

LCQ5: The Belt and Road Office

Following is a question by the Hon Chung Kwok-pan and a reply by the Acting Secretary for Commerce and Economic Development, Dr Bernard Chan, in the Legislative Council today (March 20):

Question:

In order to help Hong Kong grasp the opportunities brought by the Belt and Road Initiative, the Government set up a Belt and Road Office in 2016 to take forward the relevant work effectively and on a sustained basis. In this connection, will the Government inform this Council:

(1) in respect of the Office, of its current staffing establishment, whether there will be any increase in its future manpower, its annual expenditure since establishment, and its future estimated expenditure;

(2) whether it has assessed the effectiveness of the work of the Office since its establishment and if the anticipated results have been achieved; if it has assessed, of the outcome, including the achievements of the work of the Office on aspects such as liaising with mainland institutions and ministries, promoting Hong Kong to the countries along the Belt and Road, and seeking business opportunities that Hong Kong businessmen need; and

(3) whether it has set the future work targets and plans for the Office; if so, of the details and timetable; if not, the reasons for that?

Reply:

President,

The Belt and Road Initiative (B&RI) has gradually developed economic and trade co-operation corridors spanning Europe, Asia and Africa, which has created greater room for Hong Kong's economic and social development. The current-term Government has been playing the role of "facilitator" and "promoter" to proactively implement policies and measures to seize the opportunities brought by the B&RI. Riding on our various unique advantages, and in view of the opportunities and challenges, we have formulated a five-pronged Belt and Road (B&R) key strategy on continuous engagement with the Mainland and B&R related countries and regions. These themes include (i) enhancing policy co-ordination; (ii) fully leveraging Hong Kong's unique advantages; (iii) making the best use of Hong Kong's position as the professional services hub; (iv) promoting project participation; and (v) establishing partnership and collaboration.

Replies to the three parts of the Hon Chung Kwok-pan's questions are as follows:

(1) At present, the Belt and Road Office (BR0) has a total establishment of

19, and this will increase to 21 in 2019-20. Since the setting up of the BRO in August 2016, its expenditure in 2016-17 and 2017-18 was \$5.306 million and \$13.968 million respectively, while the anticipated expenditure for 2018-19 is \$21.185 million. The estimated expenditure of the BRO for 2019-20 is \$39.958 million.

(2) Progress has been made in respect of the work by the BRO. On enhancing policy co-ordination, the Hong Kong Special Administrative Region (HKSAR) Government has stepped up co-operation with mainland authorities in participating in the B&RI, and an Arrangement between the National Development and Reform Commission and the Government of the HKSAR for Advancing Hong Kong's Full Participation in and Contribution to the Belt and Road Initiative was signed on December 14, 2017 to provide a blueprint for mutual co-operation. It puts forward specific collaboration measures, covering various areas such as finance and investment; infrastructure and maritime services; economic and trade facilitation; people-to-people bond; project interfacing and dispute resolution services; as well as taking forward the Greater Bay Area Development. In accordance with the Arrangement, a Joint Conference mechanism has been set up between the HKSAR Government and relevant mainland authorities for regular and direct communication, and the first Joint Conference meeting was convened in mid-June 2018.

In addition, the Government has been actively promoting strategic partnership between enterprises in Hong Kong and on the Mainland as well as Hong Kong professional services sector to capitalise on Hong Kong's advantages and make the best use of our position as the prime professional services platform, and seeking collaboration with relevant professional associations and chambers of commerce to explore B&RI business opportunities for enterprises and professional services sector of Hong Kong. These include organising exchange seminars and project interfacing activities and visits to B&R related countries and regions. For example, the Government organised a large-scale seminar in February 2018 under the theme of "Leveraging Hong Kong's Advantages, Meeting the Country's Needs" in conjunction with the Belt and Road General Chamber of Commerce in Beijing, which sought to facilitate establishment of direct contact between enterprises and professionals in the Mainland and Hong Kong. The Government also co-organised with the Hong Kong Trade Development Council (TDC) the 2nd and 3rd Belt and Road Summit respectively on September 11, 2017 and June 28, 2018, and supported TDC's work in B&RI related investment and business matching.

Furthermore, sharing sessions respectively on economic and trade co-operation zones; B&R trade and investment policies; and risk management of B&R projects were held in conjunction with the State-owned Assets Supervision and Administration Commission of the State Council and the Ministry of Commerce in Hong Kong on August 14, 2018, November 12, 2018 and February 25, 2019.

The Government is committed to enhancing the capacity of the Hong Kong professional services sector under the B&RI, with a view to better equipping the professional services to capitalise on the opportunities and meet the challenges brought by the Initiative. The Commerce and Economic Development

Bureau (CEDB) supported the development of the Belt and Road Cross-Professional Advancement Programme, which has received funding from the Professional Services Advancement Support Scheme (which is being managed by the CEDB). The Programme was launched on December 12, 2018, and is being undertaken by the Hong Kong Polytechnic University, with support from a number of professional associations and chambers of commerce.

(3) The HKSAR Government will continue to strengthen policy exchanges and co-ordination with the mainland authorities and follow up on the implementation of the Arrangement by means of the various established direct communication platforms, including the Belt and Road Joint Conference mechanism established with the relevant ministries, and the Belt and Road Task Group established with the Ministry of Commerce. The second Belt and Road Joint Conference is tentatively scheduled to be held in mid-2019.

The Secretary for Commerce and Economic Development is currently (from March 18 to 23) leading a business and professional mission to visit Georgia and Hungary to meet with local government officials responsible for commerce and industry, investment and infrastructure development. The delegation will gain a better understanding of the latest local market situation, as well as foster connection and co-operation between Hong Kong enterprises and professional associations with local enterprises thereof. The BRO will plan for visiting to other B&R countries later this year, with a view to assisting enterprises/professionals to explore market opportunities.

To help Hong Kong enterprises and investors expand their overseas markets, we will continue to strengthen our economic partnerships with other economies, and actively seek to forge Free Trade Agreements and Investment Promotion and Protection Agreements with more trading partners (including B&R related countries and regions), with a view to facilitating the long-term economic development of Hong Kong.

The Government and TDC will co-organise the 4th Belt and Road Summit on September 11 and 12, 2019 to continue to promote and foster Hong Kong as an international commerce and trading platform for the B&RI. "Hong Kong IN: Creating and Realising Opportunities" will be the theme of this year's Summit, which will continue to feature investment and business matching sessions and one-to-one business matching meetings to encourage business partnerships.

The Government will continue to adopt a whole-government approach and the five-pronged key strategy in the pursuit of the B&RI, with a view to establishing Hong Kong as both a key link and the prime B&R services platform.