

Speech by SCMA at SCMP China Conference: Greater Bay Area (English only)

Following is the speech by the Secretary for Constitutional and Mainland Affairs, Mr Patrick Nip, at "SCMP China Conference: Greater Bay Area" this morning (August 28):

Gary (Chief Executive Officer of the South China Morning Post, Mr Gary Liu), Tammy (Editor-in-Chief of the South China Morning Post, Ms Tammy Tam), distinguished guests, ladies and gentlemen,

Good morning. It gives me great pleasure to join you all in today's SCMP China Conference, and to share with you a few thoughts on Hong Kong's participation in the Guangdong-Hong Kong-Macao Greater Bay Area or the GBA in short.

With the promulgation of the Outline Development Plan by the Central Government in February this year, the world has turned their eyes to this GBA, eager to explore the opportunities arising from its development. Indeed, the GBA represents an enormous market with a population of 71 million and a gross domestic product of US\$1.6 trillion. As one of the most open and economically vibrant regions in China, the GBA is well placed to give new impetus to Hong Kong's development.

Hong Kong has been actively participating in the formulation of the Outline Development Plan. One of the six Basic Principles is to adhere to "one country, two systems" and act in accordance with the law. Hong Kong's role in the GBA is very clear. As stated in the Outline Development Plan, we shall strive to consolidate and enhance Hong Kong's status as an international financial, transportation and trade centre as well as an international aviation hub, strengthen our status as a global offshore RMB business hub and our role as an international asset management centre and a risk management centre, promote the development of high-end and high value-added financial, commercial and trading, logistics and professional services, etc, make great efforts to develop the innovation and technology industries, nurture emerging industries, establish Hong Kong as the centre for international legal and dispute resolution services in the Asia-Pacific region, and develop into an international metropolis with enhanced competitiveness. Hong Kong is a highly open and international city equipped with a facilitating business environment, robust rule of law and an independent judiciary. Leveraging on our strengths, we can help bring in foreign investments and know-how to the GBA, and join hands with Mainland enterprises to develop markets and explore opportunities overseas.

What is so unique about the Greater Bay Area? There are "one country, two systems", three separate customs territories and three currencies in this GBA, which is unprecedented around the world. The Central Government has

therefore set up a high-level Leading Group – chaired by Vice Premier Han Zheng and with the Chief Executives of the Hong Kong and Macao SARs as members – to co-ordinate and steer the development of the GBA. The Leading Group had held two meetings over the past year or so. The governments of Guangdong, Hong Kong and Macao have also set up their own institutions and co-ordination mechanisms with a view to exploring policy breakthroughs and innovation.

Numerous measures have been announced to support the GBA's development into an international innovation and technology (I&T) hub, including supporting higher education institutions and scientific research institutes from Hong Kong and Macao to participate in projects under Guangdong technology programmes. There were also measures to facilitate the movement of people and goods within the GBA, including the introduction of residence permits, the new calculation method of "183 days" for paying Mainland income tax, providing tax relief to high-end talents, facilitating cross-boundary vehicles entering and exiting Mainland ports, and expanding the implementation of the Speedy Customs Clearance Scheme (i.e. the Single E-Lock Scheme).

If I have to summarise "Greater Bay Area" in one word, "innovation" is definitely the key. With innovative minds, we can surely overcome the challenges arising from the institutional differences among the three places. In fact, innovation and technology is among the top policy agenda of the Chief Executive. Hong Kong has a solid foundation to support developing the GBA into an international I&T hub. We have top-notch tertiary institutions, a robust intellectual property regime, advanced financial infrastructure, free flow of information and a vibrant business environment. The current-term Government has also invested over HK\$100 billion on this front. For example, a \$20 billion of funding is reserved to develop the Lok Ma Chau Loop into the Hong Kong-Shenzhen Innovation and Technology Park, and a \$10 billion has been set aside to support non-profit-making scientific research institutions to be set up at the two InnoHK research clusters on healthcare and on artificial intelligence and robotics, etc. The substantial resources invested speak for our commitment and determination.

We have also been encouraging young people to understand and explore the opportunities in the GBA, including setting up their own business in the GBA. For instance, the Government introduced two new funding schemes under the Youth Development Fund to further support youth entrepreneurship, and Guangdong has also developed a series of youth entrepreneurial bases while offering concessionary policies for aspiring entrepreneurs from Hong Kong.

To attract foreign capital and talents, we have also been joining hands with Guangdong and Macao to promote the GBA overseas. We have so far conducted joint-promotional activities in Paris last year and in Tokyo in April this year, and we are planning for similar overseas promotion in 2020.

Ladies and gentlemen, the Greater Bay Area is a key development strategy of our country. It has now entered into the stage of full-fledged implementation. National leaders are committed to the further opening up and deepening reform of the country. Taking forward the GBA development is surely

a key initiative in this respect in the coming decades. New cross-boundary infrastructure like the Guangzhou-Shenzhen-Hong Kong Express Rail Link (Hong Kong Section) and the Hong Kong-Zhuhai-Macao Bridge has made it more convenient for people to travel, to work, to do business and to live within the GBA. The GBA can help identify new areas of growth for the Hong Kong economy, while allowing us to serve the country's needs with our strengths.

The Government will work in earnest with our community for a peaceful environment, so that various sectors – including enterprises, professional sectors and our fellow citizens – can join hands in grasping the immense opportunities ahead. The Government will endeavour to play the roles of facilitator and promoter to help Hong Kong take part in the development of the GBA, allowing everyone in Hong Kong to benefit from the GBA in the years to come.

Thank you.