



**Government and Policy**

# HK and Guangdong sign cooperative agreement

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HONG KONG - Donald Tsang, chief executive of Hong Kong, and Huang Huahua, governor of Guangdong province, signed the first framework agreement on Hong Kong-Guangdong cooperation in Beijing on Wednesday in the presence of Vice-President Xi Jinping.

At the ceremony, Tsang said the agreement is the first on Hong Kong-Guangdong cooperation ever endorsed by the State Council and signed by the two local governments since the Hong Kong-Guangdong Cooperation Joint Conference was founded in 1998.

He described the agreement as "the key to the door of development" and hoped the measures would be included in the country's 12th Five Year Plan (2011-2015).

Huang said he believes the agreement marks a new stage of cooperation between the two jurisdictions, increasing high-level contacts and making ties warmer.

The landmark agreement translated the macro policies of the outline of the plan for the reform and development of the Pearl River Delta (PRD) into concrete measures.

It seeks "early and pilot implementation" and sets out major work plans every year.

The 10-year agreement aims to create a new world-class economic zone, with plans to create an advanced global manufacturing and modern services base, an international aviation, shipping and logistics hub, a high quality living area, as well as a world-class metropolitan cluster.

The accord also sets out to enhance Hong Kong's position as an international financial center. Hong Kong's financial assets will be supported by resources and services in PRD cities.

To achieve those objectives, the two governments have put forward a number of policies and measures for this year.

Officials will advance the Chinese yuan, or RMB, cross-border trade settlement pilot project. Participation will be broadened in a timely manner to include more regions, banks and industries.

"We welcome financial institutions from Hong Kong to launch banks in rural areas and open small loan companies," Huang said.

Hong Kong processing enterprises will be assisted in upgrading and restructuring to gain entry into the mainland market.

To facilitate the flow of people, goods, information and capital, specific policies are set out, including expediting construction of cross-boundary highways, rail links and ancillary works.

The air transport network in the PRD will improve with the addition of short-haul helicopter services. The two sides will work to enhance Hong Kong's standing as an international maritime center.

The city's development as an international logistics hub will be considered.

Both sides will pursue the implementation of the Hong Kong-Zhuhai-Macao bridge project, continue planning the Hong Kong-Shenzhen western express line and strive to complete the construction of the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong express rail link by 2015.

The agreement has set out key areas where the two sides could strengthen cooperation and provide the basis for the implementation of cooperation, said Lau Pui-king, a deputy to the National People's Congress.