

Symposium on the "20th Anniversary of Hong Kong's Handover: Developments and Taiwan-Hong Kong Relations"

Draft Speech by
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President Chang, Distinguished Friends from Hong Kong and Taiwan, Friends in the Media, Ladies and Gentlemen, Good morning!

I am delighted to have this opportunity to attend the symposium on the "20th Anniversary of Hong Kong's Handover: Developments and Taiwan-Hong Kong Relations." I feel a great sense of closeness seeing so many friends from Hong Kong. I think this is rooted in the special friendship that Taiwan and Hong Kong have always maintained. It owes as well to the long and sustained history of mutual close observation, appreciation, and sharing in various fields between the people on both sides. Taiwan and Hong Kong have also both made proud and hard-earned achievements: Hong Kong is a major world financial center and the envy of the world for its free trade and advanced economic development. Taiwan, in turn, has peacefully transformed from an authoritarian system over past 30 years and has a steadily maturing democracy that has become an example in Chinese societies.

This symposium coincides with the upcoming 20th anniversary of Hong Kong's handover to mainland China on July 1 next week and as such has particular significance. Since 1978, when Beijing first proposed reform and opening-up policies at the Third Plenary Session of the 11th Central Committee of the Communist Party of China (CPC), mainland China has grown rapidly to become the world's second largest economy today. In recent years, the Mainland has participated more actively in international affairs. Its words and actions have drawn the focus of the international community. Today, we will look back at developments in Hong Kong over the past 20 years. This involves an objective review of the

status of mainland China's fulfillment of the pledge of "Hong Kong ruled by the Hong Kong people with a high degree of autonomy." It will also help the international community to objectively assess whether there is correspondence between the ability and sincerity of mainland China to fulfill its international commitments.

I would like next to share with you my experience and observations on developments and Taiwan-Hong Kong relations in the 20 years since Hong Kong's handover.

We are happy that Hong Kong has continued to be ranked as the world's freest economy by the Heritage Foundation in the 20 years since the handover. The International Institute for Management Development in Switzerland ranks Hong Kong as the most competitive economy in the world. In the "Doing Business 2017" report published by the World Bank, Hong Kong ranks fourth globally and second only to Singapore in Asia. The Global Financial Centres Index published by British think tank Z/Yen Group ranks Hong Kong among the world's top five financial centers along with New York, London, Singapore, and Tokyo. Hong Kong is also the world's largest renminbi offshore center. At the same time, international rating agencies have indicated that the less-than-perfect economic health of mainland China increases economic risk to Hong Kong due to the economic linkages between the two sides. Moreover, Reporters Without Borders ranked Hong Kong 73rd in its 2016 World Press Freedom Index, falling sharply by 55 places from its 18th place showing in the first survey 15 years earlier in 2002. There has also been widespread talk of media "self-censorship" in Hong Kong imposed through inducement, pressuring, and buyouts of the Hong Kong media by mainland China in recent years. This has been the main cause of declining press freedom.

We share the international community's concern over the whether Hong Kong's high degree of autonomy and judicial independence can be maintained. In June 2014, mainland China published a white paper on "one country, two systems," in which it stated that it exercises overall jurisdiction over Hong Kong. It also stated that "The high degree of autonomy [of Hong Kong] is not full autonomy. It is hoped that the people of Hong Kong can correctly understand the substantive meaning of 'one country, two systems'." In August that year, the CPC National People's Congress (NPC) approved the "831" political reform program, setting a higher threshold for democratic universal suffrage. The 79-day "Umbrella Movement" that ensued, captured the global spotlight. A legal interpretation by the NPC in 2017 led to the disqualification of two elected legislators, raising suspicions in the international community

over whether this interfered with guarantees of Hong Kong's high degree of autonomy under the Basic Law.

International concern over protection of the personal safety and fundamental rights of the people of Hong Kong was further heightened by the procedures used by the mainland Chinese authorities in the arrest of staff of Causeway Bay Books, including Mr. Lam Wing Kee. I must say here that if mainland China will have a hard time winning the world's respect for its "rise" if that rise is restricted to growing economic power while democracy, freedom, human rights, and the rule of law continue languish.

The results of a recent opinion poll by the University of Hong Kong indicate that only 3.1% of young people in Hong Kong aged 18 to 29 identify themselves as "Chinese broadly defined" (meaning "Chinese people" and "Chinese in Hong Kong"). This is lowest level since the handover. We hope that Mainland China will consider why, nearly 20 years after Hong Kong's handover, it is still unable to increase the Hong Kong people's sense of identification with China. This is not something it can dodge with the statement that "No opposition to the central government's authority will be allowed in the name of a high degree of autonomy."

I would like next to talk about the government's Hong Kong policy position and status of Taiwan-Hong Kong exchanges at various levels. The government's consistent policy towards Hong Kong has been to support freedom, democracy, the rule of law, stability, and prosperity in Hong Kong. Under the premise that Hong Kong maintains a free economic system and autonomous status, it positions Hong Kong as a special area different from the rest of mainland China. The government has also formulated the Act Governing Relations with Hong Kong and Macau to actively promote exchanges between Taiwan and Hong Kong. This policy has been consistent and constant. Consequently, successive administrations have all adopted active opening measures and worked to develop closer Taiwan-Hong Kong relations.

Taiwan-Hong Kong exchanges have been exceptionally close over the years thanks to government support and spontaneous promotion in the private sector. In 2016, for example, total trade between Taiwan and Hong Kong exceeded the trade volume between Japan and Hong Kong, reaching US\$47 billion and making Taiwan-Hong Kong's third largest trading partner. That same year, over 1.32 million Hong Kong residents visited Taiwan, more than fivefold the number in 1997. At the same time, more than two million Taiwan residents visited Hong Kong, making Taiwan-Hong Kong's second largest visitor source market. The number of Hong Kong students studying in Taiwan in the last 10 years has grown nearly eightfold to 8,190, making Hong Kong the biggest source of overseas students studying in Taiwan.

As to official interaction between Taiwan and Hong Kong, the governments of Taiwan and Hong Kong separately established the Taiwan–Hong Kong Economic and Cultural Co-operation Council (THEC) and Hong Kong–Taiwan Economic and Cultural Co-operation and Promotion Council (ECCPC) platform in 2010. Since then, interaction between the two sides has steadily grown more frequent. In 2011, the Taiwan government's office in Hong Kong was renamed as the "Taipei Economic and Cultural Office"; and the Hong Kong government set up offices in Taiwan, upgrading substantive relations between the two sides.

In recent years, the government has successively implemented an online system to streamline visa applications for Hong Kong residents visiting Taiwan. This also prompted the Hong Kong government to allow the people of Taiwan to freely apply for visas online, as well as to simplify procedures for cruise ship travel by Hong Kong residents to Taiwan, increasing benefits for the tourism industry. The signing of the Air Services Agreement between Taiwan and Hong Kong and "Memorandum of Understanding on Bank Supervision Cooperation" have further facilitated contact and strengthened financial cooperation between Taiwan and Hong Kong. Taiwan has expanded recognition of academic qualifications from Hong Kong institutions of higher learning, as well as relaxed conditions on entry-exit and post-graduation residency applications by Hong Kong students studying in Taiwan. This has attracted more Hong Kong students to study in Taiwan. The government also continues to maintain Taiwan-Hong Kong relations through the normal operation of the THEC-ECCPC platform and representative offices of the two sides. The above-mentioned actions have laid a solid foundation for long-term exchanges and benign interaction between Taiwan and Hong Kong.

Cross-Strait developments since May 20 last year have had a certain impact on official interaction between Taiwan and Hong Kong. However, we believe that close exchanges, understanding, and cooperation between the two sides helps both sides to prosper and share substantive benefits. Therefore, we would also like to call on the Hong Kong government to put aside its conservative mindset, show greater flexibility, and pragmatically and positively advance Taiwan-Hong Kong relations in a healthier, more positive direction.

Taiwan and Hong Kong share the universal values of democracy, freedom, human rights, and the rule of law. Moreover, the people of Taiwan and Hong Kong could not be further apart from mainland China in their shared views on these values. We call on mainland China to not breach its pledge of "Hong Kong ruled by the Hong Kong people with a high degree of autonomy"; to listen to the Hong Kong people's demand for democratic systems and values and respond in a positive and timely manner; and to honor its institutional pledges

to the international community and Hong Kong. This is vital to Hong Kong's steady and prosperous development, as well as to the opportunity for mutual understanding and shared values across the Taiwan Strait. It will also increase the trust of the international community in mainland China.

Finally, on behalf of the Mainland Affairs Council, I would like to thank everyone for joining today. I would also like to thank the Friends of Hong Kong & Macau Association for all of its painstaking arrangements. I wish you all success, good health, and peace. Thank you.