



Four years on: Hong Kong after the National Security Law

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Once a city with a vibrant civil society, the Chinese Communist Party (CCP) has transformed Hong Kong beyond recognition. Since June 2020, when the CCP inserted the National Security Law (NSL) of Hong Kong into the city's de facto constitution, the Basic Law, at least 290 people have been arrested on allegations of violating the law, with around one-third subsequently convicted.¹ At the same time, over 58 civil society groups have been forced to disband.² The 'patriots administering Hong Kong' regime imposed by Beijing has also barred pro-democracy activists from participating in the city's legislature and District Councils (DCs), leading to the expansion of executive-led governance, with fewer checks on inefficient and corrupt practices.

As a result of the restrictive political environment and subsequent exodus of foreign investors, combined with the sluggish recovery of the People's Republic of China's (PRC) economy, Hong Kong's economy faces significant challenges. Yet Hong Kong authorities show no signs of loosening their grip. In

¹ Jessie Pang and Joyce Zhou, 'China says Hong Kong must "tightly hold" national security line to safeguard development', *Reuters*, 24/04/2024, <https://reuters.com/> (checked: 22/07/2024).

² Hong Kong Free Press, 'Explainer: Hong Kong's national security crackdown – month 42', *Hong Kong Free Press*, 30/06/2022, <https://hongkongfp.com/> (checked: 22/07/2024).



March 2024, the Legislative Council passed the Safeguarding National Security Bill, new domestic legislation which further curtails civil liberties and enables law enforcement agencies to intimidate or harass companies under vaguely defined offences, such as harbouring ‘state secrets’ and committing espionage.

Civil liberties and political freedoms

Safeguarding national security legislation: The new security law

After a month-long consultation on Article 23 legislation in February 2024, Hong Kong authorities gazetted the Safeguarding National Security Bill to the Legislative Council in early March of the same year. John Lee, the Chief Executive (CE) claimed that the majority of feedback received in the consultation supported the proposed security law.³ Legislative Council members expedited the vetting procedure, and the bill was passed within 12 days of presentation to the legislature. All members, including Andrew Leung, Chairperson of the Council, voted in favour.⁴

The Law, which came into effect on the 23rd March 2024, criminalises five main areas of acts which endanger national security:

1. Treason;
2. Insurrection and seditious intention;
3. Obtaining and revealing state secrets and conducting espionage;
4. Sabotage; and,
5. Acts on behalf of external forces.

The maximum penalty for treason, insurrection, and sabotage in collusion with external forces is life imprisonment, with other offences leading to convictions of three to 20 years.

One of the major concerns about the law is the vague definition of state secrets. The city’s accountancy sector has expressed fears around breaching the law unintentionally.⁵ Another notable problem is the broad definition of seditious

³ Hans Tse, “‘Majority’ support new security law, HK Chief Executive John Lee says”, *Hong Kong Free Press*, 21/02/2024, <https://hongkongfp.com/> (checked: 22/07/2024).

⁴ Mercedes Hutton, ‘Hong Kong passes new security law, raising max. penalty for treason, insurrection to life in prison’, *Hong Kong Free Press*, 19/03/2024, <https://hongkongfp.com/> (checked: 22/07/2024).

⁵ Ezra Cheung, ‘Hong Kong’s Article 23 law: auditors call for clarity amid fears over handling confidential information linked to possible state secrets’, *South China Morning Post*, 17/03/2024, <https://www.scmp.com/> (checked: 22/07/2024).



intent, compounded by the fact that prosecutors are not required to prove any seditious act would indeed incite disorder or violence. The absence of such proof departs from the judgments made by the Privy Council of England, which has ruled that conviction of seditious intent should necessitate proof of incitement to violence.⁶ The law also undermines the human rights protection of the arrestees, by prohibiting them from meeting with their legal representatives in the first 48 hours of arrest – and allowing law enforcement officers to detain arrestees for up to 16 days before deciding whether to discharge, grant bail or prosecute them. Volker Türk, the United Nations High Commissioner for Human Rights has expressed concerns about the incompatibility of this legislation with international human rights law.⁷

The legislation also has provisions for extraterritorial application, asserting that the law applies to any person with a valid Hong Kong Identity Card (HKID), even if the person resides outside of Hong Kong. Moreover, the authorities have been afforded the power to cancel the absconder's Hong Kong passport, and those prosecuted for Article 23-related offences cannot appeal against such cancellations.

The latest amendment to the new security law grants new powers for the CE, together with the members of the Executive Council, to enact subsidiary legislation. This provision allows the CE to issue any necessary subsidiary laws following debate in the Legislative Council. The maximum penalties for breaching any subsidiary legislation is a fine of HK\$500,000 (£51,000) and imprisonment for up to seven years.

As of 19th June 2024, Hong Kong national security police have arrested at least 11 individuals. Among them is Chow Hang-tung, a pro-democracy barrister already detained for offences under the National Security Law, now charged with seditious intention. Additionally, Hong Kong authorities have cancelled the passports of six pro-democracy activists, each targeted with HK\$1 million (£101,210) bounties by the police under the new law.

Seditious intention: A crime from NSL to the new security law

Before the enactment of the new security law, prosecutors weaponised the charge of seditious intent – a colonial-era offence – to target dissenting voices. The NSL allows courts to use existing laws to adjudicate national security offences not explicitly listed in the NSL itself. As a result, seditious intent under the Crimes

⁶ Michael Mo, 'Article 23 Will Silence More Hong Kongers for Backing Democracy', Committee for the Freedom of Hong Kong, 29/02/2024, <https://www.thecfhk.org/> (checked: 22/07/2024).

⁷ 'Rushed adoption of national security bill a regressive step for human rights in Hong Kong – UN Human Rights Chief', United Nations Office of the High Commissioner for Human Rights, 19/03/2024, <https://www.ohchr.org/> (checked: 22/07/2024).



Ordinance had been employed through NSL provisions to target publications and speeches.⁸ For example, five individuals were imprisoned for 19 months for publishing children's books which appeared to depict the pro-democracy protests in 2019, and 12 activists were arrested by Chinese authorities while attempting to flee to Taiwan by sea.⁹ Another prominent case involves Tam Tak-chi, a pro-democracy DJ, who has been sentenced to 40 months in prison on over 11 charges of sedition.¹⁰ Tam appealed his conviction by citing the decision by the UK's Privy Council, which ruled that the intention to incite violence is necessary for a conviction of sedition. Nevertheless, Hong Kong's Court of Appeal rejected Tam's claim, citing the interpretation of seditious intent must be applied to a 'specific legal and social landscape.'¹¹ In another instance, a student who returned to Hong Kong to renew their HKID was prosecuted and sentenced to two months in prison for making seditious online posts while residing in Japan.¹²

Seditious intention has been moved to the section under the Safeguarding National Security Ordinance in March 2024. As of 25 June, a 27 year-old man has been charged with the offence for slogans related to 2019 anti-ELAB protests printed on his T-shirt and surgical mask.¹³ A 58 year-old man has also been charged with making seditious publications on social media¹⁴, and a 29 year-old man has been charged with painting seditious graffiti on buses.¹⁵

From open elections to (s)elections

In May 2021, the Legislative Council passed the Improving Electoral System (Consolidated Amendments) Bill proposed by the Carrie Lam (Former Chief Executive of Hong Kong) administration. The bill reduced the number of directly elected seats from 35 to 20, and re-introduced the Election Committee Constituency, which was previously abandoned in 2008, adding 40 seats.

⁸ Trevor T. W. Wan, 'Where the Gavel Wields: The Jurisdictional Conundrum of Sedition in Hong Kong', *Statute Law Review*, 45:1 (2024) (checked: 22/07/2024).

⁹ Kelly Ho, '5 Hong Kong speech therapists jailed for 19 months each for sedition over children's books', *Hong Kong Free Press*, 10/09/2022, <https://hongkongfp.com/> (checked: 22/07/2024).

¹⁰ Candice Chau, 'Hong Kong democrat and DJ Tam Tak-chi jailed for 40 months over 11 charges, including "uttering seditious words"', *Hong Kong Free Press*, 20/04/2022, <https://hongkongfp.com/> (checked: 22/07/2024).

¹¹ James Lee, 'Pro-democracy DJ Tam Tak-chi loses bid to appeal "seditious" speech conviction and jail term', *Hong Kong Free Press*, 07/03/2024, <https://hongkongfp.com/> (checked: 22/07/2024).

¹² Hillary Leung, 'Hong Kong student who made "seditious" online posts in Japan jailed for 2 months', *Hong Kong Free Press*, 03/11/2023, <https://hongkongfp.com/> (checked: 22/07/2024).

¹³ Kelly Ho, 'New security law: Man denied bail under Article 23 over "seditious" slogans on t-shirt and mask', *Hong Kong Free Press*, 14/06/2024, <https://hongkongfp.com/> (checked: 22/07/2024).

¹⁴ James Lee, 'Man charged under new Hong Kong security law over "seditious" social media posts remanded in custody', *Hong Kong Free Press*, 21/06/2024, <https://hongkongfp.com/> (checked: 22/07/2024).

¹⁵ Mercedes Hutton, '29-year-old charged under Hong Kong's new security law over "seditious" bus graffiti', *Hong Kong Free Press*, 25/06/2024, <https://hongkongfp.com/> (checked: 22/07/2024).



Crucially, all candidates, irrespective of their constituencies, must secure at least two nominations from each of the five sectors in the Election Committee (EC) and are vetted by the newly established Candidate Eligibility Review Committee (CERC) to confirm their allegiance to the Basic Law.

The first Legislative Council election under the overhauled rules was held in December 2021, with the lowest-ever turnout rate of 33.22% in Functional Constituencies and 30.2% in Geographical Constituencies.¹⁶ All but one candidate who claimed adherence to democratic values were defeated.

Unfortunately, the DCs cannot be spared from being overhauled under the patriots-only regime. In 2023, John Lee, the current Chief Executive, introduced the District Councils (Amendment) Bill which was passed by the Legislative Council in July of the same year. Similar to the changes in the Legislative Council, the bill reduced the directly elected seats in each of the 18 districts, re-introduced government-appointed members, and created indirectly elected seats produced through an electoral college in each district consisting of government-appointed members from three district committees. Candidates running for direct election must obtain at least three nominations from each of the three district committees, while all candidates must also pass the allegiance vetting from the District Council Eligibility Review Committee. Moreover, the restructured DCs have abandoned the rule in which chairpersons were elected from among councillors. Instead, District Officers, all of whom are career civil servants, now serve as the ex-officio chairpersons. Important functions of the DCs have also been stripped, with previous powers to oversee budgets on hygiene controls, leisure facilities and programmes, district minor infrastructure projects, and district-based community programmes removed.

The impact of the bill restricting pro-democracy candidates from running for the DCs is more apparent than in the Legislative Council. In the first DC election held under the revised rules in December 2023, none of the pro-democracy activists and incumbent councillors obtained enough nominations to contest the said election.¹⁷ Despite the government's campaign to boost voter turnout, the DC Election saw a turnout rate of 27.59%, the lowest ever recorded since the DC was established in 1982.¹⁸

¹⁶ See: Electoral Affairs Commission, '2021 Legislative Council General Election - Voter Turnout Rate', Electoral Affairs Commission (Hong Kong), 19/12/2021, <https://elections.gov.hk/> (checked: 22/07/2024) and Selina Cheng, 'Hong Kong "patriots" poll results: Lowest election turnout yet, as pro-govt candidates sweep into legislature', *Hong Kong Free Press*, 20/12/2021, <https://hongkongfp.com/> (checked: 22/07/2024).

¹⁷ Kelly Ho, 'Opposition shut out of Hong Kong's "patriots-only" District Council race; leader John Lee hails "fierce competition"', *Hong Kong Free Press*, 31/10/2023, <https://hongkongfp.com/> (checked: 22/07/2024).

¹⁸ Kelly Ho, 'Lowest-ever turnout for Hong Kong's District Council election; 6 arrests during opposition-free polls', *Hong Kong Free Press*, 11/12/2024, <https://hongkongfp.com/> (checked: 22/07/2024).



The rule of law: Under threat in the security law era

As the NSL impedes the transparency and impartiality usually practised in common law courts, the rule of law is threatened in Hong Kong. The NSL authorises the appointment of specific judges to handle national security-related cases and slashes the customary requirement to have a jury, departing from established common law traditions. Moreover, NSL-related cases have seen restrictions on media reporting bail applications and committal proceedings. Only a handful of instances have seen restrictions lifted because of successful judicial reviews and requests honoured by the judges.¹⁹ Apart from restrictions on reporting, the prosecutors have also seen the use of Public Interest Immunity (PII) to withhold evidence in NSL-related cases.²⁰

Several notable NSL cases involve pro-democracy activists and media executives. The Hong Kong 47 involved 47 activists who were accused of committing subversion for conducting an unofficial primary election in 2020. After three years of legal proceedings, only two of the 16 who pleaded not guilty have been acquitted by the national security judges.²¹ Meanwhile, the trial of Jimmy Lai, the pro-democracy media mogul behind *Apple Daily*, along with the newspaper's senior executives and activists accused of colluding with foreign forces, was adjourned after Lai was feeling unwell in June 2024.²² The trial of the leaders who organised the Tiananmen massacre vigil, charged with subversion, is not expected to begin until at least 2025.²³ Lastly, the heads of Stand News have been prosecuted for sedition, with the verdict postponed four times. The most recent schedule indicates the verdict will be delivered in August 2024, almost two years after the trial began in 2022.²⁴

Hong Kong has also seen the sixth interpretation of the Basic Law by the Standing Committee of the National People's Congress. This interpretation requires solicitors and barristers practising in other common law jurisdictions to obtain approvals from the CE or Committee for Safeguarding National Security before representing clients charged with NSL offences. In practice, this

¹⁹ Candice Chau, 'Explainer: What are reporting restrictions, and what would lifting them mean for future court cases?', *Hong Kong Free Press*, 14/08/2022, <https://hongkongfp.com/> (checked: 22/07/2024).

²⁰ Candice Chau, 'Newly disclosed information in national security case "99% redacted"', Hong Kong Tiananmen vigil group ex-leader says', *Hong Kong Free Press*, 29/08/2022, <https://hongkongfp.com/> (checked: 22/07/2024).

²¹ Hillary Leung, '14 Hong Kong democrats convicted of subversion conspiracy in landmark national security trial, 2 cleared', *Hong Kong Free Press*, 30/05/2024, <https://hongkongfp.com/> (checked: 22/07/2024).

²² Irene Chan, 'Trial of Jimmy Lai adjourned after pro-democracy media tycoon appears to be unwell in Hong Kong court', *Hong Kong Free Press*, 03/06/2024, <https://hongkongfp.com/> (checked: 22/07/2024).

²³ Hans Tse, 'Nat. security trial for ex-leaders of Hong Kong's Tiananmen vigil group will not begin this year, judge says', *Hong Kong Free Press*, 25/04/2024, <https://hongkongfp.com/> (checked: 22/07/2024).

²⁴ Hans Tse, 'Verdict for Hong Kong Stand News sedition trial postponed again to August', *Hong Kong Free Press*, 24/04/2024, <https://hongkongfp.com/> (checked: 22/07/2024).



interpretation barred Tim Owen KC, an English Barrister, from representing Jimmy Lai in his NSL trials.

The government has also shown a disregard for court decisions. It actively resorts to appealing judgments which favour judicial review applicants and delay the enforcement of court decisions. For instance, it has appealed court decisions which granted equal rights to same-sex couples regarding inheritance and public housing.²⁵ Additionally, the government delayed implementing the Court of Final Appeal's decision which allows transgender persons to change their gender mark on their HKIDs without undergoing full sex reassignment surgery.²⁶ It took the Immigration Department 14 months to announce the policy change and start processing applications.²⁷

The deterioration of the rule of law in the city is evident from its rankings in the World Justice Project's Rule of Law Index. Notably, the sub-scores for fundamental rights and constraints on government powers have decreased significantly compared to the past decade.²⁸

As of June 2024, seven overseas Non-Permanent Judges of the Court of Final Appeal resigned or did not renew their terms after the NSL was enacted.²⁹ Among them, Lord Sumption expressed that the city's rule of law is in grave danger and that the judges 'have to operate in an impossible political environment created by China' in an article. He also said Beijing's power to interpret the Basic Law has shown 'how far China will go in using this power against its opponents.'³⁰

Targeting resistance and dissent

Apart from exploiting the NSL and weaponising existing laws, Hong Kong authorities are drafting new legislation and intensifying enforcement of existing laws specifically to target dissidents, particularly pro-democracy activists and former politicians.

²⁵ Hillary Leung, 'Hong Kong gov't given chance to take fight against same-sex couples' housing, inheritance rights to top court', *Hong Kong Free Press*, 26/02/2024, <https://hongkongfp.com/> (checked: 22/07/2024).

²⁶ Hillary Leung, 'Hong Kong trans activist launches legal challenge over delay to changing gender marker on ID card despite court win', *Hong Kong Free Press*, 20/03/2024, <https://hongkongfp.com/> (checked: 22/07/2024).

²⁷ Kelly Ho, 'Hong Kong trans activist gets new ID card after "incredibly difficult" 7-year legal battle', *Hong Kong Free Press*, 29/04/2024, <https://hongkongfp.com/> (checked: 22/07/2024).

²⁸ World Justice Project, 'WJP Rule of Law Index: Hong Kong', Rule of Law index, <https://worldjusticeproject.org/> (checked: 22/07/2024).

²⁹ Primrose Riordan, 'Australian judges looking isolated on HK's top court?', *Australian Financial Review*, 12/06/2024, <https://hongkongfp.com/> (checked 22/07/2024).

³⁰ Johnthan Sumption, 'The rule of law in Hong Kong is in grave danger', *Financial Times*, 10/06/2024, <https://ft.com/> (checked: 22/07/2024).



In terms of new laws, the authorities amended the Elections (Corrupt and Illegal Conduct) Ordinance in 2021, to include offences related to calling for boycotts and casting invalid votes. Following this amendment, Hong Kong's Magistrate Court issued suspended sentences to two individuals for reposting material on social media which suggested people should boycott the 2021 DC Election.³¹ Additionally, the Personal Data (Privacy) Ordinance was revised in 2021 to criminalise doxxing. The amendment was a response to incidents where the personal details of pro-Beijing politicians and many police officers were disclosed on the internet. Since the enactment of the revised law, a student has received a suspended sentence for revealing the personal details of a police officer online.³²

There are also instances in which the authorities have targeted former pro-democracy politicians and their supporters using other existing laws and administrative practices. Three former pro-democracy district councillors were arrested on charges of fraud related to handling clients' pension funds.³³ The bookstore opened by a former district councillor has been subject to repeated compliance checks by different governmental departments.³⁴ HSBC has frozen the bank account owned by Ted Hui, former Legislative Council member,³⁵ and cancelled the account of the pro-democracy party League of Social Democrats.³⁶ Beyond the borders of Hong Kong, activists living in exile have faced bounties set by the Hong Kong authorities.³⁷ Moreover, they have been repeatedly attacked by government officials and pro-Beijing media, accused of evading justice by fleeing the city.³⁸ The prosecution of three individuals, including one of London's Hong Kong Economic and Trade Office (HKETO) staff, for assisting a foreign

³¹ See: Hans Tse, 'Hongkonger given suspended sentence over call to boycott local election', *Hong Kong Free Press*, 22/01/2024, <https://hongkongfp.com/> (checked: 22/07/2024) and Hillary Leung, 'Hong Kong man handed 2-month suspended jail term over inciting boycott of "patriots" District Council election', *Hong Kong Free Press*, 15/01/2024, <https://hongkongfp.com/> (checked: 22/07/2024).

³² Candice Chau, 'Hong Kong hospitality student handed 21-day suspended sentence over doxxing police officer', *Hong Kong Free Press*, 12/04/2024, <https://hongkongfp.com/> (checked: 22/07/2024).

³³ Irene Chan, 'Hong Kong pro-democracy ex-district councillors among 4 arrested on fraud charges', *Hong Kong Free Press*, 20/10/2023, <https://hongkongfp.com/> (checked: 22/07/2024).

³⁴ Cindy Sui, 'Plight of Hong Kong's Independent Bookstores Shows City Still Under Close Watch', *Voice of America*, 22/03/2024, <https://www.voanews.com/> (checked: 22/07/2024).

³⁵ Rhoda Kwan, 'HSBC re-freezes accounts belonging to family of exiled democrat Ted Hui amid Hong Kong police money laundering probe', *Hong Kong Free Press*, 17/12/2020, <https://hongkongfp.com/> (checked: 22/07/2024).

³⁶ Tom Grundy, 'Hong Kong opposition party League of Social Democrats urges HSBC to reverse unexplained account closures', *Hong Kong Free Press*, 19/06/2023, <https://hongkongfp.com/> (checked: 22/07/2024).

³⁷ Kelly Ho, 'Hong Kong national security police issue HK\$1 million bounty each for 8 self-exiled activists', *Hong Kong Free Press*, 03/07/2023, <https://hongkongfp.com/> (checked: 22/07/2024).

³⁸ See: Vicky Wong, 'Hong Kong: Protest leader Agnes Chow jumps bail', *BBC*, 04/12/2023, <https://www.bbc.co.uk/> (checked: 22/07/2024) and 'Tony Chung condemned for fleeing', Correctional Services Department (Hong Kong), 29/12/2023, <https://www.news.gov.hk/> (checked: 22/07/2024).



intelligence service and foreign interference,³⁹ also exposed the attempts of the Hong Kong authorities to surveil and intimidate the city's pro-democracy activists residing in the UK. For pro-democracy community organisers in the city, their protests are subjected to disproportionately restrictive conditions compared to those organised before the NSL became effective.⁴⁰

Businesses sympathetic to the pro-democracy movement constantly face investigation, arrests and prosecution by various government departments. They are accused of breaching land use conditions,⁴¹ having poor hygiene,⁴² and maintaining connections with activists in exile.⁴³ In the media sector, Ming Pao, one of the remaining independent Chinese newspapers, was forced to issue apologies after Chris Tang, the Secretary for Security, criticised the newspaper for publishing what he referred to as malicious headlines regarding Article 23 Legislation.⁴⁴

Hong Kong's horizons

The Hong Kong authorities are expected to enforce the new security law shortly after its enactment. In a media interview, Tang said it is reasonable to expect that the new law will firstly target absconders.⁴⁵ Pro-democracy groups in the city might face more severe accusations of harbouring seditious intent when levying criticisms against the government and its officials. These group leaders are at risk of arrest for breaching the said law and will be pressured to disband.

Moreover, independent bookstores selling books by pro-democracy politicians and activists might also be affected, resulting in the closure of stores or confiscation of books determined to have seditious content. Local media, at

³⁹ James Lee, 'Explainer: Why the UK arrested 3 men linked to HK's trade office', *Hong Kong Free Press*, 18/05/2024, <https://hognkongfp.com/> (checked: 22/07/2024).

⁴⁰ Chris Lau, 'Hong Kong's first protest in 3 years shows how the city has changed', *CNN*, 28/03/2023, <https://edition.cnn.com/> (checked: 22/07/2024).

⁴¹ 'Officials not wrong to warn shop over lease breaches', *RTHK*, 28/08/2023, <https://news.rthk.hk/> (checked: 18/05/2024).

⁴² Irene Chan, 'Hong Kong pro-democracy cafe fined HK\$3,500 for toilet stains after owners complained of weekly inspections', *Hong Kong Free Press*, 22/02/2024, <https://hongkongfp.com/> (checked: 22/07/2024).

⁴³ 'National security: 4 men arrested by Hong Kong police over alleged support of activists abroad', *Hong Kong Free Press*, 06/07/2023, <https://hongkongfp.com/> (checked: 22/07/2024).

⁴⁴ 'Security chief condemns Ming Pao's piece on Article 23 as malicious', *The Standard*, 14/03/2024, <https://www.thestandard.com.hk/> (checked: 22/07/2024).

⁴⁵ 鄧炳強 [Tang Ping-keung], '會否即執法 鄧炳強：先針對潛逃者是合理期望' ['Will enforcement be immediate? Tang Ping-keung: Targeting fugitives first is a reasonable expectation'], *明報 [Ming Pao]*, 23/03/2024, <https://news.mingpao.com/> (checked: 22/07/2024).



the same time, may exercise stronger self-censorship, and international media may continue to scale down their presence in the city.

Finally, libraries and individuals may start to discard archives of the now-defunct pro-democracy newspaper *Apple Daily*, among other pro-democracy publications, to avoid investigation by law enforcement.

A grim economic, cultural and social landscape

Many indicators show that Hong Kong's economy has not recovered to pre-Covid-19 levels. In March 2024, the Hang Seng Index reached nearly half of its highest recorded total in July 2021. Moreover, a major residential property index shows that housing prices have dropped by 22%, matching 2017 levels.⁴⁶ Regarding business activities, the overall Grade A Office vacancy rate reached 16.4%,⁴⁷ and the number of regional headquarters of foreign companies has dropped to 1541, the lowest figure since 2012.⁴⁸ Due to the city's NSL and the PRC's increasing hostility towards foreign investments, Hong Kong has lost its formerly unique appeal to foreign firms.⁴⁹

The extent of the city's brain drain is reflected in immigration statistics. Between the enactment of NSL and February 2024, there was a net outflow of over 410,000 Hong Kong residents via the city's airport.⁵⁰ Only a net inflow of around 54,000 residents from land checkpoints and seaports connecting the PRC and Macau was recorded in the same period.⁵¹ The government responded by introducing the Top Talent Pass to attract foreign talent to work in Hong Kong, but only 36,000 pass holders and their dependents have relocated to the city out of 51,000 approved applications.⁵²

Amid the population loss, Hong Kong authorities have doubled down on national security to counter 'soft resistance'. For instance, the Education Bureau replaced the Liberal Studies curriculum in high schools with Citizenship and Social Development. The new subject requires students to join a mandatory study

⁴⁶ Centaline Property, 'Centa City Index CCI', Centaline Property, 18/05/2023, <https://hk.centanet.com/> (checked: 22/07/2024).

⁴⁷ 'Hong Kong Real Estate Market Outlook 2024', CBRE, 04/01/2024, <https://www.cbre.com.hk/> (checked: 22/07/2024).

⁴⁸ 'Hong Kong in Figures, 2023', Census and Statistics Department (Hong Kong), 21/12/2023, <https://www.censtatd.gov.hk/> (checked: 22/07/2024).

⁴⁹ Elaine Yu, 'The Corporate Retreat From Hong Kong Is Accelerating', *Wall Street Journal*, 24/10/2023, <https://www.wsj.com/> (checked: 22/07/2024).

⁵⁰ 'Passenger traffic: Hong Kong Residents, All ports', *Webb-site*, 2024, <https://webb-site.com/> (checked: 22/07/2024).

⁵¹ *Ibid.*

⁵² Christine Tang, '36,000 move to HK under Top Talent Pass Scheme', *The Standard*, 01/02/2024, <https://www.thestandard.com.hk/> (checked: 22/07/2024).



tour to the PRC,⁵³ and denies Hong Kong's past as a British colony.⁵⁴ On the other hand, schools, including those for the mentally challenged, are being criticised by the inspectors for not teaching national education seriously.⁵⁵

The strict national security regime has also affected the city's cultural development. For example, the concerts of pro-democracy singers were axed as venue owners cancelled their bookings days before their first performances were due to begin.⁵⁶ In 2023, the government-owned Art Development Council suspended its sponsorship of the Hong Kong Federation of Drama Societies, stating that its guests of honour at its annual awards, who were also pro-democracy movement sympathisers, were unrelated to the industry. The Council claimed that the presence of these guests damaged the Council's reputation.⁵⁷

The future of the city

By September 2025, all primary schools in Hong Kong are required to implement a new Primary Humanities curriculum.⁵⁸ The curriculum includes national security education and emphasises the importance of 'national unity.'⁵⁹ The curriculum will further strengthen the national security regime and the roles of Government-organised non-governmental organisations in children and youth patriotic education. At the same time, these new curriculums may serve as a push factor for families with children to leave the city.

It is also likely that threats from the government, pro-Beijing politicians, and media opposed to 'soft resistance' may continue, creating controversies similar to the condemnation of Lionel Messi's absence from the pitch in a friendly match in Hong Kong as a rebellious action.⁶⁰ In the future, associations representing Hong Kong may avoid being subject to accusations by withdrawing

⁵³ Lea Mok, 'Hong Kong's first mandatory study tour to mainland sets off, 40,000 expected to visit mainland this year', *Hong Kong Free Press*, 03/04/2023, <https://hongkongfp.com/> (checked: 22/07/2024).

⁵⁴ Peter Lee, 'Gov't-funded research into 2019 protests kept from public, as new textbooks deny Hong Kong was British colony – reports', *Hong Kong Free Press*, 15/06/2023, <https://hongkongfp.com/> (checked: 22/07/2024).

⁵⁵ William Yiu, 'Some Hong Kong pupils singing national anthem too softly, school inspectors say', *South China Morning Post*, 25/06/2024, <https://scmp.com/> (checked: 22/07/2024).

⁵⁶ Rhoda Kwan, 'Hong Kong venue axes live concert by pro-democracy singer Denise Ho citing "public order or public safety"', *Hong Kong Free Press*, 01/09/2023, <https://hongkongfp.com/> (checked: 22/07/2024).

⁵⁷ Hillary Leung, 'Hong Kong official arts council cuts support for annual drama awards, warns organisers not to breach laws', *Hong Kong Free Press*, 18/01/2024, <https://hongkongfp.com/> (checked: 22/07/2024).

⁵⁸ 'Primary Humanities Curriculum Framework (Final Draft) and Support Measures', Education Bureau (Hong Kong), 22/03/2024, <https://www.edb.gov.hk/> (checked: 22/07/2024).

⁵⁹ 'Primary Humanities Curriculum Framework (Final Draft)', Curriculum Development Council (Hong Kong), 24/04/2024, <https://www.edb.gov.hk/> (checked: 22/07/2024).

⁶⁰ Oiwan Lam, 'What a Messi! Hong Kong disappointed by Messi's no show in Miami CF's friendly against local', *Global Voices*, 05/02/2024, <https://globalvoices.org/> (checked: 22/07/2024).



from participating in international events, mirroring action such as that taken by the city's Football Association, which withdrew from the AFC Asian Cup because game organisers are not permitted to display the team as 'Hong Kong, China.'⁶¹

Growing dysfunction in governance

The principle of 'patriots administering Hong Kong' effectively eliminated meaningful debates and competition in policy-making cycles. Due to overhauled electoral rules in the Legislative Council and DC, checks and balances are structurally weakened, as members are required to support and facilitate the implementation of policies mandated by the executive branch.

Another impact of a patriot-only regime is weakened response mechanisms to incidents in the community. The poor arrangement of transport connections for visitors berthing at Kai Tak Cruise Terminal is one example.⁶² Senior government officials have organised cross-bureau meetings in attempts to tackle such issues.⁶³

The patriots-only government has also seen setbacks in boosting the post-COVID economy. In February 2023, the government spent HK\$2 billion (£200 million) on support for the civil aviation sector, including handing out half a million free airline tickets to attract visitors.⁶⁴ Nevertheless, the total number of visitor arrivals in the same year was 33.9 million, just 52% of the peak that was recorded five years previously in 2018.⁶⁵ Despite this, the government doubled down on the same approach and launched the mega event economy campaign in January 2024.⁶⁶

Hong Kong's patriot officials may have to face the trend towards structural deficits in the economy. Because of the sluggish economic recovery and population decline, the government has lost a significant proportion of its income from land sales. John Tsang, a former Financial Secretary, suggested that the city is heading towards structural deficits and warned about the danger of

⁶¹ Kelly Ho, 'Hong Kong withdraws from esports competition over team name', *Hong Kong Free Press*, 02/01/2024, <https://hongkongfp.com/> (checked: 22/07/2024).

⁶² Wallis Wang, 'Kai Tak cruise crush leaves tourists frustrated', *The Standard*, 07/08/2023, <https://www.thestandard.com.hk/> (checked: 22/07/2024).

⁶³ 'Cruise terminal links enhanced', Information Services Department (Hong Kong), 08/08/2023, <https://www.news.gov.hk/> (checked: 22/07/2024).

⁶⁴ Cherry Chan, 'Hong Kong government's "Hello Hong Kong" campaign to distribute 500,000 free airline tickets to boost city's economy', *Time Out*, 02/02/2023, <https://www.timeout.com/> (checked: 22/07/2024).

⁶⁵ Tourism Statistics Database, Hong Kong Tourism Board, 18/05/2024, <https://partnernet.hktb.com/> (checked: 22/07/2024).

⁶⁶ 'Government announces a range of measures to promote mega event economy', Government of the Hong Kong Special Administrative Region, 26/01/2024, <https://www.info.gov.hk/> (checked: 22/07/2024).



Lee's administration of further issuing government bonds.⁶⁷ In response, Paul Chan, the current Financial Secretary, reassured that the government would balance its books within three years from 2024.⁶⁸ Still, the government has given the city's police a \$HK27 billion (£2.7 billion) budget amid a HK\$100 billion (£10.2 billion) deficit.⁶⁹

The patriot-only regime is expected to reinforce nepotism in the city. Politicians, business owners and those reliant on government funding will increasingly avoid criticising government policies, especially when these policies falter. Any of these people openly expressing criticism could be seen as damaging to the government's reputation and cohesion of the patriot-only group, and could face various penalties. Business owners who rely on government licences and permissions may have to publicly demonstrate respect for officials and rely on connections [*guanxi*] to continue their ventures. One example is the Foreign Correspondents' Club, which had its land lease extended by the government after axing the two-decade-long Human Rights Press Awards and inviting pro-Beijing politicians to their events.

What His Majesty's (HM) Government should do

In the future, the following may happen in Hong Kong:

- The more aggressive use of the two security laws to persecute dissidents and intimidate individuals, businesses and third-sector groups to serve the interest of government officials;
- The harassment of British firms or interests in Hong Kong through the use of the new security law, particularly in the banking, finance and media sectors;
- More UK nationals – mostly British National (Overseas) (BN(O)) – being interrogated, arrested or prosecuted for breaching the NSL and new security law; and,
- Possible retaliation by the Hong Kong authorities in response to the UK's arms and high-tech export embargo.

⁶⁷ 'Unfeasible to end structural deficits by issuing bonds, says ex-finance chief', *The Standard*, 03/03/2024, <https://www.thestandard.com.hk/> (checked: 22/07/2024).

⁶⁸ James Lee, 'Do not worry about structural deficit, Hong Kong finance chief says as forerunner warns of ongoing fiscal woes', *Hong Kong Free Press*, 04/03/2024, <https://hongkongfp.com/> (checked: 22/07/2024).

⁶⁹ Irene Chan, 'Record HK\$27 billion allocated to Hong Kong police for 2024 amid over HK\$100 billion deficit', *Hong Kong Free Press*, 01/03/2024, <https://hongkongfp.com/> (checked: 22/07/2024).



In response, HM Government should:

- Continue to condemn the increasing aggression against dissidents and encroachment of Hong Kong's civil liberties, which is a breach of the Joint Declaration;
- Sanction individuals responsible for breaches of the Joint Declaration, including those who legislated and enforced both security laws;
- Review the diplomatic privileges enjoyed by the Hong Kong authorities under the HKETO Act 1996;
- Review the BN(O) Visa scheme, including the option to transform the Visa into an official resettlement programme;
- Provide UK travel documents to minor dependents of BN(O) visa holders
- Expedite processing of Hong Kong asylum claimants and update the Home Office's processing guidelines with the addition of the city's new security law;
- Establish a network of lawyers to assist UK nationals who have been arrested for breaching any of the security laws;
- Provide UK entities with regular briefings on navigating Hong Kong by using the 6-month report of the city;
- Include universities, think tanks, NGOs, and Hong Kong diaspora communities in the UK to the Government's China Audit, FCDO's China Capabilities Programme and on-the-ground intelligence capability-building;
- Establish regular contacts with Hong Kong diaspora communities to get updates on the potential surveillance, intimidations and harassment by the Hong Kong authorities and its agents in the UK; and,
- Facilitate the archive of post-1997 Hong Kong initiated by universities and civil society in the UK.



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