

Malicious US attempts to damage Hong Kong's reputation as a global business hub doomed to fail

Implementation of the National Security Law has reinforced Hong Kong's position as an international financial and business hub, despite repeated attempts by the US Administration to slander the legislation over the last year, a Government spokesman said today (July 17).

"The US Administration's latest attempt to issue a so-called 'advisory' to US businesses and individuals operating in Hong Kong based on totally ridiculous and unfounded fear-mongering about the situation in Hong Kong only serves to prove yet again its hypocrisy and double standards, driven by ideological hegemony," the spokesman said.

"The main victims of this latest fallout will sadly be those US businesses and US citizens who have taken Hong Kong as their home."

Contrary to the US Administration's allegation, developments since implementation of the National Security Law are characterised by safety, security and stability. Business confidence has been restored when their operations are no longer under the threat of terrorist acts, street violence and personal intimidation. Such sentiments are widely reported at seminars, opinion surveys and press articles by community leaders on the first anniversary of the enactment of the National Security Law.

"Article 1 of the National Security Law passed by the Standing Committee of the National People's Congress on June 30 last year states, first and foremost, that the purpose of enacting the National Security Law is to ensure the full and faithful implementation of the policy of 'One Country, Two Systems', 'Hong Kong people administering Hong Kong' and the Hong Kong Special Administrative Region (HKSAR) enjoying a high degree of autonomy; safeguarding national security; and maintaining prosperity and stability of the HKSAR. Referring to such acts of the Central Authorities over Hong Kong as 'oppressive actions' is a fallacy that could hardly stand up to challenge. Indeed, safeguarding the country's sovereignty, security and development interests is the constitutional responsibility of the HKSAR," the spokesman said.

Facts speak louder than words. The National Security Law is the major turning point in Hong Kong's transition from chaos to order. Its effect in stabilising society is indisputable. Over the year-long period before the implementation of the National Security Law, the Hong Kong community was badly traumatised. Organisations advocating "Hong Kong independence" and "self-determination" blatantly challenged the authority of the Central Authorities and the HKSAR Government. Terrorist activities were orchestrated by radicals. Public facilities were vandalised with violence and enforcement

actions by the Police were obstructed. Anti-China factions colluded with foreign or external forces to interfere into the affairs of China and the HKSAR, and mobilised international forces to impose sanctions on Hong Kong, totally disregarding the interests of the country and Hong Kong people and seriously endangering national security. After the implementation of the National Security Law, stability has been restored in society and Hong Kong people can once again enjoy their legitimate rights and freedoms.

Facts speak louder than words. The rule of law and judicial independence in Hong Kong after the implementation of the National Security Law are as robust as ever. The Judiciary of the HKSAR operates independently as in the past, exercising the independent judicial power enshrined in the Basic Law. The Chief Executive continues to appoint senior and prominent judges from overseas common law jurisdictions as non-permanent judges of the Court of Final Appeal on the recommendations of the Judicial Officers Recommendation Commission as stipulated in the Basic Law. In the past year, one distinguished judge from the United Kingdom was newly appointed, and three other overseas judges have agreed to extend their service. At present, we have a total of 13 non-permanent judges of the Court of Final Appeal from other common law jurisdictions. The willingness of these distinguished judges to participate in the work of the Hong Kong courts is the best evidence of Hong Kong's judicial independence.

Facts speak louder than words. Under the National Security Law, Hong Kong's status as an international financial centre has not wavered at all. In the past 12 months, the IPO funds raised in Hong Kong exceeded HK\$500 billion, representing an increase of more than 50 per cent compared to the previous 12 months. The linked exchange rate system has, as always, worked well. The Hong Kong dollar market recorded net capital inflows in 2020. In the four months from the implementation of the National Security Law in July to October last year, the amount of funds flowing into the Hong Kong dollar system exceeded HK\$300 billion. The total deposits in the Hong Kong banking system have increased by more than five per cent over last year, while the net asset value of funds management in Hong Kong at the end of last year also increased by some 20 per cent over the end of 2019. These figures clearly show that investors have not been deterred by the National Security Law.

"All in all, the cornerstone of Hong Kong's success remains intact. The defamatory remarks in the US 'advisory' that US businesses maintaining a presence or staff in Hong Kong should consider the potential reputational, economic and legal risks could hardly be substantiated."

The spokesman said that we had reason to believe that foreign politicians who continue to query and smear the National Security Law despite the clear evidence were motivated by a broader geopolitical agenda to suppress China.

"The latest moves by the US are a continuation of US' blatant interference in the internal affairs of the People's Republic of China and the HKSAR. In doing so, the US is clearly breaching not only the principle of

non-intervention under international law but also the principle of sovereign equality which expressly sets out that the territorial integrity and political independence of the State are inviolable.

"As a free and open economy as well as an international city, Hong Kong will continue to welcome overseas businesses, including US businesses, to set up offices in Hong Kong and to use Hong Kong as their regional headquarters or regional offices. The abundant opportunities arising from the Nation's 14th Five-Year Plan, in particular the support given to Hong Kong and the Guangdong-Hong Kong-Macao Greater Bay Area are certainly appreciated by the international business community in Hong Kong as illustrated in their recent words and deeds about the business environment.

"Hong Kong has not been undermined by the National Security Law. On the contrary, it has become stronger, better and more attractive to businesses. Continuous pressure from the US is not going to hamper those prospects," the spokesman said.

The HKSAR Government also strongly condemns the so-called sanctions imposed on the seven deputy directors of the Central People's Government Liaison Office in Hong Kong.