

# 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.

### **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 600 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 conducting policy studies, as well as facilitating the development of smart port and digitalisation in shipping, with a view to maintaining Hong Kong's competitive advantage and consolidating its status as an international maritime centre.
- Expanding the overseas service network of the Hong Kong Shipping Registry to better support Hong Kong registered ships.

➤ **International Trade Centre**

- Tapping into the business opportunities brought about by the twin engines of the country's economic development in the Belt and Road Initiative and the GBA development.
- 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 2019, the HKIA handled 71.5 million passengers and 4.8 million tonnes of cargo and airmail.
- 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.

- The development of the Hong Kong Boundary Crossing Facilities Island of the Hong Kong-Zhuhai-Macao Bridge, together with the HKIA's Three-Runway System, the premium logistics centre, the SKYCITY project and the future development of AsiaWorld-Expo on the Airport Island, will transform the area into an "Airport City".

#### ➤ **International I&T Hub**

- The current-term Government has committed over \$150 billion (about US\$19.2 billion) and rolled out a series of measures to develop I&T.
- Gross Domestic expenditure on Research and Development increased to HK\$26.554 billion in 2020 (about US\$3.4 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 batch of eight buildings expected to be completed in phases starting from end-2024.
- To consolidate the HSITP and areas around Lok Ma Chau/San Tin to form the **San Tin Technopole** which, together with the Shenzhen I&T zone, will form the Shenzhen-Hong Kong I&T Co-operation Zone of approximately 540 hectares.
- Exploring measures to facilitate cross-boundary flow of innovation elements.
- Number of local start-ups increased by 68% from 2017 to 3,755 in 2021; human resources doubled to about 13,800.
- Venture capital increased from \$1.24 billion (about US\$159 million) in 2014 to \$41.7 billion (about US\$5.3 billion) in 2021.
- Twelve "unicorns" have so far emerged in Hong Kong.

#### ➤ **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 hub 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 developing the "original grant patent" system.
- Completing the preparatory work to implement the international registration system under the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks.
- Reviving the Copyright Ordinance amendment exercise by consulting the public on the modernisation of the copyright regime in light of the digital environment.

### 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 digital 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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