

**Motion Debate on  
“Actively seizing the opportunities arising from the country’s  
new development pattern featuring ‘dual circulation’ to  
revitalize the post-pandemic economy”**

**Progress Report**

**Background**

At the sitting of the Legislative Council (LegCo) of 7 July 2021, the motion on “Actively seizing the opportunities arising from the country’s new development pattern featuring ‘dual circulation’ to revitalize the post-pandemic economy” moved by Hon Martin LIAO was passed (full text of the passed motion at [Annex](#)). This report sets out the follow-up actions taken by the Administration in respect of the motion.

**Latest Progress**

**Seize the opportunities arising from the new development pattern featuring dual circulation**

*The Belt and Road Initiative*

2. In supporting Hong Kong enterprises and professional services sector to tap on Belt and Road-related opportunities under the new national development strategy of dual circulation, the Government will continue to promote closer partnership between Mainland enterprises and business and professional services sector of Hong Kong, as well as project matching between them. In this regard, the Commerce and Economic Development Bureau, together with the State-owned Assets Supervision and Administration Commission of the State Council, launched the Mainland Enterprises Partnership Exchange and Interface Programme in May 2021, and the first sharing session under the Programme was conducted. Around 50 business matching sessions involving seven subsidiaries of state-owned enterprises in Hong Kong and over 20 local professional services providers were arranged on the day at the meeting venue.

3. Besides, the Government and the Hong Kong Trade Development Council (HKTDC) jointly organised the sixth Belt and Road Summit on 1 and 2 September 2021 under the theme of “Driving Growth through

Fostering Regional and International Trade”. With a view to continuing the promotion of the role of Hong Kong as a two-way gateway connecting the Mainland and international markets, the Summit explored the opportunities brought by the synergy between the Greater Bay Area (GBA) and the Belt and Road Initiative under the National 14<sup>th</sup> Five-Year Plan and the new development strategy of dual circulation. The Summit attracted sign-ups from thousands of government officials, business leaders, and professionals from many countries and regions, and provided numerous project pitching as well as investment and business matching opportunities to enterprises from around the world.

#### *Regional Comprehensive Economic Partnership (RCEP)*

4. The Government has, since 2018, indicated to individual RCEP participating economies our keen interest in joining RCEP, and started relevant discussions with a number of trade ministers. We received positive responses that Hong Kong may apply for accession to RCEP in accordance with the relevant provisions after its entry into force. The Government will continue to strive for early accession to RCEP, so as to tap into the new development opportunities under the dual circulation by leveraging Hong Kong’s own advantages, as well as to strengthen the trade and investment ties between Hong Kong and member economies in the region, thereby facilitating Hong Kong’s further integration into the regional value chain.

#### *Domestic sales*

5. Under the country’s dual circulation new development pattern, the Mainland is expected to expand domestic demand, and substantially boost the consumption and investment capacities. To help Hong Kong enterprises seize the opportunities of the domestic sales market, the Government has provided additional funding for the HKTDC to initiate a series of measures, including launching a one-stop “GoGBA” digital platform in June 2021, and setting up a “HKTDC GBA Centre” in Shenzhen to provide Hong Kong enterprises with market and policy information of the GBA, consultation services and trainings, and business promotion, expansion and connection services, in order to help Hong Kong enterprises leverage the GBA as an entry point for expansion in the Mainland market. In addition, HKTDC has signed collaborative agreements with the Guangdong Province and Shanghai to support Hong Kong enterprises through organising promotional activities, and jointly tap into the massive business opportunities brought by the dual circulation strategy.

6. The Government has since 2018 organised Hong Kong enterprises to participate in the China International Import Expo (CIIE) to promote Hong Kong's quality products and professional services to the Mainland market. The number of participating Hong Kong enterprises, exhibition area and scale have grown each year. The Government is continuing to encourage Hong Kong enterprises to actively participate in the fourth CIIE this year, with a view to demonstrating Hong Kong's unique strength as the connecting platform of the dual circulation.

*Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA)*

7. The Government is committed to assisting Hong Kong businesses in entering the Mainland market through CEPA by seeking various preferential treatments and facilitation measures for the trade, enabling them to actively participate in the country's dual circulation strategy. On trade in goods, all Hong Kong products that fulfil the CEPA rules of origin can enjoy zero tariff treatment upon importation into the Mainland. Since the implementation of CEPA in 2004 to July 2021, we have issued over 210,000 CEPA Certificates of Hong Kong Origin covering exports of over HK\$124 billion. Over the years, CEPA helped the trade save about RMB8.29 billion of tariff, making it easier for Hong Kong products and brands to better seize the business opportunities under the domestic circulation.

8. On trade in services, since the implementation of CEPA in 2004 to July 2021, the Trade and Industry Department has issued over 3,340 Hong Kong Service Supplier Certificates under CEPA to help the trade make use of CEPA when entering the Mainland services market. The amended CEPA Agreement on Trade in Services has been implemented since June 2020, introducing new liberalisation measures in a number of important services sectors such as legal services, construction and related engineering services, financial services, testing and certification, television and motion pictures. The new measures make it easier for Hong Kong service suppliers to set up enterprises and develop business on the Mainland, allow more Hong Kong professionals to obtain qualifications to practise on the Mainland and more Hong Kong's quality services to be provided to the Mainland market. The liberalisation measures take various forms, including removing or relaxing restrictions on equity shareholding, capital requirements and business scope in the establishment of enterprises; relaxing qualification requirements for provision of services by Hong Kong professionals; and relaxing the geographical and other restrictions for the

exports of Hong Kong services to the Mainland market. In addition to liberalisation measures implemented on a Mainland-wide basis, a number of new liberalisation measures have been introduced by the amendment agreement for pilot implementation in Guangdong Province so as to tie in with the development of the GBA.

9. On the basis of existing CEPA, the Government will seek to promote closer economic and trade cooperation with the Mainland, and continue to discuss with the Mainland authorities new subjects for cooperation and new liberalisation measures. We will continue to seek room and opportunities for business development for the trade on the Mainland, so as to enable Hong Kong businesses to better complement the country's economic development and the dual circulation strategy during the National 14<sup>th</sup> Five-Year Plan period.

Give play to the advantages of 'one country, two systems' in deeper integration into the overall development of our country

10. "One country, two systems" is the best institutional arrangement to ensure Hong Kong's long-term prosperity and stability. It also provides for Hong Kong dual advantages: Hong Kong is part of China, but at the same time, our economic, legal and social systems are different from those of the Mainland. As a highly open and international city, Hong Kong can extend its international connections and experiences to the Mainland and help bring in foreign investments. Hong Kong can also join hands with Mainland enterprises to develop overseas markets and explore development opportunities, thereby enhancing economic development on the Mainland.

11. The National 14th Five-Year Plan is the blueprint and action agenda for the social and economic development of the country for the next five years. It establishes a clear positioning for Hong Kong's future development in eight aspects including an international financial, transportation and trade centre as well as a centre for international legal and dispute resolution services in the Asia-Pacific region, i.e. the four traditional centres; and an international aviation hub, an international innovation and technology hub, a regional intellectual property trading centre and an East-meets-West centre for international cultural exchange, i.e. the four emerging sectors. Hong Kong will leverage on its advantages under "one country, two systems" and proactively become a "participant" in domestic circulation and a "facilitator" in international circulation. We will also take the GBA development as the best entry point to focus on the business opportunities in the Mainland market, proactively participate in

fostering regional co-operation and better integrate into the overall development of our country, with a view to advancing Hong Kong's own development while at the same time contributing to the country's needs.

### Enhance Hong Kong's position as an international financial centre

12. The development of Hong Kong's financial services industry has always been strongly supported by the Central Government. The National 14th Five-Year Plan supports Hong Kong to enhance our status as an international financial centre, strengthen our function as a global offshore RMB business hub, an international asset management centre and a risk management centre, as well as deepen and widen the mutual access between the financial markets of Hong Kong and the Mainland to develop a high quality GBA. Under the "one country, two systems" principle, Hong Kong is well positioned to benefit from the opportunities arising from the vast Mainland market while contributing to the reform and opening up of the financial market of the country, and serving as the key link for the country's international circulation.

13. Since taking office, the current term Government has taken the initiative to promote the development of our financial markets on all fronts with policies, tax incentives and appropriate financial investment, as well as optimising financial infrastructure and cultivating talents. At the same time, the Government attaches great importance to the stability of Hong Kong's financial system, which provides a sound foundation for market development.

14. With the support of the Central Government, Hong Kong continues to be the world's largest offshore RMB business hub. We would enrich the diversity of RMB investment and risk management products and services available in Hong Kong, including an offshore A-share index futures to be launched soon, to facilitate the internationalisation of RMB.

15. Being the gateway to the Mainland and international markets, Hong Kong can serve as a reliable fundraising platform for Mainland enterprises. To enhance our attractiveness as a listing platform, we have implemented a new listing regime since April 2018 to facilitate the listing of companies from emerging and innovative sectors. Furthermore, the Hong Kong Exchanges and Clearing Limited is exploring a possible listing regime for special purpose acquisition companies in Hong Kong.

16. Hong Kong is the platform of choice for Mainland and overseas investors to manage their assets. The Government has been making effort in sharpening our competitive edge on asset and wealth management through a multi-pronged approach, including diversifying our fund structures, providing a more facilitating tax environment, and promoting family office and Real Estate Investment Trusts business in Hong Kong. The Government is also introducing a re-domiciliation mechanism for foreign funds to relocate to Hong Kong. Moreover, we are working towards the early implementation of the cross-boundary wealth management connect scheme.

17. To consolidate Hong Kong's position as an international risk management centre, the Government implemented in the first half of this year a series of measures, including establishing a new regulatory regime and launching a subsidy scheme to promote the development of insurance-linked securities business in Hong Kong. Moreover, among our efforts to enhance mutual access of the insurance markets between Hong Kong and the Mainland, we are striving for early establishment of after-sales service centres by the Hong Kong insurance industry in the Mainland cities of the GBA.

18. With a view to contributing to the goal of achieving carbon neutrality before 2060 in the Mainland and before 2050 in Hong Kong, we will implement the Strategic Plan promulgated by the Green and Sustainable Finance Cross-Agency Steering Group last year in collaboration with the financial industry and relevant stakeholders. We will also promote more institutions to make use of Hong Kong's capital market for green and sustainable investment, financing and certification, thereby supporting green enterprises and projects in the region and promoting the ecological conservation and green development of the country.

19. The Financial Services and the Treasury Bureau, together with the financial regulators and major market institutions in Hong Kong, has set up a joint working group earlier this year to explore how Hong Kong could complement the economic and financial development of our country and meet the needs of international investors and formulate a development blueprint, with a view to consolidating Hong Kong's role as the international financial centre of our country.

### Explore more development pathways for young people

20. The Government endeavours to promote youth exchange, internship and entrepreneurship to encourage young people to grasp the immense opportunities brought about by national development and participate in the country's dual circulation strategy proactively.

21. On youth exchange and internship, there were on average more than 70 000 Hong Kong young people participating in exchange and internship programmes in the Mainland and overseas that were organised, funded or co-ordinated by the Government in a year before the epidemic. In particular, the Home Affairs Bureau (HAB) has provided quality exchange opportunities for young people to 30 provinces and municipalities in the Mainland and over 40 overseas countries through funding schemes for Mainland or international youth exchanges. In recent years, HAB has also introduced signature internship programmes, such as the Thematic Youth Internship Programmes to the Mainland, Scheme on Corporate Summer Internship in the Mainland and Overseas as well as United Nations Volunteers – Hong Kong Universities Volunteer Internship Programme, with a view to nurturing young people's understanding of the employment market and socioeconomic developments in the Mainland and other places in the world. Subject to the development of the epidemic, the Government will continue to enhance the various exchange and internship programmes to facilitate Hong Kong young people to understand and grasp the opportunities of as well as integrate themselves into national development.

22. On youth entrepreneurship, HAB has introduced the Funding Scheme for Youth Entrepreneurship in the Guangdong-Hong Kong-Macao Greater Bay Area under the Youth Development Fund, and has granted \$130 million to 16 non-governmental organisations to implement youth entrepreneurship projects. It is expected that the projects will provide capital subsidy to about 230 youth start-ups (involving more than 800 Hong Kong young entrepreneurs) and render entrepreneurial support and incubation services to about 4 000 young people. Looking ahead, the Government will establish the Alliance of Hong Kong Youth Innovative and Entrepreneurial Bases in the Greater Bay Area to serve as a one-stop information, publicity and exchange platform to further support innovation and entrepreneurship by Hong Kong youth in the GBA.

**Commerce and Economic Development Bureau  
Constitutional and Mainland Affairs Bureau  
Financial Services and the Treasury Bureau  
Home Affairs Bureau  
September 2021**



**Council meeting of 7 July 2021**

**Hon Martin LIAO's motion on  
“Actively seizing the opportunities arising from the country's new  
development pattern featuring ‘dual circulation’ to revitalize the  
post-pandemic economy”**

**Wording of the Motion**

That this Council urges the SAR Government to lead various sectors in Hong Kong to actively seize the major historic opportunities arising from the country's accelerated establishment of a new development pattern featuring ‘domestic and international dual circulation, which takes the domestic market as the mainstay while enabling domestic and foreign markets to interact positively with each other’, and give play to the advantages of ‘one country, two systems’ in deeper integration into the overall development of our country, with a view to paving the way for Hong Kong's post-pandemic economic revitalization in a more expeditious and stable manner, and take the opportunity to promote and implement diversification of the economy as well as enhance Hong Kong's position as an international financial centre, thereby exploring more development pathways for young people and the general public and achieving mutual benefits with the Mainland.