

**Forum on 12<sup>th</sup> Five-Year Plan and Mainland-Hong Kong  
Economic, Trade and Financial Cooperation  
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**Deepening All-Round Cooperation  
for a Shared Bright Future**

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Hong Kong, 17 August 2011

Ladies and Gentlemen,  
Dear Friends,

Good Morning. It gives me great pleasure to attend today's forum. Vice Premier Li Keqiang gave a very important speech, and we in the National Development and Reform Commission (NDRC) will work with relevant ministries to make sure the initiatives will be followed through. I wish to introduce the major policies and measures we are going to adopt to implement the 12th Five-Year Plan to continue to support Hong Kong's development and enhance cooperation between the Mainland and Hong Kong.

During the 11th Five-Year Plan period, major progress was made in the economic cooperation between the Mainland and Hong Kong. Trade between the two sides registered US\$230.6 billion in 2010, up 68.7% compared with the end of the 10th Five-Year Plan period. Paid-in FDI from Hong Kong stood at US\$60.6 billion, nearly 2.4 times of the figure five years before. Deepening exchanges and cooperation between the two sides in the sectors of finance, science, education, culture, tourism, health and large-scale infrastructure have linked the two economies closer. Hong Kong's standing as an international financial, trade and shipping center is more solid than before.

The outline of the 12th Five-Year Plan adopted by the Fourth Plenary Session of the 11th National People's Congress drew a blueprint for the economic and social development of China in the next five years. It contains, for the first time, a separate chapter for the economic and social development of Hong Kong and Macao and outlines policies for their

long-term prosperity and stability. With the implementation of the 12th Five-Year Plan, a steady and fast growing mainland will also bring new historic opportunities for the prosperity and stability of Hong Kong.

— **The steady and fast economic growth on the Mainland will provide a growing market for Hong Kong.** Over the next five years, the Mainland will see its GDP grow at 7 per cent annually and income of the people increase by over 7 per cent. Industrialization and urbanization will continue, the potential of consumer spending be further unleashed, and the domestic demand continue to expand. All this will bring enormous business opportunities for the development of trade, shipping, tourism, retail and other sectors in Hong Kong.

— **The accelerated endeavor to shift the economic growth pattern and adjust the economic structure will open new space for the business community in Hong Kong.** Over the next five years, the Mainland will vigorously develop service sectors, revamp and upgrade the manufacturing sector, foster strategic emerging industries, further develop the cultural industry and make regional development more coordinated. All this will open new space for the development of production service sectors such as finance, modern logistics and business services as well as high value-added industries such as energy conservation, environmental protection, S&T innovation, culture and creative industries.

— **The wider opening-up of the Mainland will enable Hong Kong to better leverage its unique strength as a bridge linking the Mainland and the overseas market.** In the next five years, the Mainland will boost the trade in services and open the service sector wider. We will continue to encourage foreign direct investment and improve the structure of the use of foreign investment. We will speed up the implementation of the "going global" strategy and guide enterprises of different kinds to invest overseas in an orderly manner. As an international financial, trade and shipping center as well as the largest source of overseas investment for the Mainland, Hong Kong will play a greater role in bridging business interactions between the Mainland and the overseas market.

— **The sustained efforts of social development on the Mainland will present new opportunities for the success of relevant sectors in Hong Kong.** In the next five years, greater emphasis will be placed on people's interests and well-being and efforts will be intensified to develop various social undertakings and pursue balanced economic and social progress. This will create favorable conditions for Hong Kong's

education, healthcare and many other sectors to expand exchanges and cooperation with their mainland counterparts.

Ladies and Gentlemen,

Dear Friends,

Since the beginning of this year, the world economy has kept moving on the track of recovery, yet with a weaker momentum. Recently in particular, the downgrade of the US' credit rating, as well as the worsening of the Euro zone debt crisis, brought additional uncertainties to global economy's outlook. It is therefore all the more significant for the Mainland and Hong Kong to strengthen cooperation and jointly uphold financial and economic stability. In his speech, Vice Premier Li Keqiang outlined policies for a closer cooperation between the two sides in support of the development of Hong Kong. These policies will enable the Mainland and Hong Kong to jointly respond to the current complex international situation and also contribute greatly to Hong Kong's long-term prosperity and stability. Here, I wish to introduce more on the policies and measures for enhancing cooperation, investment, large-scale infrastructure and so on between the Mainland and Hong Kong in the framework of the 12<sup>th</sup> Five-Year Plan.

**First**, we will implement well the initiatives related to Hong Kong and Macao set out in the *Outline of the 12th Five-Year Plan*. We will work, under the overall arrangement of the State Council, to assign tasks and goals related to Hong Kong to relevant central ministries and local governments, and will set more specific targets to strengthen support measures while formulating special sub-plans.

**Second**, we will deepen regional cooperation between Guangdong and Hong Kong. We will further implement the *Framework Agreement on Guangdong-Hong Kong Cooperation*. We will push ahead the establishment of the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone, actively develop innovative financial services, modern logistics, information, S&T services and other specialized services, and give support in areas of policy implementation, project arrangement, and institutional and systematic innovation.

**Third**, we will strengthen the connectivity of major infrastructure projects between the Mainland and Hong Kong. Transport connectivity between Hong Kong, Macao and the Mainland will be incorporated into the sub-plan of comprehensive transportation system of the 12th Five-Year Plan. We will continue to advance the construction of the Hong

Kong-Zhuhai-Macao Bridge and link the highways of the three cities together. The Guangzhou-Shenzhen-Hong Kong Express Passenger Rail Line will be built and gradually linked with the Beijing-Guangzhou Passenger Line, the Hangzhou-Fuzhou-Shenzhen Passenger Line and other high speed lines in the east coast of the country. We support aviation cooperation between Hong Kong and the Pearl River Delta area and other parts of the Mainland to increase regional air transportation capacity. Priorities will be given to closer cooperation with Hong Kong's businesses in the building of the Shenzhen Yantian Port Area and the Dachan Bay Port Container Terminal. We also support deepening cooperation in the construction and management of subway between Hong Kong and Beijing, Shanghai and Shenzhen, as well as other big cities like Hangzhou.

**Fourth,** we will broaden the channel for RMB investment in Hong Kong. We will relax and steadily expand the scope of the issuance of RMB-denominated bonds by mainland enterprises in Hong Kong in light of the principle of being active and prudent while keeping the risks under control. We will revise measures for the management of foreign investment projects to support the use of RMB by Hong Kong investors in their direct investment on the Mainland.

**Fifth,** we will strengthen mainland-Hong Kong cooperation in the service sectors. Greater efforts will be made to strengthen cooperation in such areas as finance, tourism, science, technology, healthcare and education, and such cooperation programs will also be incorporated into special sub-plans of the 12th Five-Year Plan. We will extend the program of individual visits to Hong Kong by mainlanders, expand the establishment of wholly overseas invested hospitals to all municipalities directly under the central government and provincial capitals, and allow relevant institutions in Hong Kong to participate in CCC product certification as appropriate.

**Sixth,** we will continue to ensure the steady supply of important commodities to Hong Kong and allocate sufficient quotas of grain export to Hong Kong every year. We will accelerate the construction of the Hong Kong branch-line of the Second Pipeline of the West-East Gas Transmission Project so that gas will be delivered to Hong Kong in the second half of 2012. We will also continue to request mainland enterprises to do a good job in power supply to Hong Kong.

**Seventh,** we will support Hong Kong's participation in the national endeavor to address climate change. We support Hong Kong's

implementation of the action plan for climate change and the building of a high-quality life circle in the Pearl River Delta. We will facilitate stronger collaboration between Hong Kong and relevant provinces on the Mainland and encourage Hong Kong businesses to carry out clean development mechanism projects on the Mainland.

We are confident that with the strong support of the central government and various parties on the Mainland, the concerted efforts of the Special Administrative Region and Hong Kong compatriots, Hong Kong will surely embrace a brighter future.

Thank you!