

Analysis Report:

13 Years After Hong Kong's Handover

- **Political institutions function normally and progress achieved on universal suffrage**
- **The Hong Kong government forecasted an optimistic outlook as the economy shows signs of recovery**
- **Social development stable and the judiciary remains independent**
- **The international community in general affirm the situation in Hong Kong**
- **Increased integration between Mainland and Hong Kong, Mainland's "early and pilot" measures drew much attention**
- **Taiwan-Hong Kong relations entered a new stage, and breakthroughs were made**

I. Overall Review and Analysis

The overall political, economic and social systems of Hong Kong continued to function normally in the 13th year since the handover. Universal suffrage in Hong Kong remained a focal political issue. The Mainland and Hong Kong government showed good faith in response to the related demand through conducting official public meetings and talks with members of the pan-democratic camp. The chief executive and leader of the Civic Party held a televised policy debate. The Hong Kong government has also adopted some pan-democratic proposals as it finally made progress towards universal suffrage.

The impact of the global financial crisis caused Hong Kong's economy to contract by 2.8% in 2009, marking the first annual recession since 1988. However, with improved economic climate, boosted public investment, and recovery of inter-regional trade in Asia, Hong Kong gradually emerged from the impact of the financial crisis, with an 8.2% economic growth in the first quarter. Over the past year, social development in Hong Kong remained steady and the international community continued to affirm Hong Kong's judicial independence. Hong Kong media could still report comments regarding China and the Hong Kong government. People could still take to the streets against actions by Beijing or the Hong Kong government. Nevertheless, media self-censorship and income inequality remained issues of concern.

Taiwan-Hong Kong relations has well developed over the past year. Exchanges on personnel and trade remained warm, whereas the level of official interactions were upgraded with the establishment of new platforms. Taiwan has simplified the online visa application process for Hong Kong residents to facilitate people exchanges of the both sides. In addition, related rules and regulations were amended to appropriately relax immigration controls for mainlanders from Hong Kong and Macao.

In addition, Taiwan and Hong Kong both established new exchange platform. In April 2010, Hong Kong established the Hong Kong–Taiwan Economic and Cultural Cooperation and Promotion Council (ECCPC). Later in May, Taiwan established the Taiwan–Hong Kong Economic and Cultural Co-operation Council (THEC). In addition, Mainland Affairs Council Minister Lai Shin-yuan visited Hong Kong in June to review the operations of the Hong Kong Affairs Bureau. She was well received by the Hong Kong government during the visit. Dubbed as an "ice breaking trip" by the media, the visit reflected warming relations between Taiwan and Hong Kong and was important to the development of Taiwan-Hong Kong relations. Minister Lai indicated that Taiwan-Hong Kong relations would be elevated to a new level, where official exchanges and mutual visits between Taiwan and Hong Kong would be smoother, and the handling of issues involving public authority would be more efficient. In the meantime, multi-layered and multi-faceted exchanges and cooperation between Taiwan and Hong Kong would also be deepened in economic, cultural and other areas.