

## LCQ9: Facilitating Hong Kong's integration into Guangdong-Hong Kong-Macao Greater Bay Area

Following is a question by Dr the Hon Lo Wai-kwok and a written reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (November 18):

On facilitating Hong Kong's integration into the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area), will the Government inform this Council:

(1) as the National Development and Reform Commission indicated in July this year that it had agreed to the implementation of a batch of planning proposals concerning intercity rail projects in the Greater Bay Area in an orderly manner, of the Government's plan to conduct discussions with the authorities of Guangdong and Macao on facilitating the linking up of Hong Kong's railway network with the railway networks of the Mainland cities within the Greater Bay Area, as well as strengthening the role of Hong Kong's railway network in the Greater Bay Area;

(2) whether it will discuss with the authorities of Guangdong and Macao the establishment of a managing authority for cross-boundary transport in the Greater Bay Area to coordinate the development and operation of the cross-boundary transport infrastructure (including airports, ports, railways and bridges) in the Area, thereby creating synergy within the region to enable the development of the Greater Bay Area into a world-class transport and logistics hub; if so, of the details; if not, the reasons for that; and

(3) of its plan to discuss with the authorities of Guangdong and Macao the measures to increase the flow of people, goods, capital and information within the Greater Bay Area, including removing the red tape in respect of customs clearance, taxation, flow of personnel and capital, so as to make it more convenient for Hong Kong people to live, work and receive education in the Mainland cities within the Greater Bay Area?

Reply:

President,

After consulting the relevant policy bureaux, our reply to various parts of Dr the Hon Lo Wai-kwok's question is as follows:

(1) The Hong Kong Special Administrative Region (HKSAR) Government has been in contact with relevant Mainland authorities in relation to the Development Plan for Inter-city Railway Links in the Guangdong-Hong Kong-Macao Greater Bay Area (the Development Plan). The projects in the Development Plan mainly aims to enhance rail connection among prefectural-level cities within the

Guangdong Province and include such short-term projects as Shenzhen-Huizhou Intercity Railway and Guangzhou-Guangzhounan Link, connecting to the Shenzhenbei Station and Guangzhounan Station respectively along the Mainland Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL). Passengers can conveniently access the above-mentioned railways through the Hong Kong Section of the XRL and travel to different cities in the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area). The HKSAR Government hopes that the implementation of the Development Plan will further facilitate the public to commute and strengthen the connectivity between Hong Kong and other cities in the Greater Bay Area.

With the commissioning of the Hong Kong Section of the XRL, which connects to the national high-speed rail network, in September 2018, the travelling time between Hong Kong and other cities in the Greater Bay Area has been greatly shortened. The HKSAR Government and MTR Corporation Limited will explore with the relevant Mainland authorities different measures to enhance the XRL service, with a view to strengthening the connectivity between Hong Kong and other cities in the Greater Bay Area.

(2) The Greater Bay Area comprises the two Special Administrative Regions of Hong Kong and Macao, and nine municipalities of Guangdong Province. There are three different jurisdictions with different laws and regulatory regime on traffic and transport matters. The three governments will take forward initiatives within their respective jurisdictions under the principle of "One Country, Two Systems", with a view to improving the overall connectivity among the cities of the Greater Bay Area.

For cross-boundary transport infrastructure projects undertaken in the past, we had set up liaison mechanisms with the relevant Mainland authorities based on the specific circumstances and needs of individual projects. For example, during the implementation of the Hong Kong Section of the XRL, various platforms were set up with the Guangdong Provincial People's Government as well as the China Railway Corporation to sort out the construction and operation arrangements of the project. In the case of the Hong Kong-Zhuhai-Macao Bridge (HZMB), the governments of Guangdong, Hong Kong Special Administrative Region and Macao Special Administrative Region have established the "Joint Works Committee of the Three Governments on the HZMB". The HZMB Authority was established pursuant to Mainland laws as a non-profit-making public institution legal person, operating on a self-financing basis, responsible for monitoring the construction, operation, management and maintenance of HZMB. The HZMB Authority reports to the three governments, and regular meetings have been held among the three governments to monitor the operation of HZMB and the HZMB Authority. For any future cross-boundary transport infrastructure projects, relevant liaison mechanism, which is proven to be pragmatic and effective, could be established having regard to the circumstances of individual projects to coordinate the work of all parties.

As far as ports are concerned, there has been differentiation in functions and rational division of labour among the major ports in the Greater Bay Area driven by their comparative advantages. For instance, Shenzhen and Nansha ports specialise in handling direct cargo given their

proximity to the production base, while Hong Kong Port (HKP) specialises in transshipment with some 60 per cent of our container throughput being transshipment cargo given our strong international liner shipping network. While container terminals in HKP are run by private operators and the port sector is market-driven, we will continue to encourage more collaboration among ports under the Greater Bay Area framework based on the principle of complementarity.

The Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area defined Hong Kong's role as the international aviation hub. To reinforce the Hong Kong International Airport's leading status as an international aviation hub, we have been exploring various means of co-operation with the Mainland airports and enhancing the complementary interaction among airports within the region. The Airport Authority Hong Kong (AA) has been an active participant in the Greater Pearl River Delta (GPRD) A5 Chairmen's Meeting, a forum for the five airports in the region to discuss development needs and concerns, as well as to share experiences and foster collaboration on issues of common interests, and to promote sustainable growth in the air transport sector. AA will continue to explore means to foster closer co-operation with the GPRD airports with a view to capturing the opportunities brought about by the Greater Bay Area development.

(3) The HKSAR Government seeks to facilitate the people of Hong Kong to develop their careers, work and live in the Mainland cities of the Greater Bay Area, as well as to enhance the convenient flow of people, goods, capital, etc. within the region through active participation in the development of the Greater Bay Area. After the two meetings of the Leading Group for the Development of the Guangdong-Hong Kong-Macao Greater Bay Area (Leading Group) in 2019, the Central Government announced a total of 24 policy measures. They included two tax-related measures, namely the method for calculating "183 days" in relation to the paying of individual income tax on the Mainland (that is, any stay of less than 24 hours on the Mainland will not count as a day of presence), and the provision of tax relief by municipal governments to non-Mainland (including Hong Kong) high-end talents and talents in short supply through the offsetting of the tax differential between the two places; measures facilitating clearance and the cross-boundary flows of people and goods, such as expanding the network of Single E-lock Scheme clearance points in the nine Mainland municipalities in the Greater Bay Area, and embarking on immigration facilitation reform pilots schemes in the Greater Bay Area; as well as measures which will further facilitate the flow of capital within the Greater Bay Area, such as the establishment of a cross-boundary wealth management scheme. The development of the Greater Bay Area can offer crucial support for Hong Kong's economic recovery. The HKSAR Government will proactively pursue the detailed implementation of the 24 measures announced after the Leading Group meetings last year and will continue to seek breakthroughs in various policy areas to strengthen Hong Kong's role in taking forward the development of the Greater Bay Area.