

Hong Kong's role in the National 14th Five-Year Plan

Overview

The Outline of the **14th Five-Year Plan for National Economic and Social Development of the People's Republic of China and the Long-Range Objectives Through the Year 2035** (14th Five-Year Plan), formally approved by the National People's Congress on March 11, 2021, provides a blueprint and action agenda for national development, covering 2021-2025. It sets out the role and positioning of Hong Kong in the overall development of the country, which presents room for development and opportunities in various areas of particular importance.

How the 14th Five-Year Plan relates to Hong Kong

Maintaining Hong Kong's long-term prosperity and stability

- Fully and faithfully implement the principle of "one country, two systems", "Hong Kong people administering Hong Kong" and a high degree of autonomy, uphold that Hong Kong be administered in strict accordance with the law; uphold the constitutional order as enshrined in the Constitution and the Basic Law, uphold the Central Authorities' overall jurisdiction over the Hong Kong Special Administrative Region (HKSAR).
- Implement the legal system and enforcement mechanisms for the HKSAR to safeguard national sovereignty, security and development interests of the nation and the social stability of the HKSAR, and resolutely prevent and curb interference by external forces in the affairs of Hong Kong.
- Support Hong Kong to reinforce and enhance its competitive advantages and to better integrate into the overall development of the country.

Reinforcing and enhancing Hong Kong's competitive advantages

- Continue to support the "four **traditional** centres" of Hong Kong, namely International Financial Centre; International Transportation Centre; International Trade Centre; and Centre for International Legal and Dispute Resolution Services in the Asia-Pacific Region.
- Raise for the first time support for Hong Kong to enhance, establish and develop the "four **emerging** centres", namely International Aviation Hub; International Innovation and Technology (I&T) Hub; Regional Intellectual Property (IP) Trading Centre; and East-meets-West Centre for International Cultural Exchange.

Taking forward the development of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA)

- Actively supporting Hong Kong to better integrate into the overall development of the country via the GBA.
- Strengthen the co-ordinated development of industry, education and research in Guangdong, Hong Kong and Macao, improve the "two corridors and two poles" framework system, promote the setting up of an integrated national science centre, and facilitate cross-boundary exchanges

of innovative elements.

- Accelerate the construction of intercity railways, co-ordinate the functional distribution of ports and airports, and optimise the distribution of navigation and aviation resources.
- Deepen the reform on the mode of boundary clearance and facilitate the efficient flow of people, goods and vehicles.
- Extend mutual recognition of professional qualifications between the Mainland and Hong Kong as well as Macao, and strengthen regulatory interface and connectivity in key areas.
- Facilitate young people in Hong Kong to study, work and start a business in the Mainland cities of the GBA, and establish a brand of quality exchanges among the young people of Guangdong, Hong Kong and Macao.
- Deepen and widen mutual access between the financial markets of the Mainland and Hong Kong.
- Deepen Guangdong-Hong Kong-Macao co-operation and Pan-Pearl River Delta regional co-operation, and promote the development of major platforms for Guangdong-Hong Kong-Macao co-operation including Qianhai in Shenzhen, Hengqin in Zhuhai, Nansha in Guangzhou, the Shenzhen-Hong Kong Loop, etc.
- Strengthen exchanges and co-operation between the Mainland and Hong Kong on different fronts.

Opportunities for Hong Kong under 14th Five-Year Plan

The 14th Five-Year Plan underscores a commitment to the **“dual circulation”** concept for economic development, driven by reform and innovation, led by quality supply and creating new demand, with the domestic market as the mainstay, while enabling domestic and foreign markets to interact positively with each other.

Hong Kong will proactively become a **“participant” in domestic circulation** and a **“facilitator” of international circulation** in the “dual circulation” development strategy.

The Government will continue to formulate and implement various policy measures, make good use of Hong Kong's connectivity with the Mainland and international markets, and leverage the enormous opportunities presented by the GBA development and the Belt and Road Initiative to contribute to the economic development and opening up of the country.

The Government established the **Steering Group on Integration into National Development** in December 2022, chaired by the Chief Executive and with three Secretaries of Departments as deputies. The steering group provides steer on the policies and measures for promoting Hong Kong's active integration into national development, including to actively dovetail with national strategies such as the National 14th Five-Year Plan, the Guangdong-Hong Kong-Macao Greater Bay Area development and high-quality development of the Belt and Road Initiative, and strengthen regional co-operation with the Mainland.

Four traditional sectors continue to be enhanced

- **International Financial Centre**
 - Strengthening Hong Kong's status as a global offshore Renminbi business hub, an

international asset management centre and a risk management centre.

- Deepening and widening of mutual access between the financial markets of Hong Kong and the Mainland.
- Developing Hong Kong into a green finance centre and promoting the ecological conservation and green development of the country.
- I&T to act as a strong driving force for the development of the financial sector, assuring the progress already made: home to more than 800 fintech companies and start-ups; eight virtual banks and four virtual insurers; launch of the Faster Payment System.
- Continuing to promote the cross-boundary application of fintech in Hong Kong and the Mainland, so as to reinforce Hong Kong's status as a leading fintech hub.

➤ **International Transportation Centre**

- Leveraging on Hong Kong's strength as an international maritime centre to facilitate the development of a world-class port cluster in collaboration with other cities in the GBA.
- Promoting the development of the maritime and logistics industry in accordance with the country's plans and needs, especially the development of high value-added maritime and logistics services (ship management, ship finance and leasing, marine insurance, maritime law and dispute resolution services, etc.).
- Actively promoting the development of smart initiatives and digitalisation in the maritime industry, as well as facilitating the transformation towards green shipping, with a view to maintaining Hong Kong's competitive advantage and consolidating its status as an international maritime centre.
- Enhancing the services and coverage of the Hong Kong Shipping Registry and introducing incentives to attract shipowners to register ships in Hong Kong extensively.

➤ **International Trade Centre**

- Tapping into the business opportunities and the next golden decade brought about by the twin engines of the country's economic development in the GBA development and the high-quality development under the Belt and Road Initiative.
- Introducing more liberalisation measures under the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) framework.
- Striving to establish and maintain close and stable economic and trade relations with trading partners around the world and forging free trade agreements and investment agreements, as well as expanding the network of the overseas Hong Kong Economic and Trade Offices.

➤ **Centre for International Legal and Dispute Resolution Services in the Asia-Pacific Region**

- Further enhancing the work with the Mainland on judicial and dispute resolution matters in civil and commercial cases, as well as strengthening international and regional legal co-operation.
- Continuing to strengthen and promote Hong Kong's deal-making and dispute resolution services in the GBA and along the Belt and Road regions.
- Promoting lawtech by supporting the development of Hong Kong's Legal Cloud provided by eBRAM Centre and supporting eBRAM Centre to become a service provider under the APEC online dispute resolution framework.

Four emerging sectors to enhance and develop

➤ **International Aviation Hub**

- Hong Kong International Airport (HKIA) is consistently rated as one of the best and busiest in the world. In 2023, the HKIA handled 40 million passengers and 4.3 million tonnes of cargo.
- After the full commissioning of the Three-Runway System currently under construction, HKIA's annual passenger and cargo handling capacities are expected to increase to around 120 million and 10 million tonnes respectively in 2035.
- Various development projects, such as the automated carparks at the Hong Kong Port (HKP) Island of the Hong Kong-Zhuhai-Macao Bridge; the Airportcity Link connecting the Airport Island and the HKP Island and the Airport Tung Chung Link, its extension to Tung Chung; together with the HKIA's Three-Runway System; the premium logistics centre; the SKYCITY project as well as the expansion of AsiaWorld-Expo, will transform the airport and its vicinity into an "Airport City".
- Hong Kong will take forward the development of intermodal transport in collaboration with other GBA cities to boost overall competitiveness and connectivity in passenger and cargo services.
- With the focus on current major routes and potential routes along the Belt and Road, Hong Kong's aviation network with the respective countries will be expanded.

➤ **International I&T Hub**

- Committed over HK\$210 billion (about US\$26.8 billion) in recent years and rolled out a series of measures to develop I&T.
- Gross Domestic expenditure on Research and Development increased to HK\$30.138 billion in 2022 (about US\$3.85 billion).
- Collaborating with other GBA cities, in particular with Shenzhen on the I&T front, to develop the GBA into an international I&T hub.
- Pressing ahead with the development of the Hong Kong-Shenzhen Innovation and Technology Park (HSITP), with the first three buildings in batch one under the first phase of the HSITP to be completed in phases from the end of 2024.
- The HSITP and areas around Lok Ma Chau/San Tin consolidated to form the San Tin Technopole which is strategically positioned to be a hub for clustered I&T development that creates synergy with Shenzhen.
- Exploring measures to facilitate cross-boundary flow of innovation elements.
- Number of local start-ups increased by over 30% from about 3,200 in 2019 to close to 4,300 in 2023; number of local start-up employees increased by over 30% from about 12,500 to about 16,500 during the same period.
- Hong Kong has so far witnessed the birth of over 10 "unicorns".

➤ **East-meets-West Centre for International Cultural Exchange**

- With its strategic location at the heart of Asia, Hong Kong will continue to be an important place for connecting cities and countries, providing a hub for different cultures to meet, collaborate and evolve.

- Fostering closer partnerships with world-class cultural institutions. Hong Kong hosted the Mid-year Congress of the International Society for the Performing Arts in May 2022 - the first Asian city hosting the congress twice. Through activities including panel discussions, talks, performance showcases and "Pitch New Works" sessions, the Congress represented a strategic platform for artistic exchange and creation as well as an important milestone in the cultural development of Hong Kong.
- Promoting cultural exchange activities with the Mainland (including the GBA) and overseas to enhance local and international appreciation of Chinese culture through various cultural activities.
- West Kowloon Cultural District (WKCD) is one of the world's largest cultural infrastructure projects. Blending traditional local culture with international and contemporary elements, WKCD showcases the unique identity of Hong Kong as a metropolis where East meets West, and establishes Hong Kong as one of the most vibrant arts and cultural hubs in the world.
- WKCD offers world-class integrated arts and cultural facilities, including the M+ global museum of modern and contemporary visual culture and Hong Kong Palace Museum which showcases the finest objects from the Palace Museum in Beijing.

➤ **Regional IP Trading Centre**

- Intensifying efforts on all fronts to promote the city as an IP trading centre in the region.
- Strengthening collaboration with the Mainland and Macao authorities on IP protection, management and commercialisation to help businesses and professional services providers leverage the opportunities offered by the GBA development and take advantage of Hong Kong's IP scene to enter new markets.
- Further enhancing the Copyright Ordinance with a view to keeping the copyright regime robust and competitive.
- Further developing the "original grant patent" system, strengthening and enlarging the patent examination team to progressively enhance the capability for substantive examination; planning for the introduction of regulatory arrangements for local patent agent services with the aim of enhancing professionalism; and striving actively to establish a World Intellectual Property Organization Technology and Innovation Support Centre in Hong Kong to strengthen industry support and professional exchanges.
- Fostering IP trading, including implementing the "patent box" tax incentive to substantially reduce the tax rate for profits derived from qualifying IP to 5%, with the aim to encourage research and development and commercialisation transactions; and enriching the Hong Kong International Film and TV Market, Hong Kong International Licensing Show and Hong Kong Book Fair, as well as the Asia IP Exchange portal, with more trading elements.
- Continuing to forge ahead with the preparatory work to implement the international registration system under the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks.

Developing a high-quality GBA

- Strengthening exchanges and co-operation between Hong Kong and the Mainland on different fronts, including financial services, trade and commerce, I&T, aviation etc. to leverage complementary advantages and promote co-ordinated regional economic development.

- As a major Guangdong-Hong Kong-Macao co-operation platform, the Hong Kong-Shenzhen Innovation and Technology Park at the Lok Ma Chau Loop will be an important engine for Hong Kong to take forward the development of an international I&T hub in the GBA.
- Facilitating Hong Kong enterprises to make good use of opportunities in the GBA and tap the Mainland domestic market, including launching the GoGBA one-stop platform to provide market information on the GBA and related government policies as well as training and business promotion, development and matching services.
- Taking forward the implementation of various facilitation measures including tax concessions, facilitation of property purchase, and liberalisation of the legal and construction professional services, which have greatly helped Hong Kong residents and professionals to reside, work and develop in the Mainland cities of the GBA.
- Launching various schemes, including the GBA Youth Employment Scheme and the Funding Scheme for Youth Entrepreneurship in the GBA to give Hong Kong's young people opportunities to develop their skills and potential in the Mainland cities of the GBA.

Social Development

- Improving policy measures to enable Hong Kong residents to develop and live in the Mainland.
- Strengthening education on the Constitution and the Basic Law and national development, and enhancing national awareness and patriotism among Hong Kong people.

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