

HONG KONG POLITICS IN 2017

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Executive Summary

1. Pro-establishment forces in Hong Kong are working hard at persuading the Democrats and pro-independence/localism/autonomy forces to moderate their political stance.
2. Chinese President Xi Jinping's high profile visit to Hong Kong symbolically indicated the central government's attention to the Special Administrative Region (SAR). Xi also reiterated that "one country, two systems" based on Hong Kong's retention of a capitalist economy, autonomous judiciary and social rights will be upheld till 2047.
3. Carrie Lam eventually won the 2017 Chief Executive (CE) race with 777 votes and is now working to fulfil her campaign promises of lowering taxes for small and medium-sized businesses, increasing housing supply for the Hong Kong people and opening dialogues with disgruntled university students.
4. The right to vet and filter CE candidates who are loyal and love Hong Kong and the motherland and not antagonistic to Beijing was also given emphasis by the central government.
5. Increasingly, Hong Kong will have to try to find new roles as China's main offshore renminbi trading centre while holding on to traditional strengths like the rule of law, a partial English-speaking populace, long history of dealing with the West, relative freedom within China, financial centre experiences and so on.
6. Hong Kong is carving out its niche in the Belt and Road Initiative. Under the C Y Leung administration, Hong Kong Secretary for Innovation and Technology Nicholas Yang indicated that policies and supporting institutions helped to enhance cooperation between Hong Kong and the Mainland and highlight Hong Kong's position as a "super-connector" between the island economy and China's.

7. Hong Kong offers a strong tertiary education system to meet future needs and challenges of its economy. Already leading in terms of standardised tests, Hong Kong is also one of the world's most connected cities in cyberspace; it is striving to increase its edge in computer literacy and English proficiency.
8. Other than improving the general economy, Hong Kong appears to be keen to tap on higher-value activities like the attraction of global talent and initiation of collaborations in cutting-edge research with international institutions.
9. Chinese Premier Li Keqiang's Five-Year Plan unfurled in March 2016 noted that Hong Kong would assume a larger role in the country's economic development with Beijing augmenting Hong Kong's economic position.
10. Many expect the central government's policies towards Hong Kong in the post-19th Party Congress era to remain unchanged since the broad directions to managing Hong Kong have already been laid down and will continue to come from strongman President Xi Jinping (especially after a relatively smooth leadership transition in the 19th Party Congress).