

# Government responds to US Chamber of Commerce statement on national security law

In response to a statement by the US Chamber of Commerce on May 26 on the national security law (and a similar statement by the AmCham in Hong Kong on May 22), a Government spokesman said:

"The Chamber is right to acknowledge that Hong Kong's special status under "One Country, Two Systems" has worked well for Hong Kong, and indeed for the many overseas businesses established in Hong Kong. It is our greatest strength now and will remain so in future.

"A draft Decision to introduce national security legislation for the Hong Kong Special Administrative Region (HKSAR) is under deliberation at the National People's Congress (NPC), the highest organ of state power in the People's Republic of China, during its ongoing annual session.

"The Decision is part of a two-step legislative process to establish and improve the legal system and enforcement mechanisms for the HKSAR to safeguard national security. Following its approval, the NPC Standing Committee will proceed to draft the relevant legislation based on clearly stated objectives and fundamental principles as laid out in the Decision and the related Explanation.

"It is therefore unhelpful at this stage to speculate on the content of the legislation or spread rumours and fear about a law to safeguard national security, which as in any other country, is within the purview of the state."

As stipulated in the draft Decision, the proposed law only targets acts of secession, subverting state power, organising and carrying out terrorist activities, as well as activities interfering with HKSAR's internal affairs by foreign or external forces.

"The vast majority of law-abiding Hong Kong residents, including overseas investors, have nothing to fear," the spokesman said.

The five basic principles guiding the drafting of the national security legislation include firmly safeguarding national security, bettering the system of "One Country, Two Systems", governing Hong Kong in strict accordance with the law, resisting external interferences in Hong Kong's affairs and upholding the legal rights and freedoms of Hong Kong people.

"As regards the comment that the Hong Kong legislative process has been bypassed, the Government spokesman pointed out that national security legislation is always the prerogative of the state. Although provisions have been made in Basic Law Article 23 for the HKSAR to enact local legislation,

no progress has been made since Reunification 23 years ago and the prospects for the local legislature to accomplish this in the foreseeable future are slim," the spokesman said.

"This has left a serious legal loophole in national security that has to be plugged especially in light of the riots and violence as well as the apparent emergence of homegrown terrorism happening in Hong Kong in the past year which pose a major threat to national security. Some radical protesters have even called for independence of Hong Kong and a revolution. This not only affects social stability but undermines "One Country, Two Systems".

"Nothing in the proposed national security law will jeopardise the "One Country, Two Systems" principle or erode the institutions that underpin Hong Kong's success as an international city, including the rule of law, an independent judiciary, a clean civil service, the freedom of expression, freedom of the press, the free flow of information, the free flow of capital, free and open trade and freedom of movement of people.

"All of the rights and freedoms enjoyed by Hong Kong people and international investors will remain unchanged.

"As a founding member of the World Trade Organization, and an active participant in APEC, Hong Kong remains committed to the global rules-based, multi-lateral trading system. We will always maintain a level playing field and nationality neutral policy for business.

"That is why Hong Kong remains a location of choice for international business in Asia. More than 9 000 Mainland and overseas companies have regional operations in Hong Kong, including 1 300 US corporations.

"Apart from those fundamental strengths, corporations are attracted to Hong Kong by our business-friendly policies, low taxes, world-class infrastructure, free port status, strategic location, well-educated workforce and market potential."

The spokesman said that businesses the world over placed a high premium on the safety and stability of an economy to provide certainty and confidence in making decisions on where to invest, work and live.

Violent social unrest over the past year – which has resurfaced again recently – has had a severe impact on business and investor confidence and adversely affected the bottom line of businesses in certain sectors such as aviation, retail, tourism, catering, etc, the spokesman said.

"The national security law will ensure that Hong Kong does not become a base for subversion and instability, but rather a safe, stable and welcoming city for people from all over the world."

The spokesman welcomed the Chamber's statement urging the US Administration to "continue to prioritise the maintenance of a positive and constructive relationship between the United States and Hong Kong". We hope

that the Chamber will also urge Washington to de-escalate its attacks on the NPC's deliberation on the draft Decision.

"Hong Kong and the US have a long history of mutually beneficial co-operation not just in areas of trade, business and investment but also in areas of international importance such as the fight against trans-national organised crime, money laundering, drug trafficking, terrorist financing and smuggling," the spokesman said.

"More than 85 000 US citizens live and work in Hong Kong and there are very deep and broad people-to-people bonds in areas such as education, arts and culture. It is in the interests of both the US and Hong Kong for these links to continue to thrive and deepen.

"In the past decade, the US's trade surplus with Hong Kong has been the biggest among all its trading partners, totaling US\$297 billion from 2009 to 2018. US exports of goods and services to Hong Kong as well as Hong Kong's direct investment in the US supported some 210 000 jobs in the US."

The spokesman said academic freedom was protected by the Basic Law and remained a core value of Hong Kong which welcomes mutually beneficial collaborations with education institutions from the US and the rest of the world.

In the 2018/19 academic year, Hong Kong welcomed over 1 400 exchange students from the US. The Research Grants Council under the University Grants Committee also administers various joint research schemes with international institutions.

"The HKSAR Government is strongly committed to promoting a vibrant international school sector to serve the international including American businesses. Five of the 52 international schools in Hong Kong provide the US curriculum," the spokesman said.

"Any unilateral change of US policy towards Hong Kong would create a negative impact on relations between the two sides as well as harm the US's own interests."