

**Motion Debate on
“Actively seizing the opportunities of the National 14th Five-Year
Plan and striving for accession to the Regional Comprehensive
Economic Partnership”**

Progress Report

Background

At the sitting of the Legislative Council (“LegCo”) of 7 July 2021, the motion on “Actively seizing the opportunities of the National 14th Five-Year Plan and striving for accession to the Regional Comprehensive Economic Partnership” moved by Hon WONG Ting-kwong was passed (full text of the passed motion at Annex). The National 14th Five-Year Plan and the Regional Comprehensive Economic Partnership Agreement (“RCEP”) bring continuous and immense opportunities to Hong Kong. The HKSAR Government has taken forward various work in this regard. This report sets out the follow-up actions taken by the Administration in respect of the motion, including enhancing Hong Kong’s status as an international financial centre, furthering regional co-operation in commerce and trade, promoting innovation and technology development and building the Guangdong-Hong Kong-Macao Greater Bay Area (“Greater Bay Area”).

Latest Progress

Enhance Hong Kong’s status as an international financial centre

Deepen and widen the mutual access between the financial markets of Hong Kong and the Mainland

2. We will continue to deepen and widen the mutual access between the financial markets of Hong Kong and the Mainland. We have implemented the expansion of the scope of eligible securities under Southbound Trading of Stock Connect from end-December 2021 to cover pre-revenue / pre-profit biotechnology companies listed in Hong Kong under the new listing regime, and the inclusion of eligible A-shares listed on the Mainland’s STAR Market into Stock Connect from February 2021. As at end-August 2021, 17 pre-revenue / pre-profit biotechnology companies and 24 Mainland STAR Market companies have been included

in the scope of eligible securities under Stock Connect pursuant to the arrangement.

3. In addition, the Hong Kong Securities and Futures Commission announced on 20 August 2021 about the approval for Hong Kong Exchanges and Clearing Limited to launch the MSCI China A-share index futures contract in Hong Kong to provide a useful risk management tool for offshore investors participating in the A-share market while broadening the offering of financial products in Hong Kong.

4. Moreover, the cross-boundary wealth management connect (“Wealth Management Connect”) was officially launched on 10 September 2021 to expand the cross-boundary investment channel for residents in the Greater Bay Area and strengthen Hong Kong’s role as the international asset and management centre and important gateway for capital flowing into and out of the Mainland. The regulators of the three places also promulgated the implementation details of Wealth Management Connect on the same day and it is expected that banks can commence business the earliest by October or November.

5. Furthermore, the imminent launch of Southbound Trading under Bond Connect as recently announced will further expand the product suite of the Connect family. It provides an effective channel for qualified onshore investors to make diversified asset allocation, and at the same time presents enormous opportunities for Hong Kong’s financial industry. Not only would it enhance the attractiveness of Hong Kong as a bond issuing platform and the liquidity of the bond market in Hong Kong, but also further facilitate the progress of Renminbi (“RMB”) internationalisation.

Strengthen Hong Kong’s status as a global offshore RMB business hub

6. With the support of the Central Government, Hong Kong continues to be the world’s largest offshore RMB business hub, with a leading position in offshore RMB settlement, financing and asset management. We would continue to enrich the diversity of RMB products and services available in Hong Kong to facilitate the internationalisation of RMB.

Support green and sustainable finance

7. Combating climate change is an important issue across the globe. 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, further consolidating Hong Kong's position as a green and sustainable finance hub in the region. 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.

Enhance regional co-operation in commerce and trade

Striving for Hong Kong's accession to RCEP

8. The HKSAR Government will continue to make use of the advantages under "One Country, Two Systems" to establish and maintain close economic and trade relationship with various economies, including the forging of free trade agreements ("FTAs") and investment agreements, with a view to further consolidating Hong Kong's economic and trade network, and assisting Hong Kong businesses and investors in expanding markets to further Hong Kong's long-term economic development. Apart from the FTAs signed with 13 of the RCEP participating economies, the HKSAR Government has also been striving to join RCEP among the first batch of economies after its entry into force.

9. Since the signing of the RCEP Agreement in November 2020, government officials including the Secretary for Commerce and Economic Development and the Director-General of Trade and Industry have conducted face-to-face and virtual meetings with RCEP participating economies' trade ministers, their Consuls-General in Hong Kong and respective Chambers of Commerce to seek their support for Hong Kong's accession to RCEP. RCEP participating economies generally welcome Hong Kong's accession after RCEP enters into force.

10. Hong Kong has much to offer to RCEP, in particular in creating connections with the Mainland through the Greater Bay Area and the Belt and Road Initiative, and that Hong Kong is keen to begin formal discussions on accession as soon as RCEP is ready to take on new partners. The HKSAR Government will continue to closely liaise with RCEP participating economies with a view to commencing early discussions on Hong Kong's accession, thus enabling Hong Kong to join RCEP as early as possible after its entry into force.

Attracting external investment

11. Following the direction of the National 14th Five-Year Plan and working in the spirit of “Leveraging Hong Kong’s Advantages, Meeting the Country’s Needs”, Invest Hong Kong (“InvestHK”) actively promotes and assists companies from the Mainland and overseas to develop business in Hong Kong or via Hong Kong, so as to attract foreign direct investment. In response to the pandemic and relevant travel restrictions, InvestHK actively steps up publicity and promotion on Hong Kong’s strengths in innovation and technology, financial services, professional services, aviation and shipping, legal services and the development of startups through virtual visits and webinars. InvestHK is also in close liaison with relevant agencies in other Greater Bay Area cities to jointly attract overseas companies to set up operations in the Greater Bay Area via Hong Kong.

Grasp opportunities presented by dual circulation development including domestic sales, and support Hong Kong enterprises

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

13. The HKSAR 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 HKSAR 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.

Promote the development of Hong Kong as a regional intellectual property trading centre

14. The National 14th Five-Year Plan raises, for the first time, the support for Hong Kong to develop into a regional intellectual property (“IP”) trading centre. The HKSAR Government has been adopting a multi-pronged approach to promote IP commercialisation and IP trading. A wide range of measures are being implemented, including enhancing the IP protection regime regularly to keep it abreast with the times, such as to continue to consolidate and develop the original grant patent system launched in 2019 to attract a wider use of the new system by the industry for filing patent registration in Hong Kong, and to press ahead with the preparatory work for implementation of the international registration system under the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks in Hong Kong; assisting enterprises to optimise their IP professional manpower capacity with a view to enhancing their IP management capability, focusing on the promotion of free IP Consultation Service, IP Manager Scheme Plus and training programmes to innovation and technology enterprises.

15. On strengthening promotion, education and external collaboration, the HKSAR Government will continue to organise the Business of IP Asia Forum with the Hong Kong Trade Development Council and the Hong Kong Design Centre in December 2021 to provide an IP exchange platform for the industry. We will also continue to strengthen IP collaboration and promote cross-boundary IP trading and service exchanges in the Greater Bay Area with IP authorities of the Mainland and Macao. Initiatives include preparing for the “Mainland and Hong Kong SAR, Macao SAR Intellectual Property Symposium” to be organised jointly by the China National Intellectual Property Administration.

The Culture and Tourism Development Plan for the Greater Bay Area

16. Based on the guiding directions of the Culture and Tourism Development Plan for the Greater Bay Area, the HKSAR Government is striving to enhance local tourism resources and develop projects in relation to cultural, heritage and creative tourism with characteristics. When the timing of the resumption of travel arrangements within Guangdong, Hong Kong and Macao becomes clearer, the HKSAR Government will deepen tourism co-operation further within the Greater Bay Area and pool resources to establish the Greater Bay Area tourism brand, including incorporating more Greater Bay Area elements into mega events and the Hong Kong Tourism Board’s overseas tourism promotion, as well as

working together with the culture and tourism authorities of the Greater Bay Area cities to jointly develop and promote Greater Bay Area multi-destination itineraries and attract overseas and high value-added overnight tourists to embark on Greater Bay Area multi-destination journeys via Hong Kong, with a view to unleashing the roles of Hong Kong as an international tourism hub and a core demonstration zone for multi-destination tourism.

Development of innovation and technology (“I&T”)

17. The National 14th Five-Year Plan indicates clear support for Hong Kong’s development into an international I&T hub and better integration into the overall development of the country. For the first time, it has included the Shenzhen-Hong Kong Loop as one of the four major platforms of co-operation in the Greater Bay Area. All these fully demonstrate the great importance the Central Government attaches to Hong Kong’s I&T while the development of Greater Bay Area has provided Hong Kong with the best platform to integrate into the national development. With Hong Kong’s various competitive edges under “One Country, Two Systems” including the strong research and development (“R&D”) capabilities possessed by local universities, a highly market-oriented, international and free economy underpinned by the rule of law and a robust intellectual property rights protection regime, our overall strategy is to continue to actively participate in the development of Greater Bay Area into an international I&T hub and to leverage on Hong Kong’s strengths to serve the needs of the country via “external circulation” and “domestic circulation” under the country’s new development pattern. The HKSAR Government also agrees with Members’ suggestions on nurturing local I&T talent and attracting I&T talent to Hong Kong. In fact, the Government has been adopting a three-pronged approach to nurture, retain and attract talents, with a view to expanding the local I&T talent pool and thereby promoting the development of I&T. The main axle of our various work in “external circulation” and “domestic circulation” is to attract I&T talents as well.

Lok Ma Chau Loop development

18. The Hong Kong-Shenzhen Innovation and Technology Park (“HSITP”) in the Lok Ma Chau Loop is one of the important work of the “domestic circulation”. We will join hands with Shenzhen Municipal Government to develop the Shenzhen/Hong Kong Innovation and Technology Co-operation Zone (“Co-operation Zone”), which comprises the HSITP and the Shenzhen Innovation and Technology Zone (“SZ I&T

Zone”) located just a river apart, with a view to establishing “one zone, two parks” at “one river, two banks” under the auspices of “One Country, Two Systems” and leveraging the complementary advantages of both Hong Kong and Shenzhen so as to contribute to the development of Greater Bay Area into an international I&T hub.

19. The relevant construction works of HSITP have been carrying out, with the eight buildings in Batch 1 development estimated to be completed in phases from 2024 to 2027. Moreover, the Hong Kong Science and Technology Parks Corporation (“HKSTPC”) will lease and manage certain areas of the SZ I&T Zone as a branch of the Hong Kong Science Park, such that institutes and enterprises interested in starting their business in the Greater Bay Area can first establish a presence in the Co-operation Zone. HKSTPC is also planning to provide comprehensive services and support covering three important functions, namely a resource centre, training hub and exchange platform, to I&T talents on both sides in the SZ I&T Zone of the Co-operation Zone, and to provide support to I&T enterprises for business development, which will help Hong Kong’s I&T enterprises develop in the Mainland and at the same time, provide services to Mainland enterprises interested in tapping into overseas markets, thereby enabling Hong Kong to play its role of attracting foreign investment and going global. Furthermore, the HKSAR Government and Shenzhen Municipal Government will formulate joint policy for the Co-operation Zone to provide supportive measures in the aspects of R&D resources, capital and people flow, and join hands to attract talents to the Co-operation Zone.

InnoHK research clusters

20. *InnoHK* research clusters is the flagship project among the work in “external circulation”, which have successfully attracted a number of world-class research institutes from overseas and the Mainland to establish their presence in Hong Kong, thereby supporting Hong Kong’s development into a hub for global R&D collaboration. The first two clusters focus on healthcare technologies and artificial intelligence and robotics technologies respectively, and 27 R&D centres have commenced operation progressively.

Effective flow of innovative resources and R&D elements

21. The effective flow of innovative resources and R&D elements is crucial to the development of I&T. Over the past few years, we have achieved breakthroughs in various aspects such as cross-boundary

remittance of Mainland R&D funding and exporting Mainland human genetic resources to Hong Kong. Regarding the cross-boundary remittance of Mainland R&D funding, so far, over RMB370 million R&D funding has been successfully remitted across the border to Hong Kong for supporting local universities and R&D institutes to conduct some 140 R&D projects. As for exporting Mainland human genetic resources to Hong Kong, so far, four Mainland branches established by Hong Kong's universities have been confirmed by the Ministry of Science and Technology to be meeting the specified requirements and allowed to lodge applications for exporting Mainland human genetic resources to Hong Kong independently under a pilot scheme for research purpose. The HKSAR Government will continue to explore and facilitate the flow of the four R&D elements, namely talent, capital, goods and information, in the Greater Bay Area.

Development of the Greater Bay Area

22. The development of the Greater Bay Area is accorded the status of key strategic planning in the country's development blueprint. It is also a further step in enhancing the practice of "One Country, Two Systems". The HKSAR Government and the Chief Executive place great importance on work relating to the development of the Greater Bay Area and have been actively taking it forward, including working closely with central ministries/departments and the Guangdong Provincial Government to take forward the implementation of the 24 policy measures that were approved in principle by the Leading Group for the Development of the Greater Bay Area ("Leading Group") at its two meetings in 2019. Measures already rolled out include tax concessions, facilitation of property purchase, support for young entrepreneurs, cross-boundary remittance of science and technology funding, liberalisation of the legal, insurance and construction professional services, and permitting the use of Hong Kong-registered drugs and common medical devices in designated Hong Kong-owned healthcare institutions. These measures have greatly facilitated Hong Kong residents and professionals to reside, work and develop in the Mainland cities of the Greater Bay Area.

23. Within the organisation of the HKSAR Government, the Chief Executive has established and personally leads the Steering Committee for the Development of the Greater Bay Area, whose membership comprises all Secretaries of Departments and Directors of Bureaux. The Constitutional and Mainland Affairs Bureau formally established the Greater Bay Area Development Office in November 2020 to strengthen

connections between the HKSAR Government and Mainland authorities, as well as the Macao Special Administrative Region Government. The Office is also responsible for strengthening internal coordination within the HKSAR Government and fostering exchanges on the development of the Greater Bay Area with different stakeholders.

24. Looking ahead, the HKSAR Government will follow the direction set out in the National 14th Five-Year Plan and the principles set out in the Outline Development Plan for the Greater Bay Area to strengthen our work in taking forward the development of the Greater Bay Area on the basis of complementary development and mutual benefits. The HKSAR Government will continue to actively take forward the implementation of the remaining policy measures approved in principle by the Leading Group, and pursue policy innovation and breakthroughs in areas for consolidating and enhancing Hong Kong's status as international financial, transportation and trade centres as well as an international aviation hub, developing an international innovation and technology hub, improving the infrastructure of land boundary control points between Hong Kong and Shenzhen, facilitating Hong Kong enterprises to tap the Mainland domestic market, as well as supporting Hong Kong young people to work and start up their own business in the Mainland cities of the Greater Bay Area. We will also, through strategic publicity and promotional efforts, enhance the awareness of various sectors of society on the development of the Greater Bay Area, and encourage them to actively participate in and open up opportunities from the development.

Commerce and Economic Development Bureau
Constitutional and Mainland Affairs Bureau
Financial Services and the Treasury Bureau
Innovation and Technology Bureau
September 2021

Council meeting of 7 July 2021

**Hon WONG Ting-kwong's motion on
"Actively seizing the opportunities of the National 14th Five-Year
Plan and striving for accession to the Regional Comprehensive
Economic Partnership"**

That this Council urges the Government and various sectors of the community to actively seize the different opportunities brought to Hong Kong by the National 14th Five-Year Plan and spare no effort in striving for Hong Kong's early accession to the Regional Comprehensive Economic Partnership, so as to open up new room for development for Hong Kong's financial, trading, shipping, tourism, innovation and technology, cultural and professional services industries.