

29 April 2014

Mrs Carrie Lam, GBS, JP
Chief Secretary for Administration
25/F, Central Government Offices
2 Tim Mei Avenue, Tamar
Hong Kong

Dear Carrie,

Constitutional Development Consultation

The Hong Kong General Chamber of Commerce, in consultation with our members and in view of the need to move forward on Hong Kong's constitutional reform in order to achieve universal suffrage, would like to present our policy suggestions for the Government to take into consideration in amending the electoral methods for both the Chief Executive and Legislative Council.

As a business chamber, we believe that any changes to the electoral arrangements should be conducive to maintain a stable business environment for the continued economic growth of Hong Kong. We support the ultimate aim of achieving universal suffrage as specified in the Basic Law. Any constitutional reform to the current system should follow a gradual and orderly changing process, account for the actual situation of Hong Kong, and reflect the principle of balanced participation.

The final proposal should be consistent with the Basic Law, recognized by the general public as reasonable and implementable, and acceptable to the Central People's Government. We hope that compromises could be made among various political factions so that the constitutional reform would move forward so as to bring universal suffrage to the political system in Hong Kong.

I sincerely hope that you and your colleagues find our proposals useful and conducive to maintaining prosperity and stability of Hong Kong. We look forward to working with the Government hand in hand on meeting the challenges lying ahead.

Yours sincerely,

C K Chow
Chairman

Att.

c.c. Mr Rimsky Yuen, Secretary for Justice
Mr Raymond Tam, Secretary for Constitutional & Mainland Affairs

HKGCC Submission on Constitutional Development

In the Basic Law of the Hong Kong Special Administrative Region, Articles 45 and 68 are the two most relevant provisions relating to the current constitutional reform consultation as they describe the method of electing the Chief Executive (“CE”) and Legislative Council (“LegCo”) Members respectively.

Article 45 stipulates that “The Chief Executive of the Hong Kong Special Administrative Region shall be selected by election or through consultations held locally and be appointed by the Central People's Government. The method for selecting the Chief Executive shall be specified in the light of the actual situation in the Hong Kong Special Administrative Region and in accordance with the principle of gradual and orderly progress. The ultimate aim is the selection of the Chief Executive by universal suffrage upon nomination by a broadly representative nominating committee in accordance with democratic procedures. ...”

Article 68 stipulates that “... The method for forming the Legislative Council shall be specified in the light of the actual situation in the Hong Kong Special Administrative Region and in accordance with the principle of gradual and orderly progress. The ultimate aim is the election of all the members of the Legislative Council by universal suffrage. ...”

Principles underlying any proposals

The Basic Law clearly conveys the message that the ultimate aim is to achieve universal suffrage through a gradual and orderly changing process which should account for the actual situation of Hong Kong. We believe that **any changes to the electoral arrangements for the CE and LegCo should be conducive to maintaining a stable business environment for the territory’s continued economic growth.**

To achieve broad representation in the electoral system, any constitutional reform to the current system should reflect the principle of balanced participation. In other words, the new electoral process should continue to involve various sectors in Hong Kong.

The Chamber supports universal suffrage. We hope that compromises could be made among various political factions so that the constitutional reform would move forward so as to bring universal suffrage to the political system in Hong Kong. Standstill would be the worst scenario which would potentially be very destabilizing for the society. Regardless of the specifics of the final proposal, **it is important to be consistent with the Basic Law provisions, recognized by the general public as reasonable and implementable, and acceptable to the Central People’s Government.**

Nominating Committee

Since the Nominating Committee (“NC”) for nominating CE candidates to be elected by universal suffrage under the Basic Law should be broadly representative, we could make reference to the Election Committee (“EC”) for electing CEs in the 2002, 2005, 2007 and 2012 CE elections, as well as the Selection Committee (“SC”) for the 1996 elections. According to the Basic Law, the composition of both EC and SC is regarded as broadly representative, and thus they could be good starting points to formulate NC.

Most commentators agree that the formulation of NC should model on an expanded version of the existing EC in order to be considered “broadly representative”, and that the proportionality of the 4 sectors should be more or less maintained. **The Chamber supports the expansion of the representativeness of NC. The key is to ensure that its composition is balanced and diversified while the process of its formulation remains simple and practical.**

Nomination process

The main objective of the nomination process must be to ensure credibility and legitimacy in the eyes of the Hong Kong people. Since quite a number of mechanisms have been proposed, the Government should provide a detailed evaluation summary of the pros and cons of all such proposals to facilitate the general public’s understanding of how the Government derives the final proposal.

The threshold for nomination should be significant enough to demonstrate real support but not so many that the number of nominations would be unfairly and unreasonably constrained. If the representativeness of NC is broad enough and the nomination system is reasonably transparent, then any proposed method of nominations should be more readily accepted by the majority of the community.

Functional constituencies

Functional constituencies (“FCs”) serve and represent important segments of the population and stakeholders in Hong Kong. If the vote base is considered too small, expanding the electorate of FCs could be an option.