



Integrated Country Strategy

HONG KONG AND MACAU SPECIAL ADMINISTRATIVE REGIONS

FOR PUBLIC RELEASE

Approved: March 23, 2022

Table of Contents

1. Chief of Mission Priorities	1
2. Mission Strategic Framework	6
3. Mission Goals and Objectives	8
4. Management Objective	22

1. Chief of Mission Priorities

Hong Kong is on the front line of the United States Government's global effort to preserve a free and open international order, and a free and open Indo-Pacific region, in the face of the People's Republic of China (PRC)'s attempts to promote illiberal and authoritarian economic and political models. Part of the PRC, the Hong Kong Special Administrative Region (SAR) was promised a high degree of autonomy under the "One Country, Two Systems" framework, the Basic Law of Hong Kong, and the Sino-British Joint Declaration of 1984, a UN-registered treaty signed by the PRC and the United Kingdom in preparation for Hong Kong's 1997 reversion to PRC sovereignty. In 2019, the Hong Kong government (HKG)'s bid to allow criminal extradition to the PRC sparked months of widespread protests by a public already uneasy about Beijing's incremental erosion of the city's autonomy.

While it eventually withdrew the controversial extradition bill, the HKG was unwilling or unable to respond with meaningful reform or dialogue. Rather than allowing the HKG to pursue a political solution, the PRC backed a toughened security response, and blamed the continued unrest on alleged interference from the United States and other "foreign forces." The PRC and HKG invoked violent protest and "foreign interference," in turn, to justify the marked curtailment of freedoms and autonomy promised in the Joint Declaration.

In the 2020 Hong Kong Policy Act Report released on May 28, 2020, the U.S. Government determined that Hong Kong was no longer sufficiently autonomous to warrant all the forms of differential treatment under U.S. law that it enjoyed in the past. On June 30, 2020, the People's Republic of China (PRC) imposed a broad National Security Law (NSL) on the SAR with the stated aim of combating secession, subversion, terrorism, and collusion with foreign powers. On July 14, 2020, then-President Trump responded to Hong Kong's loss of autonomy in his Executive Order on Hong Kong Normalization, which eliminated most of the policies under U.S. law that gave Hong Kong differential treatment in relation to the PRC. Since then, Beijing has continued to undermine Hong Kong's autonomy through weaponizing the law, including the NSL, to target prominent individuals and groups associated with the pro-democracy movement, creating a chilling effect for Hong Kong's broader civil society. In 2021, Beijing imposed a

Approved: March 23, 2022

radical restructuring of Hong Kong's political system, effectively bringing Hong Kong under the Central Government's direct control in contravention of the "One Country, Two Systems" model.

There are now significant challenges to U.S. engagement in Hong Kong, which will require adjustments to policies, procedures, and strategies. The PRC's 2019 denial of U.S. ship visit requests has limited the city's role in facilitating military-to-military engagement. New formal and informal measures by Beijing are designed to limit the scope for U.S. engagement. Cooperation across a wide range of issues, from law enforcement to human rights, is now more difficult. Moves to constrict press freedom, via outright closures of independent local outlets and prosecutions of media staff, along with intimidation, threats, and administrative roadblocks imposed on both local and international outlets, threaten to compromise Hong Kong's traditional role as a regional media hub. Curriculum revisions and government commentary and criticism of Hong Kong's education system – especially with respect to liberal studies – are undermining Hong Kong's traditional emphasis on critical thinking, create an atmosphere of self-censorship in the classroom, and restrict academic freedom.

Despite the challenges, U.S. engagement is vitally important in Hong Kong, and the stakes are high. Hong Kong's open, service-oriented economy remains an important base for over 1,200 U.S. companies. The United States had a trade in goods surplus of \$16.1 billion and services trade surplus of \$2.7 billion in 2020, making the overall bilateral trade surplus with Hong Kong the largest in the world. One of the busiest air cargo and maritime shipping hubs in the world, Hong Kong is critical to our efforts on a wide range of issues including, countering proliferation, enforcing U.S. global sanctions, and fighting trafficking in persons, illegal drugs, and wildlife. The Hong Kong people are enthusiastic about U.S. engagement, and in spite of all of the legal and political changes they still enjoy more rights and freedoms than those in the Mainland.

Macau is an important destination for U.S. investment in the entertainment, tourism, and gaming industries. The Macau gaming sector is estimated at six to seven times larger than that of Las Vegas, although revenues have declined sharply since early 2020 due to travel restrictions associated with the COVID-19 pandemic. Currently three major U.S. companies

Approved: March 23, 2022

operate casinos there. The concessions for all gaming companies in Macau are up for renewal in 2022.

U.S. Consulate General Hong Kong and Macau is a versatile interagency platform representing twelve federal agencies spanning 22 entities to promote U.S. interests in Hong Kong and Macau, and in the Indo-Pacific. U.S. engagement with Hong Kong is based on the Hong Kong Policy Act of 1992 and its amendment, the Hong Kong Human Rights and Democracy Act of 2019, as well as the Hong Kong Autonomy Act of 2020 and the President's Executive Order on Hong Kong Normalization. A separate Macau Policy Act, passed in 1999, codifies U.S. ties with Macau.

In response to the PRC's failure to honor the terms of the Sino-British Joint Declaration, the U.S. Government now treats Hong Kong like the PRC in most important respects, but continues to advocate for the preservation of its remaining areas of autonomy as well as the fundamental freedoms of the Hong Kong people. The Consul General has Chief of Mission authority and reports directly to Washington. We will continue to coordinate with Mission China and AIT on reporting and policy advocacy

Our Mission strategy is designed to:

- Promote U.S. values and support fundamental freedoms;
- Promote free, fair, and reciprocal economic ties;
- Protect and assist U.S. citizens, and promote legitimate travel to the United States; and
- Fight transnational crime, and enhance regional security.

Promote U.S. Values and Support Fundamental Freedoms: The Central Government in Beijing has failed to honor its commitments in the 1984 Sino-British Joint Declaration to allow Hong Kong a high degree of autonomy in the governance of its own affairs, eroding the "One Country, Two Systems" framework to the detriment of U.S. interests and Hong Kong's economic competitiveness and future outlook.

The PRC and HKG's assault on Hong Kong's autonomy has prompted the end of most aspects of differential U.S. Government treatment and the imposition of U.S. sanctions on PRC and HKG

Approved: March 23, 2022

officials, negatively affecting the degree and scope of our bilateral engagement. As a result, the Consulate General will focus on maintaining engagement with civil society, education, media and other sectors, prioritizing people-to-people exchange in order to promote American values, bolster the remaining areas in which Hong Kong differs from the PRC, and support the Hong Kong people in the face of ongoing efforts by the PRC and the HKG to constrict their fundamental freedoms.

The Consulate General will advocate for democratic values and governance, including a credible elections process, realization of universal suffrage, (as stipulated in the Basic Law), and respect for judicial independence. The Consulate General will promote and defend human rights and good governance in Hong Kong and Macau, including drawing attention to issues such as politically motivated reprisals against opposition figures, access to an uncensored internet, labor rights, and trafficking-in-persons. The Consulate General will support the independence of the media, civil society, and educational institutions, and advocate for freedom of the press, freedom of expression, and academic freedom.

Promote Free, Fair and Reciprocal Economic Ties: Hong Kong is a trade-based services hub, and a longstanding market for U.S. products and services. The Consulate General will advance U.S. economic and commercial interests in Hong Kong and Macau by expanding markets for agricultural, health, information and communications technology (ICT), education, financial services, and other priority U.S. sectors for exports. The Consulate General will also emphasize the importance of data security, intellectual property rights protection, supply chain diversification, and sustainability. The Consulate General will work to eliminate any barriers to U.S. trade and investment, and to codify protections for U.S. investors, as needed.

Protect and Assist U.S. Citizens, and Promote Legitimate Travel to the United States: The Consulate General will protect American citizens, including by advocating with the HKG and PRC governments against any opaque and draconian imposition of the new National Security Law to coerce or penalize American individuals or businesses under the “foreign collusion” provisions. The Consulate General will give U.S. citizens high-quality consular services. The Consulate General also will provide top-notch visa and travel facilitation services for foreign nationals, and

Approved: March 23, 2022

work with U.S. Government agencies and travel service providers to further expand business, tourist, and educational travel to the United States.

Fight Transnational Crime, and Enhance Regional Security: The Consulate General will identify and mitigate threats against the Homeland. Although the erosion of autonomy and U.S. Government sanctions against senior HKG security and law enforcement officials will affect bilateral cooperation, the Consulate General will continue to advocate U.S. Government law enforcement priorities related to terrorism, transnational organized crime, money laundering, drug trafficking, smuggling, trafficking in persons, and other areas of concern with HKG counterparts. The Consulate General will work with Hong Kong and Macau to identify and thwart threats to U.S. national security in the Indo-Pacific region, and to enforce sanctions and export controls.

2. Mission Strategic Framework

Mission Goal 1: Promote U.S. Values and Support Fundamental Freedoms

- **Mission Objective 1.1:** The Consulate General will advocate for Hong Kong residents' fundamental freedoms – of assembly, movement, expression, speech, media, religion, and academic enquiry – in support of their ability to meaningfully participate in the city's governance through formal or informal means.
- **Mission Objective 1.2:** The Consulate General will support Hong Kong's judicial independence and rule of law.
- **Mission Objective 1.3:** The Consulate General will support the free flow of information in Hong Kong, as well as the ability of media, civil society, academia, and religious organizations to operate effectively.
- **Mission Objective 1.4:** The Consulate General will facilitate academic and cultural exchange and further engagements to ensure American expertise, experience and values are accurately represented in Hong Kong society.

Mission Goal 2: Promote Free, Fair, and Reciprocal Economic Ties

- **Mission Objective 2.1:** U.S. firms and exporters expand their market share in Hong Kong and Macau while accounting for Hong Kong's post-NSL business environment; the United States attracts foreign direct investment from Hong Kong's private sector in accordance with relevant U.S. laws and regulations.
- **Mission Objective 2.2:** Hong Kong and Macau maintain status as separate customs jurisdictions from mainland China; maintain fair and transparent regulatory environments and sustainable economic activities; and participate meaningfully and autonomously in multilateral fora in ways that support our common economic interests.

Mission Goal 3: Protect and Assist U.S. Citizens, and Promote Legitimate Travel to the United States

Approved: March 23, 2022

- **Mission Objective 3.1:** Bolster outreach and support for U.S. citizens in Hong Kong and Macau in order to better serve and protect the interests of the U.S. citizen community.
- **Mission Objective 3.2:** Promote legitimate U.S. tourism, investment, study, and business travel, in addition to supporting family reunification and immigration to the U.S.

Mission Goal 4: Fight Transnational Crime, and Enhance Regional Security

- **Mission Objective 4.1:** Maintain law enforcement and security partnerships with the governments of Hong Kong and Macau on transnational crime.
- **Mission Objective 4.2:** Advance collaboration to identify, disrupt, and dismantle PRC threats to U.S. national security, economic security, and public safety interests by enforcing sanctions and export controls.

Management Objective 1: Diplomatic effectiveness is advanced through maintenance of an appropriate presence, improved facilities, and incorporation of the latest and most innovative work technologies, which help create a professional work environment that attracts quality local staff.

3. Mission Goals and Objectives

Mission Goal 1: | Promote U.S. Values and Support Fundamental Freedoms

Description: | U.S. Consulate General Hong Kong and Macau's primary goal is to promote democratic values such as freedom of expression; freedom of assembly; freedom of religion; the free flow of information, goods, and services; and respect for human rights. We will advocate for Hong Kong's political, legal, and economic systems to remain more open and transparent than their equivalents in the Mainland, and for civil society engagement, private sector transactions, and mutually beneficial law enforcement cooperation to continue. In the public sphere, the United States will continue to champion the values Hong Kong and American people share, such as individual liberties, respect for human rights, and democratic governance.

Objective 1.1: | The Consulate General will advocate for Hong Kong residents' fundamental freedoms – of assembly, movement, expression, speech, media, religion, and academic enquiry - in support of their ability to meaningfully participate in the city's governance through formal or informal means.

- **Objective 1.1 Justification:** | Beijing-imposed reforms effectively ended near-term hopes for free, fair, and credible elections in Hong Kong. Since late 2019, Hong Kong police have severely restricted public demonstrations, citing COVID-19 concerns as well as violence during protests. Police and prosecutors have increasingly detained activists for spoken, written, and online speech, including under the National Security Law, and that law's chilling effect has led to increasing self-censorship across all sectors. As COVID-19 restrictions ease, the question of whether police are willing to allow a space for legal anti-government demonstrations will be an important barometer of Hong Kong's fundamental freedoms. Progress towards universal suffrage of the Chief Executive might help build greater Hong Kong government accountability to the public, not just to the Central Government.

- **Objective 1.1 Linkages:** | This goal links to the interim National Security Strategy's goal of realizing and defending the democratic values at the heart of the American way of life, and supports the Presidential Initiative for Democratic Renewal Pillars 1 and 3. This goal also supports the Administration's Indo-Pacific Strategy's Goal 1, as well as Goals 1.5, 3.1, 3.2, and 3.3 of the State-USAID Joint Strategic Plan and Goals 4.1, 4.2, 4.3, 4.4, 6.1, 6.3, and 6.7 of the EAP Joint Regional Strategy.
- **Objective 1.1 Risks:** | Beyond the intrinsic value of fundamental freedoms and democratic institutions, the lack thereof will have major second-order repercussions on our ability to advocate on U.S. equities across our range of interests. Failure to defend fundamental freedoms will incur broader U.S. reputational costs around the world.

Objective 1.2: | The Consulate General will support Hong Kong's judicial independence and rule of law.

- **Objective 1.2 Justification:** | Hong Kong's independent legal system underpins U.S. interests and engagement in Hong Kong, including our strong financial and commercial relationship. Non-interference by national authorities in Hong Kong's judicial framework and proceedings is not only a litmus test of the SAR's rule of law, but also a factor in determining the scope of the National Security Law's reach.
- **Objective 1.2 Linkages:** | This goal links to the interim National Security Strategy's goal of realizing and defending democratic values through protection of rule of law, and supports the Presidential Initiative for Democratic Renewal Pillars 1 and 3. This goal also supports the Administration's Indo-Pacific Strategy's Goal 1, as well as Goals 1.5, 3.1, 3.2, and 3.3 of the State-USAID Joint Strategic Plan and Goals 4.1, 4.2, 4.3, 4.4, 6.1, 6.3, and 6.7 of the EAP Joint Regional Strategy.

- **Objective 1.2 Risks:** | Beyond the intrinsic value of judicial independence and the rule of law, the lack thereof will have major second-order repercussions on our ability to advocate on U.S. equities across our range of interests, including for U.S. businesses and U.S. citizens living in Hong Kong. Failure to defend fundamental freedoms will incur broader U.S. reputational costs around the world.

Objective 1.3: | The Consulate General will support the free flow of information in Hong Kong, as well as the ability of media, civil society, academia, and religious organizations to operate effectively.

- **Objective 1.3 Justification:** | The U.S. Government will continue to advocate for the Hong Kong people's fundamental freedoms, including the freedoms of speech and assembly, and freedom of the press, in our interactions with the media, and by speaking out when we see evidence of diminished freedoms or specific threats against these sectors. Hong Kong's population is sophisticated, plugged into global news and culture, and prides itself on being part of an international city full of regional opinion leaders. We will support professional, ethical, and independent journalism in Hong Kong through public diplomacy programs and exchanges. We will continue to champion academic freedom and freedom of expression, as well as encourage academic and cultural exchange programs that further mutual understanding. We will explore interagency programmatic engagement (e.g., cooperation with OES) to support academia and civil society as we foster U.S. values such as transparency, openness, and the rule of law and an independent judiciary. Promoting and defending democratic values, as well as a space in which civil society, a free press, and an unfettered social media environment are allowed to flourish, is essential for a free society.
- **Objective 1.3 Linkages:** | This objective links to the interim National Security Strategy's goal of realizing and defending the democratic values at the heart of the American way of life, and supports the Presidential Initiative for Democratic Renewal Pillars 1 and 3. This goal also supports the Administration's Indo-Pacific

Strategy's Goal 1, as well as Goals 1.5, 3.1, 3.2, and 3.3 of the State-USAID Joint Strategic Plan and Goals 4.1, 4.2, 4.3, 4.4, 6.1, 6.3, and 6.7 of the EAP Joint Regional Strategy.

- **Objective 1.3 Risks:** | The risks posed by a failure to sustain free and independent media, an unfettered civil society, a free and open internet, and a vibrant cultural scene are manifold, including the loss of a valuable diplomatic and messaging platform which enjoys unique access to the Chinese public and the rest of the region. We must clearly highlight the strong, enduring, and universal appeal of American values, as well as the benefits of sustained engagement with the United States, and remind audiences in Hong Kong and the Indo-Pacific of the very different set of rules and values modeled by PRC.

Objective 1.4: | The Consulate General will facilitate academic and cultural exchange and further engagements to ensure American expertise, experience and values are accurately represented in Hong Kong society.

- **Objective 1.4 Justification:** | The changes to Hong Kong's political and civic ecosystem, coupled with Beijing's 2020 imposition of the NSL, have increased interest among many Hong Kong parents and students in study abroad opportunities. The experience of studying or participating in an academic, cultural, or professional exchange program in the United States helps develop lifelong connections, creating networks of goodwill among future political, civil society, and business leaders that benefit the U.S.-Hong Kong relationship. Aggressively promoting EducationUSA as the only free and authoritative source for accurate information about studying in the United States, strengthening our cooperation with local teachers of English, and continuing to encourage both in-person and virtual exchanges are powerful tools as we seek to maintain and broaden our engagement with the people of Hong Kong.
- **Objective 1.4 Linkages:** | This objective links to the interim National Security Strategy's goal of realizing and defending the democratic values at the heart of the

American way of life, and supports the Presidential Initiative for Democratic Renewal Pillars 1 and 3. This goal also supports Goals 1.5, 3.1, 3.2, and 3.3 of the State-USAID Joint Strategic Plan.

- **Objective 1.4 Risks:** | The risks associated with not supporting academic and cultural exchange programs is the loss of direct experience of U.S. policies and society, and exposure to and appreciation of American expertise and values, among the next generation of Hong Kong's political, civil society and business leaders. At similar risk is a loss of mutual understanding between the people of the United States and Hong Kong.

Mission Goal 2: | Promote Free, Fair, and Reciprocal Economic Ties

Description: | Hong Kong is one of the world's most important business, financial, transport, and logistics hubs. Despite PRC's imposition of the NSL in 2020 and the city's closure to international business and leisure travel since the COVID-19 pandemic began in early 2020, it still plays an outsized role in the global economy, and for this reason the U.S.-Hong Kong trade relationship remains of strategic importance.

Hong Kong retains many economic distinctions from mainland China, such as free and open trade, negligible tariff or non-tariff barriers, and well-protected property ownership and intellectual property rights. Hong Kong and Macau continue to exercise independent authority in the implementation of commercial agreements, set their own monetary policies, maintain their own currencies, and participate as a separate entity in many international organizations and multilateral entities, including the Asia-Pacific Economic Cooperation (APEC), Financial Action TaskForce, and World Trade Organization (WTO). Hong Kong, in many respects, is a separate legal jurisdiction from the PRC, maintaining a separate currency, as well as separate regulatory structures to supervise companies operating in the territory. The Consulate General will therefore continue to use the relative openness and transparency of Hong Kong's and Macau's economies to push for trade and investment ties that promote job creation in the United States and reinforce American values.

Approved: March 23, 2022

The Consulate General will prioritize U.S. commercial exports in strategic sectors, including agriculture, healthcare, electric vehicles, environmental technologies, green building and transport, education, consumer and retail goods, franchising, and financial and other services. The Consulate General will also promote information and communication technologies (ICT) exports to Hong Kong in accordance with current U.S. export control policies. At the same time, the Consulate General will advocate for data protection policies to ensure privacy rights.

The Consulate General also will actively promote the United States as an investment destination for job-creating, greenfield investments in non-sensitive sectors from private companies and investors. In addition, the Consulate General will work to eliminate barriers to U.S. trade and investment, encourage the implementation of U.S. standards, and advocate for transparency and rule of law. The Consulate General will continue to monitor the application of the NSL to ensure that U.S. firms continue to receive fair and equal treatment under the law and personal data remains protected. In support of U.S. environmental priorities, the Consulate General will engage with financial sector stakeholders to ensure Hong Kong's green finance regulations align with U.S. standards.

The Department of State, Department of the Treasury, Department of Commerce, and Department of Homeland Security issued a [Business Advisory on Hong Kong](#) in July 2021, which highlighted the emerging risks to businesses and individuals operating in Hong Kong in the post-NSL environment, including potential conflict of law issues and increasing restrictions on data privacy and cybersecurity matters. The Consulate General will advise businesses to consider these risks in their investment and operational decisions regarding Hong Kong.

Mission Objective 2.1: | U.S. firms and exporters expand their market share in Hong Kong and Macau while accounting for Hong Kong's post-NSL business environment; the United States attracts foreign direct investment from Hong Kong's private sector in accordance with relevant U.S. laws and regulations.

Approved: March 23, 2022

- **Objective 2.1 Justification:** | Despite the heightened risks for businesses operating in Hong Kong under the NSL, Hong Kong's strict COVID-19 travel restrictions, and supply chain disruptions caused by the pandemic, Hong Kong remains a key market for U.S. goods and services and is home to over 1,200 U.S. companies. It is the United States' fifteenth-largest export market and the global jurisdiction with which we have the largest trade surplus. Hong Kong was the United States' 4th largest market for wine exports, 5th largest market for beef and beef products, and 13th largest market for agricultural and related products in 2020. Other major exports from the U.S. to Hong Kong in 2020 were electrical machinery, apparatus and appliances, electrical parts; and telecommunications equipment.

Due to U.S. restrictions on certain high technology exports following the imposition of the NSL, and the subsequent revocation of Hong Kong's export license waiver by the United States, the Consulate General will stress the importance of data protection and requirements related to export controls when counseling U.S. companies on selling their products, services, and technologies in Hong Kong.

The Consulate General will emphasize increasing U.S. exports in agriculture, financial services, financial technologies, energy efficient technologies, health technologies, medical devices, professional services, logistics, retail goods, education, and travel and tourism. The Consulate will also seek opportunities for U.S. companies to participate in Hong Kong's construction of a smart, green, and resilient city as laid out in the Hong Kong Climate Action Plan 2030. Priority subsectors will include – with careful consideration for whether a product or service could inadvertently support authoritarian practices – smart transportation, smart building, electric vehicles, environmental remediation, and energy efficiency, all areas in which U.S. companies have technological advantages versus international competitors. Despite the recent decline of foreign direct investment from Hong Kong and mainland China into the United States due to U.S.-China trade tensions and the COVID-19 pandemic, Hong Kong's private sector will continue to play a role as an important conduit for investment in the United States. As such, the Consulate

General will support greenfield investment from Hong Kong in non-sensitive sectors in the United States and investments that create American jobs.

- **Objective 2.1 Linkages:** | This goal is linked to Goals 1.2, 1.5, 2.1, 2.2, 2.3, and 2.4 of the Draft 2022 State-USAID Joint Strategic Plan Framework and the Interim National Security Strategic Guidance that prioritizes a trade and economic policy that serves all Americans.
- **Objective 2.1 Risks:** | Failure to support U.S. companies' export and investment activities could result in their loss of market share and revenue as well as influence and opportunities in Hong Kong; lack of success at attracting Hong Kong investment to the U.S. could lead to U.S. job losses and lost local tax revenues.

Objective 2.2: | Hong Kong and Macau maintain status as separate customs jurisdictions from mainland China; maintain fair and transparent regulatory environments and sustainable economic activities; and participate meaningfully and autonomously in multilateral fora in ways that support our common economic interests.

- **Objective 2.2 Justification:** | As a global finance and logistics hub, it is in the United States' interest for Hong Kong to adhere to U.S. standards, international business norms, and rule of law. Hong Kong's and Macau's autonomous participation in international economic fora such as the WTO and APEC, benefits the United through market access, shared standards, and open dialogue on a full range of trade and economic issues.

Despite significant political concerns raised by the promulgation of the NSL in June 2020, Hong Kong's status as a free and open market with a strong tradition of rule of law and judicial independence stands in sharp contrast to mainland China. U.S. Consulate General Hong Kong and Macau will advocate strongly that Hong Kong maintain its independent judiciary and implement regulatory reforms that advance U.S. business interests. The Consulate General will also partner with the U.S. business community and like-minded partners to promote core American values, including transparency and rule of law.

Approved: March 23, 2022

Hong Kong set its own carbon neutrality goal of 2050 and aims to eliminate the use of coal for daily electricity generation by 2035, both significantly more ambitious than mainland China's climate goals. Hong Kong has also prioritized becoming a regional green finance and carbon trading hub and seems committed to adopting international green finance standards as they emerge. This presents an opportunity for engagement in Hong Kong to advance the U.S. goal of reducing global emissions by mobilizing private finance for climate objectives and influence the development of green finance norms and standards.

- **Objective 2.2 Linkages:** | This goal is linked to Goals 1.2, 1.5, 2.1, 2.2, 2.3, and 2.4 of the Draft 2022 State-USAID Joint Strategic Plan Framework. The Interim National Security Strategic Guidance prioritizes a trade and economic policy that serves all Americans and also identifies the climate crisis as a critically important national security issue that must be addressed through international cooperation.
- **Objective 2.2 Risks:** | Hong Kong's and/or Macau's loss of independent membership in international economic organizations or failure to maintain customs jurisdictions separate from mainland China could result in regulatory environments that more closely align with that of the PRC. Such a development would harm U.S. exporters and affect U.S. job growth. It would also erode the ability of the United States to promote free, fair, and reciprocal economic relationships in the region. If the United States does not succeed in promoting greener practices, besides the risk of Hong Kong failing to reach carbon neutrality, there could be ripple effects in mainland China and other Asian countries if they are not able to finance their climate goals or if business activities do not meet higher environmental standards.

Mission Goal 3: | Protect and Assist U.S. Citizens, and Promote Legitimate Travel to the United States

Description: | The primary responsibility of all U.S. overseas missions is the safety and security of American citizens. Promoting family reunification and the legitimate travel of non-citizens in Hong Kong's consular district to the United States not only provides a significant economic

Approved: March 23, 2022

benefit but also enhances the short- and long-term relationship between Americans and the people of Hong Kong and Macau through business, social, cultural, and educational ties. Provision of a high level of visa services also directly furthers Mission Goal 1 – promoting U.S. and shared values and supporting Hong Kong’s autonomy – and Mission Goal 2 – promoting economic ties.

Objective 3.1: | Strengthen outreach and support for U.S. citizens in Hong Kong and Macau to better serve and protect the interests of the U.S. citizen community.

- **Objective 3.1 Justification:** | U.S. Consulate General Hong Kong and Macau’s Consular Section attends to the various needs of the estimated 90,000 U.S. citizens in our consular district (approximately 85,000 in Hong Kong and 5,000 in Macau). Typically, over 1 million Americans visit every year, however in 2021, non-residents were prohibited from visiting Hong Kong and Macau due to COVID-19 travel restrictions, which cause a corresponding spike in special citizen services cases for residents. The consular section provides the full range of routine and emergency special citizen services to thousands of U.S. citizens each year, usually with no more than a one-business day appointment wait time. Post will continue to balance appropriate staff and resources to long-term crisis preparedness and the ongoing provision of first-class American citizen services so that we can respond to emergencies without sacrificing our high service standards for routine services. Post will continue to provide efficient routine services and build operational flexibility to meet increased demand for special citizen services. Post will provide relevant and timely information to the U.S. citizen community while strengthening relationships with local counterparts to better assist U.S. citizens. Homeland Security Investigations complements this effort by vetting immigrant and nonimmigrant visa applicants from a law enforcement perspective.
- **Objective 3.1 Linkages:** | This goal links to the Interim National Security Strategy’s goal of “Defend and nurture the underlying sources of American strength, including our people, our economy, our national defense, and our democracy at home.” It is also linked to Goals 1.5, 5.1, and 5.2 of the Draft State-USAID Joint Strategic Plan.

- **Objective 3.1 Risks:** | The risks involved in advocating for U.S. citizens overseas could potentially increase strain in the bilateral relationship with both the Hong Kong and PRC governments given ongoing political sensitivities related to the National Security Law.

Objective 3.2: | Promote legitimate U.S. tourism, investment, study, and business travel, in addition to supporting family reunification and immigration to the U.S.

- **Objective 3.2 Justification:** | This U.S. Consulate General Hong Kong and Macau will continue to provide timely and efficient NIV services in the face of reduced staffing. The Consular Section's efforts will focus on meeting demand while improving the speed and efficiency of its delivery of visa services and touting successes via outreach to encourage the public to continue to seek U.S. visas. Post will reduce the immigrant visa backlog that resulted from limited visa services due to the COVID-19 pandemic and explore additional avenues of immigration to the U.S.
- **Objective 3.2 Linkages:** | This goal links to the Interim National Security Strategy's goal of "Defend and nurture the underlying sources of American strength, including our people, our economy, our national defense, and our democracy at home." It is also linked to Goals 1.5, 5.1, and 5.2 of the Draft State-USAID Joint Strategic Plan.
- **Objective 3.2 Risks:** | The failure to provide a high level of NIV services could lead Hong Kong and Macau travelers, skilled workers and students to go elsewhere, which would result in a multi-million-dollar loss to the U.S. economy each year and increase risks to border security. Additionally, failure to provide timely or additional immigrant visa services will separate families and could result in lost opportunities.

Mission Goal 4: | Fight Transnational Crime, and Enhance Regional Security

Description: | Hong Kong's position as a strategic global shipping and financial center and its proximity to China make it vulnerable to exploitation by transnational criminal organizations (TCO). These TCOs are engaged in a myriad of criminal activity to include, the trafficking in weapons, sensitive technologies, intellectual property, narcotics, wildlife, and people. Concomitant with these acts is the laundering of illicit proceeds and commission of financial

Approved: March 23, 2022

crimes. Cyber enabled crime, OFAC violative acts, trade fraud and terrorism are also present concerns. Social and political unrest continues to bring unprecedented challenges to the countering of these threats. The Consulate General will continue to engage to protect the rights and liberties of individuals while adhering to the rule of law.

Terrorism is a grave threat to U.S. national security. International cooperation is paramount in advancing the overall U.S. strategy of defeating transnational terrorist groups that threaten both American and global interests. The conditions that enable these terrorist and criminal threats to persist must be addressed by the United States and its global partners. Collaborative partnerships with Hong Kong and Macau may encourage the sharing of intelligence to identify avenues where the United States can help address the underlying causes of these threats in the region.

Procurement networks and sanctioned countries continue to use Hong Kong's free market economic model to skirt sanctions and conduct illicit finance. The United States will continue to engage the Hong Kong Government to curb this activity and raise awareness of the threat to regional stability.

Objective 4.1: | Maintain law enforcement and security partnerships with the governments of Hong Kong and Macau on transnational crime.

- **Objective 4.1 Justification:** | Hong Kong has been an able and willing partner on a wide range of law enforcement and security concerns, including counterterrorism, money laundering, narcotics trafficking, wildlife trafficking, cybercrime, human trafficking, intellectual property rights infringement, export controls, and nonproliferation. There has not been a terrorist incident in Hong Kong. The broad-based and close U.S.-Hong Kong cooperation in law enforcement directly strengthens the regional U.S. security posture and supports our efforts to fight terrorism in the region, not to mention protecting the 90,000 Americans and nearly 1,200 U.S. businesses in Hong Kong.

As a global nexus for the flow of people, goods and money, the relationship with Hong Kong expands the reach and effectiveness of the United States throughout the Indo-Pacific, including to mainland China. This close cooperation continues to produce tangible results in combatting transnational crime, including a significant number of criminal investigations involving millions of dollars in seizures of criminally obtained funds, the seizure of illicit drugs, commercial fraud and other customs violations, and the interdiction of sensitive controlled technologies. Maintaining the integrity of Hong Kong's stringent export control regime remains a high priority.

The continued development of Macau's gaming sector and the deepening involvement of U.S. firms necessitate our increased engagement with, and assistance to, Macau security and law enforcement bodies, particularly but not limited to money laundering, financial fraud, trafficking in persons and child exploitation. We should strengthen efforts to highlight to Macau the benefits to be gained from partnering with U.S. counterparts and participating in multilateral bodies.

The State Department's annual Trafficking in Persons Report has ranked Hong Kong and Macau on the Tier 2 Watch List for the past three and two years, respectively. Both jurisdictions rely heavily on migrant labor, which creates potential vulnerabilities that traffickers can and have exploited. As a regional financial center, Hong Kong also could play a major role in detecting and intercepting illicit money flows connected to trafficking in persons crimes. Although both Hong Kong and Macau have taken some steps to improve their governmental framework for countering trafficking in persons – such as creating action plans and high-level government steering committees to address the issue – more can and should be done in both jurisdictions.

- **Objective 4.1 Linkages:** | This Objective will coordinate government-wide lines of effort to counter transnational organized crime, and restructure and enhance the U.S. Government's Threat Mitigation Working Group (TMWG), which was previously

assigned to support counter-transnational organized crime efforts under Executive Order (E.O.) 13773 of February 9, 2017 (Enforcing Federal Law with Respect to Transnational Criminal Organizations and Preventing International Trafficking).

- **Objective 4.1 Risks:** | The risks posed by failure to strengthen law enforcement cooperation and counter-trafficking in persons cooperation will allow these Organizations to exploit the legitimate trade, travel finance and immigration systems of the United States, Hong Kong, and Macau.

Objective 4.2: | Advance collaboration to identify, disrupt, and dismantle Chinese threats to U.S. national security, economic security, and public safety interests by enforcing sanctions and export controls.

- **Objective 4.2 Justification:** | The Democratic People's Republic of Korea (DPRK) and other sanctioned countries continue attempts to exploit Hong Kong's free market economic model to skirt sanctions and conduct illicit finance. Post actively lobbies the Hong Kong government to curb illegal activity and raise awareness of the threat of sanctions evasion to regional and global stability. U.S. cooperation with Hong Kong Disciplined Services combats illegal activity, reinforces the rule of law and international rules-based order, and provides the U.S. unique insight and influence. Risks associated with not achieving this Mission Objective include weakened sanctions and export regimes.
- **Objective 4.2 Linkages:** | This Objective will coordinate government-wide lines of effort to counter transnational organized crime, and restructure and enhance the U.S. Government's Threat Mitigation Working Group (TMWG), which was previously assigned to support counter-transnational organized crime efforts under Executive Order 13773 of February 9, 2017 (Enforcing Federal Law with Respect to Transnational Criminal Organizations and Preventing International Trafficking).
- **Objective 4.2 Risks:** | The risks posed by failure to thwart sanctions evasion include a less safe, less secure United States.

4. Management Objective

Management Objective 1: | Diplomatic effectiveness is advanced through maintenance of an appropriate presence, improved facilities, and incorporation of the latest and most innovative work technologies, which help create a professional work environment that attracts quality local staff.

- **Management Objective 1 Justification:** | The Hong Kong Consulate Office Building (COB) is more than 60 years old, with a dated infrastructure leading the Bureau of Overseas Buildings Operations (OBO) to begin the design of a full consulate building renovation and fit up of the 5th floor of the nearby St. John's office building. A renovated consulate building and additional office space in St. John's will give occupants adequate space for their current operations with room to expand and bring off-site agencies into the same facility with other Chief of Mission personnel.

Macau is a significant and increasingly important part of the consulate's portfolio. Management support for the resumption of regular, in-person outreach visits to Macau is needed to develop good relations with the local government and to provide services and protection to the approximately 4,000 U.S. citizens present there.

- **Management Objective 1 Linkages:** | If employees are not working in suitable or large enough office space, implementation of the ICS Mission Goals will be difficult. Employee effectiveness is directly tied to the working environment and a cramped office with poor temperature control makes it harder to concentrate and focus on tasks. This reduction in employee efficiency means work takes longer to complete. Mission goals may not be fully implemented or may be completed at a slower pace when the working environment is distracting and uncomfortable.

ICS Mission Goal 1, to promote U.S. values and support fundamental freedoms, will rely heavily on engagement with civil society and prioritize person-to-person exchange to advance American ideals and support the people of Hong Kong. The

Approved: March 23, 2022

COB's small meeting areas and total lack of public outreach space limits direct engagement with the public, making it difficult to implement public outreach goals.

- **Management Objective 1 Risks:** | Hong Kong's changing political atmosphere necessitates more individual and small group engagement. That engagement can only take place when there is actual space to hold events and meetings. The COB's lack of public outreach areas, poor physical layout for visitors, and a worn-out facility means organizations with competing messages and newer facilities appear more attractive to the public.

With no room to grow, offices whose missions need to expand will continue to be restrained. Public outreach (Mission Goal 1) and law enforcement (Mission Goal 4), for example need the office and meeting space to achieve Chief of Mission priorities. Without that space, the effectiveness of those goals will be restrained.