Update on Hong Kong’s Participation in the Development of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA)

Background

1. With a population exceeding 72 million and a gross domestic product of approximately US$1.7 trillion in 2019, the GBA is one of the most open and economically vibrant regions in China, providing enormous opportunities and huge development potential.

2. An Outline Development Plan (ODP) for the GBA was promulgated in February 2019, setting out key guiding principles for the all-round development of the GBA up to 2035. The objectives of the development of the GBA are to further deepen cooperation amongst Guangdong, Hong Kong and Macao, promote coordinated regional economic development, leverage complementary advantages, and develop an international first-class bay area for living, working and travelling. With the full support of the Central Government, the Hong Kong SAR will capitalise on the opportunities brought about by the development of the GBA and proactively integrate into the overall national development, thereby expanding Hong Kong’s scope of development and generating new impetus for growth.

Hong Kong’s Position and Participation in the GBA

3. Hong Kong is named in the ODP as one of the four cities (alongside Macao, Guangzhou and Shenzhen) in the GBA serving as “core engines” to drive regional development. The roles of Hong Kong are stipulated in the ODP as follows:

“Hong Kong. To consolidate and enhance Hong Kong’s status as international financial, transportation and trade centres as well as an international aviation hub, strengthen its status as a global offshore
Renminbi business hub and our role as an international asset 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 itself as the centre for international legal and dispute resolution services in the Asia-Pacific region, and develop into an international metropolis with enhanced competitiveness.”

4. In this connection, a total of 24 policy measures (see Annex 1) were announced after the two meetings of the Leading Group for the Development of the Guangdong-Hong Kong-Macao Greater Bay Area (Leading Group) held in March and November 2019. The 24 policy measures cover a wide range of issues including cross-boundary travelling and banking, tax relief, customs clearance for goods, innovation and technology, education and research, professional services, and financial services. Following the announcement, the HKSAR Government has worked closely with relevant central ministries and the governments of Guangdong and Macao to secure the early implementation of these measures. By now, many of the measures, such as the method for calculating “183 days” in relation to the paying of individual income tax in the Mainland cities of the GBA (that is, any stay of less than 24 hours on the Mainland will not count as a day of presence), the provision of tax relief to non-Mainland (including Hong Kong) high-end talents and talents in short supply, encouraging innovation and entrepreneurship by young people of Hong Kong and Macao in the nine Mainland cities of the GBA, supporting higher education institutions and research institutes from Hong Kong and Macao to participate in Guangdong technology projects, and expanding the applicability of the “Single E-lock Scheme” to all Mainland cities in the GBA have been fully implemented. The HKSAR Government will continue

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1 The Leading Group is a high-level coordinating body chaired by Vice Premier Han Zhang to coordinate and steer the development of the GBA. The Chief Executives of the Hong Kong and Macao Special Administrative Regions, the Party Secretary and Governor of Guangdong, as well as senior representatives of central ministries are members. Three meetings were held on 15 August 2018, 1 March 2019 and 6 November 2019 respectively.

2 The “Single E-lock Scheme” is a facilitation measure introduced under the Intermodal Transhipment Facilitation Scheme by Customs & Excise Department together with the Mainland Customs in March 2016. With the use of one single e-lock and the technology of the global positioning system as accredited by both Customs authorities, duplicate inspection on the same shipment by both customs authorities at the boundary can be reduced, which helps to streamline the clearance process and expedite the flow of transhipment cargoes between Hong Kong and the Mainland.
to follow up with relevant central ministries and the governments of Guangdong and Macao on the implementation of the remaining policy measures.

**Key Work Priorities in 2021**

5. In her 2020 Policy Address delivered last November, the Chief Executive has set out 21 major measures to further promote HKSAR’s participation in the GBA development (see Annex 2), as well as to fully utilise Hong Kong’s unique strengths under "one country, two systems" in our participation in the China’s new development pattern of “dual circulation”.

6. For instance, on financial services, the HKSAR Government will continue to develop Hong Kong into a broader and deeper fundraising platform. At the same time, we will strengthen mutual market access with the Mainland, expedite the implementation of the two-way cross-boundary wealth management connect pilot scheme (Wealth Management Connect) and strive for the early establishment of after-sales service centres by the Hong Kong insurance industry in the Mainland cities of the GBA.

7. On innovation and technology, with the full support of the Central Government, we will continue to actively participate in the development of the GBA into an international innovation and technology hub. We will explore measures to facilitate the cross-boundary flow of innovation elements, such as talent, capital, information and technologies, strengthen international innovation and technology cooperation, develop high quality technological infrastructure and innovation platforms, including the development of the Hong Kong-Shenzhen Innovation and Technology Park in the Lok Ma Chau Loop in full swing.

8. The HKSAR Government also seeks to support Hong Kong enterprises in gaining access to the Mainland domestic markets, for example, helping them better leverage e-commerce platforms on the Mainland for promotion through both online and offline modes. In this connection, the Hong Kong Trade Development Council (HKTDC) will launch a one-stop “GoGBA” platform in collaboration with the Guangdong Province and related chambers of commerce to provide multi-faceted support for Hong Kong enterprises, including market information on the GBA and related government policies, enquiry service and training, as well as business
promotion, development and matching services. InvestHK, together with their counterparts from other cities of the GBA, will also establish the Pan-Greater Bay Area Inward Investment Liaison Group to develop holistic and joint inward investment propositions with a view to enhancing synergy.

9. The HKTDC will help Hong Kong enterprises gain access to the large-scale e-commerce platforms in the Mainland through the provision of training and the operation of the “Online Design Gallery”, as well as promoting the awareness and image of Hong Kong products on these platforms. Besides, the HKTDC will also use its physical network in the Mainland cities of the GBA to provide business support for Hong Kong enterprises in handling operational issues such as import declaration, logistics and settlement of payment.

10. In addition, to encourage and support young people in Hong Kong to work and develop their career in the Mainland cities of the GBA, the HKSAR Government has launched the GBA Youth Employment Scheme under which enterprises with businesses in both Hong Kong and the Mainland cities of the GBA are encouraged to employ university graduates from Hong Kong and station them to work in the Mainland cities of the GBA. There are 2 000 places under the scheme. The Scheme has received active support from many employer associations and enterprises upon its launch. As of 2 March 2021, over 200 companies have registered with the secretariat of the scheme their interest in participating in the programme. At the same time, the secretariat has received more than 1 500 job vacancies. After vetting, the relevant vacancies have been uploaded to the scheme’s dedicated website progressively starting from 21 January for eligible young people to apply.

Publicity Efforts

11. The GBA development is a huge market with enormous potential for businesses. To foster active participation in the development of the GBA in the community, the HKSAR Government has set up the GBA Development Office to strengthen liaison with local, Mainland and overseas stakeholders. The office has launched a series of publicity efforts to increase understanding and interest in the development of the GBA amongst various
sectors of society, including disseminating the latest updates about the GBA development via our dedicated website (www.bayarea.gov.hk) and social media platforms (including official Facebook and Instagram pages (@hk.bayarea) and a WeChat official account (HKCMAB)), and publicising through TV and radio announcements of public interest and TV programmes. We also organise large-scale events locally (for example, the “Symposium on the ODP” of 21 February 2019 and the “International Forum on the GBA” of 24 October 2019) and overseas – including joining hands with Guangdong and Macao Government as we did in in Paris in 2018 and in Tokyo in 2019 to reach out to overseas stakeholders. We will consider resuming the organisation of these promotional events when the situation of the pandemic stabilises and will continue to jointly organised GBA themed seminar cum webinar with our overseas Economic and Trade Offices similar to the one held recently in Sydney, Australia.

Constitutional and Mainland Affairs Bureau
The Government of the HKSAR
March 2021
Policy Measures Announced after the Two Leading Group Meetings in 2019

(A) Policy Measures Benefiting Individuals

1. The method for calculating “183 days” for paying 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)

2. Providing tax relief by municipal governments to non-Mainland (including Hong Kong) high-end talents and talents in short supply by offsetting the tax differential between the two places

3. Supporting the open recruitment of Hong Kong and Macao residents by public institutions in the GBA

4. Encouraging innovation and entrepreneurship in the nine Mainland cities of the GBA by the youth of Hong Kong and Macao

5. Introducing immigration facilitation reform pilots schemes in the GBA

6. Facilitating vehicles from Hong Kong and Macao entering and exiting Mainland ports

7. Facilitating property purchases by Hong Kong residents in the Mainland cities of the GBA

8. Supporting the use of mobile electronic payment by Hong Kong residents on the Mainland

9. Pilot scheme for Hong Kong residents to open Mainland personal bank accounts in the GBA remotely by attestation

10. Ensuring that the children of Hong Kong and Macao residents enjoy the same education as those of Mainland residents
11. Exploring the establishment of a cross-boundary wealth management scheme

12. Facilitating non-Chinese Hong Kong permanent residents to travel to and from the Mainland cities in the GBA

13. Permitting the use of Hong Kong-registered drugs and common medical devices in designated Hong Kong-owned healthcare institutions in the GBA

(B) Policy Measures Facilitating the Development of Businesses and Professional Sectors

14. Expanding the implementation scope of the connection with the Speedy Customs Clearance between Customs administrations

15. Measures on partnership associations by Hong Kong and Mainland law firms, legal consultants and special examination

16. Further extending the scope of mutual recognition of qualifications for construction professionals

17. Expanding the scope of liberalisation measures for construction professionals from Hong Kong and Macao to practise on the Mainland

18. Preferential treatment on insurance regulation

19. Removing the requirement on years of operating experience for Hong Kong service suppliers to provide insurance loss adjusting services on the Mainland

20. Supporting bond market development in Hong Kong and Macao (catastrophe bonds)

(C) Policy Measures Promoting Development of Innovation and Technology

21. Supporting higher education institutions and scientific research institutes from Hong Kong and Macao to participate in projects under
Guangdong technology programmes

22. Supporting the development of the Shenzhen-Hong Kong Innovation and Technology Co-operation Zone

23. Facilitating customs clearance of imported animal-derived biomaterials

24. Relaxing the limitation on exporting Mainland human genetic resources to Hong Kong and Macao
Annex 2

Major Policy Initiatives Relating to the GBA
in the Chief Executive’s 2020 Policy Address

(A) Finance

1. Expediting the implementation of the cross-boundary wealth management connect scheme

2. Expanding gradually the scope of eligible securities under the mutual market access programmes and accelerating the pace of the inclusion of pre-profit biotechnology companies listed in Hong Kong and stocks listed on the Mainland Sci-Tech Innovation Board meeting certain prescribed criteria in the scope of eligible securities under the programmes

3. Supporting Hong Kong’s insurance industry in establishing after-sales service centres in the Mainland cities of the GBA

(B) Mainland Domestic Market

4. Launching a one-stop “GoGBA” platform in collaboration with Guangdong Province and related chambers of commerce to provide multi-faceted support for Hong Kong enterprises

5. Operating the “Online Design Gallery” to help Hong Kong enterprises gain access to the large-scale e-commerce platforms on the Mainland

6. Establishing the Pan-Greater Bay Area Inward Investment Liaison Group to enable InvestHK and its counterparts in other cities in the GBA to develop holistic and joint inward investment propositions

7. Setting aside $50 million under the Professional Services Advancement Support Scheme to subsidise major professional bodies to participate in relevant activities organised by the HKSAR Government, the HKTDC and overseas Economic and Trade Offices
(C) **Youth**

8. Launching the GBA Youth Employment Scheme to encourage enterprises with operation in both Hong Kong and the GBA to recruit and deploy local university graduates to work in the Mainland cities of the GBA

9. Rendering better entrepreneurial support and incubation services to Hong Kong young people who intend to start their businesses in Hong Kong and the Mainland cities of the GBA, and further addressing their initial capital needs through the Funding Scheme for Youth Entrepreneurship in the GBA under the Youth Development Fund

10. Establishing the Alliance of Hong Kong Youth Innovative and Entrepreneurial Bases in the GBA to serve as a one-stop information, publicity and exchange platform to further support innovation and entrepreneurship by Hong Kong youth in the GBA

(D) **Innovation and Technology**

11. Establishing “one zone, two parks” at “one river, two banks” under the auspices of “One Country, Two Systems” to take forward the joint development of the Shenzhen/Hong Kong Innovation and Technology Co-operation Zone

12. Relaxing the limitation on exporting Mainland human genetic resources to Hong Kong for research purposes

(E) **Aviation**

13. Developing automated car parks on the Hong Kong Boundary Crossing Facilities Island of the Hong Kong-Zhuhai-Macao Bridge

14. Taking forward the Airport City Link project

15. Strengthening cooperation in aviation through the Airport Authority Hong Kong injecting equity in Zhuhai Airport on the basis of market principles for achieving greater synergy between the two airports
(F) Interconnectivity across the Boundary

16. Facilitating Hong Kong private cars travelling to Guangdong via the Hong Kong-Zhuhai-Macao Bridge

17. Exploring with the Shenzhen Municipal Government on the implementation of co-location arrangements at the new Huanggang Port situated in Shenzhen to release over 20 hectares of land in Hong Kong’s Lok Ma Chau Control Point for other uses

18. Extending the operation hours of the Shenzhen Bay Control Point to 24 hours a day

(G) Quality Living Circle

19. Supporting and assisting various universities in Hong Kong in their plans to provide education services in the GBA

20. Permitting the use of Hong Kong-registered drugs and common medical devices in designated Hong Kong-owned healthcare institutions in the Mainland cities of the GBA

21. Allowing traditional proprietary Chinese medicine products for external use registered in Hong Kong to be registered and sold in the GBA through a streamlined approval process