

Analysis Report: 22 Years After Hong Kong's Handover

Mainland Affairs Council

June 2019

- Hong Kong limits political participation, freedom, and rights; Fugitive Offenders Ordinance amendments (also known as the “the extradition bill”) spark serious social unrest
- Hong Kong's economy grows steadily, but concerns exist over risks from Hong Kong's economic linkages with the Mainland
- CCP authoritarianism pervades all levels of society, impacting the human rights and freedom of the people of Hong Kong
- The international community worries whether Hong Kong can maintain its unique status
- Hong Kong and mainland China continue to integrate; Hongkongers' sense of Chinese identity hits record low
- Taiwan and Hong Kong develop substantive relations base on goodwill, mutual benefit, and pragmatism

I. Overall Review and Analysis

Hong Kong was handed over to mainland China in 1997. Premised on Hong Kong maintaining its free economic system and autonomous status, the government of the Republic of China (ROC) treats Hong Kong as a "special area," unique from the Mainland area, in order to maintain consistency and continuity in its Hong Kong policy and the various direct interactions between the people of Taiwan and Hong Kong. The government therefore annually reports on the overall developments in Hong Kong and the status of Taiwan-Hong Kong relations. This is the 22st in a series of such regular reports, covering the period from July 2018 to early July 2019.

Hong Kong's "one country, two systems" faced serious attack and challenges in the past year. A number of unprecedented and recurring incidents raised international concerns over Hong Kong's ability to maintain its autonomy and prosperity. In the span of a week, the people of Hong Kong held

two million-person protests in defense of democracy, human rights, and the rule of law. Their actions have shaken and earned the admiration of the world. Yet it raised concerns as the Hong Kong government, for the first time since it was returned to China from the UK, banned a political party under the Societies Ordinance and the Chinese Communist Party (CCP) publicly requested that the Hong Kong government reported on its handling of the affair. In addition, the incident in which a foreign journalist was refused work visa extension and denied re-entry also attracted attention. Other unprecedented developments occurred due to the controversies over the extradition bill include the followings:

- Hongkongers (Ray Wong and Alan Li) were granted refugee asylum status in Germany due to the adverse political situation in Hong Kong;
- British and Canadian foreign ministries issued a joint statement expressing concern over the impact of the Hong Kong government's amendments to the Fugitive Offenders Ordinance on the safety and interests of their citizens in Hong Kong;
- 15 parliamentarians in six countries signed a joint letter urging the Hong Kong government to withdraw the extradition bill;
- The German government said to re-examine its extradition agreement with Hong Kong;
- Chinese dissident artist Badiucao's exhibition canceled over 'safety concerns' following threats made by the CCP against the artist ;
- American Chamber of Commerce, the largest international business chamber in Hong Kong, for the first time, issued a series of statements on one single issue to voice concerns;
- Nearly 10,000 Taiwanese people came out to support the Hong Kong students in Taiwan who organized a rally to protest against the extradition bill;
- Demonstrators in 29 cities in 12 countries around the globe held rallies in solidarity with the Hong Kong people.

The past year also witnessed the continued suspension of Hongkongers' rights to run for office due to their political views. A US congressional committee urged the government to re-examine the Hong Kong Policy Act and some members of the US Congress jointly petitioned to have the Hong Kong Human Rights and Democracy Act reintroduced. The European Union (EU) issued a demarche to the Hong Kong government expressing concern over the impact of the amended Fugitive Offenders Ordinance on the safety and rights of Europeans in Hong Kong. Incidents involving election intervention and interference with free speech, the media, and freedom of the press by the Liaison

Office of the Central People's Government in the Hong Kong Special Administrative Region (hereinafter "the Liaison Office") were also widely reported. Amidst this strong-arm intervention by the CCP in Hong Kong's affairs, Hongkongers' sense of Chinese identity fell to new lows.

Hong Kong's economy grew strongly in the first half of 2018, but slowed sharply in the second half due to the global economic slowdown and trade friction between the US and mainland China. International rating agencies issued new warnings over the political, economic, and social risks facing Hong Kong due to integration of its economy with mainland China's.

The international community expressed concern over Hong Kong's role in mainland China's 'diplomatic engineering.' A US Congressional report urged the government to re-examine US export control policy for dual-use technologies with respect to Hong Kong to prevent mainland China from obtaining high-tech strategic resources. The Hong Kong government's amendments to the Fugitive Offenders Ordinance were also criticized by officials, media, the business community, and non-governmental organizations (NGOs) around the world. While it has yet led to large-scale divestments, it has seriously damaged Hong Kong's international reputation.

Personnel and trade contact between Taiwan and Hong Kong grew steadily over the past year. The two sides were each others' third and fourth largest trading partners, respectively. Official interaction between Taiwan and Hong Kong slowed due to the cross-Strait factors. However, the two sides were able to maintain normal exchanges through 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 and the mutual representative offices. The government will continue with goodwill to pragmatically promote the development of substantive and mutually beneficial relations between Taiwan and Hong Kong.

The recently heightened unrest in Hong Kong prompted some civic groups in Taiwan to propose that the Act Governing Relations with Hong Kong and Macao be amended to further restrict exchanges between Taiwan and Hong Kong. The government, in response, said it would continue to pay attention to related developments, draft and present assessment reports, and compile a chart of controversial incidents involving "one country, two systems" and human rights violations as references for adjustment of related policies.

The following presents an analysis of developments on the 22nd anniversary of Hong Kong's handover (July 2018 to June 2019):

1. Hong Kong limits political participation and right to freedom; the extradition bill spark serious social unrest

Hong Kong Chief Executive Carrie Lam has focused efforts during her administration on the economy, people's livelihood, and stable political development. However, Hong Kong still faced many unfortunate and unprecedented incidents. For the first time, the government announced the ban of the Hong Kong National Party under the Societies Ordinance. In addition Hongkongers (Ray Wong and Alan Li) were granted refugee asylum status in Germany due to the adverse political situation in Hong Kong. Also, Foreign Correspondents' Club Hong Kong Vice-President Victor Mallet was refused a work visa extension because he had presided at a talk presented by a "Hong Kong independence" activist.

Candidates continued to be disqualified for election through discretionary judgments by the returning officer appointed by the Electoral Affairs Commission. Among the disqualified candidates were Kowloon West Legislative Council by-election candidate Lau Siu-lai and Yuen Long Village Representative candidate Eddie Chu. Scholars, opinion leaders (Benny Tai Yiu-ting, Chan Kin-man, and Chu Yiu-ming) and Legislative Council members (Lam Cheuk-ting, Andrew Wan, Tanya Chan, and Shiu Ka-chun) were prosecuted or jailed for participating in political protests despite some suffering from medical conditions. While these unfortunate precedents or cases have raised concerns over freedoms of speech, press, assembly, and association, and affected international assessment of rule of law and the business environment in Hong Kong, knock-on effect on the territory's future trajectory remains to be seen.

The Hong Kong government's proposed extradition bill has had an even greater impact on the "one country, two systems" model in Hong Kong. The proposal has evoked intense protests in Hong Kong and deep concern around the world for the passage of the bill would expose all residents and foreigners in Hong Kong to the risk of being extradited to mainland China for trial or imprisonment. The people of Hong Kong therefore held a series of protests attracting record numbers of participants: 12,000 people on March 31, 130,000 people on April 28, 1.03 million people on June 9, and two million people on June 16. Internationally, the US president and vice president, speaker of the House, and related congressional committees, the EU, foreign ministers and members of parliament in and United Kingdom (UK), and the foreign ministries of Germany, Australia, Canada, and Japan all issued statements urging the Hong Kong government to suspend the bill and expand dialogues. People in more than 20 cities around the globe marched to oppose the proposed extradition bill. On June 15, the Hong Kong government announced that it would suspend the bill and re-emphasized the following

day that the Legislative Council would stop work on the bill. However, the people continued to call for the withdrawal of the extradition bill, retraction of the classification of the protests as "riots," and other demands. At the time of the writing of this report, people continued to surround the Legislative Council and Government Secretariat buildings. The controversies surrounded the bill would have a profound impact on the authority of the Hong Kong government and whether the CCP would deepen intervention in Hong Kong's internal affairs.

The Hong Kong government stated that the extradition bill was intended to resolve a case involving the murder of a Hong Kong person in Taiwan. As a party related to the case, the ROC government has consistently asked the Hong Kong government, since the bill was first proposed, to accept suggestions to the bill which take into account both human rights protection and justice underscored in this case. The government also paid the highest respect to the more than one million people in Hong Kong who rallied twice to demand that the Hong Kong government withdraw the extradition bill. It stated that Taiwan would always walk side by side with the people of Hong Kong on the road to democracy and freedom. It also urged the Hong Kong government to truly respond to public opinion.

2. Hong Kong's economy grows steadily, but concerns exist over risks from Hong Kong's economic linkages with the Mainland

Hong Kong's economy continued to grow strongly in the first half of 2018 amidst a favorable global economic environment. However, economic growth slowed sharply in the second half due to the global economic slowdown, trade friction between the US and mainland China (last year, mainland China and the US were Hong Kong's first and second largest export markets and first and sixth biggest source of imports, respectively), and a series of interest rate hikes in the US. Hong Kong's gross domestic product (GDP) grew by 3% in real terms in 2018. While this was the second consecutive year that growth topped the past 10-year average rate of 2.8%, the gain still fell short of 2017's 3.8% increase. The Hong Kong government, expecting global economic uncertainties to increase downward pressure on the economy ahead, forecasted the economy to grow by 2 to 3% in 2019.

The Hong Kong government actively promoted plans and subsidies related to the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area (GHMGBA) announced by mainland China in February 2019 to consolidate and enhance Hong Kong's status as an international financial, transportation and trade center, as well as international aviation and global offshore

renminbi business hubs. These include promoting green financial development, attracting research and innovation talents, and establishing the Maritime and Aviation Training Fund (MATF). The government also proposed the Lantau Tomorrow Vision reclamation project to build new metropolis. Some commentators said that the project would provide new momentum for Hong Kong's development. However, the project has also stirred controversies over its excessive cost and environmental impact.

International sovereign credit rating agencies continued to worry over the deepening integration of the Mainland and Hong Kong economies. In its Economic Freedom of the World: 2018 Annual Report issued in September 2018, Canadian think tank, the Fraser Institute, again ranked Hong Kong as the world's freest economy (apart from two years at second place, Hong Kong has earned the top spot in the report each year since 1970). However, the report also expressed concern over the impact of mainland China's intervention on the rule of law in Hong Kong. The IMD Business School in Lausanne, Switzerland ranked Hong Kong 18th in its 2018 IMD World Talent Report released in November last year, down from 12th place in the year before. The report noted the impact of the CCP's political interference and economic attraction. Furthermore, although international rating agency, Fitch Ratings, maintained its AA+ rating for Hong Kong, but indicated that Hong Kong was denied the highest rating due to the adverse impact from its close linkages with the Mainland.

3. CCP authoritarianism pervades all levels of society, impacting Hong Kong's human rights and freedom

Over the past year, the media, assemblies, as well as art and cultural activities in Hong Kong were seriously impacted, with the public claiming CCP involvement.

Hong Kong's freedom of the press ranking continued to fall. The World Press Freedom Index released by Reporters Without Borders in April 2019 demoted Hong Kong to 73rd place. The Hong Kong Press Freedom Index issued by the Hong Kong Journalists Association (HKJA) fell to a new low of 45 points in the public's assessment. Among the journalists polled, 81% felt that press freedom in Hong Kong had worsened over the year and 25% felt that the situation was significantly worse. Self-censorship and pressure from the central government were listed as the top factors in their assessment. The large majority of the more than 93% of the journalists polled felt that the mainland Chinese government was involved in the incidents undermining freedom of the press. The HKJA also noted in its Annual Report that Chinese capital has made enormous gains in acquiring emerging online

media channels, but the "half commentary, half reporting" style of these channels is more of political propaganda than factual reporting.

The Beijing authorities pressured the media in various ways. These included keeping an "anti-China" blacklist and intimidating the media into not inviting blacklisted personnel to programs, directly demanding that media channels delete reports detrimental to the Central Liaison Office, and sending personnel from the Office of the Commissioner to the Foreign Correspondents' Club, Hong Kong (FCC) to intimidate the association into canceling a speaker invitation to Hong Kong National Party Convenor Andy Chan. The CCP even monitored interviews by Wall Street Journal's Hong Kong correspondents on behalf of foreign government in exchange for permission to build "Belt and Road Initiative" infrastructure in Malaysia.

The Central Liaison Office not only infringed on freedom of the press, but also prevented the sale of "politically incorrect" books through control of the Sino United Publishing (Holdings) Limited, which near monopolize Hong Kong's book selling channels. At the time of the writing of this report, the sale of political books published in Taiwan was banned in Hong Kong.

Art and cultural events in Hong Kong were also obstructed last year. An art exhibition by Chinese-Australian cartoonist Baodiucuo scheduled to be held in Hong Kong was abruptly canceled by the organizer, Hong Kong Free Press, due to safety concerns following threats made by the Chinese authorities regarding the artist. The sponsor of an event, at which exiled Chinese writer Ma Jian (whose new work "China Dream" satirizes contemporary China) was scheduled to speak, canceled the event stating it was unwilling to serve as a platform to promote individual political interests. Media reports and analysis claimed that CCP intervention was involved.

4. The international community worries whether Hong Kong can maintain its unique status

Hong Kong was ranked the world's freest economy by the Heritage Foundation, an American think tank, for the 25th consecutive year. IMD Business School in Lausanne, Switzerland also ranked Hong Kong the second most competitive economy in the world. World Trade Organization statistics for 2018 listed Hong Kong as the world's eighth largest exporter of merchandise and 15th largest exporter of services.

However, the international community paid increasingly close attention to the impact of mainland China's Hong Kong policy. In July 2018, 31 members of the British Upper and Lower Houses, sent a letter to the British Foreign and Commonwealth Office noting increasingly frequent legal

interpretations by mainland China's National People's Congress (NPC) and multiple arrests and imprisonment of protesters which not only contravene international human rights laws and norms, but also put pressure on the rule of law and fundamental freedoms in Hong Kong. The British House of Commons Foreign Affairs Committee also expressed concerns in a report, titled China and the Rule-Based International System, that mainland China would lead Hong Kong towards "one country, 1.5 systems" and even "one country, one system" in the future. Reports by the European Parliament and the US Congressional-Executive Commission on China and US-China Economic and Security Review Commission stated that the general consensus is that CCP intervention in Hong Kong affairs has worsened.

The international community expressed concern over Hong Kong's role in mainland China's diplomatic engineering. When Hong Kong's Li Ka-shing Group sought to acquire Australia's biggest natural gas distributor, Australian officials withheld support for the transaction over questions whether the CCP was manipulating affairs behind the scenes. In its annual report released in November last year, the Congressional US-China Economic and Security Review Commission reiterated that Beijing's accelerated integration of Hong Kong and mainland China has steadily deprived Hong Kong of its unique position. It suggested that the US Congress instructed the Department of Commerce to re-examine US export control policy for dual-use technologies with respect to Hong Kong and the practice of treating Hong Kong and mainland China as separate customs territories.

In response to the Hong Kong government's amendments to the Fugitive Offenders Ordinance, 15 legislators in six countries signed a joint letter expressing concern, US members of congress called for the cancellation of special tariff treatment for Hong Kong, where Germany's Federal Foreign Office stated that it was considering re-examining its extradition agreement with Hong Kong. Although the Hong Kong government announced that it would suspend the extradition bill and the international community has yet to take further actions, Hong Kong's international reputation has already been significantly affected.

5. Hong Kong and mainland China continue to integrate; Hongkongers' sense of Chinese identity falls to new low

Over the past year, mainland China continued to promote integration with Hong Kong in the areas of personnel movement, logistics, and capital. According to data released by the Hong Kong Trade Development Council, mainland China was the country of origin and destination for 57% and

55%, respectively, of the goods transshipped through Hong Kong in 2018. That same year, Hong Kong was mainland China's fourth largest trading partner after the US, Japan and Korea, accounting for 6.7% of mainland China's total trade. At the end of 2018, there were 1,146 Mainland enterprises listed in Hong Kong, including H share, red chip, and other private companies. They had a total market capitalization of about US\$2.6 trillion, accounting for 68% of the market total. Since 1993, Mainland enterprises have raised more than US\$800 billion through shares issued in Hong Kong. According to data from the Society for Worldwide Interbank Financial Telecommunication (SWIFT), Hong Kong was the world's largest offshore renminbi settlement center in 2018, accounting for about 79% of global payments in renminbi.

In December last year, mainland China and Hong Kong signed the Closer Economic Partnership Arrangement (CEPA) Trade in Goods Agreement. The agreement expanded tariff-free treatment for Hong Kong goods and identification of related terms. It also established a chapter for the facilitation measures in the GHMGBA. Furthermore, the Mainland announced the Interim Measures for Hong Kong, Macao and Taiwan Residents to Join the Social Insurance Scheme in mainland China, financial account tax information exchange for non-residents, preferential policies on personal income tax in the Greater Bay Area (GBA), and Outline Development Plan for the GHMGBA to accelerate integration. However, the public consensus in Hong Kong was that the enjoyment of "equal treatment" for Hongkongers in the Mainland would entail meeting obligations that outweigh the benefits of such treatment. The public also worried that the preferential measures would lead to an outflow of professional talent to mainland China and weaken technological innovation in Hong Kong.

Units symbolizing the mainland Chinese regime became more apparent to the people of Hong Kong in the past year. For example, uniformed soldiers of the People's Liberation Army (PLA) Hong Kong Garrison took part in post-disaster clean-up work without a prior request from the Hong Kong government. This led to controversy over whether the action violated the Garrison Law. The PLA garrison also unprecedentedly departed for overseas military exercises from Hong Kong Airport instead of their base in Shenzhen. The CCP announced on its website information about the events held by the party branch at City University of Hong Kong, this has raised public concerns over limitations on campus autonomy and academic freedom. Mainland China's State Council also, for the first time, publicly demanded by an official letter that the chief executive reported on the banning of the Hong Kong National Party. Commentators claimed that the CCP's intent was to steadily inure Hongkongers to the existence of the "Central Government."

The CCP and Hong Kong government have also worked concertedly to strengthen sense of Chinese identity among the youth but have had difficulty achieving this goal. Representatives of several university student unions in Hong Kong have deliberately discussed the issue of "Hong Kong independence" in school addresses and have called on the government to reflect on the repercussion effect of suppressing rising Hong Kong identity. The CCP and Hong Kong government have condemned separatism and accelerated exchanges between students in the Mainland and Hong Kong to increase understanding of the national constitution and Basic Law. However, according to the results of a public opinion survey announced by the Public Opinion Programme at the University of Hong Kong on June 27, 2019, 71% of the respondents said they were not proud of being a national citizen of China, up 14 percentage points from the year before, while the percentage saying they were proud to be a Chinese national fell by 11 percentage points to 27%, marking the highest and lowest levels, respectively, since 1997. Moreover, 52.9% of the respondents identified as Hongkongers, while only 10.8% identified as Chinese nationals, also a record high and low, respectively. The survey further found that the younger the respondents, the less likely they were to feel proud of being a national citizen of China, and also the more negative they were toward the Central Government's policies on Hong Kong. Commentators therefore called on the CCP to seriously review its policy toward Hong Kong.

6. Taiwan and Hong Kong develop substantive relations with goodwill, mutual benefit, and pragmatism

Taiwan and Hong Kong maintained close personnel flows and economic and trade exchanges over the past year. In 2018, trade between the two sides exceeded US\$43 billion, Taiwan's investments in Hong Kong reached US\$580 million, and Hong Kong's investments in Taiwan amounted to approximately US\$340 million. The two sides were each others' third and fourth largest trading partners, respectively.

Since 2012, the ROC government has progressively simplified the entry application procedures for Hong Kong and Macao residents and Mainland residents living in Hong Kong and Macao to attract such visitors to Taiwan for tourism. In 2008, more than 500,000 Hongkongers visited Taiwan. In 2018, the number of Hong Kong visitors grew to more than 1.5 million. Last year, Taiwan approved permanent and temporary residency visas for 1,090 and 4,148 Hongkongers, respectively.

To provide more channels for Hong Kong students to study in Taiwan, the MAC coordinated with the Ministry of Education to allow the enrollment of Hong Kong students with associate degrees

in bachelor programs at public and private universities and colleges in Taiwan starting from July 2018. Schools were also allowed to have them enroll as juniors according to their regulations. A total of 12,379 Hong Kong and Macao students were enrolled in Taiwan during the 2018 school year, accounted for 50.4% of the total number of overseas Chinese and Hong Kong and Macao students. Hong Kong students in Taiwan numbered 7,695, accounted for the second largest share among overseas Chinese and Hong Kong and Macao students.

Compared to the close social ties between Taiwan and Hong Kong, official interaction between the two sides was slowed due to the cross-Strait factors. Nevertheless, the two sides were able to maintain normal exchanges through the THEC-ECCPC platform and their mutual representative offices. The government also continued to strengthen emergency assistance and service for Taiwanese nationals in Hong Kong and Macao through its representative office in the two territories. Statistics indicated that the government, over the past year, handled 2,055 cases of emergency assistance to Taiwanese nationals, made 110 notifications and visited Taiwanese nationals detained in Hong Kong and Macao, and assisted with the arrest of seven wanted criminals who had fled to Taiwan. The government also continued to strengthen consultation and services for Taiwanese residents applying for passports and for Mainland, Hong Kong, and Macao residents and foreign nationals applying for visas and various authentications of certificates.

The government will continue to pragmatically promote the development of substantive and mutually beneficial relations between Taiwan and Hong Kong with goodwill. It will also continue to pay attention to related developments, draft and present assessment reports, and compile a chart of controversial incidents involving "one country, two systems" and human rights violations as references for adjustment of related policies.

Appendix

Controversial Events in 22 Years since Hong Kong's Handover

Twelve controversial cases happened from July 2018 to June 2019; there were 237 cumulative incidents from July 1997 to early June 2018.

No.	Date	Event	Source
1	2018.7.1	<p>Liaison Office intervenes in media choice of interview subjects</p> <ul style="list-style-type: none"> ■ <u>Liaison Office signals that media executives should be cautious in choosing interviewees:</u> A media report stated that the Liaison Office invited media executives to a luncheon, during which the executives were "warmly prompted" to not invite "anti-China" students to comment on current events. 	Hong Kong's Apple Daily, 2018.7.1
	2018.7.4	<ul style="list-style-type: none"> ■ <u>Report confirmed by RTHK insiders but denied by station executives:</u> Radio Television Hong Kong (RTHK) insiders told Stand News that supervisors at the station's news department indicated several "anti-China" commentators who reporters were not allowed to invite to speak about Xi Jinping and other China-related news. A station spokesperson denied hearing any related information. 	Stand News, 2018.7.5
2	2018.7.22	<p>Liaison Office bans publication of politically sensitive books in Hong Kong</p> <ul style="list-style-type: none"> ■ <u>Hongkongers protest book censorship by the Liaison Office:</u> During the Hong Kong Book Fair, crowds held a 	HK01, 2018.7.22,

	<p>2019.5.20</p>	<p>series of flash protests at the display of the Liaison Office's wholly-owned Sino United Publishing (Holdings) Limited (including Joint Publishing Company, Chung Hwa Book Company, and the Commercial Press) against the Liaison Office's monopoly of the book market and ban on political books. The protesters urged city resident to boycott books published by the group.</p> <p>■ <u>Liaison Office bans sale of Taiwan-published political books in Hong Kong:</u> Taiwan's Xindahua International Development Company informed the media that it had arranged for a Hong Kong publisher to sell the book "Loyal Villain: Liu Shaoqi—Striking the Unspeakable Secret of the KMT-CPC" but was later told that "All books from Taiwan are political. None are allowed in unless they criticize the Democratic Progressive Party." A media investigation revealed that the involved Hong Kong publisher was part of the Liaison Office's wholly-owned Sino United Publishing Group. Taiwan's Ministry of Culture said that it would continue to pay attention to developments related to this incident based on constitutional protection of the people's freedom to write and publish.</p>	<p>2018.7.23</p> <p>Hong Kong's Apple Daily, 2019.5.20</p>
<p>3</p>	<p>2018.8.3</p>	<p>Mainland China interferes in and retaliates against speech in Hong Kong</p> <p>■ <u>Mainland Chinese agencies in Hong Kong obstruct speech held by the FCC:</u> Vice president of the Foreign Correspondents' Club (FCC) in Hong Kong Victor Mallet</p>	<p>Office of the Commissioner website 2018.8.3; Hong</p>

		<p>(Asia news editor of the UK's Financial Times) invited Convenor of the Hong Kong National Party Andy Chan to speak on August 14. The website of the Office of the Commissioner of the Ministry of Foreign Affairs of the People's Republic of China in Hong Kong stated in response to a reporter's question that it opposed the invitation for Andy Chan to speak. It also firmly opposed the provision of a platform to "Hong Kong independence" supporters by any foreign powers. Victor Mallet confirmed that the Office of the Commissioner sent three staff members to call on the FCC and "strongly request" that the club reconsider the invitation for Andy Chan to speak at a luncheon, but the FCC refused.</p>	<p>Kong Citizen News, 2018.8.3</p>
2018.8.7		<p>■ <u>Mainland China's Ministry of Foreign Affairs reiterates opposition to speech:</u> The ministry issued a statement reiterating that it firmly opposes external intervention in Hong Kong's affairs.</p>	<p>Ta Kung Pao, 2018.8.8;</p>
2018.8.14		<p>■ <u>FCC defends freedom of the press:</u> The FCC stated that inviting people with different positions to share their perspectives on politics, economy, culture, and other issues is a core activity of the FCC. The FCC will fully defend the freedom of the press and freedom of speech.</p>	<p>Stand News, 2018.8.14</p>
2018.8.15		<p>■ <u>Hong Kong and Macao Affairs Office of the State Council criticize illegal assistance to split the country:</u> Director of the Hong Kong and Macao Affairs Office of</p>	<p>Ming Pao, 2018.8.16</p>

	<p>2018.10.5</p>	<p>the State Council Zhang Xiaoming said that the FCC insisted on following its own course heedless of the repeated advice of the Office of the Commissioner and the Hong Kong government. This is not some general unfriendly act, or general interference or provocative act. From a legal viewpoint, it amounts to assisting incitement to split the country and is definitely illegal.</p> <p>■ <u>Work permit extension denied to vice president hosting talk:</u> The UK-based Financial Times confirmed through the BBC Chinese that the Hong Kong government denied FCC Vice President Victor Mallet's application to extend his work permit.</p>	<p>BBC Chinese Network, 2018.10.5</p>
	<p>2018.10.6</p>	<p>■ <u>Unprecedented refusal to extend journalist's work permit sparks local dispute and international concern:</u> The refusal to extend Victor Mallet's journalist work permit was unprecedented since Hong Kong's handover. The US Consulate General in Hong Kong and Macao said that the decision is especially disturbing "because it mirrors problems faced by international journalists in China." The British foreign secretary said that the Hong Kong government's failure to provide a reasonable explanation would not only undermine human rights and freedom of the press in Hong Kong, but would also leave the UK no choice but to "ascribe political motivations" to the decision. The HKJA said that the CCP's methods would lead to "self-censorship" and stifle freedom of speech in Hong Kong. The New Democracy Alliance, Parliamentary Front, People's Power, Student</p>	<p>Liberty Times, 2018.10.6; Ming Pao, 2018.10.7; HK01, 2018.10.10; FCC website, 2018.10.12</p>

	2018.10.13	<p>Independence Alliance, and other Hong Kong political groups issued a joint statement accusing the Hong Kong government of suppressing foreign journalists and bringing international shame to Hong Kong. The FCC stated that the refusal to issue a visa to Victor Mallet sets a disturbing precedent and undermines Hong Kong's reputation of rule of law.</p> <p>■ <u>Chief executive issues contradictory statement on Victor Mallet incident:</u> Chief Executive Carrie Lam stated that the Hong Kong government determines entry and exit regulations under the Basic Law. However, the media noted that the Hong Kong government's claim of discretion over such decisions contradicts the chief executive's denial of entry to Vice Chairman of the British Conservative Party Human Rights Commission Benedict Rogers last year on diplomatic grounds.</p>	Hong Kong's Apple Daily, 2018.10.14
4	2018.10.13	<p>PLA Hong Kong Garrison violates Garrison Law</p> <p>■ <u>Liaison Office reveals participation of People's Liberation Army Hong Kong Garrison in post-disaster clean-up work:</u> The Liaison Office issued a press release stating that more than 600 people from its office, the Office of the Commissioner of the Ministry of Foreign Affairs in Hong Kong, PLA Hong Kong Garrison, and some Mainland owned companies in Hong Kong participated in the removal of barriers and debris on MacLehose Trail in the New Territories following Typhoon Mangkhut.</p> <p>■ <u>Legislative Council member claims garrison's actions</u></p>	<p>HK Liaison Office website, 2018.10.13</p> <p>HK01, 2018.10.15,</p>

		<p><u>violated the Garrison Law:</u> Legislative Council members Eddie Chu and Raymond Chan stated during interpellations that the participation of the garrison in post-disaster clean-up work unrequested by the Hong Kong government is illegal under the Garrison Law.</p> <p>■ <u>Hong Kong government claims the garrison did not break the law:</u> Secretary for Security John Lee said that Basic Law, Garrison Law, and laws of Hong Kong do not require or restrict the PLA Hong Kong Garrison to obtain approval from the Special Administrative Region (SAR) government, notify the SAR government, or be invited by the SAR government to engage in public service activities.</p>	<p>2018.11.28</p> <p>Ta Kung Pao, 2018.11.29</p>
5	2018.10.16	<p><u>Mainland China demands that Hong Kong media delete report</u></p> <p>■ <u>CCP Propaganda Department claims that Hong Kong media should not become a political base for interfering with mainland China:</u> The head of the Propaganda Department of the CCP Central Committee Huang Kunming met with a delegation of Hong Kong media executives visiting Beijing. During a post-meeting interview, the delegation leader stated that Huang had expressed "hope that the Hong Kong media would not become a political base for interference with the mainland.</p> <p>■ <u>Deletion of reports sparks concerns over Hong Kong</u></p>	<p>Radio France Internationale, 2018.10.17</p> <p>BBC Chinese Radio Station,</p>

		<p><u>media self-censorship:</u> Several Hong Kong media outlets deleted live broadcast segments and reports on talks between the leader of the delegation visiting Beijing and Huang Kun-ming a few hours after they were published or aired. The HKJA issued a statement saying that this affair is extremely unusual and expressed concern over whether the media "self-censored" or external pressure was involved.</p> <p>■ <u>Media indicates that the Liaison Office requested deletion of the report:</u> The report indicated that a Liaison Office official told the Hong Kong media that Huang Kunming's statements were internal and should not be made public.</p>	<p>201810.17</p> <p>Hong Kong's Apple Daily, 2018.10.16</p>
6	<p>2018.11.3</p> <p>2018.11.4</p>	<p>Mainland China forces Hong Kong to cancel art and cultural events</p> <p>■ <u>Organizer cancels art show after receiving threats from mainland China:</u> A show of works by Chinese-Australian cartoonist Baodiucao, including comic books satirizing high-level CCP leaders, was scheduled to be held in Hong Kong. However, the organizer canceled the exhibition due to safety concerns following "threats made by the Chinese authorities regarding the artist." Amnesty International Hong Kong, which co-organized the show, issued a statement condemning mainland China for pressuring freedom of speech.</p> <p>■ <u>Scholars urge Hong Kong's arts and cultural community</u></p>	<p>Ming Pao, 2018.11.3</p> <p>Hong Kong's</p>

		<p><u>to stick to principles:</u> Director of the MA Program in Cultural Management at the Chinese University of Hong Kong Oscar Ho noted that the incident was the first time the CCP has directly intervened in Hong Kong's arts community. He exhorted Hong Kong's literary and arts community to stand strong and not quietly put up with the pressure. He said the community needs to stick its principle and consider the possibility of effects on other shows.</p>	<p>Apple Daily, 2018.11.5</p>
	<p>2018.11.8</p>	<p>■ <u>Talk by exiled writer canceled:</u> Exiled Chinese writer Ma Jian was scheduled to host two talks at Tai Kwun as part of the Hong Kong International Literary Festival. The talks were canceled for unexplained reasons.</p> <p>■ <u>Legislative Council member suspects the Hong Kong government coordinated with the CCP to pressure freedom of speech and expression:</u> Legislative Council member Claudia Mo questioned whether Hong Kong government units were pressured by Beijing in the Tai Kwun incident to stifle anything concerned with mainland China's politics.</p>	<p>Stand News, 2018.11.8</p> <p>Hong Kong's Apple Daily, 2018.11.8</p>
	<p>2018.11.9</p>	<p>■ <u>Media worries that Hong Kong is gradually losing autonomy:</u> A Hong Kong correspondent of international news agency Bloomberg wrote that the Causeway Bay Books, Victor Mallet, and Ma Jian incidents show that Beijing has no intentions to reduce control over the city, people, or even companies of Hong Kong to maintain Hong Kong's high degree of autonomy. He said that</p>	<p>Stand News, 2018.11.9</p>

	2019.1.8	<p>"some nations may already see Hong Kong as 'just another Chinese city'."</p> <p>■ <u>Six media outlets express concerns over freedom of the press to the Hong Kong government:</u> Six media organization (the HKJA, Independent Commentators Association, Ming Pao Staff Association, Radio Television Hong Kong Programme Staff Union, Hong Kong Press Photographers Association, and Next Media Trade Union) met with Chief Secretary for Administration Matthew Cheung. Media representatives at the meeting said that the denial of entry to Victor Mallet, cancellation of author Ma Jian's Tai Kwun speech, and cancellation of political cartoonist Badiucuo's art show in Hong Kong are not isolated incidents. They attack the freedoms of the press and speech, have a chilling effect, and lead to self-censorship. HKJA Chair Chris Yeung stated after the meeting that there is a clear gap with the government's views on the issue.</p>	Hong Kong Citizen News, 2019.1.8
7	2018.11.8	<p>Establishment of CCP party branch in Hong Kong sparks controversy</p> <p>■ <u>CCP establishes party branch and holds lecture at City University of Hong Kong:</u> The website of the CCP's National Judges College announced on November 8 that, on October 20, fifth-term and sixth-term senior judge's studying for their doctor of laws and ninth-term master of laws students at the City University of Hong Kong set up a temporary party branch and held a branch party meeting. National Judges College CPC Secretary and</p>	Sound of Hope, 2018.11.13

	<p>2018.11.14</p>	<p>President Huang Wenjun joined the meeting and held a party lecture.</p> <ul style="list-style-type: none"> <p>■ <u>Media states that Mainland companies in Hong Kong have also established party branches:</u> The media cited a Wall Street Journal report stating that, since 2016, at least 32 Chinese companies listed in Hong Kong have proposed restructuring plans to allow leading party group members to serve as advisors to the board of directors and to explicitly state the core leadership position of the CCP in the company articles of association. The report concluded that related practices have raised doubts among market participants as to who holds power at these companies and whether or not these companies place investor interests first.</p> <p>■ <u>Legislative Council member and scholar question legality of the action and erosion of two systems:</u> Hong Kong Legislative Council Member James To and Baptist University Professor Bruce Liu questioned whether the CCP branches operating in the city needed to register with the government under the Societies Ordinance.</p> <p>■ <u>Commentators criticize breach of promise undermining two systems:</u> Commentator Ching Cheong criticized the action, saying it erodes Hong Kong's systems. He noted that Lu Ping, the former director of the Hong Kong and Macao Affairs Office of the State Council, said that the CCP would not hold public activities in Hong Kong. Commentator Johnny Y.S. Lau said that the</p> 	<p>Sound of Hope, 2018.11.13</p> <p>LinePost, Radio Free Asia, 2018.11.14</p> <p>Hong Kong Economic Journal, 2018.11.14; Hong Kong's Apple Daily, 2018.12.10</p>
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8	2019.1.7	<p>Mainland China monitors Hong Kong reporter</p> <ul style="list-style-type: none"> <p>■ <u>Mainland China monitors Hong Kong correspondent of an international media outlet as quid pro quo:</u> The Wall Street Journal reported that senior Chinese leaders offered in 2016 to help bail out the 1Malaysia Development Bhd (1MDB) fund in exchange for Malaysia's participation in the "Belt and Road Initiative" infrastructure plan, according to minutes from a series of undisclosed meetings held by the Malaysian government. The Chinese also offered to monitor Wall Street Journal reporters in Hong Kong who were investigating the 1MDB scandal, including by bugging the reporters' homes, offices, cell phones, and computer networks, and report to Malaysia.</p> <p>■ <u>Legislative Council member questions undermining of one country, two systems:</u> Hong Kong Legislative Council Member James To issued a press release stating that "China has become brazen in its national security actions in Hong Kong and openly offers to spy for other countries for quid pro quo. The other side has even made a documentary record, showing that such behavior has happening for a while." He said that, as a Chinese citizen and council member, he must urge the central government to carefully consider whether,</p> 	<p>Voice of America, 2019.1.8</p> <p>Voice of America, 2019.1.8</p>

	2019.1.8	<p>among the various national interests, it is worth sacrificing the equally important national interest of one country, two systems.</p> <ul style="list-style-type: none"> ■ <u>Hong Kong government emphasizes that only its agencies can enforce the law:</u> Secretary for Security John Lee did not comment on the details of the report, but emphasized that only Hong Kong law enforcement agencies can enforce the law in Hong Kong. He further noted that law enforcement agencies only use their legally granted law enforcement powers to prevent or investigate crimes and in cases where public safety is a factor. 	Stand News, 2019.1.8
9	2019.2.26	<p><u>Mainland China intervenes in Hong Kong's autonomous affairs</u></p> <ul style="list-style-type: none"> ■ <u>Mainland China for the first time publicly requires reports from the Hong Kong government:</u> Chief Executive Carrie Lam stated at a press conference that mainland China's State Council sent an official letter to the Hong Kong government requiring her to report to the council on the operations of the banned National Party. ■ <u>Political party claims that CCP intervenes in high degree of autonomy:</u> The Civic Party condemned the central government for directly intervening in the internal affairs of the Hong Kong Special Administrative Region. It said the action is an attempt to normalize and rationalize such intervention and pressure dissident voices in Hong Kong. The party demanded that the chief 	<p>Hong Kong Economic Journal, 2019.2.27</p> <p>Ming Pao, Hong Kong's Apple Daily, 2019.2.27</p>

		<p>executive stop submitting reports to the central government and provide a detailed account of the incident to the Legislative Council. The media also quoted pan-democrats saying that Beijing's move will further confirm the international community's belief that Hong Kong is moving more quickly towards "one country, one system." This will hasten the loss of Hong Kong's special status in the international community and harm both Hong Kong and Beijing.</p> <p>■ <u>Chief executive considers request unusual but not a case of intervention:</u> Chief Executive Carrie Lam acknowledged that it was "slightly unusual" for the central government to openly require reporting, but said she believed this represented the central government's "declaration of support and affirmation of the SAR government's work" and involved "no intervention whatsoever."</p>	<p>Ming Pao, 2019.2.27</p>
<p>10</p>	<p>2019.3.14</p>	<p>Mainland Chinese court violates one country, two systems by intervening in a commercial dispute between the Mainland and Hong Kong</p> <p>■ <u>Mainland-Hong Kong commercial dispute leads to criminal conviction by mainland Chinese court:</u> Hong Kong businessman Kwok Chun-Sang was convicted and sentenced to life imprisonment (later reduced to 18 years) by the Changchun Intermediate People's Court for "contract fraud" related to a commercial dispute with the Hong Kong branch of China Merchants Bank in early 2000.</p>	<p>Headline Daily, 2019.3.15</p>

		<ul style="list-style-type: none"> <u>Legislative Council member claims case violated one country, two systems:</u> Hong Kong Legislative Council Member James To said that the case occurred entirely in Hong Kong and that any disputes should have been handled by the Hong Kong courts and treated as a civil lawsuit. Council Member To questioned whether the criminal trial and sentencing in mainland China of a case involving a Hong Kong company violated one country, two systems. He stated that fugitives cannot be extradited between Hong Kong and mainland China. Kwok Chun-Sang was arrested and charged for a criminal violation in mainland China even though his case should have been handled as a civil lawsuit. Council Member To worried that if the amendment to the Fugitive Offenders Ordinance is approved, extraditions of Hong Kong people to mainland China for trial will become more common. 	
11	<p>2019.5.21</p> <p>2019.5.22</p>	<p>Germany grants refugee status to Hongkongers due to Beijing's undermining of the rule of law in Hong Kong</p> <ul style="list-style-type: none"> <u>Defendants in Mong Kok disturbance granted asylum:</u> The New York Times reported that defendants in the incident Ray Wong and Alan Li were granted refugee status in Germany. <u>International media says incident highlights the damage caused by mainland China to human rights and rule of law in Hong Kong:</u> Foreign media and human rights organizations described this case as the first time a western country has granted refugee status to 	<p>Hong Kong's Apple Daily, 2019.5.22;</p> <p>Hong Kong's Apple Daily, 2019.5.23</p>

	<p>2019.5.23</p>	<p>Hongkongers due to political persecution in Hong Kong. The case reflects China's erosion of freedom in Hong Kong and will likely cause other countries to downgrade their assessment of human rights and the rule of law in Hong Kong.</p> <p>■ <u>Hong Kong government and mainland China's Ministry of Foreign Affairs lodge protests with Germany:</u> Chief Executive Carrie Lam called for a meeting with Germany's acting consul-general in Hong Kong to express her strong objection and deep regret. She questioned whether the German authorities' decision "has been based on facts." Mainland China's Ministry of Foreign Affairs and Office of the Commissioner in Hong Kong said that this matter is entirely China's internal affairs in which no country or organization has the right to intervene.</p> <p>■ <u>Germany worries over constriction of political space:</u> Germany's Federal Foreign Office expressed concern over the constriction of political space for opposition parties in Hong Kong. It noted the gradual erosion of the freedoms of expression and the press, especially on sensitive political issues.</p>	<p>HK01, 2019.5.24</p> <p>HK01, 2019.5.24</p>
<p>12</p>	<p>2019.2.12</p>	<p>Beijing's instruction to pass ordinance amendment triggers controversy over intervention in Hong Kong's autonomy</p> <p>■ <u>Ordinance amendment by Hong Kong government sparks protests and international concern:</u> Hong Kong's</p>	<p>Wen Wei Po, 2019.2.13</p>

		<p>Security Bureau submitted a paper to the Legislative Council proposing amendments to the Fugitive Offenders Ordinance and Mutual Legal Assistance in Criminal Matters Ordinance. The amendment would remove provisions that cannot be applied between Hong Kong and other areas of China, as well as allow the surrender of persons to another jurisdiction on a case-by-case basis if there is no long-term arrangement between Hong Kong and that other jurisdiction. The changes sparked intense protests in Hong Kong and deep international concern as they would put locals and foreign nationals in Hong Kong at risk of extradition to mainland China for trial.</p>	
	2019.5.17	<p>■ <u>CCP leadership voices support for the amendment:</u> Liaison Office Director Wang Zhimin met with Hong Kong members of the National People's Congress and National Committee of the Chinese People's Political Consultative Conference. Participants at the meeting quoted Wang as saying that the "ordinance must be approved." Director of the State Council's Hong Kong and Macau Affairs Office Zhang Xiaoming and Vice Premier Han Zheng also declared support for the amendment.</p>	Ming Pao, 2019.5.18; HK01, 2019.5.21
	2019.5.23	<p>■ <u>Public opinion criticizes CCP intervention for creating two power centers:</u> Honorary Chairman of the Liberal Party James Tien said that CCP officials in charge of Hong Kong affairs have successively declared their position. This shows the ineffectiveness of the chief executive's handling of this matter. It also highlights the problem of having "two power centers" and the increasing difficulty</p>	Sing Tao Daily, 2019.5.24

		the Hong Kong government will face in its future governance.	
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