd management.**

Establishing dedicated office to provide one-stop licence application services

3.6.17 The Delegation observed that food stalls and food trucks, as well as dry good stalls each made up half of all stalls in the Yokohama Redbrick Warehouse Christmas Market, with the dining area always packed with visitors. This shows that **more food stalls can attract and retain crowds**. In contrast, similar markets in Hong Kong have fewer food stalls, and that may be partly attributed to the **difficulties encountered** by non-governmental organizations in applying for **numerous licences from various government departments**.

3.6.18 According to the Government's Resource Handbook for Bazaar Application updated in January 2024,⁹⁶ bazaar organizers must apply to the relevant departments direct for the licences, permits or approvals required for organizing proposed activities. The Handbook lists up to 15 licences commonly required, involving nine departments,⁹⁷ with the application procedure for liquor licences even more complex. The Delegation is of the view that although the updated Handbook already provides clearer application guidelines for interested bazaar organizers, the overall process remains complicated. The Delegation suggests that the Administration **establish a dedicated office through redeploying resources to provide one-stop services** for bazaar organizers, **coordinating the entire process from site selection to licence applications**, in order to streamline administrative procedure for the convenience of vendors.

⁹⁶ The Resource Handbook for Bazaar Application published by the Food and Environmental Hygiene Department: <https://www.fehd.gov.hk/english/licensing/BazaarHandbook2024.pdf>.

⁹⁷ Licences commonly required include the Temporary Places of Public Entertainment Licence, the Restricted Food Permits, the Temporary Liquor Licence, the Permit to Use and Operate Amusement Ride, etc.; while departments responsible include the Food and Environmental Hygiene Department, the Hong Kong Police Force, the Electrical and Mechanical Services Department, the Lands Department, the Fire Services Department, etc.

Integrating the forces of community for pilot schemes to create a bazaar brand

3.6.19 The HKSAR Government has been actively promoting local bazaars. In the 2022 Policy Address, CE announced that the Home Affairs Department and the Food and Environmental Hygiene Department would organize five weekend bazaars respectively, while the Financial Secretary also announced in the 2023-2024 Budget the launch of “Happy Hong Kong” campaign, under which Gourmet Marketplaces coordinated by the Home and Youth Affairs Bureau were held across the city for the public and tourists to enjoy local and international cuisine.

3.6.20 The Delegation opines that **long-term planning and continuous investment are required for creating a successful bazaar brand**, with key elements including **fixed venues, regular events and thematic curation**. Taking the Yokohama Red Brick Warehouse as an example, it has **built popularity by organizing distinctive seasonal markets** – such as a spring strawberry festival, a Hawaiian-style summer market, an autumn beer festival, and a winter Christmas market – each **promoted with seasonal themes and timely characteristics**.

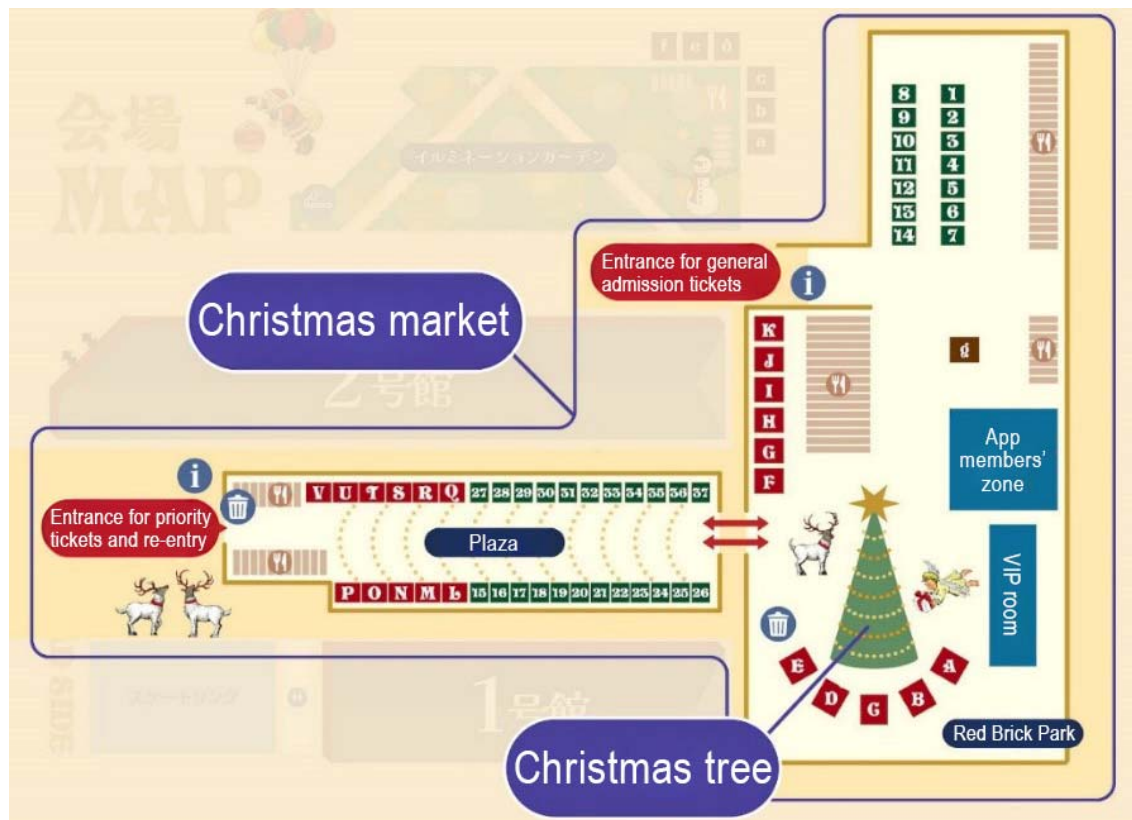
3.6.21 The Delegation suggests that the Government **adopt a bottom-up approach to integrate the forces of community** by inviting local business associations, community organizations and youth groups to participate in the planning of bazaars. These groups have a better understanding of local characteristics and residents’ needs, enabling them to infuse bazaars with community creativity and cultural elements. The Government could draw inspiration from HKTb’s Pilot Scheme for Characteristic Local Tourism Events,⁹⁸ **selecting more neighbourhoods with potential for pilot programmes and providing support** to the local participating parties in areas such as **venue coordination and promotion**. Based on the pilot programmes’

⁹⁸ Website of the Pilot Scheme for Characteristic Local Tourism Events: https://partnernet.hktb.com/en/trade_support/pilot_scheme_for_characteristic_local_tourism_event/index.html.

outcomes, the Government could then identify suitable permanent locations and neighbourhoods for hosting regular bazaars, while also formulating an annual plan for themed bazaars. Drawing reference from the Yokohama Red Brick Warehouse, the Government could cultivate a distinctive and diversified bazaar brand by blending local characteristics with festive elements.

Optimizing space layout to connect photo hotspots with foot traffic

3.6.22 The Delegation was particularly impressed by the foot traffic at the Yokohama Red Brick Warehouse Christmas Market. Despite an entrance fee of JP¥500 on public holidays, the Market was packed with visitors. The Delegation believes **this was closely related to the Market's scale and its offerings**. Amid a vibrant festive atmosphere, the Market offered an extensive selection of food options and alcoholic beverages. By contrast, the WestK Christmas Fest was relatively small, with only about 30 stalls.



Yokohama Red Brick Warehouse Christmas Market: The Christmas tree is located at the centre of the Market, requiring visitors to pass through the stalls before arriving at the Christmas tree. The layout is designed to boost the foot traffic to the stalls.

3.6.23 The Delegation suggests that the layout design of the WestK Christmas Fest could **draw reference from the Red Brick Warehouse Christmas Market**, where the towering and eye-catching Christmas tree was surrounded by stalls. Visitors heading towards the tree from all directions have to pass through these stalls, thereby **boosting foot traffic**. However, at the HKTB-organized Christmas Town, the Christmas tree was placed in a secluded corner far away from the market area of the WestK Christmas Fest. This disjointed layout led to a flow discontinuity where most visitors would **only take photos with the Christmas trees and then left without visiting the market area**. The Delegation suggests the West Kowloon Cultural District Authority **review the venue layout for future events**, making use of the popularity of photo hotspots to drive more visitors towards the market area and maximize economic benefits.



WestK Christmas Fest: The Christmas tree is located near the promenade, while the market stalls are scattered in different areas. This makes the highly accessible West Kowloon Cultural District difficult to direct foot traffic to the market stalls

Promoting industrial tourism to enrich local tourism resources

3.6.24 During the visit to the Cupnoodles Museum Yokohama, the Delegation observed how the Museum has successfully attracted a large number of visitors by showcasing the historical development of instant noodles in conjunction with interactive experiences and educational elements. The Museum has a production workshop where visitors can participate in the noodle-making process, thereby enhancing their sense of participation while facilitating brand promotion and industry development. The Delegation believes that **Hong Kong could adopt this “industry + tourism” model, using guided tours and experiential activities to attract both locals and tourists**, thereby diversifying economic development.

Gathering Hong Kong’s “Long-established Brands” to create “industry + tourism” synergy

3.6.25 The Culture, Sports and Tourism Bureau announced the Tourism Blueprint 2.0 at the end of 2024, proposing the promotion of tourism products featuring the industrial element of Made in Hong Kong. The Delegation believes it is **worthwhile to learn from the experiences and operational model of the Cupnoodles Museum Yokohama**. The Museum is themed around the entrepreneurial spirit of the founder of the Nissin Foods Group, **showcasing his proactivity that was unbound by conventional thinking, and the spirit of “Never Stop, Never Give Up”**. This not only **facilitates brand promotion** but also passes on the tenacity of perseverance to pursue continuous progress to younger generations, **attaining the objective of civic education**. The success of Nissin Foods Group’s operations in Japan and Hong Kong can also be attributed to embracing technological innovations that enhances productivity and the brand’s competitiveness.

3.6.26 The Delegation suggests that the Government could make reference to the successful example of Nissin Foods Group, and actively liaise with the local industrial sector to **encourage brands with Hong Kong’s characteristics or “Long-established Brands” to open their factories or part of their production lines for tourists**. In Hong Kong, there are successful and renowned brands that have integrated innovative technology in their businesses. For example, HKSTPC’s InnoPark⁹⁹ houses a number of **Made in Hong Kong** brands in food, pharmaceutical and e-commerce businesses. These brands have the **potential to develop industrial tourism** and collaborate with the tourism industry to create synergy, turning industrial tourism into a new tourist hotspot for Hong Kong.

Relaxing regulatory restrictions to promote industrial tourism

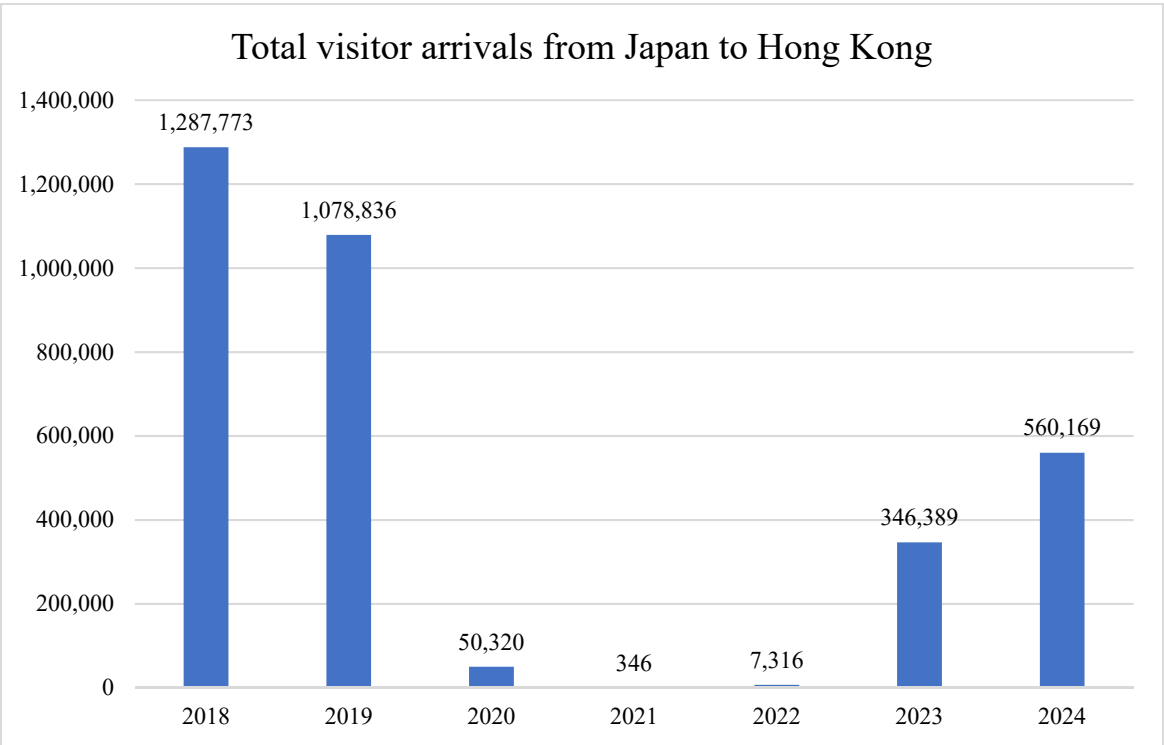
3.6.27 The Delegation noted that existing legislation impose restrictions on the use of factory facilities, some of which are designated solely for industrial purposes, lacking flexibility to accommodate market demands. With transformation of industries, there would be huge potential for the development of industrial tourism. **The Government should review relevant regulations and consider relaxing the usage of certain industrial premises**, such as permitting the establishment of exhibition halls, retail spaces, or experience zones. The Government could **explore the feasibility of establishing a flexible mechanism for approving** eligible industrial facilities to **open their facilities or lease part of their space to the public** without affecting its industrial operations, thereby enhancing the attractiveness of industrial tourism and promoting the joint development of tourism and industry.

⁹⁹ The three InnoParks, formerly known as industrial estates, are located in Tai Po, Yuen Long and Tsuen Kwan O.

3.7 Expanding the channels for people-to-people exchanges to unleash Hong Kong’s cultural appeals

Background

3.7.1 Hong Kong received nearly 45 million visitor arrivals in 2024, representing a year-on-year increase of about 31%. Among them, around 5.6 million were from short-haul markets (excluding the Mainland and the Macao SAR), with Japan accounting for nearly 10% and contributing more than 560 000 visitor arrivals.¹⁰⁰ However, compared with nearly 1.3 million visitor arrivals from Japan in 2018, the number has only recovered to about half of the pre-pandemic level. On the contrary, the number of visitor arrivals from Hong Kong to Japan has continued to hit record highs and exceeded 2.68 million for the whole year of 2024,¹⁰¹ showing a **widening “tourism deficit”** between Hong Kong and Japan.



Source: Hong Kong Tourism Board

¹⁰⁰ Statistics from the Hong Kong Tourism Board:
<https://www.discoverhongkong.com/eng/hktb/about/annual-report.html>.

¹⁰¹ Figures from the Japan National Tourism Organization:
<https://statistics.jnto.go.jp/en/graph/#graph--breakdown--by--country>.

3.7.2 The Delegation considers that the Government can adopt a multi-pronged approach to reduce the “tourism deficit”, with measures ranging from visa issuance, flight and entry arrangements to the use of film and television culture as well as online media, so as to promote Hong Kong’s characteristics and attract more Japanese and other international travellers to visit Hong Kong.

Enhancing experience for inbound visitors with more flight destinations and facilitative entry arrangements

3.7.3 Given the official commissioning of the Three-runway System at the Hong Kong International Airport in late-2024, the Delegation considers that the Government, AAHK and various Hong Kong-based airlines should fully capitalize on the Airport’s infrastructural advantage. **The Airport Network Development Programme¹⁰² should also be optimized to offer more competitive financial incentives to airlines**, encouraging them to establish new routes between Hong Kong and other cities, as well as increase capacity on existing routes at an appropriate time, with measures such as expeditiously increasing flight frequencies and using large capacity aircraft on popular routes. This will facilitate Japanese and other international travellers to plan their trips to Hong Kong with greater flexibility, and directly enhance Hong Kong’s attractiveness for business and leisure travel.



Full commissioning of the Three-runway System on 28 November 2024 (Photo of AAHK)

¹⁰² Press release of AAHK on launching incentive programme to encourage more flights at the Hong Kong International Airport:
https://www.hongkongairport.com/en/media-centre/press-release/2024/pr_1732.

3.7.4 At present, direct flights between Hong Kong and Japan mainly connect major cities such as Tokyo, Osaka, Fukuoka, etc. In recent years, a number of Hong Kong airlines have actively introduced routes to other cities in Japan, including Hiroshima, Sendai, Shizuoka, Yonago and Tokushima, successfully bringing new experiences to travellers among these places. The Delegation is of the view that the Government should be more proactive in **liaising** with Japan and other countries **on negotiating air traffic rights expansion, so as to pave the way for local airlines to establish more flight routes with good potential**. This will bring more Japanese and international travellers to visit Hong Kong, injecting new impetus into the local tourism industry.

3.7.5 In late-2024, Japan announced the new 10-year multiple-entry individual tourist visa for Chinese nationals, and an extension of valid stays for group tourist visa from 15 days to 30 days.¹⁰³ The move could facilitate exchanges between the people of China and Japan. The Delegation considers that Hong Kong could **further enhance the facilitative visa and entry arrangements**, so as to promote interactions and exchanges between the people of China and Japan in the economic, academic, tourism and cultural fields.

3.7.6 The Delegation noted that the Immigration Department (“ImmD”) regularized and expanded the Immigration Facilitation Scheme for Visitors Participating in Short-term Activities in Designated Sectors¹⁰⁴ in mid-2024, covering 12 sectors including higher education, arts and culture as well as creative industries. Visitors invited by authorized host organizations for undertaking specified short-term activities in Hong Kong, such as attending academic forums and performing in the Chinese New Year Night Parade, are not required to apply for employment visas or entry permits. The Delegation also noted that while eligible visitors coming to Hong Kong under the Scheme have to go through vetting and approval processes, the relevant requirements are very stringent and restrictions would even be imposed

¹⁰³ News report of *Ta Kung Pao*: <https://www.tkwk.hk/a/202412/25/AP676bcd4ae4b0f8a56f7e53ab.html>. (Chinese only)

¹⁰⁴ ImmD’s “Immigration Facilitation Scheme for Visitors Participating in Short-term Activities in Designated Sectors”: <https://www.immd.gov.hk/eng/services/visas/stv.html>.

on the event venues. The Delegation considers that the Administration should **exercise flexibility in relaxing the requirements for specified short-term activities under the Scheme in light of actual situation**, so as to bring more talents from around the world for exchanges in Hong Kong.

3.7.7 To boost tourism, the Japanese Government has allowed travellers to apply online for the **Japan Trusted Traveler Program**, which permits short-term visitors to use the automated immigration clearance services to **speed up their entry process**. The Delegation suggests that Hong Kong should draw reference from relevant practices in **relaxing** the existing **eligibility criteria** for using ImmD's "e-Channel" services¹⁰⁵ and **allowing online application** so as to encourage more repeat visits to Hong Kong by international visitors.



Eligible frequent visitors could use the e-Channel services at the Hong Kong International Airport for faster and more convenient immigration clearance services (Photo of ImmD)

¹⁰⁵ ImmD's "e-Channel Service for Frequent Visitors":
https://www.immd.gov.hk/eng/services/echannel_visitors.html.

Promoting cultural and arts exchanges

3.7.8 The National 14th Five-Year Plan has expressed clear support for Hong Kong to develop into an East-meets-West centre for international cultural exchange. The Delegation noted that many arts and cultural facilities in Japan, such as museums and galleries, are popular among both the locals and tourists. In fact, the cultural strength of Hong Kong is palpable. In terms of hardware, apart from the West Kowloon Cultural District, which integrates museums, performance venues and public art spaces, Hong Kong is also home to many themed museums. Furthermore, a variety of internationally renowned annual mega arts and cultural events, such as Art Basel Hong Kong, Art Central and the Hong Kong Arts Festival, constantly attract top-notch artists and cultural institutions from around the world.

3.7.9 The Delegation recommends that the Administration **consolidate the abundant arts and cultural resources, including museums, to design distinctively themed tourism routes.** Promotional strategies targeting key overseas markets, such as Japan, could be tailored to attract more visitors to Hong Kong to immerse in the East-meets-West arts experience.

Telling Hong Kong's good stories through novel and creative approaches

3.7.10 To further elevate Hong Kong's international profile, it is imperative to tell the good stories of Hong Kong through novel and creative approaches. These include producing short videos and creating “down-to-earth” style social media posts on popular platforms, so that these contents can be widely circulated online and expand publicity reach. The Delegation opines that the Government should **actively promote the “film and TV tourism” economy** by inviting domestic and overseas celebrities to share their experiences, thereby showcasing the unique charm and human touch of Hong Kong.

Promoting the “film and TV tourism” economy

3.7.11 Hong Kong films were once highly acclaimed in the Asian and international markets. The recent success of the Hong Kong film *Twilight of the Warriors: Walled In* in Japan, where it grossed over JP¥100 million at the box office, has spawned the phenomenon of “cheering screenings”.¹⁰⁶ It also spurred business opportunities for peripheral cultural and creative industries. Another example is the documentary *Four Trails*, which filmed the Hong Kong Four Trails Ultra Challenge through live footages. It not only showcased the racers’ passionate journeys in full, but also presented the spectacular scenery of Hong Kong’s four major trails to the audience. A government official has praised the documentary as **“an exemplary guide to Hong Kong’s nature tourism”**.¹⁰⁷

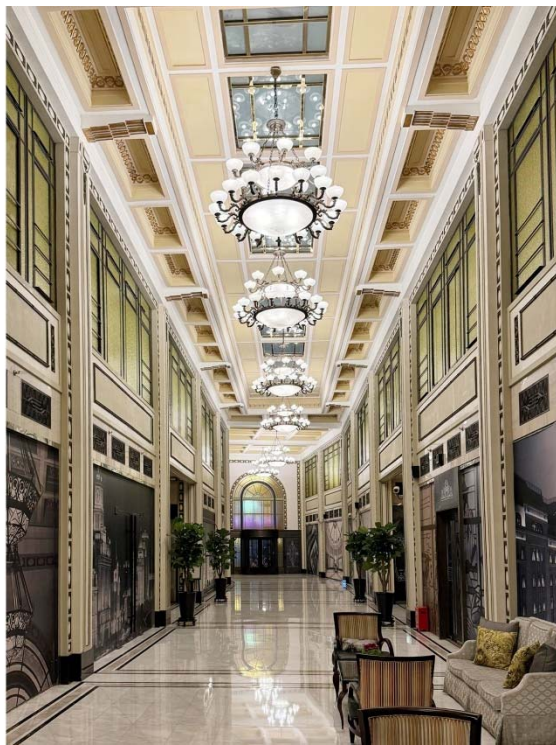


The documentary *Four Trails*, which features the beautiful scenery of Hong Kong’s trails, has received good reviews. The Delegation suggests inviting more international film and television crews to shoot in Hong Kong

¹⁰⁶ “Cheering screenings” (応援上映, ouen jōei) originates from the Japanese term “応援 (おうえん)”, which later becomes popular among Chinese-speaking regions. It is often used in the fan culture in entertainment industry to describe actions of support and encouragement for idols or groups. Supporters show their backing through items such as light sticks and banners, as well as organizing collective “cheering activities”.

¹⁰⁷ Facebook post by the Secretary for Culture, Sports and Tourism, Miss Rosanna LAW Shuk-pui:
<https://www.facebook.com/rosanna.law/posts/pfbid0Zd82fX2PobDxwrVgvhe8spefvRo1NUzJQPfz7X58ooSFT3Uf9iTTQxZSb9pZDBfvl>. (Chinese only)

3.7.12 The Delegation believes that the Government could give full play to the influence of Hong Kong's films/TV productions and related merchandise to promote the development of tourism industry. The Delegation also suggests that the Government, in collaboration with industry players, **invite more domestic and overseas film, television, animation and comics professionals, as well as various international streaming platforms, to visit Hong Kong.** Financial or policy incentives could also be provided to **encourage creators to film in Hong Kong, or produce movies, TV works and animations against the city's backdrop, with a view to showcasing Hong Kong's unique culture, lifestyle and beautiful scenery to a global audience.**



Taking the Mainland television drama *Blossoms Shanghai* as an example, its broadcast sparks a tourism boom in Shanghai. It turns the Fairmont Peace Hotel, where the drama was filmed, into a photo-taking hotspot and attracts tourists to visit. It also drives peripheral spendings on dining, accommodation and retail

Leveraging the influence of online key opinion leaders

3.7.13 HKTb has been actively inviting media, movie and TV stars, celebrity bloggers and key opinion leaders (“KOLs”) from the Mainland, Southeast Asia and Europe, to Hong Kong and visit popular attractions. They can experience in person Hong Kong's culture, food

and humanistic features, and promote the city through video logs (“vlogs”) and social media. **This is a commendable initiative which not only raises Hong Kong’s international profile but also effectively attracts more travellers to visit the city.**

3.7.14 Previous official promotional campaigns often adopted a macro-level narrative, but stories of ordinary people could actually resonate more deeply with audiences. To make the good stories of Hong Kong more compelling, the Delegation suggests **engaging more expatriates living in Hong Kong to share the city’s appeal and showcase its strong human touch.** The Delegation also suggests launching a dedicated programme in collaboration with HKTb to invite more expatriate KOLs based in Hong Kong to create vlogs on social media platforms. Through real and day-to-day life scenarios, they can showcase the city’s multicultural vibrancy to audiences back home. This not only promotes the characteristics of Hong Kong, but also addresses overseas concerns about the city’s social environment and helps dispel misconceptions.

Optimizing the use of youth cultural facilities

3.7.15 “Hong Kong will prosper only when its young people thrive”. Young people are the future of Hong Kong, and their participation is essential for people-to-people exchanges between Hong Kong and the rest of the world. The Delegation believes that youth cultural facilities could be better utilized. For example, as mentioned by CE in the 2024 Policy Address, the Kai Tak Community Isolation Facility would be converted into facilities such as the “Youth Post” hostel and spaces for cultural and arts exchanges for the youth. These could serve as gathering places to attract young people from Japan, as well as other countries and regions to Hong Kong to deepen cultural understanding through cooperation in the fields of arts, technology and innovation. By strengthening the connection of Hong Kong’s youth with the world and encouraging their participation in overseas exchanges, internships and volunteer programmes, these young people’s global perspective could be broadened.

Chapter 4 — Conclusion

4.1 The current international landscape is shrouded in heightened unpredictability and growing geopolitical complexity. The resurgence of “America First” in foreign policy and trade protectionism under the second Trump Administration in the US has manifested escalated tariffs against China and other trading partners. These developments have introduced greater uncertainty into both the global economic outlook and the bilateral relationship between China and the US, inevitably hindering the recovery of the global economy. In response to the suppressions against China’s development, restrained countermeasures have been implemented to safeguard its legitimate interests. Meanwhile, China remains committed to promoting harmonious coexistence with neighbouring countries, and advancing cooperations with a view to establishing stable and mutually beneficial partnerships that could create win-win outcomes for all parties.

4.2 China and Japan are close neighbours and major economies in Asia. As the world’s economic centre of gravity shifts eastwards, the bilateral relationship between the two countries carries profound implications for regional and global economic growth and stability. “Virtue never stands alone. It is bound to have neighbours,” President XI Jinping said at the China-Japan Friendship Exchange Conference that the lasting amity between the two countries hinges on enduring goodwill and sincerity, as well as virtuous relations between their peoples.¹⁰⁸ President XI Jinping highlighted that the friendship between China and Japan brings benefits to the two countries, their peoples, Asia, and the whole world, making it a relationship worthy of our diligent cultivation, meticulous preservation, and unremitting efforts to sustain.

¹⁰⁸ President XI Jinping’s speech at the China-Japan Friendship Exchange Conference on 23 May 2015:
https://www.mfa.gov.cn/web/ziliao_674904/zyjh_674906/201505/t20150523_9869556.shtml. (Chinese only)

4.3 The foundation of the China-Japan friendship is built on people-to-people exchanges. Riding on past achievements and seizing this critical juncture of improving bilateral relationship, the Delegation's duty visit to Japan has proven to be timely. Guided by the constant principle that "cooperation brings mutual benefit, while confrontation leads to mutual loss", the Delegation is of the view that Hong Kong has to strengthen its ties with neighbouring countries and regions, and pursue greater international cooperation to facilitate the deepening of friendship between our country and its neighbours, so as to unlock new opportunities amid the evolving circumstances.

4.4 The outcome of this duty visit is encouraging as it reconnected LegCo with Japan's political and business sectors, and revived bilateral exchanges and cooperation that had been stalled by the pandemic. On the one hand, the Delegation canvassed the support of Japan's political and business sectors for Hong Kong's early accession to RCEP, while promoting Hong Kong's strengths and fostering economic, trade and people-to-people exchanges. On the other hand, the Delegation promoted the successful implementation of "one country, two systems", and explained to the international community about its core values of peace, inclusiveness, openness and shared prosperity. These values contribute positively to global governance, as well as foster cooperation and achieve win-win situations for all the parties concerned.

4.5 At the Third Session of the 14th National People's Congress, Premier of the State Council, LI Qiang, stated in the Report on the Work of the Government that the Central Government "supports Hong Kong and Macao in growing their economies, improving the lives of their people, deepening international exchanges and cooperation, better integrating themselves into the national overall development, and maintaining their long-term prosperity and stability".¹⁰⁹ As the backbone of "patriots administering Hong Kong", LegCo Members

¹⁰⁹ Premier LI Qiang's Report on the Work of the Government delivered on 5 March 2025 at the Third Session of the 14th National People's Congress: https://english.www.gov.cn/news/202503/12/content_WS67d17f64c6d0868f4e8f0c10.html.

steadfastly adhere to the national policy to continuously enhance exchanges between Hong Kong and the international society. Working hand-in-hand with CE and the HKSAR Government, which take the “primary responsibility” for administering Hong Kong, LegCo will join forces to undertake the important task of expanding the city’s “circle of friends both at home and abroad”. In the 2024 Policy Address, CE proposed to further expand the city’s global economic and trade network. LegCo will make every effort to complement the Government’s policy direction in lobbying and soliciting the support of RCEP members to facilitate Hong Kong’s greater role in regional development.

4.6 The Delegation’s interactions with Japanese government officials, members of the National Diet and the business sector during this duty visit reaffirmed that candid and face-to-face dialogues could enhance mutual understanding. Equally inspiring were the exchanges with local business associations and representatives of enterprises. Notable examples include the efficient neighbourhood management of the Yokohama Chinatown, the bustling festive market at the Red Brick Warehouse and the Nissin Foods Group’s industrial upgrading and entrepreneurial spirit. They all illustrate that the sustained prosperity and progress of a country or region for attaining remarkable achievements require the spirit of innovation and the concerted efforts of government, business and people.

4.7 President XI Jinping has made a profound inference on innovation, asserting that “innovation is the primary driving force for development”. The innovation-driven development strategy has been positioned as a cornerstone of the national overall development since the 18th National Congress of the Communist Party of China (“CPC”). When speaking on the strategy to develop new quality productive forces in recent years, President XI Jinping has unequivocally stated that “innovation is a defining characteristic of new quality productive

forces”,¹¹⁰ driving not only technical progress, but also administrative and institutional advancements. To this end, the Delegation is of the view that the entire governing team of HKSAR, business and industrial sectors, as well as the general public have to be bold and innovative to think out of the box. By continuously exploring new avenues of development, an everlasting momentum for progress could be generated for the country and Hong Kong.

4.8 The Delegation hopes that the recommendations made in this report would inspire further actions that yield fruitful results. The Delegation would also work jointly with the Administration to develop these recommendations into substantive policy initiatives in the future. In particular, the spirit of bold innovation and embracing change has to be permeated in various policy areas, thereby encouraging the Administration to “remove barriers and relax restrictions” in institutions, policies and legislations wherever practicable. This would open up new horizons for innovation, collectively forging a new paradigm for high-quality development in Hong Kong. Given the currently steady and peaceful social environment in the city, complemented by the staunch support from the Central Government, the Delegation strongly believes that the golden chance for reform and innovative initiatives must not be missed. The governing team of HKSAR, which includes LegCo, must spare no effort in seizing this transient opportunity with relentless determination!

¹¹⁰ CPC Central Committee’s General Secretary XI Jinping’s speech delivered on 31 January 2024 at the 11th group study session of the Political Bureau of the 20th CPC Central Committee, was later published in the *Qiushi Journal*, titled “Advancing New Quality Productive Forces is Essential and a Key Priority for Fostering High-Quality Development”: https://www.gov.cn/yaowen/liebiao/202405/content_6954761.htm. (Chinese only)



The Delegation considers that the duty visit to Japan yields fruitful results

Legislative Council Delegation
Duty visit to Japan from 21 to 24 December 2024
Visit Programme

Date/Time	Programme
21 December (Saturday)	
Morning	Depart Hong Kong for Tokyo, Japan
Evening	Dinner with Principal Representative of Hong Kong Economic and Trade Office (Tokyo)
22 December (Sunday)	
Morning	Visit to Cupnoodles Museum Yokohama <ul style="list-style-type: none"> Meeting with the Company's Chairman of the Board and Chief Executive Officer
	Visit to Yokohama Chinatown <ul style="list-style-type: none"> Meeting with Vice President of the Development Association
Afternoon	Visit to Yokohama Red Brick Warehouse Christmas Market
23 December (Monday)	
Morning	Visit to Toyosu Market <ul style="list-style-type: none"> Meeting with Director of Central Wholesale Market and wholesalers
	Meeting with Vice-Minister for International Affairs of the Ministry of Economy, Trade and Industry
	Meeting with Minister of Agriculture, Forestry and Fisheries
	Meeting with the Japan Business Federation
Afternoon	Meeting with State Minister for Foreign Affairs
	Visit to the National Diet : <ul style="list-style-type: none"> Tour of buildings of the House of Councillors and the House of Representatives Meeting with Vice-President of the House of Councillors and Vice-Speaker of the House of Representatives
	<ul style="list-style-type: none"> Meeting with Chairman of the Japan-Hong Kong Parliamentarians Caucus
Evening	Meeting with Ambassador of China to Japan
24 December (Tuesday)	
Morning	Depart Tokyo for Hong Kong

Abbreviations and definitions	
AAHK	The Airport Authority Hong Kong
AI	Artificial intelligence
AISC	The AI Supercomputing Centre
ASEAN	The Association of Southeast Asian Nations
CE	The Chief Executive
CEPA	The Mainland and Hong Kong Closer Economic Partnership Arrangement
CEPA Amendment Agreement II	The Second Agreement Concerning Amendment to the Mainland and Hong Kong Closer Economic Partnership Arrangement Agreement on Trade in Services
CFS	Hong Kong's Centre for Food Safety
China	The People's Republic of China
CPC	The Communist Party of China
ETO	The Hong Kong Economic and Trade Office
GBA	The Guangdong-Hong Kong-Macao Greater Bay Area
GDP	Gross domestic product
HKSAR	The Hong Kong Special Administrative Region
HKSTPC	The Hong Kong Science and Technology Parks Corporation
HKTB	The Hong Kong Tourism Board
HKTDC	The Hong Kong Trade Development Council

Abbreviations and definitions	
Hong Kong National Security Law	The Law of the People's Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region
HZMB	The Hong Kong-Zhuhai-Macao Bridge
I&T	Innovation & technology
I&T Development Blueprint	The Hong Kong Innovation and Technology Development Blueprint
IAEA	The International Atomic Energy Agency
ImmD	The Immigration Department
IoT	The Internet of Things
IP	Intellectual property
KOL	Key opinion leader
LegCo	The Legislative Council
LSO	Large Scale Operation
MFA	The Ministry of Foreign Affairs of China
NIFS	The New Industrialization Funding Scheme
PLS	The Parliamentary Liaison Subcommittee
R&D	Research and development
RCEP	The Regional Comprehensive Economic Partnership
RFS	The Re-industrialization Funding Scheme
SME	Small and medium enterprise

Abbreviations and definitions	
The Agreement	The Yokohama Chinatown Town Planning Agreement
The Agriculture and Fisheries Blueprint	The Blueprint for the Sustainable Development of Agriculture and Fisheries
The BUD Fund	The Dedicated Fund on Branding, Upgrading, and Domestic Sales
The Caucus	The Japan-Hong Kong Parliamentarians Caucus
The Charter	The Yokohama Chinatown Charter
The Chinatown Association	The Yokohama Chinatown Development Association
The Delegation	The LegCo delegation
The National 14 th Five-Year Plan	The Outline of the 14 th 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 pandemic	The COVID-19 pandemic
The Tourism Blueprint 2.0	The Development Blueprint for Hong Kong's Tourism Industry 2.0
US	The United States of America
Vlogs	Video Logs
Wholesale Market Sanitary Inspection Station	The Tokyo Metropolitan Wholesale Market Sanitary Inspection Station
WTO	The World Trade Organization