

Analysis Report: 21 Years After Hong Kong's Handover

Mainland Affairs Council

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I. Overall Review and Analysis

Hong Kong was handed over to mainland China in 1997. The government of the Republic of China (ROC) positions Hong Kong as a "special area," unique from other areas of the Mainland to maintain consistency and continuity in its Hong Kong policy, premised on Hong Kong maintaining its free economic system and autonomous status. ROC also maintains various relations and direct contact between the people of Taiwan and Hong Kong. The government annually reports on developments in Hong Kong at all levels and the status of Taiwan-Hong Kong relations. This is the 21st such report, covering an observation period from July 2017 to early July 2018.

Overall, Hong Kong has maintained the normal functioning of its political, economic and social systems during the time covered by this report. The economy performed well in several areas, enhanced by improvement in the global economy and strong domestic demand. Hong Kong was ranked as the world's freest economy for the 24th consecutive year. However, a high level of income disparity, the difficulty of young people in buying a house, and sense of

national identity among youth were issues of concern. International rating agencies noted that the integration of the Mainland and Hong Kong economies has increased Hong Kong's economic risk given the less-than-perfect state of the Mainland economy. The international community is also concerned that the pervasiveness of Mainland capital has worsened "self-censorship" of the Hong Kong media and that interpretations of the Basic Law of Hong Kong by the Standing Committee of the National People's Congress (NPCSC interpretations) are undermining Hong Kong's autonomy and rule of law.

International reports on Hong Kong found that mainland China's intervention in Hong Kong affairs is increasingly apparent. This is the main source of concern over whether "one country, two systems" can function normally in Hong Kong. The Chinese Communist Party (CCP) has intervened through disqualification of several elected members of the Legislative Council, prevention of localist camp candidates from standing for election, violation of the Basic Law in the co-location arrangement for the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL), controversial political prosecution of dissidents, and extensive penetration of Mainland capital in Hong Kong industries, creating an industry "self-censorship" mentality. Mainland Chinese agencies have interfered in elections and book distribution channels in Hong Kong. There is also concern that the Guangdong-Hong Kong-Macau Big Bay Area project (GHMBBA) will weaken Hong Kong's advantages. Beijing has intervened in Hong Kong's immigration controls and prevented Hong Kong from handing over fugitives to the United States according to agreement. The Mainland forced the Hong Kong government to draft a "National Anthem Law" and the establishment camp has used its majority advantage to force revisions to the Rules of Procedure.

The CCP and Government of the Hong Kong Special Administrative Region (HKSAR) have both emphasized that they have "acted according to law" in these matters. However, their actions also have a clear political intent to highlight the governing authority of the CCP and suppress dissent. They have a major impact and influence on Hong Kong's autonomy, judicial independence, and protection of human rights.

Personnel and trade contact between Taiwan and Hong Kong, grew steadily over the past year. The number of Hong Kong residents visiting Taiwan reached a record high and the number of Hong Kong students studying in Taiwan grew. Hong Kong Chief Executive Carrie Lam expressed hope that Taiwan and Hong Kong could jointly promote relations and advance the development of cross-Strait ties. Taiwan government welcomed and affirmed the value attached to and supports for continued relations between Taiwan and Hong Kong. It also expressed hope that the Hong Kong government would show greater flexibility and commit to developing closer Taiwan-Hong Kong relations with an open mind, pragmatic and positive

attitude so that the two sides could jointly improve the well-being of the people.

The following presents an analysis of developments on the 21st anniversary of Hong Kong's handover (July 2017 to July 2018):

1. Mainland China openly interferes with Hong Kong's autonomy as the people of Hong Kong continue to defend their human rights and freedom

The period observed by this report marked the first year of Hong Kong Chief Executive Carrie Lam's term in office. Chief Executive Lam has strongly advocated for economic development and the people's livelihood. She has moderated the political climate in Hong Kong through her prominent support for "reconciliation," interactions with the pan-democratic camp, and participation in the activities of the pan-democratic political parties and professional groups. However, mainland China's intervention in Hong Kong became increasingly obvious. Deputy Secretary-General of the Standing Committee of the National People's Congress (NPCSC) Li Fei visited Hong Kong to publicly explain the content of the 19th National People's Congress (NPC). He also demanded without precedence that his speech be broadcasted live at all of the 50 secondary schools in Hong Kong. Establishment camp parties and former CCP officials this year threatened, also without precedence, to outlaw people's call to "end of one-party dictatorship." The Hong Kong government also for the first time firmly criticized the demands of the "July 1" demonstration in 2018 to "end one-party dictatorship and reject the fall of Hong Kong," saying that disrespect for "one country" is not in Hong Kong's overall interests. Additionally, several elected members of the Legislative Council were disqualified and advocates of local self-determination were banned from running for office. The co-location arrangement for the XRL was proposed in violation of the Basic Law. Dissidents were politically prosecuted. Mainland China's representative office in Hong Kong the Liaison Office of the Central People's Government in the Hong Kong Special Administrative Region ("the Liaison Office") interfered in the elections and freedom of the press in Hong Kong.

The Beijing authorities and Hong Kong government emphasized that they have "acted according to law" in these matters. However, these actions also have a clear political intent to highlight the governing authority of the CCP and suppress dissent. The NPCSC played an important role over the past year. Controversial issues were determined not by debate in the Hong Kong Legislative Council, but according to a legal basis granted by NPC resolution or through demands for legislation by the Hong Kong government. If this serves as a model for the future, it will pose the greatest threat and harm to the implementation of "one country, two systems."

Facing repeated actions by mainland China attacking the value of "Hong Kong governed by the Hong Kong people with a high degree of autonomy," the people of Hong Kong continued to insist on fighting for and upholding democratic freedom, human rights, and rule of law. Over the past year, the people of Hong Kong marched in protest of the Hong Kong government's cancellation of the seats for democratically elected members of the Legislative Council. They also protested the "co-location arrangement" statutes undermining Hong Kong's judicial power, held a Candlelight Vigil for the June 4 Massacre in 2018, and organized the "July 1" march fearless of threats to loudly demand the "end one-party dictatorship." Although accounts of the number of participants vary, the will and determination of the protesters are uncontested.

2. Hong Kong's economy improves, but concerns exist over risks brought by Hong Kong's integration with the Mainland

A general recovery of the global economy and strong domestic demand helped Hong Kong's economy to grow by 3.7% in 2017, the fastest pace since 2011. Hong Kong's unemployment rate fell slightly from 3.4% in 2016 to 3.1% in 2017, the lowest level since 1998 and achieving close to full employment. Hong Kong's stock market performed strongly in 2017, rising by 36%, the fastest pace among the world's stock exchanges. Hong Kong's total exports rose by 8% in 2017 to HK\$3.87 trillion, the biggest annual increase since 2011. The Hong Kong government expressed optimism over the future global economic outlook and predicted that Hong Kong's economy would grow by 3-4% in 2018.

However, Hong Kong's Gini coefficient reached 0.539, indicating worsening income inequality and highlighting the plight of young people struggling to afford a home. Commentators worried that this will be important factor for the social stability and development of Hong Kong.

In recent years, the Hong Kong government has actively promoted the development of innovative technology to improve Hong Kong's economy and address the over-reliance on the financial, real estate, and service industries. In April 2018, the Hong Kong stock market began accepting applications for public listings by yet unprofitable companies. It also introduced a "same shares with different rights" measure. In May 2018, Hong Kong launched a three-year Technology Talent Admission Scheme. At the same time, Xi Jinping promised to position Hong Kong as an international innovation and technology center. However, the proposal included language calling for support of scientists and researchers who "love the country and love Hong Kong." Hong Kong's academic community questioned whether the CCP would make "patriotism" a condition for applying for the subsidies, noting the potential that this

could limit academic freedom in Hong Kong.

Hong Kong is the world's largest renminbi clearing center, accounting for 76% of all such transactions. In 2017, Mainland owned shares accounted for 66.2% of the market value of the Hong Kong stock market and 26 of the 50 constituent stocks of the Hang Seng Index. The influence of Mainland capital on the Hong Kong stock market is widely anticipated to grow. However, international rating agencies Moody's and Standard & Poor's reduced their rating for Hong Kong in May and late September of 2017, respectively, due to the increasingly close political, economic, and financial ties between mainland China and Hong Kong. It is hard to rule out the influence of mainland China. Furthermore, the less-than-perfect state of mainland China's economic system heightens the risk facing Hong Kong's economy.

3. Capital and pressure from mainland China jeopardizes freedom of the press, campus autonomy, and judicial independence in Hong Kong

Freedom of speech and the press is an important cornerstone for Hong Kong's rise as an international financial center. However, the Hong Kong Journalists Association (HKJA) observed in its annual report that nine out of Hong Kong's 26 mainstream media outlets, representing 35% of the total, are currently either under mainland Chinese ownership or have Mainland stakes. In a survey conducted by the association, the people of Hong Kong scored Hong Kong's press freedom 47.1 points, the lowest level since the survey began in 2013. This owed mainly to public perception of the increasing prevalence of media apprehension over criticizing the CCP and large corporations. Journalists interviewed for the survey observed that it is increasingly common for management to revise an article or veto an interview suggestion for fear of offending Beijing.

In November 2017, the NPCSC included the National Anthem Law in Annex III of the Hong Kong Basic Law, forcing the Hong Kong government to begin legislation of a Hong Kong "National Anthem Law." Commentators noted that the legislation may violate Hong Kong's freedom of expression and speech.

The media also reported that the education department of the Liaison Office has actively invited secondary school principals and teachers for panel discussion on changes to the Chinese history curriculum. Additionally, it has liaised "normally" with and advised university principals, drawing criticism for infringing on Hong Kong's educational autonomy and interfering with academic freedom. It was also reported that the Liaison Office controls 80% of the book circulation in Hong Kong behind the scenes and that these channels refuse to sell books criticizing the CCP or supporting the "Umbrella Movement." This substantially violates

Article 22 (stipulating that no department of the Central People's Government may interfere in the affairs which Hong Kong administers on its own) and Article 27 (Hong Kong enjoys freedom of the press) of the Basic Law. Nevertheless, the Hong Kong government stated that it will not interfere if the Liaison Office complies with the law.

The judicial system, another cornerstone of Hong Kong's successful operation, continued to function well over the past year. However, it was frequently challenged, especially from the impact of NPCSC interpretations. Among these cases was the citation by the High Court in July 2017 of an NPCSC interpretation in its ruling to revoke the qualifications of Nathan Law, Leung Kwok-hung, Lau Siu-lai, and Edward Yiu to serve as members of the Legislative Council due to their refusal or negligence to take oaths. In the March 2018 Legislative Council by-election, the returning officer also cited an NPCSC interpretation in disqualifying Agnes Chow and others from standing for election. The new chairman of the Council of the Hong Kong Bar Association, Philip Dykes, warned that decisions by the NPCSC are not accountable under Hong Kong law. He noted that the NPCSC is able to choose an outcome preferable to it through legal interpretations and that legal interpretations are the greatest threat to the rule of law in Hong Kong.

4. Beijing's strong push to integrate Hong Kong with mainland China sparks debate over the loss of Hong Kong's advantages and fails to increase recognition among Hong Kong youth

In the past year(2016), the Mainland and Hong Kong have successively signed agreements to promote cooperation at all levels, including the GHMBBA Project. On July 1, 2017, the heads of Guangdong, Hong Kong, and Macao and the Chairman of the National Development and Reform Commission He Lifeng signed the Framework Agreement on Deepening Guangdong-Hong Kong-Macao Cooperation in the Development of the Bay Area in Hong Kong. On July 13, 2017, the civil aeronautics administration of Hong Kong and Macao signed a memorandum of cooperation in Macao with the Civil Aviation Administration of China to jointly establish a regular exchange mechanism for air traffic flow management. On August 8, 2017, the Hong Kong government and Vice Chairman Du Jiang of mainland China's National Tourism Administration signed an Agreement on Furthering Tourism Cooperation between the Mainland and Hong Kong. In the area of promoting Hong Kong as an offshore renminbi market, the People's Bank of China and Hong Kong Monetary Authority renewed a HK\$470 billion bilateral currency swap agreement on November 27, 2017. In the area of technology innovation, the Mainland and Hong Kong signed an Agreement on Deepening Intellectual Property Cooperation in the Pan-Pearl River Delta

Region.

In addition to these agreements, infrastructure linking Mainland and Hong Kong was also successively completed. The completion of the Hong Kong-Zhuhai-Macao Bridge and XRL is regarded as achieving a "one-day living circle." However, observers also question whether convenient transportation links will encourage more Mainlanders to buy homes in Hong Kong, fueling higher housing prices, and come to Hong Kong to buy daily necessities, intensifying the contradictions between the Mainland and Hong Kong. The Hong Kong government will need to plan ahead for this.

The Hong Kong public is also concerned over Hong Kong's ability to maintain existing advantages in the process of integration with mainland China. Commentators note, for example, that the GHMBBA Project involves "two systems, three currencies, and three separate customs territories." Finding a way to overcome systemic barriers to enable the free flow of people, goods, information, and capital will pose considerable difficulty. Media commentators worry whether integration with mainland China's systems will deprive Hong Kong of its original advantages of freedom of speech, information transparency, and judicial independence. This could affect the confidence of international investors and jeopardize Hong Kong's international financial position.

On the issues of promoting personnel flow and national identity, mainland China successively announced in August and December last year on facilitation measures for Hong Kong and Macao residents to study, work and live in mainland China. The Mainland and Hong Kong governments also continued to provide subsidies to schools at all levels for study and national education tours in mainland China, academic exchange, and other activities to build the sense the national identity by Hong Kong youth. However, a long-term public opinion survey conducted by the Public Opinion Programme at the University of Hong Kong found that younger people have less sense of pride in becoming citizens of mainland China and a more negative assessment of the "central" government's Hong Kong policy. In the survey results published on June 25, 2018, 70% of the respondents in the age group 18-29 answered "No" when asked if they "feel proud to be a national citizen of China," while only 16% responded affirmatively. Hong Kong scholars and commentators analyze that mainland China's brutal suppression of movements for democracy, human rights, and freedom in the territory have created antipathy among the young people in Hong Kong towards the heavy-handed push for national education. Such actions also has reduced recognition from Hong Kong people as national citizens of mainland China.

5. The international community affirms economic freedom in Hong Kong, but worries

that intervention by mainland China will undermine Hong Kong's high degree of autonomy and diminish human rights and freedom

During the period observed by this report, the international community continued to affirm the business environment in Hong Kong, but also worried about deepening mainland Chinese intervention. Hong Kong was ranked the world's freest economy by the American Heritage Foundation for the 24th consecutive year and by the Fraser Institute of Canada for the 15th consecutive year. However, both reports also noted that mainland China's increasing intervention in Hong Kong's politics in recent years has curtailed the power of the Hong Kong Court of Final Appeal and undermined the rule of law in Hong Kong.

In another survey by the Fraser Institute for the 2017 Index of Freedom in the World, Hong Kong continued to rank first globally for "economic freedom," but its ranking on "individual freedom" fell from 19th place in 2016 to 26th place in 2017. The report attributed the decline mainly to intervention in Hong Kong by mainland China, including harm to freedom of press and judicial independence in the territory.

Reports on Hong Kong issued by the UK, US, and European Union have also expressed concern over the suppression of the freedoms of assembly, demonstration, and the press in Hong Kong due to mainland Chinese factors. However, these reports note that Hong Kong will still enjoy preferential treatment distinct from that of mainland China to support democracy, freedom, human rights, and the rule of law there.

Beijing's actions have also raised doubts in the international community over the CCP's ability to honor international agreements and commitments. During the period observed by this report, Beijing denied entry to the vice chairman of the British Conservative Party Human Rights Commission, a long-time observer of human rights developments in Hong Kong. Public opinion in Hong Kong noted that Article 154 of the Basic Law expressly stipulates that the Hong Kong government should manage Hong Kong's immigration controls. Furthermore, the US State Department noted in its Hong Kong Policy Act Report released in May 2018 that a US request to the Hong Kong government for extradition of a fugitive in October 2017 was denied by the Hong Kong government at Beijing's behest and that the suspect was handed over to Beijing and taken into custody. The report stated that this was the first case since the handover of Hong Kong in which Beijing has acted in violation of its explicit commitment under the Basic Law to a high degree of autonomy.

6. Private sector exchanges between Taiwan and Hong Kong continue to grow; Taiwan hopes for pragmatic official cooperation in the future for the betterment of the people's welfare

In 2017, trade between Taiwan and Hong Kong totaled US\$42.8 billion. Hong Kong investment in Taiwan exceeded US\$280 million, while Taiwan's investments in Hong Kong amounted to approximately US\$290 million. Taiwan was Hong Kong's third largest trading partner, fifth largest export market, fifth largest re-export market, and second largest source of imports. Hong Kong was Taiwan's fourth largest trading partner. Cross-Strait trade via Hong Kong exceeded US\$44.8 billion (please see the Taiwan-Hong Kong Economic and Trade Statistics chart in the Appendix). In 2017, the numbers of Taiwanese companies opening regional headquarters and regional offices in Hong Kong were 19 and 109, respectively. Currently, 19 Taiwanese banks have opened a total of 20 branches in Hong Kong, mainly to provide capital allocation services for Taiwanese companies in mainland China.

Since October 2, 2017, Taiwan has allowed Hong Kong residents to directly apply online for multiple entry permits. Hong Kong residents can also now apply for entry to Taiwan and pass through immigration with passports valid for at least three months, compared to the six-month validity period required before. In 2017, Hong Kong received more than two million visitors from Taiwan, making Taiwan its second largest source of visitors. Approximately 1.54 million Hong Kong residents visited Taiwan, also a record high (please refer to the statistical chart on Taiwan and Hong Kong Personnel Exchanges in the Appendix). According to statistics from the British aviation industry consultancy Routesonline, Taipei-Hong Kong is the busiest air route in the world. It serves the greatest number of international passengers, handles an average of 80 flights per day, or one every 18 minutes, and carries an average of 14,500 passengers per day.

The number of Hong Kong students coming to Taiwan to study has risen in recent years. In 2017, a total of 8,329 Hong Kong students were enrolled in Taiwan. The government amended and promulgated related provisions under the Rules Governing Permits for People from Hong Kong and Macao Setting Up Residence or Permanent Residence in Taiwan to strengthen recruitment of Hong Kong and Macao professionals. In a survey conducted by the Hong Kong Institute of Asia-Pacific Studies at the Chinese University of Hong Kong (CUHK) of the emigration intentions of Hong Kong residents, 33.1% of the respondents indicated they would emigrate or move abroad given the opportunity. Taiwan, Australia, and Canada were listed as the three most popular destinations.

Private sector exchanges have, however, faced political interference. Edward Yiu, a candidate in the Legislative Council by-election in March this year, was asked by the returning officer of the Hong Kong government to explain whether he supported the positions of the New Power Party forum he attended in Taipei in early 2017. University of Hong Kong Associate Professor Benny Tai Yiu-ting was also attacked by the Chinese state-controlled

media for comments on democratic self-determination made during a symposium in Taiwan in March 2018. The establishment faction also demanded that the school dismiss Associate Professor Tai.

In December 2017, Deputy Secretary-General of Taiwan's General Association of Chinese Culture Chang Tieh-chih was denied entry to Hong Kong and applications by scholars Wu Jieh-min and Wu Rwei-ren for Hong Kong visas have not yet been approved. The public view is that these scholars were denied entry to Hong Kong to hinder academic exchanges between Hong Kong and Taiwan and that the CCP was a factor in this. The Mainland Affairs Council (MAC) expressed "deep regret" over this incident. It conveyed its dissatisfaction to the Hong Kong government and expressed hope that Hong Kong can positively and inclusively treat private sector exchanges between Taiwan and Hong Kong to prevent harming the Taiwanese public's perception of Hong Kong and relations between the two sides.

Private groups in Taiwan and Hong Kong maintained close contacts during this period. Citizen groups in Taiwan, including the Taiwan Congressional Hong Kong Caucus of the Legislative Yuan, sternly condemned the conviction of political and social activists in Hong Kong for serious crimes and the disqualification of multiple elected members of the Legislative Council. They also appealed to the international community to acknowledge the rule of law situation in Hong Kong.

During the period observed in this report, a woman from Hong Kong was murdered in Taiwan by her boyfriend who later fled back to Hong Kong. However, the lack of a mutual judicial assistance agreement between Taiwan and Hong Kong hindered investigation of the case. The public in Taiwan and Hong Kong called on both sides to promptly sign such an agreement.

On September 4, 2017, Hong Kong Chief Executive Carrie Lam expressed hope that, based on mutual respect, the two sides could jointly promote the development of Taiwan-Hong Kong relations and cross-Strait ties. Taiwan welcomed and affirmed the importance placed on and defense of Taiwan-Hong Kong relations by the chief executive. It also expressed hope that the Hong Kong government would show greater flexibility and commit to developing closer Taiwan-Hong Kong relations with an open mind and a pragmatic and positive attitude so the two sides can jointly improve the welfare of the people.

II. Appendix

Controversial Events in 21 Years since Hong Kong's Handover

Seven Controversies from July 2017 to June 2018 (There were a cumulative 225 incidents from July 1997 to early June 2018)

No.	Date	Event	Source
1	2017.12.27	NPCSC accused of undermining "one country, two systems" in Hong Kong	<u>Ta Kung Pao</u> , 2017.12.28
	2017.12.28	<ul style="list-style-type: none"> ■ <u>The NPCSC approves the XRL "co-location arrangement" agreement:</u> On 2017 November 18, 2017, Guangdong and Hong Kong signed Co-operation Arrangement between the Mainland and the Hong Kong Special Administrative Region on the Establishment of the Port at the West Kowloon Station of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL) for Implementing Co-location Arrangement. On December 27, the NPCSC approved the "co-location arrangement." The Hong Kong government subsequently stated that it would begin the local legislative process. 	<u>Hong Kong Economic Journal</u> , <u>Ming Pao</u> , <u>Hong Kong's Apple Daily</u> , and <u>Hong Kong Economic Times</u> , 2017.12.28
	2018.6.14	<ul style="list-style-type: none"> ■ <u>Public criticizes the "co-location arrangement" for violating the Basic Law:</u> The Co-location Concern Group, consisting mainly of Legislative Council members, stated that the "co-location arrangement" violates Article 18 (National laws shall not be applied in the Hong Kong Special Administrative Region except for those listed in Annex III to this Law") and Article 22 (All offices set up in Hong Kong by the central government and the personnel of these offices shall abide by Hong Kong laws) of 	<u>Ming Pao</u> , 2018.5.15

		<p>the Basic Law. The Hong Kong Bar Association also issued three statements asserting that there is no article under the Basic Law that can serve as a legal basis for the "co-location arrangement."</p> <p>■ <u>Controversial "co-location arrangement" statute is passed by a majority vote of the Hong Kong Legislative Council.</u></p>	
2	<p>2017.7.2</p> <p>2018.4.11</p>	<p>Mainland China accused of undermining freedom of the press in Hong Kong</p> <p>■ <u>The Hong Kong Free Press Annual Report expresses concern over worsening of the "self-censorship" mentality in the Hong Kong media due to intervention by the CCP:</u></p> <p>In its 2017 Annual Report on Freedom of Expression, the Hong Kong Journalists Association stated that nine of Hong Kong's mainstream media outlets are currently either under mainland Chinese ownership or have Mainland stakes. It raised public concern that the infiltration of Mainland capital will intensify and increasingly exacerbate "self-censorship" in the Hong Kong media.</p> <p>■ <u>Hong Kong press polls show that the majority of the public agree that media "self-censorship" is clear:</u> Hong Kong's Press Freedom Index dropped to 47.1 among the general public surveyed by the Hong Kong Journalists Association, marking the lowest point since index was first published in 2013. This was attributed mainly to public perception of growing misgivings in the media over criticizing the</p>	<p><u>Hong Kong's Apple Daily, 2017.7.2</u></p> <p><u>Hong Kong Journalists Association Journal, 2018.4.11</u></p>

		<p>central government and large corporations. The same survey also found that 63% of journalists believe that statements and actions by Mainland officials emphasizing favor for "one country" over "two systems" have exerted pressure on the Hong Kong media and undermined press freedom in the territory.</p>	
3	<p>2018.5.29</p> <p>2018.6.13</p>	<p>Liaison Office accused of undermining freedom of the press</p> <p>■ <u>Liaison Office controls 80% of book circulation in Hong Kong and refuses to sell books criticizing the CCP:</u> Hong Kong Connection, a current affairs program broadcast by the Hong Kong government controlled Radio Television Hong Kong, reported that the Liaison Office, through a Guangdong-registered company, controlled three major bookstores under the Sino United Publishing Group—Joint Publishing, Chung Hwa Book Company, and Commercial Press, indirectly controlling more than half of Hong Kong's bookstores and monopolizing book publishing, distribution, and retailing in Hong Kong. These channels have refused to sell books criticizing the CCP or supporting the "Umbrella Movement."</p> <p>■ <u>The Hong Kong government states that it will not interfere so long as the law is obeyed:</u> Chief Executive Carrie Lam stated to reporters that the Liaison Office is a mainland Chinese agency in Hong Kong and that, in matters involving property purchases or other affairs of the Liaison Office consistent with the functions</p>	<p><u>Ming Pao, Hong Kong Economic Journal, and Stand News, 2018.5.30</u></p> <p><u>Apple Daily, 2018.5.30</u></p> <p><u>Radio France Internationale, 2018.6.14</u></p>

		<p>and work mission of the office, the government "will not interfere so long as the law is obeyed."</p> <p>■ <u>Legislative Council members criticize the Liaison Office for violating the Basic Law:</u></p> <p>Hong Kong Legislative Council member Gary Fan stated during an interpellation that the Liaison Office has violated Article 22 (no department of the Central People's Government may interfere in the affairs which Hong Kong administers on its own) and Article 27 (Hong Kong enjoys freedom of the press) of the Basic Law and asked the Hong Kong government to not sit idly by on this matter.</p>	
4	<p>2017.10.23</p> <p>2017.10.30</p> <p>2017.11.23</p>	<p><u>Mainland China accused of interfering in Hong Kong's education policy and work</u></p> <p>■ <u>The Mainland claims that "Hong Kong independence" thinking is linked to education in Hong Kong:</u> Mainland China's Minister of Education Chen Baosheng stated in an interview with Radio Television Hong Kong that the appearance of Hong Kong independence thinking can be linked to education. He noted that the Hong Kong government has a responsibility to implement national education and that teachers need to first "love the country and identify with the country."</p> <p>■ <u>Public demands that the CCP respect Hong Kong's autonomy:</u> Legislative Council Member for the Education Constituency Ip Kin-yuen indicated that Article 22 of the Basic Law stipulates that no department of the central government may interfere in the affairs which</p>	<p><u>Ming Pao</u>, 2017.10.24</p> <p><u>Ming Pao</u>, 2017.10.24, <u>Stand News</u>, 2017.10.23</p> <p><u>Hong Kong Economic Journal</u>, 2017.10.31</p> <p><u>Ming Pao</u>, 2017.11.24</p>

		<p>Hong Kong administers on its own and that Articles 136 and 137 of the Basic Law state that Hong Kong enjoys educational autonomy and academic freedom. Hence, neither the central government nor the Liaison Office should interfere with education and academic freedom in Hong Kong.</p> <p>■ <u>Liaison Office meets with teachers:</u> The media reported that education officials of the Liaison Office invited principals and teachers of Hong Kong secondary schools to a meeting to discuss the content of Chinese history courses in junior high schools. Hong Kong Professional Teachers' Union Committee Member Chen Yan Kai criticized the Liaison Office for intervening in Hong Kong's education affairs.</p> <p>■ <u>The Mainland claims educational bias in Hong Kong:</u> Liaison Office Director Wang Zhimin and Director of the Party Literature Research Center of the CCP Central Committee Leng Rong stated in a speech to about 240 senior government officials that education is the source of misunderstanding about the country among young people. Legislative Council Member for the Education Constituency Ip Kin-yuen criticized Wang Zhimin's statement for pressuring the Hong Kong government and said that the central government should understand that youth dissatisfaction stems from a non-democratic political system.</p>	
5	2018.1.8	Liaison Office accused of intervening in university autonomy	Ming Pao, 2018.1.9

	2018.1.10	<p>■ <u>Requirement that principals communicate with the Liaison Office is normalized:</u></p> <p>President of the University of Hong Kong Peter Mathieson stated in a press interview before leaving office that the Liaison Office often gives advice. He disclosed that all university heads are in contact with the Liaison Office and claimed that the office is interested in education in Hong Kong. He also said that communicating with the Liaison Office is part of the work of university presidents.</p> <p>■ <u>Unions accuse Liaison Office of academic interference:</u> Chair of the Academic Staff Association of the University of Hong Kong Cheung Sing Wai noted that the Liaison Office's practices are "highly inappropriate," interfere with academic freedom, limit university prospects, and violate the Basic Law. Chinese University of Hong Kong Employees General Union Vice President Chan Yin-ha was shocked by the incident and found the Liaison Office's behavior to be inappropriate.</p> <p>■ <u>Legislative Council member accuses the Liaison Office of undermining campus autonomy:</u> Legislative Council Member for the Education Constituency Ip Kin-yuen believes that this incident, if true, would undermine the autonomy of educational institutions, violate Article 22 of the Basic Law prescribing that the central government may not interfere in Hong Kong's self-administered affairs, and Article 137 of the same law stipulating that Hong Kong's</p>	<p><u>Apple Daily</u>, 2018.1.9</p> <p><u>Ming Pao</u>, 2018.1.9</p> <p><u>Hong Kong Economic Times</u>, 2018.1.11</p>
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		<p>universities enjoy academic freedom.</p> <p>■ <u>Establishment camp supports communication:</u> Chairman of the Council of the University of Hong Kong Arthur Li stated that he also met with the Liaison Office and that communication with various sectors is part of the work of the Liaison Office. This is unrelated to interference with academic freedom. Vice-chairman of the Democratic Alliance for the Betterment and Progress of Hong Kong Horace Cheung expressed the view that assistance from the Liaison Office is good and that if Peter Mathieson can choose not to attend such meetings if he feels under pressure.</p>	
6	<p>2017.10.11</p> <p>2017.10.12</p> <p>2017.10.19</p>	<p><u>Mainland China accused of intervening in Hong Kong's immigration controls</u></p> <p>■ <u>Advance pressure from the Mainland:</u> Vice Chairman of the British Conservative Party Human Rights Commission Benedict Rogers, traveled to Hong Kong to meet with imprisoned activist Joshua Wong but was denied entry and sent home. He noted that prior to his departure, mainland China's consulate in the UK thrice sought to exert pressure through British parliamentarians with intention to block his trip to Hong Kong.</p> <p>■ <u>Mainland claims that immigration is part of foreign affairs:</u> Chief Executive Carrie Lam stated that immigration affairs must consider whether diplomacy is involved and that diplomacy is an affair of the "central government." Mainland China's Ministry of Foreign Affairs also stated that Hong Kong's affairs are purely internal affairs and that permission for entry is a matter of mainland China's sovereignty.</p> <p>■ <u>Legislative Council members claim that immigration is an internal affair:</u> Legislative Council members Raymond Chan and Claudia Mo stated during a Legislative Council interpellation of the chief executive that, under Article 154 of the Basic Law, immigration is an internal policy of Hong Kong and Beijing shall</p>	<p><u>Sing Tao Daily</u>, 2017.10.12</p> <p><u>Hong Kong Economic Journal</u>, 2017.10.13</p> <p><u>Apple Daily</u>, 2017.10.13</p> <p><u>Ming Pao</u>, 2017.10.20</p>

		<p>The Mainland's Office of the Commissioner of the Ministry of Foreign Affairs in the HKSAR said that Hong Kong affairs are purely internal affairs and no foreign country has the right to interfere.</p> <p>■ <u>The Hong Kong government claims it did not violate the agreement:</u> The Hong Kong government issued a statement saying that the US report is not a correct representation. It stressed that there are no arrangements for the transfer of fugitives between Hong Kong and mainland China and therefore no fugitives have been handed over to mainland China.</p> <p>■ <u>Legislative Council members worry about harm to Hong Kong's international reputation:</u> Hong Kong Legislative Council Member James To said that the HKSAR government must explain the reason for rejecting the extradition, otherwise, people will suspect that the Hong Kong government refused to hand over the suspect under pressure from mainland China. This would undermine the confidence of Hong Kong people and the international community in the implementation of "one country, two systems" and hurt Hong Kong's international reputation.</p>	
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