



The American Chamber of Commerce in Hong Kong Submission on the Chief Executive's Policy Address 2020

Revitalize Hong Kong By Prioritizing Economic Recovery, Innovative Entrepreneurialism & Resilience Building

September 2020

Executive Summary

This year, Hong Kong has so far faced unprecedented pressure tests of its public health system, economic resilience, and political positioning. As the city continues to battle COVID-19, the conjoined nature of these factors becomes ever more obvious: in order to restart the economy effectively, public health policy must first triumph over the threat of the epidemic, and the government must be able to successfully navigate pandemic-related political fallout, particularly on the front of US-China relations.

In a time of what feels like record uncertainty, AmCham believes that the Hong Kong government has a critical role to play in allaying fears and re-establishing confidence. As citizens and businesses alike continue to grapple with the various implications of the newly promulgated National Security Law, the government may do well to provide concrete, substantiated reassurances that demonstrate how Hong Kong will continue to serve as an influential connector between foreign markets and China, and how the city's core values will continue to flourish. Similarly, as US-China tensions continue to escalate, the government should articulate how the city can remain an important site of superpower cooperation in the arenas of finance, trade, and culture.

To ensure that Hong Kong's status as a global hub of investment and business activity outlasts the current crises, AmCham believes that the government should focus efforts on tangible measures that promote the city as a center for technological innovation and the epicenter of 21st century entrepreneurship in the Greater Bay Area. Similarly, the government must proactively build resilience to protect against the increasing risk of shocks - socio economic, political, and environmental - in both the near and long term.

AmCham strongly urges the Hong Kong government to take positive steps to develop and sustain an open, meritocratic, and fair labor market through increased training and education, labor protections, immigration reform, and the introduction of anti-discrimination statutes.

In addition, with the 2020 Legislative Council elections postponed by a calendar year, AmCham urges the government to work closely with the interim legislative body to push forward on economic recovery policies. At the same time, AmCham hopes that the government will use this additional time to refine procedures and polling logistics, including relevant technologies, that will ensure as fair, legitimate, and efficient an election as possible in 2021.

Our support is reflected in the collected views of our industry committees during this consultation exercise to help strengthen Hong Kong's competitiveness. The Chamber's overall asks and other detailed recommendations are listed on the next pages.

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A. CHAMBER'S OVERALL RECOMMENDATIONS

Plan ahead for a successful economic recovery

Hong Kong is facing its first recession since the end of the Great Financial Crisis in 2009. This has necessitated the Hong Kong government's first fiscal deficit in 15 years. Political unrest, the COVID-19 pandemic, and declining business confidence in the city's rights and freedoms pose large challenges to Hong Kong's overall economic health. As such, we strongly urge the government to take concrete steps to restore business confidence by increasing competitiveness, access to global markets, and recommitting to the economic rights that are core to Hong Kong's continued success.

Make innovative entrepreneurialism a cornerstone of Hong Kong's business environment

Entrepreneurialism shapes our modern society. Hong Kong, as the innovation center in Asia, has been continuously at the forefront of nurturing a new generation of entrepreneurs. It has one of the most robust and vibrant startup systems. It is home to many startups and achieved approximately 1.07 unicorn per million inhabitants.¹

Nonetheless, more than halfway through 2020, we have witnessed large-scale business layoffs and shutdowns all around the world. Startups, in particular, are vulnerable to economic shock. According to a survey, nearly 40% of startups have laid-off workers.² In terms of fundraising, startups desperately need support as well. In the midst of social instability and COVID-19, investors are becoming more risk-averse due to economic uncertainty. In 2019, the total amount raised in 58 startup funding deals was \$9.84 billion. That dropped by 39% compared to \$16.2 billion in 2018.³ The funding that startups can get from venture capital firms significantly shrunk.

AmCham applauds the government in its continuous support to startups through establishing co-investing schemes and venture capital funds, such as Innovation and Technology Venture Fund.

In every crisis lies opportunities. Businesses and individuals in Hong Kong actively attempt to tackle the social issues by generating new ideas. Their ideas fill up the gaps that are yet to be addressed by government and institutional organizations. The COVID-19 crisis highlights how small businesses can provide more incremental approaches to innovation.

It is encouraging that public perception on entrepreneurialism has been changing over the years. There are still many more young aspiring entrepreneurs waiting to be discovered. The surge of startups is prompting our traditional industries to revolutionize. More and more businesses have to adopt technological changes in the provision of services and interaction with customers. The government should make use of this opportunity to develop a strong entrepreneurship culture as a key competitive edge in the long run. That could be a new perspective of Hong Kong's direction.

Build resilience to proactively defend against future shocks

It is the case that not just Hong Kong, but most of the Asia-Pacific region, has been witness to a series of shocks in the 21st century so far. Some are economic, most notably the 2007-2008

¹ medium.com/whub/hong-kong-s-7-unicorns-d1b07f5cb7d3#:~:text=Hong%20Kong%20has%209%20unicorns,of%20over%20US%20%241%20billion.

² harbourtimes.com/2020/06/05/short-medium-and-long-term-measures-to-save-local-startups/

³ hongkongbusiness.hk/economy/in-focus/startup-funding-goes-low-key-amidst-covid-19-and-social-unrest

Financial Crisis. Others are related to climate change, such as irregular weather patterns and intensifying natural disasters, as seen in China with the ongoing flooding of the Yangtze River. More significantly, it appears to be the case that Hong Kong, like many large cities, will also be constantly vulnerable to shocks presented by pandemics. The recent waves of COVID-19 and the economic damages brought on by lockdown measures have made this all too clear.

Our member companies take seriously the privilege and responsibility that many of us in sectors like logistics and transportation as well as healthcare have in managing the COVID-19 pandemic. We take this responsibility seriously and are honored to have had numerous opportunities to contribute to Hong Kong's management of the pandemic by ensuring that critical supplies of medicines and personal protective equipment (PPE) reach Hong Kong. We are also especially grateful for the professionalism and spirit of partnership shown by various government agencies in Hong Kong in working together with the private sector to find solutions for protecting the health and safety of all while still keeping supply chains moving. It is through these experiences that the global community has developed new best practices for managing today's and any future crises.

Thus, it is without a doubt that Hong Kong should continue its efforts to become a city more resilient to shock. The Chamber recommends the following policy directions to consider in regard to resilience:

Short term: set up contingency plans for economic shock and ensure a stable access to critical public goods

In the case of economic shocks, have in place contingency plans which safeguard the well-being of citizens such as government sponsored job-skill training aimed at digital and technological literacy. This would ensure the well-being of the Hong Kong population while maintaining its competitiveness as a dynamic workforce in the global economy.

In the event of pandemic shocks, preparation of hospitals and medical responsiveness. This would include measures such as, but not limited to:

- Stockpiles of PPE (face masks, hand sanitizers, goggles) for medical staff in both the private and public sectors, and for all Hong Kong citizens
- Increased training of medical personnel to increase the administrative capabilities of hospitals to handle large pandemic outbreaks
- Create incentives to invite overseas medical talent and retain local Hong Kong medical talent

In the circumstances of potential natural disasters such as intense flooding or unusually strong typhoons, which will likely become more common due to climate change, preparations for such scenarios which would include the ability to rapidly deploy emergency responses in the form of establishing temporary housing, on-spot medical support, and other capabilities.

Medium-long term: Supply of rental housing

Increase the supply of public rental housing, which has persisted as an issue for many decades and has not been adequately addressed. Indeed, the Chamber acknowledges the significance of property prices and their impact on the Hong Kong economy. However, it is clear that public housing issues have contributed to a series of long-running social challenges, and difficulties in staying home and social distancing during quarantine. From a resilience perspective, the Chamber's member companies continue to express their full support in collaborating with the Government on the following policy suggestions:

- Directly collaborate with private sector developers to formulate a public housing rental program in order to ease the shortage of housing for Hong Kong residents.
- Increase the building of public housing on undeveloped land in areas such as the New Territories.
- Provide long-term policies to address housing supply, through measures such as but not limited to expanding existing public housing areas.

Humanitarian relief should be a permanent strategy, not designed while in the middle of a crisis

The pandemic made it clear that many governments did not have specific regulations and procedures in place to define essential goods and services, nor to clear critical shipments quickly. Governments and international organizations should engage with the private sector and plan ahead to make sure critical relief shipments can move quickly when the next crisis hits. We also recommend Hong Kong look at expanding its Authorized Economic Operator (AEO) program to include a mechanism that kicks in during multinational crises so that known and compliant carriers can continue to move critical shipments.

Building business and community resilience by improving governance

AmCham would like to draw attention to the importance of not only resilience in the material sense, but also the **resilience of Hong Kong businesses and most importantly, the resilience of the people of Hong Kong**. AmCham observes that there needs to be a closer relationship between the Administration, the Legislative Council, and the Hong Kong public. This has especially come to attention with recent moves such as the dine-in ban imposed by the government, which was shortly revoked after protests from the restaurant and catering industry. In other words, the government should do more to better understand and accommodate the demands of those who cannot Work-From-Home (WFH).

Improve governance

AmCham continues to recommend that the government places greater efforts to put into action a “listen-in” attitude. As mentioned in our submission last year, it is crucial that the Hong Kong government continues to encourage public participation and ownership in policymaking which brings in fresh perspectives on resilience.

In this vein, we strongly recommend these steps in governance:

- The Hong Kong government should do more to **further empower the Policy Innovation and Co-ordination Office (PICO) to undertake more substantial research and data-collection in order to accurately gauge and monitor public opinion**. This would greatly help with the providing of up-to-date advice to decision makers on public expectations and sentiment, particularly in the context of the COVID-19 pandemic and the ongoing uncertainties surrounding the National Security Law.
- **Increase cross-departmental collaboration within the government throughout policy-making processes**. Our members have experienced compartmentalisation in policy making when compared to other governments they have engaged with. Understandably, in the example of ride sharing, no single part of government would be able to consider the whole of such new economy activity’s benefits to Hong Kong and come to an informed judgment on the overall merits of regulating ride sharing. This is where the Hong Kong government should further empower PICO to conduct reviews of regulations within other departments when it considers there to be cross-departmental interests. When necessary, PICO should establish

a cross-departmental task force to review policies for the city to be relevant in today's digital economy.

- **Further restructure the Executive Council by doing more to include younger members** who can bring in the views of the future generation and thus help greatly with bridging existing political divides.
- **Continue to engage with the private sector to identify common objectives and possibilities for collaboration.** AmCham believes that the private sector can make significant contributions to public policy efforts and discussion. Since private firms receive first-hand data and insights through their daily operations, they can provide information to the Hong Kong government for greater efficiency in public service provision and help urban planners make informed decisions about the city, from traffic policies to housing and urban planning.

Conduct thorough study on National Security Law (NSL)

- Given that the Hong Kong government was not involved in the drafting process of NSL, AmCham calls for a comprehensive analysis on how NSL will work and fit into the existing legal system, conducted by both Mainland and Hong Kong legal experts. It should examine issues raised by different stakeholders and address those concerns properly. The government should carefully review NSL's implications to human rights in Hong Kong.
- The discrepancy between Chinese and English versions of NSL is another controversial area that the government should study on. There are criticisms that the English version is poorly translated.⁴ Though the government's confirmation that the Chinese version of NSL will prevail over the English version, it is stipulated in OLO that Chinese and English are of equal weight and enjoy the equality of use. Given the extraterritorial nature of NSL, AmCham suggests the government assess the impacts of such policy to non-Chinese speakers. The broader problem would be how foreign judges and lawyers should understand NSL.
- The English version of NSL was published on the government's website on July 3, 2020. Meanwhile, it was stated in the gazette notice that the translation was only "published for information". This has created confusion regarding the authenticity of the English translation by the government. Under this circumstance, it would be difficult for foreigners to comply with NSL with limited understanding. As such, AmCham recommends the government promulgate an official English version of NSL after consulting Hong Kong legal experts.

Open up communication on the matter of NSL

- AmCham members expressed grave concern on the passage of the broadly worded NSL. In particular, the general public, corporates, law enforcement agencies and judges were not consulted nor given sufficient time to familiarize themselves with the new law.
- NSL has potentially profound and far-reaching impacts on business operations. According to AmCham's poll in July, more than two-thirds of US businesses in Hong Kong feel worried due to the absence of clarity in language used in NSL.⁵ It is uncertain as to how the new law would be construed and enforced. They are also concerned with whether judicial independence and

⁴ Differences can be found in Article 9 and 10. "Universities" are specifically mentioned to be under government's supervision in the English Version, but the Chinese one just points to "schools". This would create a huge dispute. In Article 29, it is written in English version that "the institution, organization and individual...shall be convicted and punished for the same offence". This is a marked departure from Hong Kong's law since offenders should be subjected to different offences according to their level of participation.

⁵ www.amcham.org.hk/uploads/media/default/0001/08/a5e14d30d0931649e870629c1e282f9d93ba6309.pdf

the city status as a global business hub would be affected. These all create complexity and risk to their daily operations, and impacting decisions on long-term investments in Hong Kong.

- In view of this, AmCham suggests the government provide clear and comprehensive guidelines that are publicly accessible. Publicity campaigns alone are not effective to gain public trust and confidence. To ensure legal certainty, the government should respond with concrete details on the definition of those criminal offences and implementation.

In the midst of the ongoing COVID-19 pandemic, Hong Kong is vulnerable in a range of aspects. One is the aforementioned disconnect between the Administration, Legislative Council, and the Hong Kong Public. The Extradition Bill crisis, along with the uncertainty caused by the National Security Law have both further contributed to a situation in which the government should more proactive than ever in engaging with the public.

B. HONG KONG-GREATER BAY AREA COLLABORATION

AmCham appreciates the efforts that the Hong Kong government has made to date to engage the private sector in the development of the Greater Bay Area, and encourages the government to move forward with a formalized joint committee and mechanism for discussion of regulatory initiatives that would facilitate successful integration of the Greater Bay Area.

Financial Services

- AmCham supports Hong Kong regulators in their work with Mainland counterparts to develop a robust corporate governance framework around dual listed ADRs.

Talent movement between GBA cities

- AmCham encourages the Hong Kong government in its efforts to facilitate the flow of talent in the Greater Bay Area and recommends greater coordination with Greater Bay Area counterparts on administrative and financial assistance programs such as:
 - Tax equalization
 - Mutual recognition of professional qualifications
 - Visa-free movement or electronic clearance for Hong Kong permanent residents travelling with a foreign passport to avoid unnecessary delays at Mainland immigration control points
 - Allowing passengers of the Guangzhou-Shenzhen-Hong Kong Express Link to buy tickets on arrival and board any train without a pre-reserved seat.

Intellectual Property Rights Protection

- AmCham continues to support Hong Kong to establish an Intellectual Property Right Centre of Excellence (IPRC) in the Greater Bay Area (GBA). The primary focus of the IPRC is to promote IPR best practices through capacity building, combating technological know-how and patent violations, and enforcement.
- The IPRC success requires strong collaboration among Guangdong, Hong Kong and other GBA cities. A Hong Kong-Guangdong-led and co-chaired platform will allow for the necessary leadership, communication, and resources for a one-stop-shop regulatory and enforcement framework for IPR protection.
- To further protect the intellectual property rights, the Chamber continues to urge the Customs and Excise Department to further deepen cooperation with the Customs offices of Macao and China to address illegal activities which occur at key control points. The Government should take the initiative to lead measures within Hong Kong and the Greater Bay Area, such as deploying joint enforcement agencies, sharing best practices, and exchanging critical intelligence.

Healthcare service for Hong Kong patients in GBA

- AmCham recommends the government to expand the use of the eHealth system to some of the GBA cities,⁶ where doctors can access the medical records when the Hong Kong patients receive medical treatment in GBA cities. This could further broaden the use of Health Care Voucher to GBA to benefit elderly patients who have relocated to the Mainland, thereby relieving the burden of Hong Kong's healthcare sector.

⁶ www.thinkhk.com/article/2019-01/03/32100.html

C. INDUSTRY RECOMMENDATIONS

Financial Services

Finance's contribution to Hong Kong—and US firms' contribution to Hong Kong finance

- To maintain and grow robust capital markets, the business community must, first and foremost, be able to rely on a fair and independent judiciary, transparent and predictable regulations, and the consistent rule of law.
- Financial services will play a large role in leading Hong Kong's economy out of its current difficulties and into the future, given the city's continued prominence as a global financial center and the sector's strong performance during the global pandemic.
- Despite significant challenges this past year, the sector has remained resilient. According to the Hong Kong Census and Statistics Department, finance and insurance generated 19% of Hong Kong's gross domestic product in 2019, employing 8.3% of the city's total workforce.

Hong Kong financial sector, 2015-24⁷

US\$ billion	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total loans	704	758	827	873	893	876	920	956	996	1,033
Deposits	2,265	2,420	2,618	2,741	2,778	2,700	2,800	2,921	3,043	3,160

- Hong Kong is the world's 4th largest trading center for foreign exchange, behind New York and London and only narrowly trailing Singapore. The Hong Kong Stock Exchange (HKEX) is the world's sixth largest in terms of market capitalization and one of the most active in terms of initial public offerings (IPOs). HKEX is also 5th among global exchanges in terms of the amount raised by companies in IPOs in the first half of 2020, and it is 2nd when taking secondary listings into account. Asia's combined stock market value is now 34% of the global total, trailing North America by just 5 percentage points, according to Bloomberg.
- These competitive positions reflect Hong Kong's continued role as a global financial center that will support the city's recovery. At the same time, Hong Kong also needs to ensure that it builds on its advantages, given the intense competition from other global financial centers. In the Global Financial Centers Index, Hong Kong saw its position slip from 3rd to 6th, falling behind Singapore, Tokyo, and Shanghai.
- To maintain its edge, Hong Kong should further strengthen its unique role as the global gateway for overseas investors to access the Mainland's market and for Mainland corporates to access global capital. In recent years, the Connect schemes between Hong Kong, Shenzhen and Shanghai have deepened the financial interconnectedness between Hong Kong and the Mainland and reinforced the territory's advantage over other global financial centers. In 2019, Hong Kong accounted for nearly two-thirds of the Mainland's net outward direct investment flows, while half of the Mainland's inward direct investment comes from Hong Kong.⁸ The Greater Bay Area (GBA) is another exciting opportunity for further development of Hong Kong's financial links with the Mainland. Recent market liberalizations in insurance and asset management could pave the way for greater integration across the financial services sector.

⁷ The Economist Intelligence Unit, 2015-19: estimates; 2020-24: forecasts

⁸ Source: The Economist Intelligence Unit, "Hong Kong's financial sector: losing its appeal? – Part 1," 17 July 2020, [<http://country.eiu.com/article.aspx?articleid=1289904312&Country=Hong%20Kong&topic=Economy&subtopic=Forecast>].

- At the Chamber, we believe this additional connectivity to the GBA will ensure that Hong Kong remains a globally important financial hub for the foreseeable future. It also represents the greatest opportunity of becoming a leading center for international finance on par with London and New York. International finance – and specifically institutions from the United States – plays a major role in making Hong Kong one of the world’s most sophisticated financial centers. As of March 2020, 7 of the top 10 retail mutual fund managers in Hong Kong are from America, representing 1,121 funds worth over US\$950 billion.⁹ American firms raised well over US\$75 billion through sponsorship of new listings in 2019.¹⁰
- US financial institutions stand ready to grow their already sizeable contribution to Hong Kong’s economy. AmCham has identified four focus areas for the development of financial services in 2021:
 - Continued growth and development of the Connect schemes
 - Financial technology
 - Greater Bay Area integration
 - Family offices

Connect schemes

AmCham welcomes the development of a Wealth Management Connect scheme, with six key recommendations:

- Instead of having any cap on individual investor quota, set a minimum of RMB 7 million (US\$ 1 million) in assets for an individual account to allow investors to qualify as Professional Investors in Hong Kong, with access to a wider variety of products;
- Allow Wealth Management Connect investors to spread Hong Kong-based assets across multiple banks, and permit the RMB 7 million minimum requirement to apply across multiple banks;
- Align product risk rating rules for Wealth Management Connect Investors with those for Hong Kong investors;
- Require that Mainland and Hong Kong SAR authorities jointly monitor and enforce the per-individual quota;
- Ensure Greater Bay Area Wealth Management Connect investors based in Guangdong can transfer funds from a Mainland entity to all Hong Kong-based financial institutions;
- Allow both Hong Kong Monetary Authority (HKMA)-regulated authorized institutions and Securities and Futures Commission (SFC)-regulated licensed corporations to participate in Wealth Management Connect;
- Coordinate between Hong Kong SAR and Mainland regulators in identifying products that can be eligible for Wealth Management Connect and swiftly licensing Hong Kong-based financial institutions to distribute these products.

⁹ Source: Hong Kong Securities and Futures Commission, Morningstar Asia via The Economist Intelligence Unit

¹⁰ Source: Economist Intelligence Unit analysis of data from the Hong Kong Exchanges and Clearing

AmCham supports continued efforts to grow and perfect the Stock Connect, Bond Connect, and Mutual Recognition of Funds programs, and are prepared to offer our significant expertise to help with their ongoing development:

- Stock Connect should grow to include exchange-traded funds (ETFs) and IPOs in both the northbound and southbound Stock Connect, to allow Mainland investors to buy Hong Kong ETFs and IPOs (and vice versa); allow block trading via northbound Stock Connect similar to the southbound channel to allow institutional investors to privately buy/sell large sums of securities via intermediaries; expand the northbound Stock Connect investible universe to include more Shanghai Stock Exchange-listed and STAR Market-listed companies; allow China A-shares held under Stock Connect to be fully fungible with its domestic underlying; and allow Hong Kong investors to trade via Stock Connect when Chinese stock markets are open for business, even during Hong Kong holidays.
- Bond Connect can increase the number of counterparties and include exchange traded bonds.
- AmCham recommends accelerated approval for ADR dual listing names to be included in the Connect schemes.

Financial technology

- Hong Kong must accelerate its drive to be a fully enabled digital economy and expedite the digitization of the government departments supporting the financial industry including the SFC, HKMA and the tax authorities. Specifically, AmCham recommends the Hong Kong government push for swifter adoption of digitization of and electronic solutions by administrative and regulatory authorities to mitigate the continued COVID-19-induced operational challenges in Hong Kong's capital markets.
- AmCham encourages new policy to facilitate the development of Hong Kong's financial technology ecosystem, such as schemes to develop talent, provide start-up capital, and implement emergent technologies, similar to the Monetary Authority of Singapore's enhanced Financial Sector Technology and Innovation Scheme (FSTI 2.0), which commits over HKD 1.4 billion over three years.¹¹
- AmCham urges the Hong Kong government to collaborate with industry on promoting the use of digital payments such as digital wallets or mobile-based payment interfaces (store card details or QR codes) for channeling government assistance, supporting social distancing measures, and facilitating economic growth to the greatest extent possible.
- AmCham recommends the Policy Innovation and Coordination Office (PICO) establish a standing committee focused on engagement with the private sector to gain input from industry experts on relevant policy development.
- AmCham encourages the government to ensure new data governance measures facilitate the free movement of data in a manner consistent with global standards for security and privacy.
- AmCham encourages the establishment of a single government window for supporting innovative firms, to help streamline the rules, regulations, and incentives relevant to

¹¹ Monetary Authority of Singapore, "MAS Commits S\$250 Million to Accelerate Innovation and Technology Adoption in Financial Sector," 13 August 2020, [[https://www.mas.gov.sg/news/media-releases/2020/mas-commits-s\\$250-million-to-accelerate-innovation-and-technology-adoption-in-financial-sector](https://www.mas.gov.sg/news/media-releases/2020/mas-commits-s$250-million-to-accelerate-innovation-and-technology-adoption-in-financial-sector)].

innovators, unifying the work of InvestHK Companies Registry, HKMA, SFC and Insurance Authority.

- AmCham encourages the development of a coherent regime across regulated spaces – banking, insurance, and securities – that fosters innovation and promotes fair competition for both incumbent and emergent players.

Family offices

- AmCham recommends the introduction of a new exemption applicable to family offices to eliminate negative tax implications for the management of such offices in Hong Kong.
- AmCham proposes restructuring to tax Hong Kong-based trusts at the beneficiary level, rather than at the trust or trustee level.
- AmCham suggests introducing incentives for high-net worth individuals (HNWIs) and family office managers and advisors to attract management operations to Hong Kong:
 - For HNWIs, reopening the Capital Investment Entrant Scheme with an increased net asset eligibility (such as HKD 2.3 billion, in line with Singapore’s Global Investor Programme) and an additional requirement to invest at least HKD 1.2 billion in a Hong Kong-based family office (also in line with Singapore’s Global Investor Programme);
 - For family office professionals, consider financial incentives to establish and maintain operations in Hong Kong, such as concessionary tax rates or education subsidies.

Trade & Investment

Expand Hong Kong’s Participation in Trade Agreements

- In June 2020, as reported by media, Premier Li Keqiang and statements by China’s Ministry of Commerce signaled an interest in joining the Comprehensive and Progressive Trans-Pacific Partnership Agreement (CPTPP). With the interest of the People’s Republic of China and the openness of CPTPP members to allow for new economies to join agreement, AmCham encourages the Hong Kong government to begin exploration of potentially allowing for Hong Kong to join the CPTPP agreement in the months ahead. Many American firms, headquartered in Hong Kong, operate across all CPTPP member countries, and other potential member countries. For Hong Kong to join CPTPP, it would offer many added advantages for firms operating in Hong Kong and would simplify and expand cross border trade and digital trade between Hong Kong and CPTPP member countries.
- The next meeting of the CPTPP Commission is scheduled for 2021 in Japan, we encourage the government to prepare for the meeting by exploring joining CPTPP and potentially sending a delegation to the next meeting.
- The recent signing of the Digital Trade Agreement between Chile, New Zealand, and Singapore and the separate Singapore and Australia Digital Economy Agreement also should be noted that Hong Kong is not party to these kinds of agreements, which will disadvantage Hong Kong’s efforts in becoming a digital trade hub and impacts the broader economy. Singapore has also launched exploratory talks with the Republic of Korea on a similar agreement. These agreements establish digital trade and economic collaborations and help to set the standards of interoperability between systems and countries that help SMEs engage in cross-border e-commerce and digital trade.

- The Hong Kong SAR government should begin exploring potential digital trade agreement talks with other regional and advanced economies as soon as possible. If Hong Kong does not begin signing new digital trade agreements, it will find it not part of standard-setting and rule setting as it relates to digital trade, thereby disadvantaging local e-commerce and tech companies.

Establish a trade recovery regime to ensure goods keep moving

- Government agencies and the private sector should collaborate to put plans in place to make sure trade faces minimal disruptions during a crisis and can recover quickly once the crisis passes. Such plans should be multilateral, multi-agency and involve all interested stakeholders in the supply chain. There are examples on which the international community can build, like APEC’s Trade Recovery Program and Supply Chain Recovery Toolkit.

Establish stricter regulation of the shadow economy

COVID-19 Observations

- On March 23, 2020, the World Customs Organization issued an “Urgent Notice: counterfeit medical supplies and introduction of export controls on personal protective equipment” warning the general public to exercise extreme caution when purchasing personal protective equipment (PPE) from unknown sources, particularly online.¹² Criminals have taken the COVID-19 pandemic as an opportunity to ramp up illicit supplies and sell substandard goods for profit illegally.
- Further, COVID-19 has presented “unprecedented challenges” to Hong Kong economy and impacting livelihood.¹³ The Hong Kong government needs to be mindful of the changing consumer behavior, especially the downtrading phenomenon, where the general population is likely to look for cheaper and more affordable commodities due to loss of employment or less income, making them more prone to illicit and falsified products, or to engage in illicit trade activities to make ends meet.
- In addition, the disruptions in the global supply chain caused by the pandemic has accelerated digitization and the adoption of technology due to necessity. The digitization trends have contributed to addressing the challenges and have much potential to transform trade. The role of technology, like track and trace, blockchain and artificial intelligence, should be used to address issues such as counterfeit and illegal products in the global supply chain.

Modern Slavery

- AmCham reiterates the importance for Hong Kong to implement a comprehensive modern slavery law.
- AmCham was encouraged by the Government of Hong Kong’s efforts to combat human trafficking which resulted in Hong Kong moving from the Tier 2 Watch List to Tier 2 in the U.S. State Department’s Trafficking in Persons Report for June 2019. However, it was disappointing that more recently, in the State Department’s June 2020 report, Hong Kong was downgraded to the Tier 2 Watch list again as a result of the Government having been found to have not demonstrated overall increasing efforts compared to the previous reporting period. The State Department’s primary recommendation was that Hong Kong “[e]nact a

¹² www.wcoomd.org/en/media/newsroom/2020/march/covid_19-urgent-notice-counterfeit-medical-supplies.aspx

¹³ www.news.gov.hk/eng/2020/04/20200425/20200425_124940_458.html

comprehensive anti-trafficking law that criminalizes all forms of trafficking in accordance with the definition set forth in the 2000 UN TIP Protocol".¹⁴

- A private members Bill was proposed in Hong Kong in 2017, being the Modern Slavery Bill (2017). However, this Bill has not been adopted by the Hong Kong government. Whether fairly or unfairly, this non-adoption of the Bill (or similar provisions) invites direct comparison between Hong Kong and the a number of jurisdictions which have adopted laws to condemn modern slavery and human trafficking in its various forms, and require companies to release public statements on, or otherwise investigate, modern slavery. Such jurisdictions include the United Kingdom, California, France, and Australia.
- Modern slavery and human trafficking are not solely domestic issues. They are international problems that require the commitment of countries around the world collectively to combat. As one of the leading international business hubs in both the Asia Pacific region and the world, Hong Kong has a responsibility to take action.

Illicit Tobacco

- AmCham, by and large, is in line with the Hong Kong government's public health direction to reduce smoking and applauds the proactive approach of the Customs and Excise Department in addressing illicit tobacco. One of the noteworthy cases includes the seizures through the international co-operation plan, "Project Crocodile" on February 17, 2020 which involved 31 million illicit cigarettes with the total market value and duty potential of HKD 88 million and HKD 60 million respectively, which is the largest seizure in two decades.¹⁵
- In relation to the recent decision by the Legislative Council to terminate the proposed ban for alternative smoking products, AmCham supports the government's view that heated tobacco products are tobacco products and are therefore regulated under the existing Smoking (Public Health) Ordinance (Cap.371) and dutiable under the existing Dutiable Commodities Ordinance (Cap.109). We submit that the government follows strictly the laws and enforce measures to process import permits and charge the appropriate tobacco import duty on heated tobacco products to protect government revenue and to regulate legitimate sales of heated tobacco products under the existing Smoking (Public Health) Ordinance (Cap.371).
- The rightly differentiated regulation together with strong enforcement will achieve the overall public health objectives and eliminate the demand for illicit tobacco which has led to unintended access and the loss of tax revenue. AmCham therefore supports the government to regulate heated tobacco products under the existing legislative framework.

Illicit Drug Trade

- On December 23, 2019, Hong Kong Customs and Police seized roughly HK\$1.9 billion worth of drugs within the first 11 months of 2019, a 74% increase compared to the same period in 2018. On July 22, 2020, Hong Kong Customs declared that they seized HK\$660 million worth of dangerous drugs at the airport within the first half of this year. Hong Kong Customs noted with great concern that "the drug seizure amount has surpassed the total yearly seizure of last year by 18 percent," breaking the par decade's record.

¹⁴ www.state.gov/trafficking-in-persons-report/

¹⁵ www.customs.gov.hk/en/publication_press/press/index_id_2855.html

Intellectual Property

- Hong Kong's local e-commerce market is currently valued at USD3.7 billion and forecast for more robust growth in 2021.¹⁶ This market enables internet platforms to be a hotspot for counterfeit goods.
- While Hong Kong established a “No Fakes Pledge” Scheme in the 1990s to combat the sale and distribution of counterfeit products amongst participating retail merchants, the challenges posed by online counterfeiting activities are yet to be adequately addressed.
- AmCham recommends that the Hong Kong government introduces a set of best practice guidance for e-commerce platforms which target Hong Kong consumers. Some suggested best practices would encourage e-commerce platforms to verify the identification details of third-party sellers; require the seller to verify and attest that its goods are not counterfeit; and have a timely takedown process for removing listings of counterfeit goods.
- AmCham welcomes the opportunity to work with the Hong Kong government, international brand owners and law enforcement agencies to produce a set of best practices to prevent online counterfeiting activities. Even though the best practices would not be legally binding, AmCham believes that it would help facilitate a safer online environment for consumers whilst protecting the intellectual property rights.

Innovation & Technology

Encourage research and development

- AmCham recommends the government should step up in encouraging research and development of technology in universities. The government could set up programs like accelerators to link with those research, or provide incentives to universities to create courses that equip students with innovative mindset, such as the Innokick Master degree program offered by The University of Applied Sciences and Arts of Western Switzerland.¹⁷ It is to encourage universities building their own ecosystems and putting innovative research on mainstream, similar to what MIT Media Lab has done.¹⁸
- AmCham recommends the government to subsidize research and development centers in Hong Kong for a greater exposure in the Greater Bay Area (GBA). For example, setting up branch offices to facilitate intellectual exchange and foster stable partnerships with other cities in GBA.

Boost private sector engagement

- 80% of entrepreneurs would consider applying for venture capital in the coming three years.¹⁹ Nonetheless, venture capitalists in Hong Kong are comparatively more risk-averse in leading rounds which demonstrates a tendency to avoid early-stage investments.²⁰ They are more reluctant to direct their capital to startups that rely largely on intangible assets or display high-risk profiles.

¹⁶ www.jpmorgan.com/merchant-services/insights/reports/hong-kong

¹⁷ master.hes-so.ch/en/field-of-study/interdisciplinary/integrated-innovation-for-product-and-business-development-innokick

¹⁸ www.media.mit.edu/about/funding-and-support/

¹⁹ assets.kpmg/content/dam/kpmg/cn/pdf/en/2019/07/transforming-hong-kong-through-entrepreneurship.pdf

²⁰ entrepreneurship.bschool.cuhk.edu.hk/sites/default/files/project/informal-investment/auwhitevcinhongkongmarch2009final.pdf

- AmCham applauds the government's effort in establishing co-investment schemes such as Cyberport Macro Fund and HKSTP Venture Capital Fund. However, it is possible that some startups with growth potential cannot benefit from the venture capital fund for not being able to fulfill the eligibility requirements.
- AmCham recommends the government to build an overarching co-investment platform that can connect the public sector, private venture capital investors and startups.
- First, all startups can post up their business ideas, company information and the amount of funding they would like to raise on the platform. Private venture capitalists that are interested in different sectors can view the list of startups, without having to do extensive research on where to invest themselves. After they decide to invest in a particular company, the government would invest up to 40% of the total funding. Having said that, startups that are not captured by the aforementioned funds can also benefit from and increase their exposure through this matching platform. It is more convenient in the sense that startups do not need to connect with the private venture capitalists one-by-one. The whole process will become more transparent and streamlined.
- The public and private sector professionals can form a board and conduct the due diligence process. This can drive involvement from both the public and private sector and form collective intelligence.

Enhance technology adoption

- The COVID-19 crisis creates a powerful catalyst for change. There is greater demand for smart technologies due to the radical changes brought by social distancing. It can be seen across sectors such as healthcare, education, and commerce, where most of the services have been moved online. People's attitude on digitization is expected to be softened as technology integrates into our daily lives.
- Given that there would be social behavioral and attitude changes on technology, AmCham suggests the government to promote its use across different sectors through providing use case analysis. For example, using machine learning models to detect diabetic retinopathy for the healthcare sector, assessing credit risk with trained artificial intelligence models for the financial services sector and addressing customers' needs with natural language processing chatbots for various sectors. The government should lead by example to digitize the operations, such as for interaction with the public and provision of services.
- Companies in Hong Kong are relatively slow in adopting technologies due to several reasons including limited understanding of concepts such as big data and Internet of Things, risk aversion and local weak innovation culture.²¹
- AmCham recommends the government to consider forming smart city-related project partnerships with the private sector, especially SMEs and Startups.²² This could raise public awareness of Hong Kong's current technology development and support the private sector to harness technology.
- AmCham continues to suggest to the government to actively collaborate with other cities in the Mainland and in Asia regarding technology adoption, as innovations such as artificial

²¹ www.scmp.com/business/companies/article/2151709/businesses-hong-kong-slow-adopt-digital-tech-despite-growing

²² assets.kpmg/content/dam/kpmg/cn/pdf/en/2020/04/future-hong-kong-2030.pdf

intelligence and blockchain are not limited by geography. It is crucial that the government maintains its efforts in levelling the playing field in Asia, as this will greatly strengthen law enforcement agencies and regulators' abilities to coordinate on addressing key technology issues in areas of cybersecurity and cyber infrastructure. The government can do this by continuing to ensure that robust legislation, policies, and regulations are enforced within Hong Kong.

Promote entrepreneurialism on a societal level

- Currently, only 21% of entrepreneurs and 16% of students think parents would feel positive about their children starting a company.²³
- AmCham suggests the government to incorporate STEM education into K-12 core curriculum such as coding and computational learning, artificial intelligence classes. Business plan competitions can also be a platform for hands-on-learning. Apart from educational reforms, a cultural change could be achieved by organizing more visits to digital hubs, media campaigns, sharings by successful entrepreneurs that are open to both students and parents. (See details under section "Education & Future of Work")
- AmCham recommends the government and the Education Bureau to provide more support on teachers' professional development. The government could create a platform with content on innovation and technology such as entrepreneur speech and training, which can also be used during class. This is to get the teachers ready for the same idea and ideology that the students are exposed to, so that they can help nurture a more innovative school culture.
- Most people tend to be motivated by positive feedback loop and instant gratification, while there is often a stigma attached to failure. Nevertheless, research has shown that second time entrepreneurs have a better chance to succeed than first-time starters in terms of turnover.²⁴
- AmCham recommends the government to organize training for second time entrepreneurs (i.e. restarters) and provide ongoing coaching and recommendations to improve. To promote second chance entrepreneurship, AmCham suggests discharging honest entrepreneurs from bankruptcy with limitations on discharge time and debt settlement. This is to eliminate obstacles of accessing startup finance such as bank loans for restarters. The measure could take reference to suggestions made by the EU Competitive Council in 2011.²⁵

Facilitate access to funding

- Approximately 47% of startups are still using their own funds instead of external funding.²⁶ Many entrepreneurs reflect that they are confused by the overwhelming number of different programs. Over-reliance on limited financing options might hamper the development of the startup.
- AmCham recommends the government to step up in publicizing all available programs to raise awareness locally and internationally by engaging trade associations, chambers of commerce, or corporations that are regularly in touch with startups and can help with promotion.

²³ assets.kpmg/content/dam/kpmg/cn/pdf/en/2019/07/transforming-hong-kong-through-entrepreneurship.pdf

²⁴ www.restart.how/pdf/toolkit.pdf

²⁵ ec.europa.eu/growth/content/study-bankruptcy-and-second-chance-honest-bankrupt-entrepreneurs-0_cs

²⁶ erc.cuhk.edu.hk/assets/pub_files/Hong_Kong_Startups_Ecosystem_Technology_and_GBA_Interactions.pdf

- Acknowledging that the government has been setting up different funding programs for startups, AmCham suggests that the government sets up an all-in-one platform for application of fundings, through alignment of all schemes from different government agencies. Startups can see the application requirements of different funding schemes and apply on the same website. This would improve the current situation of having too fragmented information. The administrative procedures can be more standardized and seamless.
- Entrepreneurs are not applying for formal funding largely because they are not qualified to apply,²⁷ but rather the lack of financial knowledge and burden created by excessive reporting requirements.
- AmCham suggests the government to organize financial literacy programs which could raise awareness and capacity to access external financing. This would also improve the quality of financial pitches and loan applications.

Support a vibrant internet ecosystem

- AmCham encourages the government to maintain its championing infrastructure such as a free and open internet, which is essential for establishing Hong Kong as an international business hub as well as innovation and technology center. In particular, public data openness should be improved in terms of “bulk access/Application Programming Interface”, “open license” and “metadata”.²⁸ This is important for entrepreneurs who need to obtain insights for product development.
- AmCham recommends the government to build an interactive public participation platform on data.gov.hk to facilitate a user-centric and demand-driven process and enhance data availability. Citizens could request for data sets they need and provide opinions, taking reference to what Taipei City Government has done.²⁹

Healthcare & Pharmaceuticals

Implement effective COVID-19 infection control measures

AmCham recommends the government enhance its commitment to fighting COVID-19 and strengthening its healthcare infrastructure to promote continuity of care and ensure it is prepared for future pandemics. This makes the city's resilience in terms of provision of public health services particularly important.

- Establish a transparent and open system that utilizes remote solutions to allow patients and their records to move seamlessly between hospitals, as well as for clinicians to provide support across hospital clusters, and ensure safe distancing for vulnerable populations such as cancer patients.
- Ensure that the hospitals can better follow up with patients on the waiting list of hospital beds and share resources across the healthcare system.^[1] Track and publicize statistics of average waiting time and the longest waiting time as a reference for better medical resource allocation.

²⁷ assets.kpmg/content/dam/kpmg/cn/pdf/en/2019/07/transforming-hong-kong-through-entrepreneurship.pdf

²⁸ opendata.isoc.hk/en/index/

²⁹ data.taipei/

^[1] www.hk01.com/01%E8%A7%80%E9%BB%9E/504313/%E6%96%B0%E5%86%A0%E8%82%BA%E7%82%8E-%E6%BB%AF%E7%95%99%E7%A4%BE%E5%8D%80%E7%A2%BA%E8%A8%BA%E8%80%85%E5%8F%8A%E5%85%B6%E5%AE%B6%E4%BA%BA%E6%AC%A0%E6%94%AF%E6%8F%B4

- Enhance communication with public health experts through more consultation. To prevent confusion, the government should ensure that the information disseminated to the public is consistent with experts' findings.

Ease the pressure on public medical services

Reallocate healthcare resources

- Public hospitals in Hong Kong are heavily burdened by the shortage of doctors. On top of that, the situation is further worsened by the ageing population and surging number of patients with chronic diseases such as cancer and heart disease. The attrition rate of public hospital doctors has been increasing over the years due to heavy workload. According to statistics from 2019, Hong Kong's doctor to patient ratio is 1.9:1000, which is far behind the global standard of 3.4:1000.^[2] This creates a vicious cycle that lengthens the patient's waiting time in the end.
- With currently around 800 consultants in Hospital Authority, most of whom perform administrative tasks,^[3] it is advised to review the administrative workload and consider providing more outpatient services. Besides, human resources at pressure points, mainly frontline doctors, have to be improved.^[4] Utilize telehealth and remote healthcare solutions to enhance efficiencies and ease the burden on the healthcare system.

Promote Innovative Healthcare Solutions

- AmCham has been encouraged by the pro-innovation marking scheme announced in 2018 that places more emphasis on innovation and technology versus cost and encourages the Hong Kong government to apply this scheme to healthcare products. This would ensure that patients and clinicians in Hong Kong have access to leading healthcare solutions that support the best possible patient outcomes and value for money.

Streamline application process for overseas medical practitioners

- AmCham recommends attracting foreign-trained doctors through a streamlined application process. The current process requires so much time and effort on the part of foreign talents which discourage their desire to practice in Hong Kong.^[5]
- For exam routes, internship experience should be removed from the eligibility requirement for Licensing Examination of the Medical Council of Hong Kong, taking reference from the United Kingdom and United States. As those who passed the Licensing Examination and have equivalent overseas working experience for a number of years, they should be exempted from the post-exam internship requirement. For non-exam routes, it should allow eventual progression to full registration if the doctors have completed a period of supervised practice.
- New candidates for the Licensing Examination must travel back to their universities to get the notarized certification of medical qualification, which could be inefficient and troublesome. It could be replaced with methods such as emails or online remote notarization services.

^[2] www.scmp.com/news/hong-kong/health-environment/article/3005606/bitter-pill-medical-sector-hong-kong-needs-11000

^[3] www.hk01.com/%E5%91%A8%E5%A0%B1/266543/%E9%86%AB%E7%94%9F%E4%B8%8D%E8%B6%B3-%E4%BA%BA%E6%89%8B%E7%9F%AD%E7%BC%BA%E6%9C%AA%E4%BE%86%E5%8D%81%E5%B9%B4%E4%BB%8D%E5%9A%B4%E9%87%8D-%E8%A7%A3%E6%B1%BA%E9%86%AB%E7%94%9F%E8%8D%92%E6%9C%89%E4%BD%95%E6%96%B9%E6%B3%95

^[4] theinitium.com/article/20190211-opinion-repost-hongkong-hospital/

^[5] www.ourhkfoundation.org.hk/sites/default/files/media/pdf/ManpowerPPT_20190410_full_eng.pdf

Establish public-private partnership

- AmCham recommends establishing a clear and transparent framework for public-private partnerships. One area this could be useful is through outsourcing services under negotiated bulk contracts.^[6] This should be implemented with clear goals in terms of the number of target patients. Under such partnerships, public hospitals can perform more of its priority services such as treatment of complex diseases and acute cases.
- Promote the use of gerontechnology to overcome challenges brought by ageing populations.^[7] The government should facilitate the development of assistive health technologies such as m-health and social robots. This could be achieved by fostering collaboration between R&D centers, hospitals, non-governmental organizations and government departments in forms of partnerships. These technologies are crucial in the sense that they alleviate pressure of public hospitals and institutional caregivers.

Energy, Environment & Sustainability

Prioritize capacity-building for climate change resilience

- The Chamber welcomed the Council for Sustainable Development's public engagement exercise on decarbonization last year and looks forward to learning more on how this will influence the establishment of a 2050 carbon reduction objective for our city. Based on the CSD's public engagement document, AmCham believes that a 60% reduction in emissions by 2050 (over a 2005 base) should serve as Hong Kong's minimum target.
- We call upon the government to focus its decarbonization efforts in particular on the greater use of zero-carbon energy and enhancing energy efficiency in buildings. While we applaud the government's commitment to gradually phasing out coal usage, a commitment to replacing natural gas with renewable or nuclear energy through local renewable energy development and regional cooperation, while maintaining Hong Kong's world-class energy supply reliability, is necessary to move beyond the 2030 carbon intensity target. We also support extending the government's Energy Saving Plan for Hong Kong's Built Environment through 2040, while tightening performance rating schemes for all buildings, to improve energy efficiency. Early adoption of new building materials and low emission technologies such as induction cooking and heat pumps should be encouraged.
- The need to prepare for the accelerating impacts of climate-change induced weather events remains urgent. We emphasize the importance of protecting critical infrastructural assets against the effects of increased rainfall intensity, sea level rise, storm surges and extreme temperatures, as well as the need for increased public education on climate change.

Further initiatives in ESG and sustainable finance

- AmCham congratulates HKEX for raising over US\$20.9 billion through green bonds, and welcomes the Exchange's pioneering plans to launch STAGE, HKEX's Sustainable and Green Exchange. As an information platform seeking to provide information about and visibility for sustainable and green investment options on Hong Kong's securities markets, STAGE will allow companies to promote green bonds and other sustainable investment products that further ESG compliance without charge.

^[6] www.fhb.gov.hk/beStrong/files/consultation/chapter3_eng.pdf

^[7] www.ourhkfoundation.org.hk/sites/default/files/media/pdf/healthtech_eng_cover_ss.pdf

- AmCham welcomes the Hong Kong government's desire to further develop Hong Kong's ESG sustainable finance markets to bolster the city's competitiveness as an international financial center. To that end, it is important for Hong Kong to develop an overarching, coherent sustainability strategy and roadmap generally and in consultation with industry, including asset managers, asset owners and investors, the banking sector and service providers such as rating agencies supporting ESG and sustainable finance more broadly. Broad and open dialogue between the private and public sectors is critical to both meeting the complex and multifaceted process of transitioning an economy like Hong Kong's to a more sustainable footing, and fostering a competitive ESG and sustainable finance sector.
- AmCham welcomes the establishment of the Green and Sustainable Finance Cross-Agency Steering Group, announced on 5 May. Beyond information sharing, however, this group can actively help to develop Hong Kong's sustainability roadmap. The roadmap could consider ensuring consistency of approach across sectoral regulators, and addressing the following missing elements needed to complete a cross-sectoral regulatory framework:
 - A taxonomy, quality and comparability of data
 - Standards for ratings agencies
 - Identifying cross-sectorally accepted climate transition pathways
 - Promoting development of expertise
 - Setting clear definitional standards for the labelling of green products in line with existing best practices, including detailed bond frameworks, clear classifications, and international principles, etc.
- All will require meaningful consultation with industry sectors including not only asset managers but other financial institutions including banks and service providers working in this space. On this front, we look forward to the Group's engagement with AmCham as well as the wider business community.
- Furthermore, we hope that HKEX will make continued progress in encouraging improved ESG performance based on a clear set of activities and criteria, such as emissions disclosure. Such metrics will facilitate Hong Kong's growth towards a major regional hub for sustainable businesses and sustainability-related financial products.

Commit to accelerating uptake of Electric Vehicles (EV)

- With carbon emissions from transport constituting 18% of the city's total emissions and continued roadside air pollution exceeding Air Quality Objectives, we once again underscore the significance of promoting EV uptake.³⁰ Despite early moves by the government to incentivize EV use through the FRT waiver, sales have slowed in recent years.³¹ In addition, Mainland cities have seen much greater EV adoption rates: in 2018, for instance, Shenzhen saw EVs represent 21% of all new vehicle registrations, compared to Hong Kong's estimated 2%.³²
- We recommend that the government consider time limits or quotas for first registration of ICE vehicles in the city, while offering greater incentives for early transition to EV. To combat the growing ratio of EVs to charging points, the government should fast-track the distribution of its HK\$2 billion scheme to install charging points across the city's estates.³³

³⁰ https://www.climate-ready.gov.hk/files/pdf/2017_GHG_by_sector.pdf

³¹ https://www.epd.gov.hk/epd/english/environment/hk/air/prob_solutions/promotion_ev.html

³² <https://www.mckinsey.com/featured-insights/china/what-can-we-expect-in-china-in-2020>

³³ <https://www.chinadailyhk.com/articles/164/60/64/1529896990076.html>

- More generally, AmCham suggests that the government establish a clear timeline, in line with many other municipal level administrations, to phase out ICE vehicles entirely, while also significantly enhancing the budget of the Pilot Green Transport Fund. With public buses accounting for around 20% of total transport-related carbon emissions, the government should also consider commitments such as the C40 Fossil Fuel Free Streets Declaration to accelerate transition to all-electric bus fleets.

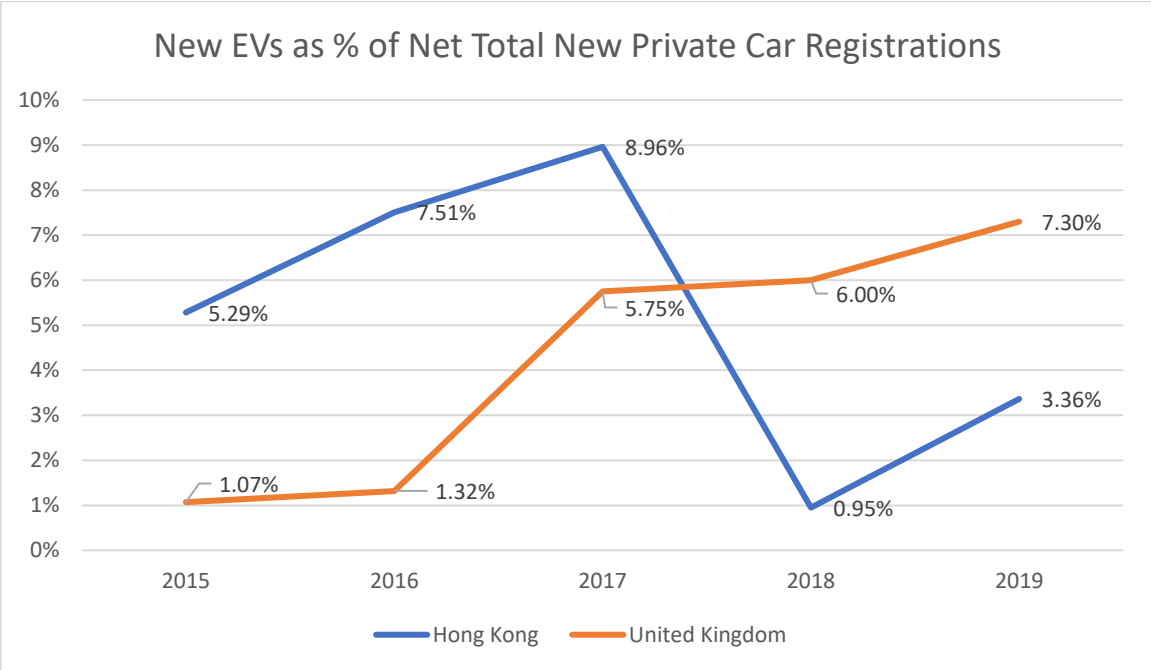


Figure 2. Ratio of annual new EV registrations to total net new private car registrations in Hong Kong and the United Kingdom³⁴

Review policies and address issues surrounding water consumption

- Hong Kong’s annual water consumption of 1.25 billion cubic meters stems from an average domestic daily water consumption per person that is 21% higher than the global average. The city’s water consumption per capita of 200 liters per day outstrips Singapore’s 150 and Shanghai’s 106 – indicating that there is significant room for conservation.³⁵ In addition, we call on the government to address the city’s existing water security challenges, which include import reliance on the Pearl River Delta (accounting for 70-80% of freshwater needs), the rising wholesale price of Dongjiang water, and significant leakage throughout the mains network.³⁶
- As part of renewing its water management strategy, the government should re-evaluate the existing low water tariff, which is substantially less progressive than other Pearl River Delta neighbors, tackle leakage from government mains and more frequently publish detailed data on water consumption/losses.

³⁴ https://www.td.gov.hk/filemanager/en/content_4883/table41a.pdf; <https://www.smmmt.co.uk/vehicle-data/evs-and-afvs-registrations/>
³⁵ <https://civic-exchange.org/wp-content/uploads/2017/05/Water-Report-English-final.pdf>
³⁶ <https://www.enb.gov.hk/sites/default/files/pdf/ClimateActionPlanEng.pdf>

Tackle growing challenges in waste management

- With Hong Kong's rubbish disposal rate per person reaching the highest level since the beginning of data collection in 1991, stricter Mainland plastic waste import policies, and recycling rates falling over 30% compared to 2017, the Chamber points to the necessity of reforming local waste management strategies.³⁷
- While we recognize the government's efforts to launch a pilot centralized plastic recycling program in the Eastern District, the initiative must quickly be extended to cover all eighteen districts of the city. To improve existing systems and maximize the economic value of waste, the EPD should also consider increasing the types of waste included within the community recycling network, while setting up more collection points. In addition, the Chamber looks forward to the EPD's public consultation on, and the swift implementation of, the producer responsibility scheme, which would legislate a "producer pays" scheme for plastic recycling.
- Noting the unique impacts of the COVID-19 pandemic, we hope the government can better engage independent local community recyclers to help address the increased volume of disposed PPE and take-out waste – amounting to over 100 million plastic bags and cutlery items per week.³⁸

Legislate towards a definitive end of the wildlife trade

- As scientists worldwide continue to explore the potentially zoonotic origins of COVID-19, the role played by wildlife markets and the wildlife trade in general as vectors of pandemics must be examined. After Hong Kong's experiences with both SARS and the novel coronavirus, we urge the government to cease all support for the wildlife trade, on the bases of both public health and wildlife conservation, while also asking our trading neighbors to do the same.
- Hong Kong's illegal wildlife trade continues to be both underestimated and high in volume, with over two thousand wildlife seizures amounting to nearly 1500 metric tons of wildlife products reported by Hong Kong Customs in the last five years. Notably, the city's wildlife crime record continues to be transnational and organized, with at least two-thirds of seized wildlife consigned by smuggling syndicates and individual traffickers from Eastern Africa.³⁹ Hong Kong's exposure to illicit wildlife trade, particularly as a hub supplying China and the rest of Asia, has the potential to undermine Hong Kong's reputation as a world city.
- Therefore, AmCham urges the government to recognize the seriousness of the issues and to consider appropriate reform to support the investigation and prosecution of wildlife crimes.⁴⁰ We call upon the government to take actionable steps towards ending the wildlife trade: endangered species protection offences should be incorporated under the Organized and Serious Crime Ordinance (Cap. 455) to better assist law enforcement efforts, a Wildlife Crime Bureau should be established under the Customs & Excise Department to ensure prosecution, and a wildlife trade database should be developed to facilitate research as well as enhancing local forensics expertise.

³⁷<https://www.scmp.com/news/hong-kong/health-environment/article/3039304/environmental-group-warns-dark-period-hong-kong>

³⁸ <https://hongkongfp.com/2020/06/21/coronavirus-how-hong-kongs-dramatic-drop-in-recycling-sets-a-dangerous-new-norm/>

³⁹ <https://www.admcf.org/wp-content/uploads/2019/11/Trading-in-Extinction-The-Dark-Side-of-HKs-Wildlife-Trade-Report-EN.pdf>

⁴⁰ www.admcf.org/admcf-project/bringing-hong-kongs-wildlife-crime-offences-under-the-organised-and-serious-crimes-ordinance

Further sustainability issues to consider

In the context of the ongoing COVID pandemic, AmCham advises the Government to take substantial action in a range of issues, which include (though are not limited) to measures which:

- Ensure there is a long-term sustainable macro-strategy for Hong Kong and its role not only in Greater China, but also in the Asia-Pacific region. This strategy should focus not only on communications, but other areas such as sustainable consumption habits by households and firms and green finance policies.
- Encourage that investments directed towards tools that aim to develop Hong Kong into a “smart city” be developed on a streamlined and unified goal of long-term sustainability.
- Align Hong Kong’s long-term goals of sustainability with those of the United Nations’ 2030 Agenda for Sustainable Development and its seventeen accompanying Sustainable Development Goals (SDGs). This is particularly pertinent in light of the fact that this year is the United Nations’ 75th Anniversary.
- Guarantee quality food from sustainable sources, which particularly applies to food sources such as seafood and uncontaminated vegetables. The government could increase funding for research directed at domestic food consumption, referring to Singapore’s vertical farms as a model to follow.⁴¹ Guaranteeing the food security of Hong Kong, in an era when COVID threatens global food supply chains, is crucial.

Construction, Infrastructure & Real Estate

Current Outlook

- The COVID-19 pandemic and political unrest in the city have created liquidity, certainty, and demand issues for real estate. This has resulted in commercial real estate investment slowing, vacancy rates rising, rents falling during 2020. The rise of work-from-home programs may also impact the city’s expensive corporate real estate market in the long term.
- Ensure there is affordable and livable housing for the Hong Kong population. In light of the recent COVID situation and lockdown measures aimed at preventing the spread of this pandemic, the issue of sufficient housing in Hong Kong is a highly pertinent matter.

Commit to and execute a major program of infrastructure spending

- To accelerate economic recovery, we suggest that the government commit to and execute a major program of infrastructure spending, setting out a clear and compelling five-year roadmap on land supply and housing development targets.
- In addition, the Chamber believes that this construction and infrastructure development work should be viewed as an opportunity for a “green” economic reset prioritizing new environmental and regulatory standards, such as low energy building design that moves towards zero-carbon energy supply targets. Modern techniques in construction that feature high-tech Building Management Systems and low carbon building materials can help to reduce waste, and a rethinking of outdated building regulations can help to eliminate existing construction inefficiencies. New projects also present the government with the opportunity to

⁴¹ www.ura.gov.sg/Corporate/Get-Involved/Plan-Our-Future-SG/Innovative-Urban-Solutions/Urban-Farming

integrate smart infrastructure elements – including digital development – which represent the foundations for further smart city developments in future.

Transportation & Logistics

Bolster port services

- The Chamber observes, with worry, the continued trend of transshipment volume in Hong Kong decreasing in recent years. This will only worsen with the global recession and reduced trade activity in China and the Asia-Pacific region as a whole. AmCham continues to recognize that the effort of commencing the Hong Kong Sea Port Alliance on April 1, 2019 was a critical initiative in maximizing the port services of Hong Kong through the implementation of the latest automation technologies. The Chamber recommends that the government pursue similar measures to further streamline its port services, focusing on long-term economic objectives on how Hong Kong can capitalize on post-COVID recovery in the next decade.

Continue to reinforce Hong Kong's smart city status

- AmCham advises the government to continue its efforts in driving and promoting technology adoption, in order to further enhance Hong Kong's competitiveness in the Asia Pacific region, but more significantly in a rapidly growing Greater Bay Area. In particular, AmCham recommends that regulatory frameworks and legislation be implemented which enable the development of new technologies for transportation and vehicles.
- AmCham believes that an increased facilitation of open data sharing across the private and public sectors is critical for the development of new technologies for vehicles and transportation. There are some specific points to be made regarding this area:
 1. **Types of smart transportation systems:** There are numerous models of smart transportation which the government could further integrate into the infrastructure of Hong Kong. One is that of Mobility as a Service (MaaS), which integrates functions such as payments, bookings, and an interface for commuters to access multiple modes of transportation. Another is the Vehicle to Infrastructure (V2I) approach, which integrates modern cars equipped with Internet of Things (IoT) with traffic management systems. A third one is that of the Advanced Traffic Management System (ATMS), which combines data collection from traffic lights, smart roads, toll booths, etc to change traffic lights based on real-time rates and relays traffic control to city control centers.⁴²
 2. **Cases from other countries to consider:** There are some cities which have been pioneering in open-data sharing and its implementation in transportation systems. One is that of Barcelona and its Smart Transport system which has been running since 2011. This system applied data-driven technologies to better its infrastructure services, utilizing over 500km of fiber optic cables and a comprehensive Internet of Things (IoT) to accomplish this.⁴³ Another is that of London and its Transportation for London (TfL) system. According to Deloitte, TfL open sharing of transportation data has helped innovative firms develop mobility solutions which has boosted London's economy by about £130m a year so far.⁴⁴

⁴² mobility.here.com/learn/smart-city-mobility/smart-transportation-benefits-and-real-life-examples

⁴³ mobility.here.com/learn/smart-city-mobility/smart-transportation-benefits-and-real-life-examples

⁴⁴ tfl.gov.uk/info-for/media/press-releases/2017/october/tfl-s-free-open-data-boosts-london-s-economy

Engage in COVID planning for the transportation sector

AmCham urges that medium-and-long-term strategic plans be implemented by the government for international transport, in order to ensure that Hong Kong remains a major international hub during and after the COVID pandemic.

Enable surface transport to deliver the last mile

- The express supply chain is multimodal (air and surface). Cargo flights help us carry goods quickly from one part of the world to another, but it is surface transportation that ensures end-to-end service. During the pandemic, we saw around the world that uncoordinated restrictions at both the border and inland – such as curfews, bans on deliveries in certain districts, differing requirements for delivery drivers, etc. – disrupted operations in many countries. There were many instances in which cargo could not leave airports or warehouses, causing severe backlogs and space constraints. AmCham urges that the Hong Kong government to develop surface transport plans that can be immediately deployed in future crises, including the exemption of express delivery services from any transport restrictions.

Approach border clearance like a gateway, not a checkpoint

- Customs and border agencies provide an essential service during a crisis to ensure that the import, export, and transit of goods can clear borders quickly. Standardization and harmonization across the world's border agencies will help ensure predictability and transparency. Existing international treaties such as the Revised Kyoto Convention and the WTO's Trade Facilitation Agreement (TFA) can make this possible – but they must be fully implemented. This pandemic has also shown that electronic records, e-payment, and digital risk management processes are critical for fast border clearance. All these solutions reduce physical contact to a minimum, help mitigate staffing shortages, and ensure focus is on high-risk shipments. We hope that Hong Kong can continue to urge its trading partners to similarly implement key articles of the TFA as soon as possible.

Implement ICAO protocols to enable the movement of air cargo crew

- Over the course of the COVID-19 crisis, AmCham's transportation and logistics sector learned how much easier it is to ensure air cargo crews are in an environment with a lower infection risk than their passenger counterparts. Yet, an operational air cargo network cannot be achieved if the crew cannot adhere to flight schedules and get adequate rest time due to ill-fitted measures.
- AmCham strongly support the implementation of the ICAO Public Health Corridor for cargo pilots and support crew to keep global supply chains working during any crisis.
- Additionally, airport operations must be kept open for all-cargo traffic, and special airport hotel plans should be in place to make sure crew can rest without exposure to the public. We applaud the Hong Kong government for allowing air cargo crew to safely quarantine and rest at designated hotels during the pandemic.

Regulate ride sharing

- Today, ride sharing is an important part of the transport mix in the majority of major cities around the world. This has created additional economic opportunities for those who want to make a living and work flexibly especially since the outbreak of COVID-19 where many people were laid off and turned to the sharing economy during this uniquely challenging period. As

the city continues the path to economic recovery and in view of the rise of gig economy, we hope the government could work with the industry to find a pathway to regulate ride sharing in Hong Kong.

- Despite the current legislative impasse and the opposition from the traditional taxi industry in Hong Kong, there are countless international examples around the world which shows that the taxi industry can exist harmoniously with ride sharing companies. In some mature markets, the taxi industry continues to prosper and licenses hold significant value after the introduction of ride sharing. With choices of more high-quality services provided to consumers, ride sharing has indeed introduced healthy competition driving up standards for the whole point-to-point transport industry.
- Ride sharing has been introduced to jurisdictions around the world, where governments have found balanced solutions to combat these challenges. The industry would be pleased to discuss further with the government these success cases and a range of possibilities in response to the new demand for ride sharing. However, the government has for years adopted a reluctant attitude on this issue and is recently considering to increase penalties under the Road Traffic Ordinance without engaging the industry to discuss the issue.
- Businesses require regulatory certainty to be able to fully invest in a city. In this front, AmCham wishes the government would re-engage the industry to resolve the current impasse and consider leveraging existing mechanisms to resolve the issue. This is a critical step for both Hong Kong to progress towards a technology-driven transportation hub invested by innovative companies which wish to make an impact in Hong Kong.

Education & Future of Work

Ways of working have evolved rapidly. This is due to a combination of business demands for efficiencies, technological advances, and out of necessity due to COVID-19, which has required extended periods of home working and adaptation to new technologies. AmCham encourages the government to explore and support these new ways of working, through a focus on:

- (a) developing better technological infrastructure, such as improved broadband in all areas of Hong Kong, to support and enable future ways of working and home working,
- (b) providing training to sectors of the workforce to enable workers to adapt to new technologies and skillsets, with a view to increasing their employability,
- (c) maintaining Hong Kong's standing as a world leading educational hub with a focus on the skills needed by students to transition to the workplace.

We believe these measures will help to position Hong Kong as a Smart City for the future that can rapidly adapt to changing circumstances, which in turn will help to attract and retain talent.

Analyzing the need for protection for short term and gig economy workers

- In other jurisdictions, including the UK, the emergence of gig economy workers led to legislative changes to recognize this intermediate category of workers who were otherwise left unprotected by virtue of not being deemed to be 'employees', but who are not genuine independent contractors who operate their own businesses. These changes led to gig economy workers being entitled to some forms of statutory protections that were otherwise afforded only to traditional employees (such as paid annual leave and statutory sick pay). The changes in ways of working and long-lasting impact of the COVID-19 pandemic on sectors such as retail and hospitality will likely change the hiring landscape, with employers potentially relying more on casual or short term workers, part-time workers or project workers to meet

demands or fill skills gaps. Without due protection, these workers often do not meet the definition of being 'continuously employed' and/or do not have the required length of service to fall within the remit of all protections under the Employment Ordinance.

- The Chamber believes that now is an opportune time to explore whether there is a similar need in Hong Kong to support short term and gig economy workers, through funding research to analyze the scope and type of measures that may need to be developed to address any identified gaps.

Addressing skills and knowledge gaps

- Some sectors of the workforce are inevitably more vulnerable in economic downturns or as ways of working evolve, and the Chamber believes it is important to support these sectors to ensure they remain employable and can adapt to changing needs. By way of example, the Chamber believes that older workers will benefit from training and reskilling to support those who wish to continue working by enabling them to remain flexible and able to adapt to technological advances and skills gaps.

Legal protections against age discrimination

- Hong Kong people have one of the highest life expectancy rates in the world, with both men and women living into their 80s. Hong Kong does not have mandatory retirement laws, but 65 is accepted as the standard, and employees aged 65 and above are not required to be enrolled in a Mandatory Provident Fund scheme.
- Many companies have policies that require retirement at age 60, However. Hong Kong does not have any legal protections against age discrimination, and the Government's approach to date has been to educate the public through advertising and public service announcements. The median age in Hong Kong is over 40, and according to the Census and Statistics Department figures for 2019, more than 10% of employees in Hong Kong are over the age of 60.
- As Hong Kong's workforce ages, the government should undertake a study as to whether it is necessary to make changes to employment legislation, the operation of retirement schemes, and to expand anti-discrimination protections to ensure that all Hong Kong people are able to thrive and contribute to the economy, with a view to making policy commitments to implement any recommended changes.

COVID Planning for the Education Sector

The Chamber suggests that there be strategic and long-term planning focused on addressing the COVID-19 situation for up to two years. This would also extend to the post-COVID era, particularly regarding how the government can address the deep impact on schools, with an emphasis on the strategic role played by Private Independent Schools and International Schools for the foreign community in Hong Kong. The Chamber encourages policy actions such as:

- Implement measures for family counselling, parenting programs, and mental health initiatives for children
- Provide more spaces and programs for special needs students with a goal of integrating them into mainstream classrooms where possible
- Allow schools to admit more local pupils in international schools than fixed in current agreements

- Negotiating more flexible agreements with school sponsoring bodies, which would then allow international schools to better respond to current market needs. This will be the case for the allocation of greenfield/facilities sites and would specifically apply to the ability of such schools to accept more younger children (age 4-5) than agreed or older children (age 11-14) into re-purposed formerly vacant primary schools.

Preparing for future shocks and their impact on education and business in Hong Kong

The Chamber supports initiatives by the government which ensure that Hong Kong is prepared for future disruptions to both business and education, through measures such as:

- Creating a task force to directly address the imbalance in resource allocation provided to Hong Kong educational institutions for online teaching, which will ensure that all teachers gain necessary training in order to become proficient at utilizing technology in the classroom settings of all secondary schools and university institutions in Hong Kong.
- Providing, through direct government grants and financial support, necessary hardware and software (including stable and reliable internet connection) for all students. This would pertain to both secondary local, international, and private independent schools as well as universities.

Actively support the inclusion of computational thinking into the curriculums of primary and secondary schools

- The government should ensure that there remains the provision of resources for schools (whether local, international, or private independent) on STEM education, in order to further influence these schools to integrate digital skills (ranging from computational thinking and coding) into their curriculums. The government can actively facilitate this by setting up robust online platforms through which all primary and secondary schools can disseminate best practices and experiences in an open forum.

Further advance a robust STEM education

- As has been the case in recent years, AmCham continues to support the government's focus on STEM education in the public-school system. A Hong Kong workforce equipped with a wide range of STEM-based skill sets is crucial in aiding Hong Kong's Smart city initiatives. What further remains unchanged is the fact that STEM education will allow Hong Kong to retain its competitiveness as an innovation hub, particularly in the face of increasing competition within the Greater Bay Area from technology hubs such as Shenzhen and Guangzhou.

Gender Diversity & Empowerment

Increase government support for female entrepreneurs in Hong Kong & the Greater Bay Area

- As Hong Kong continues to forge its pivotal role as an innovation hub and technology center within the Greater Bay Area, women – just as much as their male counterparts – should feel empowered to lead entrepreneurship efforts.
- While AmCham commends the HKTDC's annual involvement in the Greater Bay Area Outstanding Women Entrepreneur Awards, organized by the Hong Kong Small and Medium Enterprises Association, it believes that the government should pursue a more active role in

connecting aspiring female entrepreneurs to resources and like-minded individuals. The government's Youth Development Fund, for instance, could be expanded to pair female applicants with mentors in their respective entrepreneurial bases.

- The government may also consider more robust partnerships with like-minded associations and federations across the Greater Bay Area. The Guangzhou Women's Federation and Guangdong Association of Women Entrepreneurs, for instance, hosted an alliance meeting in 2018 that could be expanded and replicated with local government support.

Develop and promote STEM education for girls and young women

- While AmCham recognizes the efforts of the government to promote STEM education at-large, including blanket public-school grants, there remains an important need to research and implement effective, targeted policies that encourage women to pursue traditionally male-dominated technical fields.
- With a number of local NGOs dedicated to empowering STEM education for girls in schools, such as The Women's Foundation's Girl Go Tech Programme, the government should harness synergistic partnerships where possible. Cross-sector, public-private support for groups such as First Code Academy and Women Who Code can help them reach wider audiences, while making the government's dedication to STEM education more robust.
- While the government currently offers several city-wide scholarships, there remains no specific scholarship for either women or STEM. The establishment of such a program can reduce perceived financial hurdles, while simultaneously empowering more women to see that an education in STEM is both viable and openly encouraged.

Increasing Gender Diversity in Corporate Leadership

- Research on gender diversity in the city's financial sector has shown that while 52% of entry-level positions are occupied by women, this statistic falls to only 21% at the board management level, suggesting that leadership and governance-specific D&I initiatives constitute the next critical step towards workforce equity.⁴⁵ While the proportion of women sitting on Executive Committees of financial institutions in Singapore reaches 25%, Hong Kong pales in comparison at 13%.
- Important governance-related metrics to facilitate corporate accountability could include the establishment of targets for senior level representation, transparent compensation practices, and publicly reported progress milestones.
- The Chamber strongly encourages that greater action be taken to address issues of gender equity in the corporate sector. AmCham once again emphasizes that despite well-researched and confirmed benefits of diversity in the workplace, the representation of women in corporate leadership remains at 13%. AmCham urges the government to implement measures aimed at persuading women to remain in the workforce - without such an initiative, women will continue to lack representation at the senior levels of corporate leadership. Thus, more must be done to address this issue.

⁴⁵ twfhk.org/system/files/gender-diversity-in-the-hong-kong-financial-services-sector.pdf

Implement more generous maternity and paternity benefits

- AmCham welcomes the government's recent passing of the Employment (Amendment) Bill 2019, which increases statutory maternity leave to fourteen weeks, while also incentivizing employers through improved reimbursement.⁴⁶
- The government should harness the momentum behind this amendment to inspire further much-needed family-friendly policies, including extension of the existing five-day statutory paternity leave. Paternity leave brings about significant benefits on the following grounds:
 - Longer paternity leave can enable new fathers to take greater initiative in child-care tasks, thereby challenging entrenched gender roles and promoting greater equity at home. Recent literature has also shown that paternity leave benefits both the newborn's learning abilities, as well as the career prospects of mothers – thus proving to be an essential prerequisite for meaningful workforce equity.⁴⁷
 - Fathers also report markedly improved mental and physical health when on paternity leave. This will help to ensure that the Hong Kong workforce remains resilient in the long-term.
 - Women benefit from paternal leave; companies offering paternity leave are generally less predisposed to discriminating against employing or promoting women of childbearing age.
- Similarly, the government should encourage employers to nurture a welcoming work environment for women returning from maternity leave: a recent Equal Opportunities Commission survey indicated that 15% of women felt discriminated against in promotion opportunities after having a child, and 38% were unable to claim sick leave for post-maternity check-ups.⁴⁸

Take tangible steps towards reducing the gender pay gap

- At 22%, Hong Kong's gender pay gap continues to trend higher than other comparably developed markets and regional neighbors.⁴⁹ In fact, data from the Census and Statistics Department reveal that the monthly median gender pay gap increased from HK\$6,000 to HK\$6,500 between 2016 and 2018.⁵⁰
- The Chamber continues to urge the government to reduce the gender pay gap. The reality remains that numerous senior positions in government institutions and firms in the private sector lack the presence of women, which continues to contribute to the issue of the gender pay gap. Given this, AmCham strongly advocates that the government implements active and direct policies to remedy this issue, ranging from the transparent publication of diversity and gender pay data, along with the implementation of gender-based affirmative action for employment in the public sector.

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⁴⁶ www.mayerbrown.com/en/perspectives-events/publications/2020/07/statutory-maternity-leave-to-be-extended-to-14-weeks

⁴⁷ www.economist.com/the-economist-explains/2015/05/14/the-benefits-of-paternity-leave

⁴⁸ twfhk.org/system/files/gender-diversity-in-the-hong-kong-financial-services-sector.pdf

⁴⁹ twfhk.org/system/files/gender-diversity-in-the-hong-kong-financial-services-sector.pdf

⁵⁰ hongkongbusiness.hk/hr-education/news/monthly-gender-pay-gap-widens-6500