

**Motion on “Strengthening regional collaboration and jointly building  
the Guangdong-Hong Kong-Macao Bay Area”  
Carried at the Legislative Council meeting of 30 May 2018**

**Progress Report**

**Purpose**

At the Legislative Council meeting of 30 May 2018, the motion on “strengthening regional collaboration and jointly building the Guangdong-Hong Kong-Macao Bay Area” moved by Hon Jeffrey LAM and amended by Ir Dr Hon LO Wai-kwok, Hon YUNG Hoi-yan, Hon YIU Si-wing, Hon Martin LIAO, Hon HO Kai-ming, Dr Hon CHIANG Lai-wan and Hon Jimmy NG was carried. The wording of the motion carried is at the Annex.

2. This paper reports on the progress of relevant work.

**Progress**

Key Areas of the Hong Kong Special Administrative Region Government’s Work in Taking Forward the Development of the Guangdong-Hong Kong-Macao Greater Bay Area (Bay Area)

3. The objectives of the development of the Guangdong-Hong Kong-Macao Greater Bay Area are to further deepen cooperation amongst Guangdong, Hong Kong and Macao, and to promote coordinated regional economic development. The Bay Area already possesses the conditions for developing into a world-class city cluster. As long as the three places can fully leverage their complementary advantages, they will be able to raise the global competitiveness of the Bay Area as a whole.

4. The Hong Kong Special Administrative Region (SAR) Government’s work in taking forward the development of the Bay Area has three focuses. First, we are to develop the Bay Area into an international technology and innovation centre. The Bay Area’s resources and strengths are prominent in the field of innovation and technology. Hong Kong has a number of world-class universities, tremendous strength in scientific research, a robust rule of law and intellectual property rights protection system, and so forth. Hong Kong’s highly international business environment can also allow

resources for innovation from the Mainland and around the world to converge, attracting international innovation and technology enterprises to enter the Bay Area on one hand, and, helping Mainland innovation and technology enterprises go global on the other. This would play a key role in developing the Bay Area into an international technology and innovation centre.

5. Second, we are to facilitate the development of industries in which Hong Kong's strengths lie in the Bay Area, such as healthcare services and education. Not only can we utilise the rich resources in the Bay Area to address issues such as land and manpower shortages faced by Hong Kong industries, but we can also help the Mainland develop new industries and raise the standards of its professional services. There is a market for these industries in Guangdong Province and both sides can complement one another. If we can make use of the opportunities brought about by the development of the Bay Area through policy innovation and breakthrough, residents of Guangdong Province will be able to enjoy services of higher quality, and industries in which Hong Kong enjoys strengths will also be able to expand its scope of development.

6. Third, we are to strengthen interconnectivity amongst Bay Area cities through policy innovation and breakthrough. There are two systems and three separate customs territories in the Bay Area. Although the liberalisation of trade has essentially been achieved, there are still restrictions to the flow of people, goods, capital and information within the Bay Area. At the daily living level, Hong Kong residents studying, living and working in the Mainland are still treated differently compared to their Mainland counterparts. This brings inconveniences to Hongkongers living in the Mainland and also makes it harder for Hong Kong enterprises which are expanding in the Mainland to attract talents from Hong Kong to work in the Bay Area. We shall grasp opportunities brought about by the development of the Bay Area, break through existing frameworks, strengthen interconnectivity amongst Bay Area cities, and foster the flow of factors of production, thereby enhancing the flow of people, goods, capital and information between Hong Kong and other cities in the Bay Area.

#### Facilitation Measures for Hongkongers Living in the Mainland

7. The Hong Kong and Macao Affairs Office (HKMAO) of the State Council announced in 2017 two batches of policy measures to facilitate Hong Kong and Macao people studying, working and living in

the Mainland. The measures, which cover the areas of education, employment, setting up businesses and daily life matters, enable Hongkongers to capitalise on the opportunities brought about by the development of the country. The Government will continue to keep in view the Guangdong Province's implementation details of the relevant facilitation measures in the Bay Area. The Government will also strive to secure more facilitation measures for Hongkongers working, setting up businesses and operating businesses in the Mainland in the context of taking forward the development of the Bay Area.

8. To meet the demand of Hongkongers working / living in and travelling to the Bay Area, the Government will explore measures to facilitate cross-boundary mobile payment and use of financial services in the nine PRD municipalities for Hong Kong people. The Government has been exploring with the relevant Mainland authorities on tax matters concerning Hong Kong residents working in the Mainland, with a view to securing facilitation measures for Hongkongers.

9. Regarding mobile roaming charges, the Government notes that some mobile network operators in the market have already launched service plans targeting the Bay Area, thereby substantially reducing the cross-boundary communications charges within the Bay Area.

### Innovation and Technology

10. The Government attaches great importance to Hong Kong's innovation and technology (I&T) development, actively participating in taking forward the development of the Bay Area international I&T centre. Through leveraging our competitive strengths in research and development (R&D), internationalisation, and our position as a global financial centre, Hong Kong can allow resources for innovation from the Mainland and across the globe to converge and attract international I&T enterprises and research institutions to enter the Bay Area. The Government is actively developing the Hong Kong-Shenzhen Innovation and Technology Park (the Park) at the Lok Ma Chau Loop. Situated on an 87-hectare site, the Park will become the biggest I&T platform in Hong Kong's history, with a view to attracting top-tier enterprises, research institutions and higher education institutions from the Mainland and overseas. The Park is situated in a strategic location, which is conducive to complementary cooperation with Shenzhen, and can facilitate business expansion of enterprises in the Park into the huge Mainland market. In addition, the Government has also set aside \$10 billion to establish two research clusters focusing on healthcare

technologies, as well as Artificial Intelligence and robotics technologies. We aim to attract top scientific institutions and enterprises from overseas and the Mainland to Hong Kong, and to collaborate with our local universities and research institutions.

11. On attracting and nurturing technology talent, the Government has also introduced various initiatives, including the three-year pilot “Technology Talent Admission Scheme” (TechTAS) to provide fast-track arrangement for the admission of overseas and Mainland technology talent. TechTAS will be open to tenants and incubatees of the Hong Kong Science and Technology Park Corporation (HKSTPC) and Hong Kong Cyberport Management Company Limited in seven specified technology areas. The scheme includes a requirement of hiring local employees, which helps nurture local technology talent. In addition, the Government has set aside \$500 million under the Innovation and Technology Fund (ITF) for a five-year pilot “Technology Talent Scheme”. The Scheme includes the “Postdoctoral Hub” programme, which will provide funding support to ITF recipients and incubatees/ I&T tenants of HKSTPC/ Cyberport to recruit postdoctoral talent for R&D work; and the “Re-industrialisation and Technology Training Programme”, which will subsidise local companies on a 2:1 matching basis to train their staff in advanced technologies, especially those related to “Industry 4.0”.

12. The National Ministry of Science and Technology and the Ministry of Finance recently announced new policies to enable universities and research institutions in Hong Kong to apply for science and technology funding of the Central Government and to use the funding in Hong Kong. This breakthrough helps facilitate Hong Kong in strengthening technological collaboration with the Mainland and provides strong stimulus for the Government’s promotion of I&T development.

### Finance

13. On financial services, leveraging its status as the international financial centre and global offshore Renminbi (RMB) business hub, Hong Kong could enhance the leading role of the Bay Area in the nation’s economic development and opening up. The Government will capitalise on the opportunities brought by the Bay Area Development by exploring the expansion of scale and scope of cross-boundary use of RMB, strengthening the connectivity of financial services in the region, and developing additional financing and cross-boundary financial services to tie in with the growth of enterprises in the Bay Area.

## Trade and Investment

14. To better seize business opportunities arising from the Bay Area development, InvestHK will continue its efforts in reaching out to potential enterprises through marketing campaigns, seminars and investment promotion visits. For instance, the Governments of Hong Kong, Guangdong and Macao, coorganised a joint promotion event in Paris in June 2018 to promote the business opportunities of the Bay Area development to the French business community. To encourage Mainland enterprises to capitalise on Hong Kong's advantage in financial services, trading, innovation and professional services to invest in Hong Kong for market development, the Hong Kong Economic and Trade Office in Guangdong (GDETO) actively worked with InvestHK to promote to the Mainland enterprises focusing on Hong Kong's competitive edge brought by the development of the Bay Area. Since early this year, GDETO has enhanced cooperation with a number of relevant Hong Kong agencies and Mainland authorities, including Hong Kong Monetary Authority, Hong Kong Exchanges and Clearing Ltd., Hong Kong Science and Technology Parks Corporation, Hong Kong Applied Science and Technology Research Institute, as well as the commercial and financial authorities of respective provincial/municipal governments to coorganise and speak at eight investment promotion and Hong Kong study mission events, attracting participation of more than 540 Mainland enterprises and government representatives. At the same time, the investment promotion team in GDETO proactively looked for and approached potential enterprises through participation at relevant activities, speaking opportunities and company visits. GDETO provided the enterprises interested in investing in Hong Kong free services on relevant information, comprehensive assistance and advice. GDETO will continue to work with InvestHK and relevant agencies/authorities to pursue the concerned work.

15. In addition, with a view to helping Hong Kong enterprises, including small and medium enterprises (SMEs) and start-ups and capturing the tremendous business opportunities brought about by the Belt and Road Initiative and the development of the Bay Area, the Government has obtained the approval of the Finance Committee of the Legislative Council to inject a total of \$2.5 billion into the SME Export Marketing and Development Funds as well as the Dedicated Fund on Branding, Upgrading and Domestic Sales, in order to provide higher grant ceiling to enterprises. The Government would also launch a series of enhancement measures on the application requirements and vetting mechanism of various funding schemes, so as to give more flexible and

convenient support to enterprises.

16. To encourage the trading and logistics industry to move up the value chain, the charge for import and export declaration will be capped at \$200 with effect from 1 August 2018 to further lower the cost of importing and exporting goods into and from Hong Kong. Moreover, to facilitate cargo flow between Hong Kong and the Mainland (including other cities in the Bay Area), the Customs and Excise Department will continue to partner with the Mainland Customs in running various schemes, including the Single E-Lock Scheme (which seeks to reduce repeated inspection of cross-boundary goods through the use of electronic locks) and the Authorized Economic Operator Scheme (which seeks to provide mutual customs clearance facilitation for imports from companies accredited as Authorized Economic Operators), so as to enhance cargo clearance efficiency.

17. The Government will also continue to consider introducing further liberalisation measures under the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) to promote trade in goods and services as well as investment between the two places, and to provide Hong Kong people and enterprises with national treatment in their employment, investment and business operations in more sectors in the Mainland.

18. Meanwhile, the Government has communicated with the industry and tax professionals, and is re-examining the tax deductibility of capital expenditure for use of intellectual property rights and equipment by Hong Kong businessmen outside Hong Kong. The Government will explore feasible options that comply with the principles of “tax symmetry” and transfer pricing, etc.

### Professional Services

19. The Government will continue to enhance the access of Hong Kong professional services to the Mainland market under the CEPA framework, and proactively consider and seek more liberalisation measures for pilot implementation in Guangdong Province, so as to further the development of Hong Kong professional services in the Bay Area.

20. Currently, eligible Hong Kong residents or relevant professionals may sit for over 40 professional and technical qualification examinations (construction, engineering, legal, accounting, medical and tourism, etc.)

in the Mainland through CEPA, in order to obtain the relevant qualification certificates. On the other hand, professional bodies of Hong Kong and relevant regulatory bodies in the Mainland have reached mutual recognition agreements or arrangements for various professional qualifications, including securities and futures, accounting and real estate sector, as well as general practice surveyors and quantity surveyors under the construction sector.

21. In respect of the accounting sector, the Hong Kong Institute of Certified Public Accountants (HKICPA) is the only statutory licensing body of accountants in Hong Kong. The HKICPA has from time to time signed agreements with various accountancy bodies of overseas jurisdictions to recognise qualifications mutually. The Government will maintain close liaison with the HKICPA to devise strategies for further development of the accounting profession.

22. On legal services, the State Council promulgated “Guo Fa [2018] No. 12” in May, notifying the extension of the geographical scope of partnership associations between Mainland and Hong Kong / Macao law firms from Guangdong city, Shenzhen city and Zhuhai city to the entire Mainland, including the Bay Area. Further, “Guo Fa [2018] No. 13” expanded the work scope of the partnership associations in the Guangdong Pilot Free Trade Zone and allowed such partnership associations to hire Hong Kong and Macao lawyers in their own names. To make it easier for Hong Kong law firms to set up partnership associations with Mainland law firms on the Mainland, the Department of Justice (DoJ) has urged the Central Government to extend the liberalisation measures announced in “Guo Fa [2018] No. 13” to the entire Guangdong Province, as well as to include those measures into the CEPA framework as soon as possible and implement them by legislation or amendments to the existing legislation. The Government will also urge the Central Government to relax restrictions of the partnership associations set up between Mainland and Hong Kong law firms, including removing the restriction on the minimum 30% capital contribution ratio imposed on the Hong Kong law firms in the partnership associations.

23. Hong Kong is a leading centre for international legal and dispute resolution services. To promote Hong Kong as a centre for international legal and dispute resolution (in particular arbitration) services in the Bay Area and to provide opportunities for training in international law, DoJ proposes to establish an internationally recognised online dispute resolution centre with the aim of providing convenient and cost-effective

online dispute resolution services to enterprises in the Bay Area. This proposal will utilise Hong Kong's competitive edge in the provision of international legal and dispute resolution services by capitalising on innovative technologies as well as the brand of Hong Kong. DoJ will actively encourage Mainland enterprises (including State-owned enterprises), through appropriate avenues, to use Hong Kong law as the applicable law of contracts, and to designate Hong Kong as the place of dispute resolution, in relevant commercial and investment agreements. DoJ will hold the biennial Hong Kong Legal Services Forum in Guangzhou in September 2018 to promote Hong Kong's international legal and dispute resolution services to the Bay Area. Meanwhile, DoJ will also further collaborate with local and international organisations in providing legal training. For example, the United Nations Commission on International Trade Law (UNCITRAL) Asia Pacific Judicial Summit, coorganised with UNCITRAL and other organisations, will be held in 2019 in Hong Kong.

24. To assist Hong Kong professionals in the construction-related industries to provide services in the Mainland, the Government has been discussing with the National Ministry of Housing and Urban Rural Development on the arrangement of mutual recognition on professional qualification between Members of related professional institutions in Hong Kong and Mainland. So far, six mutual recognition agreements have been signed between the two places for six professions including first class architects<sup>1</sup>, first class structural engineers<sup>2</sup>, planners<sup>3</sup>, quantity surveyors<sup>4</sup>, building surveyors<sup>5</sup> and general practice surveyors<sup>6</sup>. Hitherto, 3 394 relevant professionals from the two places have acquired the professional qualifications of the other side through the mutual recognition arrangements. Among them, about 150 have already registered in Mainland and worked in relevant enterprises in the Guangdong Province. The Government will also actively liaise with relevant departments in the Mainland on extending the existing mutual recognition arrangement and initiating the work for mutual recognition on

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<sup>1</sup> Need to become a statutory Member of the Hong Kong Institute of Architects for a minimum of 5 years.

<sup>2</sup> Need to become a statutory Member of the Hong Kong Institution of Engineers for a minimum of 5 years.

<sup>3</sup> Need to become a Member of the Hong Kong Institute of Planners and have no less than 1 year of planning-related working experience in the Mainland in the last five years.

<sup>4</sup> Need to become a Member of the Hong Kong Institute of Surveyors for a minimum of 4 years and have quantity surveying-related working experience in the Mainland in the last 4 years.

<sup>5</sup> Need to become a Member (Building Surveying) of the Hong Kong Institute of Surveyors for a minimum of 5 years and to work in construction management field in the last 5 years.

<sup>6</sup> Need to become a Member (General Practice) of the Hong Kong Institute of Surveyors for a minimum of 5 years and have 1 year of property valuation or related working experience in the Mainland in the last 3 years.



new professions.

25. Besides, the Government has already proposed to the relevant departments in the Mainland to allow qualified Hong Kong professionals in the construction-related industries to provide services in the Bay Area without the need for acquiring the professional qualifications through mutual recognition arrangements and to allow them to set up relevant design firms in the Bay Area.

#### Facilitation of Immigration Clearance

26. To facilitate the cross-boundary people flow, the Hong Kong-Zhuhai-Macao Bridge (HZMB), the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL) and the Heung Yuen Wai (Liantang) control points will come into operation in succession. The Government will work closely with the governments of Shenzhen, Zhuhai and Macao to ensure smooth operation of the three new control points. In addition, the Government will continue to make good use of technology, such as e-Channel and self-service departure system, to enhance the clearance capacity of various ports and promote exchanges between Hong Kong and other cities in Bay Area.

27. Currently, among the land boundary control points, the Lok Ma Chau Control Point provides 24-hour passenger clearance services. The future HZMB will also operate round-the-clock. Besides, the Hong Kong International Airport (Passenger Terminal 1) and the Hong Kong and Macau Ferry Terminal are also operating 24 hours a day.

28. The Government has been closely monitoring the demand of cross-boundary clearance services, and has also maintained close communication with Mainland government departments on the clearance situation and passengers' needs of land boundary control points. The Government keeps under review the operating hours of the various control points from time to time to ensure that passengers' needs can be met. The Government will conduct relevant discussion on the matter with the Mainland Government when necessary.

#### Tourism

29. The Tourism Commission (TC) and the tourism authorities of the other ten Bay Area cities signed the Agreement on Tourism Federation of Cities in Guangdong, Hong Kong and Macao Bay Area on 12 December 2017, to deepen collaboration amongst cities in different areas, including

publicity and promotion, market regulation and sharing of tourism information. The Federation's first meeting was held on 20 April 2018 in Guangzhou. TC is now working with the Hong Kong Tourism Board (HKTB) to take forward relevant work plans in collaboration with other members of the Federation, which include joint promotion activities in Japan in November 2018 under the lead of HKTB.

30. TC will continue to maintain close liaison with other members of the Federation and, through different means including organising an International Tourism Convention carrying Bay Area as one of the themes on 12 December 2018, as well as supporting the Travel Industry Council of Hong Kong in developing a web-based platform covering tourism resources of Bay Area and arranging visits to the Bay Area for the travel trade in Hong Kong, so as to help trade members open up business opportunities and promote holistic tourism development of the Bay Area.

### Transport and Logistics

31. The Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL), with its major works completed, is targeted for commissioning in September 2018. The 26-kilometre Hong Kong Section of XRL will connect to the national high-speed rail network, and will significantly reduce the journey time from Hong Kong to Shenzhen, Guangzhou or other cities in the Pearl River Delta region, thus enhancing connectivity between Hong Kong and the Mainland.

32. Besides, to enhance traffic arrangements for HZMB, the governments of Guangdong and Hong Kong will allow qualified Hong Kong and Mainland cross-boundary private cars to travel between the two places via HZMB with reference to the existing quota system for cross-boundary private cars. Both governments have agreed to provide a quota of 10 000 for Hong Kong cross-boundary private cars and a quota of 1 000 for Mainland cross-boundary private cars to use HZMB, and allow Hong Kong dual-plate private cars under respective quotas for using other crossings (i.e. Shenzhen Bay, Lok Ma Chau (Huanggang), Man Kam To and Sha Tau Kok) to use HZMB without the need to go through additional procedures on a trial basis.

33. To make better use of HZMB and tie in with the development of the Bay Area, the Mainland and Hong Kong governments will continue to study measures that can facilitate Hong Kong cross-boundary private cars entering the Mainland via HZMB, having regard to the capacities of their respective boundary crossing facilities and local connecting roads.

34. Hong Kong is a regional logistics hub in Asia and an international maritime centre, and enjoys competitive edge in its maritime business services. To grasp the opportunities arising from the Bay Area development, the Government will provide the necessary infrastructure to facilitate the development of the logistics sector. For example, HZMB will commence operation later this year. Upon its operation, the travelling time between Zhuhai and the Kwai Tsing Container Terminals and Hong Kong International Airport will be reduced by 60-80% to 75 minutes and 45 minutes respectively. Furthermore, the Government is proactively studying various measures to provide a facilitating environment for the maritime enterprises to operate in here, thereby fortifying the competitiveness of Hong Kong's maritime sector and maritime services. The Government would also continue to promote Hong Kong's maritime sector and related services through overseas visits and promotion activities, such as the "Hong Kong Maritime Week" and "Asian Logistics and Maritime Conference", etc., as well as encourage Mainland and overseas companies to better use Hong Kong's high value-added maritime services, including ship management and agency, ship finance, marine insurance, maritime legal and arbitration services, etc., in order to promote high value-added development of Hong Kong's maritime sector.

35. For aviation, in order to meet the long-term air traffic demand of Hong Kong and strengthen Hong Kong's status as an international and regional aviation hub, Airport Authority Hong Kong (AAHK) commenced the construction of the Three-Runway System (3RS) Project in August 2016. According to AAHK, the full commissioning of the 3RS is expected by end 2024.

36. The Transport and Housing Bureau and the Civil Aviation Authority of China signed a Memorandum of Understanding in February 2018, which allows airlines of both sides to launch intermodal code-sharing services between cities in the Pearl River Delta (PRD) region. Under the intermodal arrangement, passengers travelling by air may take another means of transport (for example, high-speed ferry or cross-boundary bus) using the same air ticket, which will assist in travel planning. Relevant authorities of both sides will continue to explore expansion of the means of transport and areas to be covered by the arrangement.

37. In addition, AAHK plans to enhance its intermodal facilities and provide air-to-bridge/bridge-to-air bonded bus service, which connects passengers from PRD region via HZMB for outbound flight directly to

the restricted area of Hong Kong International Airport direct. Overseas visitors can also benefit from the service. Relevant parties will continue discussion with a view to launching the said service as soon as possible. Also, the Government is studying the feasibility of providing cross-boundary helicopter services between Hong Kong and PRD cities to further enhance cross-boundary transportation services with a view to developing more diversified commercial and other economic activities in the region.

38. To facilitate the development of air cargo industry, land has been reserved in the South Cargo Precinct so as to support the growth in transshipment, cross-boundary e-commerce and high value-added air cargo business. Among others, a piece of land in Kwo Lo Wan was awarded in June 2018 for development of cross-boundary e-commerce and related businesses. Target for commencement of operation is 2023.

39. As regards talent development, AAHK established the Hong Kong International Aviation Academy (the Academy) in 2016 to nurture local and regional aviation management talents. As of May 2018, the Academy has provided different professional training courses for more than 7 400 students.

### Creative Industries

40. With the \$1 billion injection into the CreateSmart Initiative (CSI) in 2018, the Government will continue to support creative industries<sup>7</sup> in Hong Kong for strengthening the connection, exchanges and cooperation with the Bay Area through promotional and business matching activities and participation in trade fairs. The Government will continue to invite cities in the Bay Area to participate in the annual signature events funded by CSI, including the Business of Design Week; and to support the industry to organise more exchange activities similar to the Hong Kong-Shenzhen Design Biennale and Hong Kong and Shenzhen Bi-City Biennale of Urbanism\Architecture.

41. Besides, the Qianhai Hong Kong-Shenzhen Design Innovation Hub is scheduled for opening in Q1 of 2019. The project is industry-led in Hong Kong by Hong Kong Federation of Design Association (FHKDA). The Government will provide funding support to FHKDA for organising promotional and exchange activities in the run-up to the

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<sup>7</sup> Advertising, architecture, design, digital entertainment, printing and publishing, television and music, but excluding the film sector.

opening of the Hub. Upon the opening of the Hub, the Government will provide suitable funding support to FHKDA as per established practice for promoting sustainable development of and cooperation of the design sectors of Hong Kong and Shenzhen.

42. For the film industry, the Government will continue, through the Film Development Fund, to subsidise Cantonese version of Hong Kong films distributed in the Mainland (mainly in Guangdong province) and support film productions (including the Mainland-Hong Kong co-productions). Besides, Guangzhou, Hong Kong and Macao are preparing to organise film screenplay production and fund-raising workshop this year in three places in order to promote cooperation and development as well as to nurture young film makers in the Bay Area.

### Healthcare

43. With regard to healthcare services, the Elderly Health Care Voucher (EHV) Scheme - Pilot Scheme at the University of Hong Kong – Shenzhen Hospital (Pilot Scheme) was launched in October 2015, enabling eligible Hong Kong elders to use EHV at designated departments of the University of Hong Kong – Shenzhen Hospital to make payment for healthcare services. As this is the first time a service point outside Hong Kong is provided for using EHV, the Government will closely monitor the implementation of the Pilot Scheme, and explore the possibility of extending the EHV Scheme to other Mainland areas, having regard to experience gained. Factors that need to be considered include the quality of medical services provided by medical institutions and units, clinical governance structure, administrative procedures, financial arrangements, operating environment, staff expertise, and the views of other stakeholders (including Hong Kong healthcare professionals and organisations) on the extension of the EHV Scheme in the Mainland.

### Joint Prevention and Control of Diseases

44. The Mainland, Hong Kong and Macao signed a “Cooperation Agreement on Response Mechanism for Public Health Emergencies” back in 2005, with a view to enhancing the cooperation and exchange in the notification of serious public health emergencies and major infectious disease epidemic, the coordination of emergency mechanism, and the techniques, training and scientific research concerning public health emergencies. In addition, Guangdong, Hong Kong and Macao will continue the relevant work and have agreed to organise tripartite public

health exercises on a regular basis to further collaboration on response to public health emergencies among the three places.

### Education

45. With a number of universities ranked among the top 100 in international league tables, Hong Kong's higher education has great development advantages. The Central Government has tendered policy support to facilitate offering of education programmes in the Mainland jointly by Hong Kong's post-secondary institutions. In recent years, Hong Kong's universities have offered education programmes and established scientific research bases in the PRD region. The Education Bureau (EDB) will strengthen communication with the education authorities of relevant provinces and cities in the Bay Area, with a view to assisting more post-secondary institutions in offering education programmes in the Bay Area, which in turn facilitate the full participation of Hong Kong's post-secondary institutions in the process of bolstering the Bay Area as an international education base. On the other hand, EDB has been committed to introducing top-notch overseas post-secondary institutions to set up branch campuses in Hong Kong, so as to further promote internationalization of higher education and enhance the quality of higher education. Past examples include the University of Chicago Booth School of Business and the Savannah College of Art and Design.

46. With Hong Kong people working and living in the Bay Area, there is a certain demand for education services for their children in that area. Therefore, EDB supports operation of schools offering basic education with Hong Kong or other international curricula in the Bay Area. EDB has discussed the issue with Guangdong Province Department of Education (GDED) and obtained GDED's support in principle. Besides, the National Ministry of Education also promotes and supports the local government of the Guangdong Province to provide Hong Kong and Macao students with equal access to compulsory education. EDB is communicating closely with GDED to understand the specific arrangements for Hong Kong children to receive compulsory education in the cities in the Bay Area.

### Youth

47. The Government has endeavoured to provide Hong Kong young people with diverse development opportunities to promote their upward mobility and fulfil their aspirations. The Bay Area development will

bring about new growth points for the Hong Kong economic development and foster diverse development of industries, thereby offering new development opportunities for young people. The Home Affairs Bureau (HAB) has set up the \$300 million-Youth Development Fund (YDF) to assist young people in starting their own business (including starting business in the Mainland, such as in the Bay Area) as well as to support innovative youth development projects by providing financial support in the form of matching funds for non-governmental organisations (NGOs). In 2016-17, matching grants of around \$24 million have been approved for 9 NGOs to implement their youth entrepreneurship projects. At present, all 9 NGOs have completed the recruitment of young entrepreneurs, with 100 teams (around 190 young entrepreneurs) supported by YDF and having started their own business.

48. HAB has also encouraged young people to participate in internship and exchange in the Mainland (including the Bay Area). We hope to enable young people to understand the latest development and opportunities in the Mainland, foster youth exchanges between the two places and strengthen their sense of national identity. For internship, relevant programmes also help young people set their career goals, gain work experience and establish contacts in the Mainland, thereby enhancing their competitiveness in employment in Hong Kong or the Mainland in the future. In 2018-19, 47 out of 135 funded internship programmes target at Mainland cities in the Bay Area, with a total sponsored amount of around \$33 million. It is estimated that around 1 200 young people will benefit.

49. At its first meeting held in April this year, the newly established Youth Development Commission (YDC) agreed that one of the focuses of its future work should be on exploring ways to facilitate young people's career development and promote their upward mobility, for example through grasping opportunities arising from the development of the Bay Area. YDC will closely liaise with relevant bureaux to oversee the implementation of policy initiatives endorsed by YDC.

### Environmental Protection

50. The environment of Hong Kong has strong ties with that of various cities in the Bay Area. Regional air and water quality, ecology and climate change are common challenges collectively faced by Guangdong, Hong Kong and Macao. To actively enhance the environment of the Bay Area, the Governments of Guangdong Province, Hong Kong and Macao have long established cooperation mechanisms to

maintain exchanges and close cooperation in various environmental aspects. The collaboration projects, which include improving the air quality in the PRD region, protecting the marine environment, combating climate change, enhancing ecological conservation and promoting cooperation in cleaner production, etc., have been making good progress. The Government will seize the opportunity of the Bay Area framework to enhance the communication and cooperation amongst Guangdong, Hong Kong and Macao to further improve the environmental quality of the area, thereby attaining a quality living circle to provide an ideal place for living, working and travelling.

### Welfare

51. The Government appreciates that some Hong Kong elderly persons may choose to reside on the Mainland (including the Bay Area) after their retirement. To provide assistance to these elderly persons, the Government has implemented a number of ‘portable’ social security measures, including the Guangdong Scheme, Fujian Scheme and Portable Comprehensive Social Security Assistance Scheme. The current social security system is non-contributory and entirely funded by the Government’s general revenue, which involves substantial public funds. To ensure long-term sustainability of the social security system, relevant factors (including the policy objective and design of individual allowances, as well as the connection between Hong Kong and the place(s) concerned in respect of social, economic and transport fronts) have to be carefully considered when exploring ‘portable’ social security measures covering place(s) outside Hong Kong.

52. Separately, the Government has implemented the Pilot Residential Care Services Scheme in Guangdong (the Pilot Scheme) since June 2014. Under the Pilot Scheme, the Government purchases places from two residential care homes for the elderly (RCHEs)<sup>8</sup> located in Yantian, Shenzhen and Zhaoqing and operated by Hong Kong non-governmental organisations. The Pilot Scheme enables elderly persons waiting for subsidised care-and-attention places in Hong Kong to choose to reside in the two participating RCHEs. Elderly persons are offered full subsidy on the home accommodation fees. The Government also requires the two participating RCHEs to provide medical support services. In January 2017, the Government announced the extension of the Pilot Scheme for three years.

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<sup>8</sup> Namely the Hong Kong Jockey Club Shenzhen Society for Rehabilitation Yee Hong Heights and the Hong Kong Jockey Club Helping Hand Zhaoqing Home for the Elderly.



Constitutional and Mainland Affairs Bureau  
Department of Justice  
Commerce and Economic Development Bureau  
Development Bureau  
Education Bureau  
Environment Bureau  
Financial Services and the Treasury Bureau  
Food and Health Bureau  
Home Affairs Bureau  
Innovation and Technology Bureau  
Labour and Welfare Bureau  
Security Bureau  
Transport and Housing Bureau  
July 2018

**Wording of the Motion on “Strengthening regional collaboration and jointly building the Guangdong-Hong Kong-Macao Bay Area”  
Carried at the Legislative Council meeting of 30 May 2018**

That, with a view to enhancing Hong Kong’s competitiveness and promoting sustainable development, this Council urges the HKSAR Government, by adopting a proactive and pragmatic attitude, to seize the opportunities presented by the development of the Guangdong-Hong Kong-Macao Bay Area (‘the Bay Area’) to lobby the relevant Mainland ministries and the Guangdong Provincial Government for implementation of various measures, so as to make life more convenient for Hong Kong people (including studying, working, retiring, etc.) in the Bay Area; the HKSAR Government should also strengthen communication and cooperation with the Macao SAR Government and the relevant Mainland provincial/municipal departments, in a bid to foster diversified economic development in the region and jointly develop the Bay Area into a first-class international bay area and a world-class city cluster; specific policy measures include:

- (1) striving for the Mainland authorities’ further relaxation of the restrictions on investment, business start-up and employment faced by Hong Kong people on the Mainland, so as to facilitate the flows of personnel, goods and capital between both places, thereby increasing development opportunities for Hong Kong people;
- (2) promoting the development of creative industries and related enterprises, and inducing top-class Mainland and overseas enterprises, research and development organizations and tertiary institutions to move into the Bay Area, so as to expedite the formation of an innovation and technology industry chain in the region;
- (3) exploring the feasibility of allowing Hong Kong people working in the Bay Area to pay tax to either the Hong Kong Government or the Mainland Government, so as to avoid them having to pay double tax;
- (4) promoting mutual recognition of professional qualifications, providing support to professionals who wish to seek development on the Mainland, and issuing work permits to overseas technology talents employed by Hong Kong companies,

so as to facilitate the flows of talents between Hong Kong and various cities in the Bay Area;

- (5) promoting tourism integration in the Bay Area to expedite tourism development of the Bay Area;
- (6) striving for the opening up of more 24-hour boundary control points, so as to deepen exchanges between both places and bring convenience to Hong Kong residents who frequently work in the Bay Area;
- (7) setting up an ‘innovation and technology programme for youngsters’ to provide eligible youngsters with business start-up subsidies, corporate matching proposals, etc., so as to assist them in grasping the development opportunities presented by the Bay Area;
- (8) establishing an exchange platform for Hong Kong and Mainland talents that focuses on nurturing innovation and technological research talents, so as to develop the Bay Area into a settlement of innovation and technological research talents;
- (9) through active cooperation with the Guangdong Provincial Government, jointly seeking to unify the standards and requirements on the sales and supply of goods and services in the Bay Area, such as formulating product safety test standards and a procurement system; and
- (10) encouraging telecommunications companies to progressively waive mobile roaming charges for Guangdong, Hong Kong and Macao as a means of materializing connection of telecommunications networks in the three places and urban integration, so as to reduce the communications costs borne by Hong Kong and Macao residents working and living in the Bay Area; and
- (11) striving for the Mainland authorities’ further relaxation of the restrictions on setting up professional firms faced by Hong Kong people on the Mainland, so as to facilitate the movements of data and business-related materials between both places; and
- (12) setting up a cooperation platform for promoting the Bay Area in overseas markets with joint funding from the Governments of Guangdong, Hong Kong and Macao for conducting studies on issues such as immigration policies for overseas visitors, priority clearance arrangements, tourism product development and tourism publicity and promotion strategies;
- (13) leading Hong Kong people (especially young people and the small and medium enterprise sector) to actively participate in the development of the Bay Area with the broadest vision and an open attitude, preparing and offering them support for seizing

- the new development opportunities brought about by the Bay Area, and giving full play to Hong Kong's existing advantages for further deepening Guangdong-Hong Kong-Macao cooperation under an innovative cooperation mechanism, promoting synergistic economic and social development in the region, and fostering the effective, efficient and convenient flows of goods, personnel, capital and information in the region;
- (14) achieving complementarity, mutual benefits and breakthroughs in their respective development bottlenecks, improving cooperation and development in various aspects of the region, such as transportation, the ecological environment, health-care and education, jointly developing the Bay Area into an international centre for technological innovation and a quality living circle that is good for living, working and travelling, so as to begin a new chapter in Hong Kong's development, contribute to the country's development towards strategic opening and promote the Bay Area as a crucial link along the 'One Belt One Road';
  - (15) leveraging on Hong Kong's comparative advantages in its top-class tertiary education in the world, free flow of capital, intellectual property rights protection, etc. to fully interface with the Guangzhou-Shenzhen Science and Technology Innovation Corridor, and providing a new breakthrough for pushing forward a new round of innovation and technological cooperation in the region;
  - (16) striving for the full relaxation of Hong Kong professional qualification recognition in the Bay Area to make it more convenient for Hong Kong professionals to develop business and provide services in the region;
  - (17) endeavouring to reinforce and enhance Hong Kong's position as an international financial centre, such as striving for expanding the scope of mutual access to the financial markets of Guangdong and Hong Kong, including the full opening up of business such as cross-border Renminbi trade settlement, lending and financing, the enhancement of the arrangements for the Shenzhen-Hong Kong Stock Connect and the Bond Connect, and the stepping up of financial technology cooperation, with a view to reinforcing Hong Kong's position as a connection hub between the Bay Area and the international community;
  - (18) endeavouring to reinforce and enhance Hong Kong's position as an international aviation, maritime and trade centre, including enhancing the functions of Hong Kong's cross-border e-commerce platforms, striving for the Mainland's relaxation of

- the relevant market access conditions and granting of national treatment to Hong Kong enterprises, expanding the room for developing e-commerce in the Bay Area, and providing important infrastructure facilities for Hong Kong's development of high value-added logistic services for re-export;
- (19) striving for turning Hong Kong into an arbitration centre for resolving commercial contract disputes and legal conflicts in the Bay Area, and nurturing more legal talents for the international community;
  - (20) stepping up cooperative studies and efforts in the Bay Area regarding the further improvement of the environment in the region, as well as climate change adaption and mitigation; and
  - (21) materializing a Guangdong-Hong Kong-Macao 'health consortium', including innovative cooperation covering the areas of talent exchanges and training, the health-care industry and the joint prevention and control of diseases, fostering the provision of more integrated medical and elderly care services in the Bay Area, and striving for other related favourable conditions to bring convenience to Hong Kong people who choose to live and spend their twilight years in the Bay Area;
  - (22) protecting Hong Kong people's employment rights and interests on the Mainland, including the improvement of the contribution arrangements for Hong Kong people participating in the Mainland's social insurance and housing accumulation funds, and the abolition of the system requiring Hong Kong people to apply for employment permission for working on the Mainland, so as to facilitate Hong Kong people's employment and development in the Bay Area;
  - (23) streamlining the formalities Hong Kong people must undergo when using their Home Visit Permits for handling various matters on the Mainland, such as considering the inclusion of Home Visit Permit numbers into the identification system of the Mainland's digital technology network, so as to make it more convenient for Hong Kong people to conduct business and live in the Bay Area;
  - (24) providing medical protection to Hong Kong people in the Bay Area, including allowing Hong Kong people to take out basic medical insurance on the Mainland, extending the use of Hong Kong Health Care Vouchers to Grade-A hospitals in Bay Area cities, and setting up cross-region ambulance services, so that Hong Kong people can also receive medical support on the Mainland;
  - (25) abolishing the service charge for cross-boundary cash

- withdrawals from automatic teller machines of Mainland banks with Hong Kong bank cards and relaxing the existing maximum amount of cash that can be carried into or out of the Mainland and remittance limits, so as to facilitate the flows of personnel, goods and capital between the Bay Area and Hong Kong; and
- (26) considering the setting up of a youth commission with the Bay Area as the main theme, so as to enhance local young people's understanding of the development prospects, economic position and industry information regarding the Bay Area, and providing them with training and support services to equip them with skills for seeking opportunities in the Bay Area;
- (27) enhancing the cross-boundary portability arrangements for welfare benefits, so as to benefit Hong Kong residents living or working in the Bay Area;
- (28) by drawing reference from the model of the University of Hong Kong-Shenzhen Hospital, allowing Hong Kong hospitals of a higher quality to operate hospitals jointly with major cities in the Guangdong Province under Hong Kong-style management, so as to provide quality healthcare services;
- (29) enhancing traffic arrangements for the Hong Kong-Zhuhai-Macao Bridge ('HZMB'), including the introduction of new quotas exclusive to private cars at HZMB's boundary crossings, and exploring the feasibility of allowing Hong Kong private cars to enter the Mainland without any quota;
- (30) exploring the construction of a well-equipped 'Hong Kong estate' in the Guangdong Province as a means of providing Hong Kong people with affordable residential units;
- (31) striving for equal treatment to Hong Kong school children studying in the Mainland and Mainland students, so as to provide Hong Kong students with more options;
- (32) striving for the Mainland authorities' issuance of identity proof to Hong Kong people with the same format as that of the identity cards for Mainland residents, so as to make life more convenient for Hong Kong people on the Mainland; and
- (33) encouraging enterprises to capitalize on Hong Kong's advantage as a financial and trade centre to make investment in Hong Kong for market development, so as to foster the diversified development of Hong Kong's economy and develop the Bay Area into a world-class economic centre; and
- (34) materializing the Chief Executive's new fiscal philosophy and amending sections 39E and 16EC of the Inland Revenue Ordinance to enable Hong Kong manufacturers to claim tax

allowances in respect of the machinery, equipment and intellectual property rights used in their production procedures located outside Hong Kong, with a view to encouraging Hong Kong manufacturers to participate in the development of the Bay Area and progress with the times.