The American Chamber of Commerce in Hong Kong
Submission on the 2022 Chief Executive Policy Address

September 2022

Resilience, Rebound, Renewal:
Writing a New Chapter for Hong Kong

Executive Summary

1 2022 is a significant milestone year for Hong Kong; it marks both the 25th anniversary of the Hong Kong Special Administrative Region (HKSAR)’s establishment and the "One Country, Two Systems” framework. As we prepare to embrace a post-pandemic world, there is no doubt the coming year will be a pivotal point for the Administration to champion the resilience, rebound and renewal of Hong Kong.

2 As President Xi emphasized in his recent address on the HKSAR’s 25th Anniversary, the next five years will be crucial for Hong Kong to break new ground and launch a new take-off. The Chamber has crafted its recommendations on the foundation of President Xi’s four hopes: improving Hong Kong’s governance, creating a strong impetus for growth, addressing challenges with livelihood and upholding harmony and stability. To achieve these objectives, the Chamber has identified some main areas that the new Government must address.

3 Above all, the Government must assert its priorities for the positioning of Hong Kong, especially considering the political developments this past year — including the previous Administration’s adherence to the zero-COVID strategy — which have raised concerns as to whether Hong Kong will be able to continue serving its role as the bridge between East and West. If Hong Kong wishes to retain its position as a global financial center, there is no doubt a clear roadmap from the Government will be needed to allay the concerns of the international business community.

4 As we see the gradual return of international events to Hong Kong, the Chamber believes there must be more transparency regarding the city’s travel connectivity and COVID-19 strategy. A clear reopening plan will not only be essential to attracting businesses and travelers to the city, but also improving the talent attraction and retention issues – of both international and local talent – faced by many industries.

5 AmCham believes the Administration also has a critical role to play in establishing a strategic external communications plan that will restore confidence in Hong Kong as an influential connector between foreign markets and China. The pandemic, in tandem with evolving global geopolitical developments, has taken a toll on Hong Kong’s reputation and confidence towards the city. The international business community hopes to see concrete and substantiated communication regarding Hong Kong’s future actively promulgated. This should also promote, where relevant, opportunities as they relate Hong Kong’s role in Asia Pacific, including not only leadership in the development of the GBA, but also in other regional initiatives such as RCEP.

6 As the city moves onward, the Chamber emphasizes the importance of adhering to the “One Country, Two Systems” framework and other guiding principles crucial to the success of Hong Kong. The rule of law, press freedom, judiciary independence and free markets form the cornerstones of the city. It is paramount that we do not deviate from these values so that we can continue to build trust for businesses to thrive in Hong Kong.
Below are AmCham’s overall recommendations, as well as industry-specific asks provided by the Chamber’s respective business committees based on the vision iterated by the Chief Executive in his Election Manifesto for the Chief Executive Election. Whilst the overall recommendations focus on broader macro issues, the industry-specific points are organized in accordance with the newly established Bureaux.

**Overall Recommendations**

**Travel Connectivity and COVID-19 Strategy**

As we prepare for a post-pandemic world, it is imperative for Hong Kong to maintain its connection with foreign countries so that the city can continue to play its role in connecting the East and the West. Mobility is essential to businesses based in Hong Kong. Previously recognized as a leading transportation hub, Hong Kong risks losing that reputation as strict restrictions on in-bound travel have deterred business operators, travelers and foreign talents in the past year. Furthermore, as many countries have already reopened their borders, tough pandemic regulations in Hong Kong have raised concerns for MNCs about operating in the area, with travel connectivity and increased travel costs rising to become a key issue.

AmCham believes it is critical to establish a clear, transparent, science-based roadmap for Hong Kong’s reopening, with clear milestones with respect to health, group activities, and travel. In addition to the disruptions already caused to the travel and tourism industries, the impact of the fifth wave from earlier this year has also been well felt by those working in transport and logistics. Accounting for almost 20% of the city’s GDP and providing over 670,000 jobs prior to the pandemic, the industry facilitates the movement of trillions of goods and is crucial to maintaining Hong Kong’s status as a corridor between China and the rest of the world. With firms already taking their operations to neighboring airports, such a roadmap will not only be essential to the success of the transport and logistics industry, but also allow businesses in general to better plan for operation, investment and future expansion, as well as to bolster business confidence in Hong Kong.

AmCham acknowledges the Government’s reduction of hotel quarantine as a step in the right direction, but would reiterate that the current “3+4” approach (i.e. 3 days of mandatory quarantine followed by 4 days of medical surveillance) must not be considered as an adequate measure for Hong Kong to regain its stature as an international business hub and tourist destination.

Rebuilding Hong Kong’s international connectivity is the fundamental prerequisite for further economic growth. The Chamber urges the Administration to consider removing all quarantine requirements to remain globally competitive.

**Promoting “Two Systems” and Connect Hong Kong More with the World**

For years, Hong Kong has positioned itself as Asia’s World City, an international financial center that acts as a super-connector enjoining the Mainland with the international community. However, the future of Hong Kong has been called into question — will it continue to prioritize its previous positioning as Asia’s World City and a top three international business hub, position itself as a leader within Asia, or focus on growing as a key city within the GBA and an offshore China financial center?

Hong Kong’s role and reputation as an international financial center have been contingent on the free movement of capital, information and people in Hong Kong. However, stringent COVID-related restrictions have significantly stalled the city’s development, while other international cities have progressed and advanced.

Though the new Administration has stepped up its efforts in opening Hong Kong’s borders, fears persist that the city’s reputation has been tarnished amongst the international community, with increasing concerns around travelling, living, studying and working in the city. In particular, there

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1 https://research.hktdc.com/en/article/MzExMjkxOTgy
have been concerns within both local and international communities over whether Hong Kong is still a stable environment for long-term career growth and employment opportunities.

Restoring Hong Kong’s reputation should be a key priority of the new Administration, and as the Administration is contemplating the city’s further reopening, this is the right and opportune time to do so. As have been advocated by the Chamber for the past few years, the new Administration needs to devise a strategic and cohesive communications plan and strengthen its communications ecosystem that will not only portray Hong Kong’s external positioning as an open, international financial center, but also enliven the Hong Kong Spirit within the city. AmCham recommends the following:

- Highlight Hong Kong’s “Two Systems” by distinguishing the city’s unique attributes. A vivid and compelling narrative of Hong Kong’s international characteristics will not only promote Hong Kong as a financial center, but will also address some of Hong Kong’s talent issues. This should not be just a list of Hong Kong’s achievements by international rankings, but also tangible examples of business-friendly regulatory frameworks or real-life experiences (such as the freedom of data and information) that can only be enjoyed in Hong Kong.

- Capitalize on Hong Kong’s strengths in financial services, trade, transport & logistics to trumpet Hong Kong’s unique competitive advantages as an international financial center.

- See the business community as partners to devise and implement a strategic campaign for communicating Hong Kong’s lucrative career prospects for both local graduates and foreign talent. This should also include other livable aspects that appeal to the younger generation, such as arts, culture, sports, and connectivity with the Greater Bay Area for rising entrepreneurs aspiring to do startups in Hong Kong.

- Expand Information Services Department’s (ISD) role so that it is not just the Government’s PR advisor, but also Hong Kong’s brand ambassador as a whole. The ISD should promote and feature prominently, both locally and internationally, Hong Kong-branded businesses, talents and technology achievements that local population takes pride in.

- Sponsor large-scale, high-publicity international events that reinforce Hong Kong’s image as an innovative and vibrant city. The events can range from the upcoming Gay Games 11 to various forms of MICE tourism.

- Rebuild Hong Kong’s image from the within by collaborating with NGOs to promote local tourist destinations for young Hong Kongers and reinforcing the rich and distinct history of the city.

- Highlight the importance of a free and open internet as a crucial part of Hong Kong’s championing infrastructure, which is essential for positioning Hong Kong as an international business hub as well as an innovation and technology center. Many companies in the financial services and technology sectors are concerned about the upcoming Cybersecurity Laws and how it may be implemented. The value brought by the free flow of data and internet to Hong Kong’s business and economy should be upheld as one of the city’s key value propositions in attenuating users’ concerns about the future of the internet in Hong Kong.

- Increase the transparency in governance and the rule of law by communicating with the global community a clearer interpretation and enforcement guidelines to dispel misperceptions and assuage hesitancy about living, investing and operating in the city.

**Talent Attraction and Retention**

The combination of restrictive pandemic regulations and anxiety caused by recent political tension has not only caused the departures of the city’s expatriates, but also many of Hong Kong’s local
talents. Not only did talent admission fall from 67,000 in 2019 to 32,000 in 2021, but a recent study also estimates that over 3,000 high-net-worth individuals (HNWIs) will leave Hong Kong by the end of 2022, potentially resulting in a capital outflow of up to US$15 billion.

The result of this outflow of talent has already been felt across MNCs in Hong Kong, including many of AmCham’s own member companies. In AmCham’s 2022 Business Sentiment Survey released in January, 35% of companies indicated that they planned to increase their headcount in the coming year, but 40% also said the decreasing talent pool was posing a major roadblock for hiring. Companies in the Innovation and Technology sector, in particular, have reflected on the dispersion of talent to other countries, such as Singapore, which many believe is poised to overtake Hong Kong as a technology hub.

Though the Chamber appreciates the previous Administration’s sector-specific policies for attracting talents, as well as the expansions made to Hong Kong’s Quality Migrant Admission Scheme and Talent List respectively, the continued “brain drain” no doubt indicates more action needs to be taken. Whilst Hong Kong’s Travel Connectivity and COVID-19 Strategy will be crucial in facilitating the return of talent to the city, the Chamber urges the Government to also consider the following:

- Expand the current Immigration Arrangements for Non-Local Graduates scheme (IANG) by extending the period for which fresh, non-local graduates can stay and work in Hong Kong from the current period of one year to give them more time to settle down.
- Review the criterion of the General Points Test under the Quality Migrant Admission Scheme to allow more fresh graduates with little to no work experience to enter Hong Kong. Consideration should also be given to expanding the quota to allow for more graduates and young professionals, particularly for industries where talent is most in demand, to enter.
- Foster greater collaboration between schools and MNCs to help students (high school and university) develop a better understanding of the job market and different industries. This could be similar in nature to past government-facilitated industry exposure talks and feature priority professions on the Government’s Talent List.
- Collaborate with MNCs to develop training programs for local talents to equip more youths with high-demand industry skills. For example, the Hong Kong Monetary Authority (HKMA) runs the Banking Graduate Trainee Program which cultivates talent in FinTech, a rapidly growing industry in recent years. The Government should either target new and emerging industries or those facing an ageing workforce, especially as projections suggest that more than a third of the labor force will be aged 65 or above by 2064.

Retaining a pool of talents is crucial to allow Hong Kong to maintain a competitive edge over its regional neighbors and stay ahead in areas such as FinTech and green construction, establishing its position as a center of innovation within the GBA. Please refer to other sections of the submission for industry-specific recommendations on talent.

Internationalizing the Greater Bay Area

AmCham firmly believes that Hong Kong’s model of development, based on the rule of law, free flow of capital, talent, data and other international best practices will be greatly advantageous to policy development in the GBA. In addition to spearheading the development of the GBA, the Government should capitalize on the positive momentum amongst the business community coming from the measures announced by the National Development and Reform Commission earlier this year.

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2 https://www.news.gov.hk/eng/2022/06/20220606/20220606_154331_363.html#:~:text=Talent%20admission%20was%20also%20seriously%20drop%20in%20short%2Dterm%20visas

AmCham HK: 2022 Chief Executive Policy Address Submission
year. With the healthcare, insurance, aviation and tourism industries already engaged, AmCham looks forward to future policy developments and encourages the Government to take an active role in facilitating their establishment and successful implementation.

Several challenges have also been identified by AmCham members in the 2022 Business Sentiment Survey that have impacted existing or future business plans for the GBA, the top three of which include: policy and regulatory uncertainty, cross-border movement of people, and the lack of policy coordination between GBA governments. Other notable challenges include data privacy regulations, foreign exchange controls, licensing and permitting, language and cultural barriers, lack of tax harmonization, intellectual property infringement and shortage of talent. To facilitate the successful development of the GBA, the Chamber hopes that the Government can address these issues with other GBA government agencies as soon as possible. AmCham also advocates for the following:

- Establish a greater coordination channel with GBA governments to overcome policy and regulatory uncertainties.
- Allow for the mutual recognition of professional qualifications among the Mainland, Hong Kong and Macau under the scope of “one examination, three certifications”. For example, the GBA Legal Professional Examination was piloted last year and saw over 600 Hong Kong lawyers join.7 Such schemes will not only help facilitate the easy movement of talent across the GBA cities but also provide incentives for talent to enter the GBA.
- Identify opportunities, provide full market access and a level playing field for foreign companies to get involved with the GBA. With many businesses and sectors in the GBA already well developed, the Chamber would like to see more opportunities for international companies to enter the market and internationalize the GBA.

The 14th Five Year Plan also supports increased exchange of talent between Hong Kong and the GBA. AmCham recognizes existing schemes to facilitate the growth of technological start-ups and cross-border talents such as Cyberport’s Cross Boundary Program and HKSTP’s GBA Express, and encourages the Administration to further support schemes and plans in fostering cross-border start-up success and attracting talent.

The free flow of people and goods around the GBA will be crucial to Hong Kong’s development. In preparation for the reopening of Hong Kong’s borders with Guangdong, Macau and beyond, AmCham encourages the Administration to establish travel-friendly policies amongst the cities of the GBA that can be extended to expatriates and foreign business representatives. These policies could include:

- Enable visa-free movement for Hong Kong permanent residents, including those with foreign passports to allow them access to opportunities within the GBA and vice versa.
- Implement a GBA visa scheme to allow international visitors, investors, business groups to travel and work in the GBA more easily.

Also refer to the other sessions of the submission for more proposals around GBA.

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Other Recommendations

**Commerce and Economic Development**

- Hong Kong as a Regional Trade Hub ................................................................. 8
- Legislate Against Modern Slavery and Forced Labor ........................................... 8
- Expansion of the Electric Vehicle Subsidy Program for Commercial Trucking .......... 8
- Strengthening Hong Kong’s Copyright Regime .................................................... 9

**Culture, Sports and Tourism**

- Promoting Sports in the Community ..................................................................... 9
- Supporting Elite Sports ....................................................................................... 10
- Maintaining Hong Kong as a Center for Major International Sports Events .......... 10
- Enhanced Professionalism in the Sports Sector ..................................................... 10
- Development of Sports as an Industry ................................................................ 11
- Sports and the Sustainable Development Goals .................................................... 11
- Hong Kong as an International Hub for Talents in the Arts .................................... 11
- Review of Government-Funded Schemes .............................................................. 12
- Further Resource and Support for the Arts ......................................................... 13

**Education**

- Clarity on Normal Resumption of Schooling for All Children ................................ 13
- International Schools to be Permitted to Operate in a Free Market Environment to Strengthen the Sector .................................................................................. 14
- Attracting Talent for Teachers in the Education Sector ........................................ 14
- Preparing Hong Kong’s Education System for Future Shocks ............................... 14
- Develop and Promote STEM Education for Girls and Women .............................. 15

**Environment and Ecology**

- Energy Conservation and Decarbonisation ............................................................. 15
- Future of Transportation ..................................................................................... 16
- Supporting Climate Action .................................................................................. 16
- Sustainable Waste Management .......................................................................... 17
- Open and Transparent Communication .................................................................. 17

**Financial Services and the Treasury**

- Hong Kong as a Leader in FinTech ....................................................................... 17
- Regulatory Transparency for FinTech ..................................................................... 18
- Increase Connectivity between the Mainland and International Capital Markets .......... 18
- Hong Kong as a Leader in Sustainable Finance ..................................................... 19
- Enhance Competitiveness as a Listings Hub ......................................................... 19
- Promote Life and Health Protection in Hong Kong ............................................... 19
- Greater Bay Area Partnership for Insurers ............................................................ 19
- Talent in the Insurance and Finance Industry ....................................................... 20

**Health**

- Developing Hong Kong as a Biomedical Innovation Hub .................................... 20
- Future-proofing Hong Kong’s Healthcare System ............................................... 21
- Addressing Hong Kong’s Mental Health Crisis ..................................................... 21
- Hong Kong’s Role in the Greater Bay Area ............................................................ 22

**Home and Youth Affairs**

- Formulate a Comprehensive, Multi-Stakeholder Blueprint on Youth Development .... 23
- Increase Gender Diversity in Corporate Leadership ............................................. 23
- Implement more Generous Maternity and Paternity Benefits and Other Family-Friendly Policies .............................................................. 24
• Take Tangible Steps Towards Reducing the Gender Pay Gap .......................................................... 24

Housing and Development ............................................................................................................... 25
• Address Housing Issues in Hong Kong .......................................................................................... 25
• Address Housing Issues for Hong Kong’s Middle-Class Population ...................................... 26
• Adopting a Holistic and Forward-thinking Approach in the Northern Metropolis ............ 26
• Sustainable Building and Infrastructure .................................................................................. 26
• Innovation in the Construction Industry .................................................................................. 27
• Building a Liveable City ............................................................................................................ 27

Innovation, Technology and Industry .......................................................................................... 28
• Skilled Talent for the Innovation and Technology Industry .................................................. 28
• Data and Cybersecurity Issues ................................................................................................. 29
• Information Management ......................................................................................................... 29
• Digital Economy and Smart Government .................................................................................. 29
• Social Innovation ...................................................................................................................... 30

Labor and Welfare ......................................................................................................................... 30
• Strengthening the Hybrid Working Model and Infrastructure as the New Normal .............. 30
• Protecting Short Term and Gig Economy Workers ................................................................. 31
• Support the LGBT+ Community and Promote Diversity, Equity and Inclusion ................... 31

Transport and Logistics .................................................................................................................. 31
• Smart City, Smart Port, Smart Transport .................................................................................... 32
• Consolidating Hong Kong’s Position as a Leading Air Cargo Hub ...................................... 32
• Promoting Hong Kong’s Maritime and Logistics Services ...................................................... 33
• Decarbonization of the Shipping Industry .............................................................................. 33
• Regulation of the Taxi and Point-to-Point Transport Industries ............................................ 33
• Reducing Carbon Emissions through Enhancing the Public Transport System .................. 34
• A Walkable City ......................................................................................................................... 34
The Chamber remains highly optimistic about Hong Kong’s economy and looks forward to the opportunities that lie within both the GBA and the larger Asia-Pacific region. In particular, AmCham and its member companies look forward to collaborating with the Commerce and Economic Development Bureau to consolidate Hong Kong’s advantage as a regional hub for trade and economic activity.

Below is a summary of the Chamber’s recommendations:

- Promote Hong Kong as a regional trade hub by pursuing accession to the Regional Comprehensive Economic Partnership (RCEP) and Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) trade agreements.
- Promote opportunities in green technology as it relates to maritime, aviation and trade through venture capital, FinTech, and other opportunities.
- Promote legislation on modern slavery and forced labor and work with organizations to provide more educational programs for businesses to identify transit migrant workers.
- Strengthen Hong Kong’s copyright regime to develop Hong Kong into a regional intellectual property trade center.

Hong Kong as a Regional Trade Hub

AmCham would like to see Hong Kong become an even more vocal participant in global and regional discussions around the trade in goods and services, as well as related matters such as data governance. Hong Kong should be a vocal beacon of support for global free trade and multilateralism, and the Chamber encourages the Government to continue promoting Hong Kong as a regional trade hub, particularly through the signing of more trade agreements.

AmCham welcomes Hong Kong’s recent signing of Free Trade Agreements with ASEAN, the Maldives, Georgia and Australia, and encourages the Government to accede to the CPTPP, as well as explore opportunities for involvement with the RCEP. Inclusion in both of these agreements would cement Hong Kong’s position as a trade hub and provide further opportunities for domestic companies.

Legislate Against Modern Slavery and Forced Labor

The Chamber commends the police’s increased enforcement efforts against modern slavery and forced labor this past year, especially with its 46% increase in anti-vice operations and successful arrest of 278 people for vice establishment and related crimes. As many MNCs continue to prioritize the elimination of modern slavery in their supply chains, AmCham encourages the Government to continue supporting and developing legislation on modern slavery whilst referencing other well-established policies, such as the UK’s Modern Slavery Act of 2015. Though assessments such as the US State Department’s Trafficking Persons report are not an absolute standard, they are used by businesses to evaluate risks and as Asia’s premier business hub, Hong Kong should have legislation that can serve as a viable model for its neighboring countries in the region. This could include introducing new requirements for businesses and their supply chains, as well as raising awareness amongst the private sector to increase the identification of potential cases.

Additionally, as the scope of modern slavery can be expanded to different dynamics and avenues, AmCham believes that the Government should also work with NGOs to provide more education programs for businesses to identify transit migrant workers.

Expansion of the Electric Vehicle Subsidy Program for Commercial Trucking

AmCham applauds the Hong Kong Government for its vision in the 2021 budget to focus on electrification. Many of AmCham’s member companies have been utilizing the EV subsidy program.

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as part of their company transition to more sustainable vehicles; however, they have also noted two complications with the government subsidy programs.

Firstly, the subsidy program is limited to a lifetime cap (per company) of HK$12M for companies that aim to change their internal combustion engine vehicles to electric vehicles (EVs). Due to the cost of each EV, this program for each company runs its course very quickly. After the HK$12M has been used by one company, they no longer qualify for subsidy programs.

Next, charging stations installed in facilities and warehouses face a problem where the property owners complain of the increased costs of power supply demand. Companies must then also pay extra for the associated costs of electricity by either the company or property owners. Hence, property owners in Hong Kong are now reluctant to have charging stations in their facilities.

AmCham believes that the Commerce and Economic Development Bureau also has a role in promoting green technology by providing related support for companies to continue to invest in Hong Kong. To resolve the above challenges faced by our members, the Chamber recommends the following:

- Create a dedicated cross-Bureau industry task force to deal with the problem of electricity supply and demand for EV charging stations.
- Remove the HK$12M cap and move to a five-year fixed program where the subsidy will cover 50% of the EV commercial truck cost. This subsidy also helps to cover the associated costs with the installation of charging stations in warehouses.

**Strengthening Hong Kong’s Copyright Regime**

The Chamber is encouraged by the Government’s efforts in updating Hong Kong’s copyright regime to achieve its vision of becoming a regional intellectual property trading center, a vision that has found support in the national 14th Five-Year Plan.

AmCham expresses its support toward granting copyright owners a technology-neutral communication right to ensure that the protection afforded to rights owners will cover their works communicated to the public through any mode of transmission. Nevertheless, members are concerned about the extent to which this right can be relied upon by copyright owners when clear and unequivocal provisions on illicit streaming devices (ISDs) and associated software applications have not yet been introduced into legislation.

Such devices and apps that offer access to pirated content adversely impact the creative industry, taking away revenue that would have been reinvested into producing more quality creative works. Furthermore, they hinder the expansion and growth of legitimate digital transmission networks and detract from the contribution that the creative industry makes to Government policy programs, including the tax revenues paid by legal enterprises. Illicit streaming also impacts consumers, whose access to pirate websites exposes them to the risk of malicious malware, including spyware and ransomware.

While there have been some legal actions taken against ISD sellers and copyright infringements over the years, the actions taken by either the police or customs are limited due to a lack of clarity around which legislative measures can be relied upon. Having clear provisions against ISDs sends a clear message to the market about the illegality of ISDs and offers certainty to the protection of the creative industry and intellectual property, which is key to establishing Hong Kong as a regional intellectual property trading center. The Chamber is committed to continue working with the Government to protect creators and their creative works from infringement activities.

**Culture, Sports and Tourism**

AmCham would like to congratulate the Administration on the establishment of the new Culture, Sports and Tourism Bureau. With major cultural and sports events returning to the city, the Chamber believes the Government should capitalize on the momentum surrounding the Bureau’s establishment to accelerate the recovery of the sports and arts industry.

**Promoting Sports in the Community**
The Chamber encourages the Bureau to begin by conducting a comprehensive review of the status quo. This should include surveys that evaluate the general fitness level amongst the public of Hong Kong across different types of sports, as well as the status of the industry and general needs.

The Chamber also urges the Government to conduct more frequent surveys to give clarity on the participation rates amongst major sports in Hong Kong. This evaluation of the status quo will not only help the recovery of organized sports for amateur and elite athletes but also bring light to how individual sports have been affected as a result of recent developments in Hong Kong. For example, a survey held by KPMG and Hong Kong Rugby Union (HKRU) in 2021 not only gave insight into the demographics of rugby players across Hong Kong but also common themes that lead to athlete dropout and critical ages for engaging youths in rugby.

The Bureau should also consider working alongside NGOs to re-engage youths in sports. For example, organizations such as Women In Sports Empowered (WISE HK) run regular sporting sessions for girls at local secondary schools, increasing their exposure to a variety of sports. The new Bureau should strengthen its support for such organizations through the provision of resources or monetary relief, such as in the form of grants or subsidies.

The Bureau should also set up a meeting program with all sports-related bodies to identify areas for improvement and allow for more direct and clear communication between the government and the private sector.

**Supporting Elite Sports**

Hong Kong’s historical success at the Tokyo Olympics has no doubt reigned interest in elite sports. However, the continuation of tough pandemic restrictions, even with the recent one-off grant of HK$10,000 for registered sports coaches is insufficient for attracting sports-related talent to Hong Kong. To advance the status of elite sports in Hong Kong, AmCham strongly advocates for the following:

- Dedicate more resources towards attracting world-class coaches, which will allow Hong Kong to generate even better results at national and international games.
- Broaden the current scope of youth and community sports feeder systems to a similar level as those in foreign countries. In particular, as the current cohort of youths lacks the same level of development as their previous peers, there is a need for a new, in-depth plan focused on youth sport and athletic development. This could contain similar objectives to those outlined in China’s 14th Five-Year Plan.
- Increase transparency, accountability and governance amongst National Sports Associations to generate better results and experiences for all of those in sport.

**Maintaining Hong Kong as a Center for Major International Sports Events**

AmCham urges the Government to create a detailed roadmap for the reintroduction of other major sporting events, such as the Hong Kong International Dragon Boat Regatta. Such a roadmap should also contain clear milestones with regard to health and safety regulations so that sporting organizations can better plan for events in the future.

Furthermore, with the upcoming completion of the new Kai Tak Sports Park, the Government should concentrate its resources to attract more large-scale, international events and rebuild traction for sports in Hong Kong. After the strict pandemic restrictions placed on gyms and sporting events in the past six months, government relief, e.g., in the form of tax incentives will be particularly crucial in facilitating the successful recovery of the sports and fitness industry.

**Enhanced Professionalism in the Sports Sector**

AmCham commends the Government’s commitment to the development of the sports industry and in particular, the joint set-up of the HK$300M booster fund between the previous Administration and the Jockey Club Charities Trust. With the new fund set in place, AmCham encourages the new Administration to collaborate with organizations such as the Hong Kong Association of Sports

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Medicine and Sports Science to further research in sports medicine for both amateur and elite athletes. The Chamber also encourages the Bureau to further sports as a profession by considering the following:

- Support tertiary institutions in providing more opportunities for higher education in the sports industry, such as by launching certificate programs that will allow members of the public to engage with sports science and develop talent for the future.

- Support the establishment of an accreditation system for all sports clubs and associations in Hong Kong, similar to the HKRU’s Club Accreditation Award. Such an accreditation system will not only improve professionalism in the sporting industry but also guarantee a safer, higher-quality experience for club members.

**Development of Sports as an Industry**

The digitalization of sports is becoming increasingly common. Capitalizing on the success of elite sports in Hong Kong in recent years, the Government should invest in platforms that broaden and advance the use of new technologies in sports. For example, the wind tunnel collaboration between the Hong Kong Sports Institute and Hong Kong University of Science and Technology allows cyclists to experiment with ways to reduce air resistance and improve their performance by using ideas of aerodynamics. This can also be expanded into other areas, for example, exploring the integration of sports and big data analytics, or even looking at opportunities within the metaverse.

With the popularity of wearable sports apparel in recent years, attention should also be paid to developing the field of wearable sports technology. Technologies such as GPS trackers and cloud-based software have already been used in tandem to analyze the movement of players in-game. Not only does wearable technology allow for easy monitoring, but it can also aid athletes in their post-game recovery and will be crucial to the development of elite sports in Hong Kong in the future.

Other areas the Government can explore include:

- Collaborate with local organizations to bring global e-sports events to Hong Kong. The e-sports industry has grown rapidly in the past few years and is estimated to generate over HK$10 billion globally by the end of 2022. With Hong Kong’s excellent facilities — such as the HK$50 million e-sports arena in Cyberport — the Hong Kong Government should strive to attract more international talent into the city and increase the traction for e-sports events.

- Take a more proactive approach in leading the development of activities and leagues in the GBA. Such exchanges amongst the athletes of each city will also undoubtedly benefit and help build anticipation for the lead-up to the 15th National Games taking place in 2025.

**Sports and the Sustainable Development Goals**

With the 2030 deadline for achieving the Sustainable Development Goals (SDGs) fast approaching, AmCham encourages the Bureau to:

- Explore more opportunities to incorporate SDGs with sports-related initiatives. For example, in addition to working toward Good Health and Well-being (goal 3), more resources should be dedicated to involving students from low-resourced schools, especially young girls, which would contribute to both Gender Equality and Reduced Inequalities (goals 5 and 10).

**Hong Kong as an International Hub for Talents in the Arts**

Access to talents is essential to Hong Kong’s ability to continue serving as an international hub for the arts. Like many, the arts industry has been facing a shortage of skilled talents, a problem that has grown more acute in the past year. Whilst AmCham commends the previous Administration’s decision to include performing arts professionals in art technology in its recent Talent List, as well as its increased support for those in the field of film and Cantonese opera respectively, the Chamber

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believes more action needs to be taken in preparation for future large-scale arts and cultural events in Hong Kong.

Firstly, arts events such as concerts often need confirmation up to half a year to a year in advance, and the inability to plan around future COVID-19 guidelines has been a major roadblock for foreign and Mainland artists looking to perform in Hong Kong. This is in addition to the compulsory quarantine measurements still in place, which have been removed in other Southeast Asian countries such as Singapore, Vietnam and Thailand. Again, the Chamber emphasizes the importance of setting out a roadmap to make Hong Kong’s COVID-19 strategy more transparent, which will improve organizers’ ability to plan and recruit talent from outside of Hong Kong.

To develop more youths for the arts, AmCham encourages the Government to continue expanding its current list of publicly-funded arts programs at tertiary institutions. For example, publicly-funded visual arts programs are currently only available at CUHK, HKBU and EduHK and the acceptance rate of these programs is low. Additionally, while more funding for these programs would incentivize the development and expansion of creativity-related programs, more academic and teaching staff are also needed to equip pupils with the skills needed for the creative industry. The Government should formulate a plan to attract creative talents to stay in Hong Kong, for example, by implementing more visiting scholar programs.

Furthermore, following the momentum brought by the development of the West Kowloon Cultural District, the Chamber encourages the new Bureau to continue developing Hong Kong as a destination for artists of all cultures and backgrounds. As listed under the national 14th Five-Year Plan, Hong Kong should serve as ‘a hub for arts and cultural exchanges between China and the rest of the world’. The Government should openly support — through marketing, financial assistance or the provision of venues — international art fairs like Art Basel and Art Central, whilst continuing to attenuate concerns around the freedom of artists in Hong Kong.

Lastly, as borders reopen, AmCham encourages the Bureau to dedicate more efforts toward hosting and promoting arts and cultural events within the Greater Bay Area. The Chamber appreciates the previous programs run by the Cultural Exchange Liaison Office and believes more online events can be organized in tandem with the other GBA cities in the meantime.

Review of Government-Funded Schemes

AmCham is grateful for the previous Administration’s financial support for talents in the arts industry, through its injections into the Film Development Fund, the CreativeSmart Initiative and other various other schemes. However, the Chamber also highlights the lack of support currently available to grantees, especially after the provision of such grants (e.g., the ongoing Film Production Financing Scheme (Relaxation Plan)), and believes further involvement by the Government could increase the effectiveness of these schemes. As such, the Chamber advocates for the following:

- Provide feedback to grantees with advice on how the funds should be assigned, to ensure they are used both appropriately and efficiently.
- Facilitate collaboration between arts and cultural groups with similar objectives to reduce, where possible, overlaps in operations whilst encouraging them to optimize existing resources through sharing.
- Create a mentorship/free consultancy program that connects grantees with experienced industry veterans who can follow up and support the project after the grant has been awarded. Especially as more youth talents are needed in the arts industry, this would help facilitate the pass-down of valuable industry skills to a younger generation.
- Review the effectiveness and limitations of previous funding schemes and identify areas for improvement. For example, arts-related grants often require creatives to have been active in recent years to be eligible, but commonly, it is also those who have not led projects that need financial support.

The Bureau should also explore ways to streamline the application process for grants. Whilst AmCham appreciates the Government’s efforts in providing financial assistance to independent arts

practitioners and small and medium arts groups (SMAGs), these are often only sufficient for maintaining their operations and speedy access to funds is important to enabling them to launch new projects.

**Further Resource and Support for the Arts**

As evident with the popularity and success of the M+ museum, there is high demand locally for more arts and cultural events. AmCham encourages the Government to collaborate more with local NGOs and support their work hosting arts-related events around Hong Kong. Especially as receiving funds can take time (applying, pending approval etc.), it is important that these non-profits have enough resources and can sustain their operations.

To encourage exchanges between local and international film practitioners, AmCham also calls for the expansion of the Film Development Fund to provide international movie productions with financial incentives. The availability of production-linked incentives and tax rebates are key for foreign production houses when choosing where to film and post-produce. Multiple economies across Asia Pacific which have reopened their borders are significantly increasing their production-linked incentives to attract foreign production and post-production activities. More foreign productions in Hong Kong not only create more employment opportunities for local creatives but also encourages more exchange in culture and expertise. With the establishment of the new Culture, Sports and Tourism Bureau, it’s clear the Government understands the strong connections across the three sectors. Destination marketing through films has been proven to be an effective approach to promoting and strengthening the reputation of a city, which could bolster cultural tourism in Hong Kong.

Lastly, a recent study by the Musicians Foundation showed that over half the respondents suffered from issues relating to anxiety and depression in the past year. Though there is no data available on other industries, this has highlighted the need for more mental health support for Hong Kong’s creatives. Whilst the Chamber appreciates the continued subsidy-support from the Government for arts practitioners, freelancers and performing arts groups, for those out of work, maintaining livelihood during this time can be extremely stress-inducing. AmCham encourages the new Bureau to collaborate with local non-profits to provide free mental health care for local creatives.

**Education**

**Clarity on Normal Resumption of Schooling for All Children**

Policies impacting school age children must focus on the needs of students’ academic progression as well as their mental wellbeing. A key requirement for language acquisition is exposure, ideally immersion, and ability to see the speaker’s mouth movements in forming words. Developing social skills is a key role of schools in preparing children through young adults to participate in and contribute to society. International students also expect to be able to learn in Hong Kong to the same standard that they could in other countries: attending school in-person, eat in school, socialize and connect with peers, attend extra-curricular activities.

The Government must recognize that the rest of the world is offering normal schooling to children. Hong Kong’s most talented contributors (and their families) are highly mobile. Parents will act to reduce the impact of loss of schooling imposed by the Government on their children’s future. Much damage has been done in 2021 as many families including international teachers left Hong Kong to other countries that demonstrated a clear pro-family policy without any threats of parent-child separation in the case of positive COVID reporting, as well as a clear path out of COVID.

In order to return Hong Kong to a place respected for valuing student education and to prevent further loss of talents and students, the Chamber recommends full clarity in government policies and communication that:

- There will be a path to normal resumption of schooling for all children so that they can be engaged in direct instruction and socialization.

• There will be no link between vaccination status and school attendance
• Schools will be able to operate and increase program options for students

**International Schools to be Permitted to Operate in a Free Market Environment to Strengthen the Sector**

Hong Kong remains a strategically important city globally. Business and commerce in a world city rely on talent being attracted and retained in all aspects of the business community. A major component of attracting and retaining talent relies on a strong and diverse independent, private and international school market. For Hong Kong to take advantage of its well-positioned geographic and political position as the center in Asia, it must support the independent, private, and international school sector to remain strong and consistent in its ability to deliver learning to its clientele.

International and private schools have been grated exemptions to the Education Ordinance since 2004 from certain requirements relating to fees, employment of teachers, teachers’ qualifications subject to their compliance with conditions specified in the Education (Exemption) (Private Schools Offering Non-Formal Curriculum) Order. To allow private schools to operate in a more market-driven and responsive manner to meet fast changing needs of the Hong Kong international community, and to improve the efficiencies in the education sector in terms of quality and price, and to enhance the breadth of educational offering, the Chamber explores a further liberalization of private schools requirements, including:

- Permit to set operating plans based on institutions’ own risk assessment to open, close, run classes/exams, lunches, maskless learning activities, etc. based on its assessment of facilities and needs of its community, independent of Education Bureau’s decisions for local schools operations and schedules.
- Permit to charge market-based fees to meet the diverse needs of talent in Hong Kong, allowing schools to determine strategic investment needs in the marketplace.

**Attracting Talent for Teachers in the Education Sector**

At least 5,720 teachers have left Hong Kong’s local school system during the current 2021 to 2022 academic year, according to the Education Bureau’s (EDB) latest provisional figures. This represents a more than 50% rise in “drop-out teachers” from the previous school year. For international schools, some schools have reported losing 30% or more of their staff this year. Though teachers can leave for a variety of reasons — including retirement, pursuing further studies, taking up employment outside of the teaching profession, emigration and getting married — the inflow of experienced teaching personnel is crucial to ensuring the competitiveness of Hong Kong’s education sector and developing more talent in the future. To this end, AmCham recommends the following:

- Collaborate with NGOs in addition to other stakeholders to promote innovative methods to attract talent into the teaching profession.
- Strategically communicate the importance of the teaching profession to encourage top, young talents to join the profession.
- Support schools to adjust their recruitment strategy towards a younger demographic.

**Preparing Hong Kong's Education System for Future Shocks**

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

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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.

Develop and Promote STEM Education for Girls and Women

While the Education Bureau has been updating policies and increasing its funding for STEM education in Hong Kong, there has been very little focus on achieving gender equity in this field. The Standing Committee set up in 2021 by the Curriculum Development Council to promote STEM study has provided general support rather than focusing on issues of gender inclusivity. In the private sector, businesses like Goldman Sachs and PCCW continue to work closely with NGOs such as The Women’s Foundation to sponsor online STEM courses and organize public workshops and competitions specifically targeted at girls and women.

AmCham encourages the Hong Kong Government to support public-private partnerships to promote STEM education for girls and women and to increase the participation of women in careers in STEM by creating targeted scholarship opportunities.

Environment and Ecology

Energy Conservation and Decarbonisation

Hong Kong has been taking steady steps toward decarbonisation — the city’s 2020 per capita emission rate of 4.5 tonnes represents a nearly 30% decline from the 6.2 tonnes in 2014. The Chamber is also grateful for the continued injections made by the Government to the Green Tech Fund and the EV-charging Subsidy Scheme and urges the new Administration to continue making great strides in this area. Moving forward with the use of energy, the Chamber advocates for the following:

- Set aggressive goals for the decarbonisation of energy supplies. The new Environment and Ecology Bureau should work with Hong Kong utility companies to come up with a firm plan which will allow Hong Kong to achieve the targets for 2035 and 2050 set out in the Government’s Climate Action Plan 2050.
- Provide government subsidies for low-income households in the community to support any costs of transition in their utility bills.
- Support local power companies in developing more utility-scale Renewable Energy (RE) projects in Hong Kong or in neighboring Guangdong province, which will help increase the amount of zero-carbon energy available for Hong Kong consumers.
- Establish detailed proposals which focus on improving the efficiency of gas, electricity and water use in buildings, and provide government incentives for their early adoption.
- Allow for more flexibility in building design/regulations which consider the carbon life cycle of buildings and encourage the use of more innovative low-carbon materials and construction methods.
- Increase promotion of the RE Certificate scheme at Hongkong Electric Company and China Light and Power Group to increase their adoption.

17 CDC Standing Committee on STEM Education – Meeting Agendas and Gist of Meeting: Curriculum Development Council (hkedcity.net)
18 https://www.news.gov.hk/eng/2022/06/20220616/20220616_155335_713.html#:~:text=Our%20decarbonisation%20efforts%20have%20yielded,tonnes%20per%20capita%20in%202014
• Include low carbon electrification design in the development of new areas, such as the Northern Metropolis and reclamation projects in Central Waters. This should be integrated into the designs right from the start, to enable significant reductions in carbon emissions from the building, land transport and waste management areas.

AmCham members would also like to commend the previous Administration (Police, Fire Services Department and Customs and Excise) for their effort in combating illicit fuel activities in Hong Kong. Illicit fuel activities pose a great threat to both public safety and the natural environment and the Chamber encourages the new Government to continue previous efforts in this field.

Future of Transportation

Electrification of transport is accelerating across the world, and Hong Kong is already behind many neighboring cities, such as Shenzhen, in this aspect. AmCham urges the Government to fast-track the electrification of the land transportation sector in Hong Kong as a whole, not only for private cars but also for the taxi, bus and light goods vehicle sectors. Electrification will significantly reduce roadside nitrogen oxides, a major cause of health issues in Hong Kong. This could be done by:

• Bring forward, as other international cities like London have done, the date by when internal combustion engine vehicles should not be sold in Hong Kong.
• Improve/increase the available charging station networks beyond the private sector and put in place robust systems for the recycling/reusing of electric vehicle (EV) batteries.

For areas where EV technology is not yet readily available, such as heavy goods vehicles, the Chamber encourages the Administration to consider other possible opportunities and solutions outside of EVs, such as hydrogen cell vehicles which can also contribute to a lower carbon future when run on zero-carbon hydrogen.

According to Hong Kong’s Climate Action Plan 2030+ published by the previous Environment Bureau, the majority of roadside emissions come from commercial vehicles such as public transport and logistic vehicles. Although EV pilot projects for taxis, buses and minibuses are already underway, the Chamber urges the new Administration to move further and faster to enable early reductions in both carbon and roadside emissions. Regarding other forms of transport, the Chamber recommends the following:

• Encourage lower air emissions and more carbon-friendly fuel for ship traffic such as liquefied natural gas as more companies need to comply with ESG reporting requirements in their supply chain.
• Require a minimum percentage of sustainable aviation fuel for flights going through the Hong Kong International Airport, whilst keeping an eye on regulations in European airports.

Refer to the “Transportation & Logistics” section for more recommendations that will improve road traffic congestion and reduce carbon emissions.

Supporting Climate Action

The impact of climate change is well documented — Hong Kong has been consistently warming up in the last century, in line with the global trend. Especially with the pandemic driving attention away from climate change in recent years, the upcoming year will be an important turning point if the city wishes to reach its 2035 goal. The Chamber recommends the following:

• Create a climate change risk assessment for the major infrastructure in our city, as well as plan and finance the implementation of a remedial mitigation program to minimise future impacts.
• Launch a large-scale public education campaign on the need for behavioral changes to combat climate change, in particular, focusing on what individual families or businesses can do to play their part in reducing emissions.

https://www.gov.hk/en/residents/environment/global/climate.htm#:~:text=In%20line%20with%20the%20global%20is%20rising%20in%20Victoria%20Harbour
• Continue to issue Green and Sustainability-Linked Bonds and support the development of green and sustainable finance to improve environmental performance in Hong Kong and beyond.

• Plan more aggressively with Guangdong for action on high regional levels of ozone and develop clear early plans to significantly reduce key roadside air pollutants in the next Air Quality Standards to be set for Hong Kong.

The Chamber looks forward to engaging with the Hong Kong Government and stakeholders to help address the issue of climate change and to develop constructive solutions that will deliver a lower carbon future which covers Hong Kong’s energy needs.

Sustainable Waste Management

Waste management has been a consistent problem for Hong Kong — in 1997, 1.98kg of waste was generated daily per capita, a number that increased to 2.01kg by 2020. AmCham encourages the Government to take radically improved steps toward the local collection and sorting of waste (including apparel, electronics, office fixtures and furniture), to significantly improve the recycling rate to best practice levels seen elsewhere in Asia whilst promoting the circular economy concept.

In light of the increasing adoption of electric vehicles, Hong Kong will also need to implement robust systems to facilitate the recycling and disposal of EV batteries. If disposed of improperly, EV batteries can release toxins, including heavy metals, which are highly hazardous to the nearby environment.

AmCham would also recommend an extra focus from the new Administration to support sustainability on an individual and societal level, and ESG at a corporate level. These are critical international trends, which will help keep Hong Kong as a leading-edge international business hub.

Open and Transparent Communication

Transparency is crucial to achieving sustainability — with corporate greenwashing becoming an increasingly prevalent problem, the Government has a role to play in assuring open and honest communications with companies. As such, AmCham advocates for the following:

• Extend the Hong Kong Exchanges and Clearing Limited’s Environmental, Social and Governance Reporting guidelines to private/closely held companies.

• Support the Information Services Department in carrying out a larger public relations role for Hong Kong by promoting sustainable technology breakthroughs achieved by Hong Kong businesses and encouraging other businesses to develop similar innovative technologies.

Financial Services and the Treasury

Hong Kong as a Leader in FinTech

AmCham commends the Government’s increasing use of digital payments in channeling government assistance and facilitating economic recovery and growth. The Chamber also appreciates the efforts of the HKMA in conducting the study “e-HKD: A policy and design perspective”, focusing on the innovation and feasibility of e-HKD. AmCham agrees that privacy and data protection are key to an e-HKD arrangement and believes that if properly designed, a retail central bank digital currency can fulfil users’ need for data privacy protection whilst promoting the evolution of money.

https://www.gov.hk/en/residents/environment/global/climate.htm#:~:text=In%20line%20with%20the%20global,is%20rising%20in%20Victoria%20Harbour

https://www.science.org/content/article/millions-electric-cars-are-coming-what-happens-all-dead-batteries#:~:text=But%20when%20the%20battery%20comes,of%20the%20University%20of%20Leicester
Following the growing adoption and acceptance of digital payment technologies under the COVID-19 pandemic, as well as for Hong Kong to stay as a leader in Fintech, the Chamber recommends the following:

- Accelerate research on the e-HKD, seeing as Mainland China has already rolled out pilot schemes for e-CNY across 11 areas and cities and a Central Bank Digital Currency is also being researched across the US, the UK and other major countries.
- Seek greater private sector involvement in the development of Digital Money and CBDCs. Financial institutions in Hong Kong – including foreign financial institutions – not only are capable of providing international know-how and experience with trading CNH and CNY, they also have digital assets resources and technical capabilities to help develop the architecture and to assist the trading and settlement lifecycle of these currencies.
- In addition to working with the Innovation, Technology and Industry Bureau on developing FinTech for a Smart Economy, work with the Hong Kong Monetary Authority (HKMA) on implementing FinTech-related schemes, such as the upcoming Greater Bay FinTech Talent Initiative convened by HKMA, Bloomberg and the Hong Kong United Youth Association. This is crucial in attracting Fintech talent.

Regulatory Transparency for FinTech

The Chamber emphasizes the importance of transparent and predictable regulations, as well as competent and independent regulators to attenuate consumer and business concerns around the future of FinTech which is reliant on the safe and fluid movement of data. It is therefore essential there are carefully crafted data protection rules safeguarding the flow of information, especially between different jurisdictions.

Recently, there has been a lot of development in Mainland China regarding specific measures for standard contractual clauses; however, as Hong Kong is treated as a separate jurisdiction, it is still unclear how this will impact FinTech in Hong Kong. Many smaller-sized crypto companies are still struggling to access financial services from banks due to the lack of development and regulation in the industry until recently. Having said the above, AmCham recommends the following:

- Clarify the benefits of data sharing and data movement between the Mainland and Hong Kong.
- Consult with the wider business community when exploring new areas of FinTech, such as cryptocurrency
- Coordinate closely with HKMA for a clearer vision for how cryptocurrency aligns with the FinTech 2025 strategy

Increase Connectivity between the Mainland and International Capital Markets

AmCham continues to welcome and support the many Connect schemes between Hong Kong and the mainland — including the recent ETF Connect, CIBM, Stock Connect, Bond Connect and Swap Connect — and looks forward to further strengthening the connections between Hong Kong and the Mainland. These schemes have been crucial to solidifying the city’s position as an international financial hub and allowing Hong Kong to maintain its edge by expanding bilateral access between mainland and international capital markets. To further support Hong Kong’s development in this area, AmCham advocates for the following:

- Support the continued expansion of connect schemes as market-driven initiatives.
- Expand access to Southbound trading of Bond Connect so that more financial institutions, particularly foreign-domiciled/ SFC-regulated firms, may participate as market makers.
- Expand Northbound Bond Connect’s eligible investor scope to include corporates. This is to meet demand from offshore corporates who are currently unable to access China’s bond market directly.
- Expand the Wealth Management Connect scheme to allow HKMA and SFC-regulated organizations to participate.
Hong Kong as a Leader in Sustainable Finance

AmCham appreciates the signing of the Memorandum of Understanding (MOU) between the Hong Kong Exchanges and Clearing Limited (HKEX) and the China Emissions Exchange (CEEX) earlier this year. As emphasized in the Chamber’s 2021 Policy Address Submission, Hong Kong has the potential to become a leader when it comes to the carbon trading market and AmCham looks forward to the announcement of further initiatives between the HKEX and CEEX. There is no doubt this collaboration will be essential to promoting the growth of sustainable finance in the GBA and beyond.

The Chamber also welcomes the Government Green Bond Program and the launch of the Green and Sustainable Finance Grant Scheme, and appreciates the Center for Green and Sustainable Finance’s continued work in advocating and pursuing policy development for sustainable finance. For Hong Kong to become a leading green and sustainable finance (GSF) market and to accelerate the transition of the financial ecosystem towards carbon neutrality, investing in local talent is a top priority. AmCham supports FSTB and HKMA to continue to:

- Offer and facilitate trainings and qualifications on GSF.
- Collaborate with financial institutions to provide internships and training opportunities for university students to gain GSF-related work experience and applied knowledge.

The Chamber also encourages the FSTB and Green and Sustainable Finance Cross-Agency Steering Group (CASG) to consider the following:

- Increase the awareness of green bonds and sustainable finance amongst the general community through a public education campaign.
- Provide more support for SMEs in identifying and recognizing best practices when it comes to ESG, especially post-pandemic.
- Continue to encourage and solicit input from financial institutions working in this space to improve ESG performance amongst Hong Kong companies, especially in light of the release of new global sustainability standards by the International Sustainability Standards Board (ISSB) by the end of this year.

Enhance Competitiveness as a Listings Hub

Hong Kong has the opportunity to be Asia’s listings hub in view of the increasing interest of issuers from the mainland in offshore or secondary listings and demand to raise capital for business expansion. It is also anticipated that more regional and international issuers, particularly those in the technology industry, will seek to list in Hong Kong in the next 5 – 10 years. To further strengthen Hong Kong’s competitiveness as an attractive venue for capital raising, AmCham welcomes the changes made by HKEX to enhance and streamline the regime for overseas issuers and recommend the Government to:

- Join hands with regulators and the business community for outreach programs to highlight Hong Kong’s positioning as a listings hub

Promote Life and Health Protection in Hong Kong

AmCham recommends the Government to consider enhancing tax incentives to encourage people to take up sufficient life and health protection, in addition to the Voluntary Health Insurance Products (VHIS). Amid the anxiety and disruption caused by the COVID-19 pandemic, there is heightened awareness and consciousness of people’s physical health and mental well-being and this results in a wider health protection gap that needs to be closed.

As proven by the VHIS scheme, tax incentives can effectively encourage people’s uptake of insurance protection, which will also relieve the rising burden on the public healthcare system in the long run. The Chamber is keen to discuss with the Government on the development of policy details.

Greater Bay Area Partnership for Insurers

The Chamber is excited about the opportunities for growth and expansion that lie for insurers in the GBA. Currently, the insurance penetration of nine other GBA cities is only around 5.5%,
significantly lower than Hong Kong’s 20.8% (including offshore policies). In order to capitalize on the momentum of the new policies and generate further growth, the Chamber recommends the Government to:

- Support Hong Kong insurers to establish after-sales service centers in the mainland cities of the GBA. Though this was included in the 2020 CE Policy Address, no further updates were given by the previous administration. The Government should work with the Insurance Authority (IA) to progress on the establishment of these centers.

- Set clear goals in regard to the expansion of the “unilateral recognition” policy to new areas. Such policies greatly improve the efficiency and quality of life for Hong Kong citizens looking to travel, live and work in the GBA. The Chamber commends the new unilateral motor insurance policy and encourages the Government to continue previous efforts in this field.

- Widen the scope of the mainland China reinsurance business to all insurance companies in Hong Kong. Under the “equivalence mutual recognition” principle, only qualified reinsurers can offer reduced capital and solvency requirements for their cedants — this could be widened to allow more insurers to benefit from the scheme.

- Create further incentives for establishing GBA partnerships, for example, by establishing cross-border licenses for insurers or providing tax incentives.

**Talent in the Insurance and Finance Industry**

Whilst some private companies have been experiencing a shortage of staff, the decrease in available talent has also affected regulatory bodies such as the Insurance Authority (IA), which recently lost 16% of its staff (many of whom transitioned to private insurance companies). Similarly, the Securities and Futures Commission (SFC) also lost 12% of its staff, with a significant 25% decrease in junior professional staffing. Independent financial regulators such as the IA and SFC are crucial to the stable development of their respective industries, especially as local companies begin expanding into the GBA, regulatory bodies like the IA will become more important than ever in protecting the interests of policyholders and facilitating dialogue between corporates and the Government. Therefore, the Chamber encourages the Government to provide support to these regulatory bodies, whilst working alongside them to create incentives for talent in the industry.

**Health**

**Developing Hong Kong as a Biomedical Innovation Hub**

AmCham appreciates the previous Administration’s attention to current clinical trials and drug registration practices and looks forward to the upcoming construction of the InnoLife Healthtech Hub in the Hong Kong-Shenzhen Innovation and Technology Park. Moving forward, with the setting up of the new Health Bureau, AmCham advocates for more policies that create a supportive environment for expediting patients’ access to biomedical innovations to complete a whole value chain proposition as a biomedical innovation hub. The Chamber encourages the new Administration to consider the following:

- Pursue policies that expedite drug registration processes, e.g., regulatory harmonization practices that increase the ease and efficiency of drug registration and regulation. In the interim, also expand the 1 CPP (Certificate of Pharmaceutical Product) regulatory review approach to non-communicable and life-threatening diseases such as cancers.

- Adopt e-labelling to 1) increase the openness and flow of information to ensure healthcare professionals have access to the latest registration information whenever needed to guard

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24 https://www.boasecohencollins.com/blog/clear-road-ahead-for-motoring-insurers/
patient safety and 2) smooth out operational processes concerning product label production and implementation arising from the extension of indication of drugs, thereby accelerating patient access to drug treatments in need.

- Improve transparency on prioritization criteria for Safety Net reimbursement decisions.
- Encourage collaboration between MNCs, academic institutions and start-ups to establish leadership in novel areas such as Gene Therapy.

Hong Kong will also need manpower, especially skilled talents to support these goals and ensure that costs are manageable for future objectives.

Future-proofing Hong Kong’s Healthcare System

The fifth wave has unveiled underlying problems with Hong Kong’s healthcare system. In addition to persistent problems such as a shortage of staff, an increasingly ageing population and an expanding list of people seeking treatment, the pandemic has also unveiled other key issues, including a lack of coordination and communication between the Bureau, hospitals and private clinics. As the city moves forward, we need to strive to make our healthcare system future-proof — this includes meeting past objectives such as increasing citizens' access to care, but also exploring new realms such as the digitalization of healthcare so we can better prepare for the future. As such, AmCham recommends the following changes:

- Expand the previous scheme involving integrated nurse clinics to cover even more areas of care. As shown in the pilot, this can help to reduce the waiting time by as much as 30% in some cases and can help to reduce the demand for doctors.  
- Adopt a value-based care approach with services at District Health Centers.
- Expand the current scope of clinical Public-Private Partnership Programs (PPP). AmCham appreciates the previous Administration’s efforts in setting up the HK$10 billion Hospital Authority (HA) PPP Fund and believes the continued sharing of data through the Electronic Health Record Sharing System (eHRSS) is essential to improving the quality of patient care.
- Revisit the existing legal framework, including the Ethical Guidelines on Practice of Telemedicine issued in 2019 to support the digitalization of healthcare, including the provision of services such as digital therapy.
- Fully digitalize the e-prescription healthcare system with full eHRSS adaptation and accessibility.
- Increase the adoption of the HA Go app amongst the general public and develop the app to streamline the provision of telehealth consultation services.
- Explore and adopt more AI and cloud-based solutions to enhance the efficiency of the current system.
- Encourage the open sharing of local healthcare data to facilitate the co-creation of evidence-based healthcare solutions. Examples to consider include drug registry, non-identifiable healthcare data like epidemiology data and local patient affordability statistics.
- Drive wellness and prevention initiatives in partnership with insurance companies and employers to systematically reduce the treatment burden for the HA.

Addressing Hong Kong’s Mental Health Crisis

The impact of the pandemic on mental health has been well documented. The persistent slow recovery of the economy and restrictive COVID-19 regulations during the fifth wave contributed to an even larger increase in stress levels amongst the public. In particular, deaths by suicide crossed

4.03 deaths per day between 11-18 March, passing the crisis-level mark of 3.56 on the Hong Kong Jockey Club Center for Suicide Research and Prevention’s suicide index. With Hong Kong’s rapidly ageing population, it is also anticipated that there will be more demand in the future for mental health services for the elderly, especially for end-of-life care and bereavement support.

Recognising the importance of the issue, AmCham held a Mental Health series this year focusing on youth and men’s mental health. Whilst our Youth Mental Health event shed light on common misconceptions around mental health for students, our Men’s Mental Health event featured discussions on the power of vulnerability for establishing healthier personal and professional lives. We also held close-knit conversations around the definitions of vulnerability, boundary-setting and best practices for fostering an open work environment.

AmCham believes a continued emphasis on the awareness of mental health issues is important. Understanding mental illnesses not only enables individuals to recognise their conditions and encourages them to take a step forward, but also increases public awareness and contributes to the reduction of social stigma. The Chamber appreciates the previous Administration’s continued investment in the Shall We Talk initiative, and encourages the Government to take more action to improve the quality and accessibility of mental health care. As such, the Chamber advocates for the following:

- Encourage the training of more crisis counselors who can communicate with the elderly, as well as developing more online support services catered toward the elderly. The majority of existing services are also predominantly targeted toward youths and do not give enough consideration to other demographics, e.g., working parents and empty nesters.
- Collaborate with organizations to improve access to mental health care for ethnic minorities. Ethnic minorities are not only more vulnerable, but they also struggle to receive the same quality of services due to language barriers and cultural differences.

Subsidizing private health insurance that includes mental illnesses and encouraging more employers to include mental illnesses in their health insurance package. This would help with affordability and direct patients from the overloaded public sector to the private sector.

**Hong Kong’s Role in the Greater Bay Area**

With the GBA poised to become one of the most innovative regions in Asia, AmCham believes it is important for the new Bureau to keep up with the pulse of policy development and advocate Hong Kong’s competitive advantage in the region to attract more skilled medical talent. More focus should also be spent on identifying the current GBA dynamics and opportunities — not only is Mainland China facing an ageing population, but most ASEAN countries also have below the world’s average of 1.57 physicians per 1,000 people. With Hong Kong’s excellent record of quality healthcare services, further clarity on potential opportunities could serve as important incentives for foreign companies to pursue medical research and development in the region. The Chamber’s other recommendations include:

- Enhance private healthcare infrastructure in Hong Kong and the GBA in partnership with global Centers of Excellence to further improve the positioning of Hong Kong as a Global healthcare hub; this will facilitate high-value medical travel from China, ASEAN, North Asia, Central and Eastern Europe.
- Create policies that support the enhanced management of cross-border use of medical data and bio-samples for clinical practices that are in line with the safety standards of the country and for further pilot research use by designated research institutions.
- Create policies around the opening up of drug flow across borders which would resolve the problem of drug access for Hong Kong patients visiting and living in the GBA.
- Create policies to support any claims for health insurance by Hong Kong citizens living in the GBA.

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Home and Youth Affairs

Formulate a Comprehensive, Multi-Stakeholder Blueprint on Youth Development

Young people in Hong Kong continue to face difficulties in education, employment, entrepreneurship and home buying. AmCham recognizes the work of the Youth Development Commission and other bodies in advancing youth-related matters and youth development policies, particularly through exchange programs, the Youth Hostel Scheme and the Member Self-Recommendation Scheme for Youth. AmCham advocates that the new administration formulates a comprehensive, multi-stakeholder blueprint on youth development, particularly emphasizing the following measures:

- Promote youth entrepreneurship in Hong Kong by providing more subsidies to NGOs that provide entrepreneurial support and incubation services through the Youth Development Fund.
- Play an active role with the Youth Development Commission to connect schools, MNCs and NGOs to bolster the youth entrepreneurship ecosystem in Hong Kong.
- Encourage the Youth Development Commission and other relevant bodies to utilize strategic communication methods to promulgate its activities and reach underserved youth.
- Communicate, through innovative marketing campaigns, community engagement efforts and strategic partnerships with universities, employment and exchange opportunities made available through the development of the Guangdong-Hong Kong-Macao Greater Bay Area and the Belt and Road cooperation.

Increase Gender Diversity in Corporate Leadership

In 2021, Hong Kong saw noticeable improvements in gender equity in corporate leadership and at board levels. According to MSCI's annual report, the number of companies in Hong Kong that are MSCI ACWI constituents with no women on their boards has dropped from last year’s 37% to 28%, and the percentage of total director seats held by women has risen from 12.7% to 13.5%.

However, a significant gap still exists between Hong Kong and other financial hubs when it comes to female corporate leadership. While only 7.4% of Hong Kong companies have at least 30% female board members, in both China and Singapore the number is above 10%, and the UK tops the list at 86.2%. As for women in executive positions, only 18.5% of Hong Kong companies have female CEOs or CFOs, while in China the number is 32.4% and 47.6% in Singapore.

AmCham applauds the results of the Review of the Corporate Governance Code (CG Code) and Related Listing Rules published by the HKEX in December 2021 and looks forward to the time after a three-year transition period when there will no longer be any companies listed on the HKEX that have single-gender boards.

AmCham also applauds the launch by the HKEX in April 2022 of a database designed to improve access to information on, and transparency around, board diversity. This database includes the specifics of each HKEX listed company’s board composition, including gender and age distribution and the number of independent non-executive directors holding more than seven directorships. AmCham encourages the following:

- HKEX to establish targets (that would increase over a period of years) for the percentage of women on boards of listed companies and the percentage of c-suite positions at such companies held by women.

31 HKEX Consultation Conclusions – December 2021: CG CCP (hkex.com.hk)
• The Government to increase its support and collaboration with NGOs that champion gender diversity in the corporate sector and beyond, such as The Women’s Foundation and the 30% Club Hong Kong Investor Group.

**Implement more Generous Maternity and Paternity Benefits and Other Family-Friendly Policies**

Under the Employment Ordinance (Cap.57), women in Hong Kong are entitled to 14 weeks of maternity leave with maternity leave pay calculated at four-fifths of the employee’s average daily wages. Men are only eligible for five days of paternity leave.

With respect to paternity leave, Hong Kong is not only falling behind ex-Asia global competitors but also other Asian jurisdictions. Japan offers four weeks of paid paternity leave at 67% of workers’ regular salary. Two weeks of paid paternity leave is offered in Singapore whereas 10 to 20 days of paternity leave are offered in most provinces in China. AmCham encourages the following family-friendly policies:

- Extend its current paternity leave to at least two weeks. Note that paid parental leave increases fertility intention, which should be important as Hong Kong faces its lowest birth rate in 56 years.

- Adopt other family-friendly employment practices, including fully paid maternity leave for at least 14 weeks with an option to extend the leave period to a maximum of one year with pro-rata payment, parental leave rights for anyone adopting a child and family leave in specified circumstances (including caring for a partner, child or parent with a serious medical condition).

- In light of the feasibility of remote work highlighted by the pandemic, consider introducing more flexible work arrangements in the public sector, which would enable more caregivers to continue to be employed and potentially reach higher management positions.

**Take Tangible Steps Towards Reducing the Gender Pay Gap**

In Hong Kong, the median monthly earnings of employed men are a third more than those of employed women (or 17.6% more excluding foreign domestic workers), according to a 2021 report by the Census and Statistics Department. Hong Kong’s pay gap far exceeds the average gender pay gap among OECD countries, which is 13%.

Some of the actions proposed in this submission, including promoting STEM education and participation in STEM careers for women and providing more family-friendly employment practices can help to close the gender pay gap in Hong Kong. One additional tool that has been found effective in many countries that could be adopted in Hong Kong is pay transparency measures. On this, AmCham urges the Government to:

- Take proactive steps to close the gender pay gap including adopting legislation that requires companies over a certain size (and all HKEX listed companies) to report publicly their gender pay gap, prohibits pay secrecy clauses and gives employees the right to disclose their pay if they so choose.

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Address Housing Issues in Hong Kong

AmCham is pleased to see the separation and subsequent establishment of the new Housing Bureau from the previous Transport and Housing Bureau (THB). The Chamber believes this will not only relieve the previously overburdened THB, but it will also allow more focus and resources to be directed to the housing and transport sectors respectively. In particular, AmCham looks forward to the collaboration between the new Housing and Development Bureaux in resolving Hong Kong’s housing issues.

Hong Kong’s housing problem has been well-documented — last year, waiting time for public housing increased to an average of 6.1 years, the longest in over two decades and more than double the Housing Authority (HA)’s three-year service pledge. In addition to the dire living conditions exacerbated by the pandemic, the combination of high housing prices and long waiting times continue to serve as a strong deterrent for both local youth and foreign talent looking to reside in Hong Kong. Especially as the GBA continues to develop, concerns are rising that younger generations of Hong Kongers may leave Hong Kong and turn to other cities within the GBA for more affordable housing.

Furthermore, whilst the fifth wave undoubtedly hindered housing development, a recent study found more hidden delays in projects beyond the HA’s five-year production plan. For example, back and forth deliberations between district councilors and the HA in Chung Nga Road West have delayed the project by over seven years, with no development plan despite the project’s 2030-31 goal. In order to increase the public housing supply and meet the Central Government’s goal of eliminating cage homes by 2049, the Chamber advocates for the following measures to be adopted by both Housing and Development Bureaux:

- Conduct a review of all existing vacant structures and brownfield sites in Hong Kong. In particular, the development of brownfield sites should be prioritized over land reclamation and other potentially destructive solutions.
- Take into consideration not just the family status of applicants seeking public housing, but also their current state of living. For example, whether they are currently residing in cage homes, subdivided flats etc.
- Review the design of new housing development to take into consideration the needs of the elderly and specifically, empty nesters. Like most of the world, the average life expectancy has been rising in Hong Kong, having reached 85.16 years this year (across both sexes).
- Conduct a review of the management of public housing projects and streamline any public consultation processes to reduce the time for development.
- Disclose, with full transparency, information on the status of all public housing projects to the general public, including information on any delays.
- Encourage housing development with prefabricated units using Modular Integrated Construction (MiC) to speed up the waiting period for public housing.

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43 https://www.macrotrends.net/countries/HKG/hong-kong/life-expectancy
• Explore the feasibility of repurposing community isolation facilities in various districts as transitional housing units, or for the homeless, as Hong Kong moves on to “live with COVID”.

Address Housing Issues for Hong Kong’s Middle-Class Population

The Chamber would also like to highlight the lack of policy objectives for Hong Kong’s middle-class population. Current policies mainly focus on public housing and subsidized housing, but there are no developments for the middle-class — households that exceed the income and net asset limits for public rental housing. For them to own their own properties, they need to spend a substantial amount of savings to purchase a residential apartment from the private housing market. This not only applies to locals but increasingly, foreign expats also fall into this bracket.

In October 2021, former Chief Secretary of Administration, John Lee, also noted the importance of assisting the public in achieving home ownership. In particular, the Chamber appreciates the Administration’s efforts in introducing “Starter Homes” units and raising the maximum property value for mortgage loans under the Mortgage Insurance Program. Moving forward, the Chamber encourages the Government to continue to provide financial support to the middle-class, e.g., through tax incentives to encourage and increase property ownership.

Adopting a Holistic and Forward-thinking Approach in the Northern Metropolis

The Northern Metropolis Development Strategy, as introduced in 2021, has been regarded as a visionary blueprint that will not only address Hong Kong’s housing shortage problem, but also provides an opportunity to rethink and reshape the city’s physical and economic landscape in alignment with the national and regional development plans. Given the scale of the development, AmCham welcomes the “government-led community-making” approach to creating sustainable, livable communities and addressing the opportunities and challenges Hong Kong is facing. On the other hand, it is also important to engage various Hong Kong’s stakeholders for it to succeed. With this in mind, AmCham looks forward to the following actions:

• Establish a high-level dedicated Northern Metropolis Authority, with involvement from the business community and professionals as advisors, to devise a coherent and forward-thinking policy plan for the area in coordination with the existing bureaux and departments.

• Engage with the business community in the planning process to explore the different kinds of Public-Private Partnership models and financing options with reference to businesses’ knowledge and expertise drawing from overseas experiences, as well as to understand the factors that will incentivize (or disincentivize) enterprises to establish businesses in the Northern Metropolis.

Sustainable Building and Infrastructure

As iterated in AmCham’s 2021 Policy Address Submission, climate change represents a significant physical and structural risk to Hong Kong. Whilst awareness of climate risks has been steadily increasing amongst the business community, with many property companies in Hong Kong already taking action to assess the potential impact of climate change on their operations, AmCham urges the Government to:

• Conduct public research on the threats it poses, especially to coastal and low-lying areas around the city.

AmCham commends the Hong Kong Monetary Authority (HKMA)’s pilot climate risk stress test on the impact of climate change on the Hong Kong banking sector. The Chamber also encourages the Development Bureau to

• Collaborate with construction and property companies in the private sector to conduct similar detailed assessments around the city. These assessments should also set out clear priorities for the public and private sectors to mitigate these risks. Especially as the International Sustainability Standards Board is expected to release new global standards for

45 https://www.info.gov.hk/gia/general/202110/27/P2021102700603.htm?fontSize=1
ESG reporting that include climate risks and opportunities, listed companies in Hong Kong must be aware and on par with global standards.

Furthermore, for Hong Kong to reach its 2050 climate goal of decarbonization, the industry must have both the standards and necessary support to create green buildings and a green city. Regarding sustainability, the Chamber encourages the Bureau to:

- Collaborate with the Environment and Ecology Bureau and the HA, amongst others, to launch a study on how carbon life-cycle footprints can be taken into consideration in building design and regulations. This should also include the promotion of more efficient building techniques, such as MiC.

**Innovation in the Construction Industry**

AmCham appreciates the previous Administration’s continued investment in the Construction 2.0 initiative, and in particular, its focus on Building Information Modelling (BIM) and off-site construction. The adoption of technology is not only crucial to enhancing the quality and productivity of the construction industry, but also to training new skills and attracting foreign talent to the industry. To further the digital transformation of the construction industry and achieve the ultimate goal of a Smart City, the Chamber advocates for the following:

- Adopt international standards in the development of the local annex for the use of technology in the construction industry. In particular, it should follow standards in the International Organization for Standardization (ISO) 19650, “Organization and digitization of information about buildings and civil engineering works, including BIM”. According to ISO 19650-2, *national standards bodies are encouraged to compile and document the standards relevant to the region or country they represent within a national annex*. Although Construction Industry Council (CIC) BIM Standards General Annex 1 stipulates the “Hong Kong Local Annex of ISO 19650-2:2018”, it is only a reference document and guidelines in the content cannot be enforced. The Chamber recommends the Government upgrade the local annex to a city-wide enforceable standard for adoption by all government and government-funded projects.

- Extend the development of BIM to integrate with information technology when it is adopted at the operational phase. AmCham encourages the Government to facilitate the collaboration between the construction and innovation and technology industries on BIM development to achieve the Smart City objectives.

- Encourage the development of new construction materials and technology by providing tax incentives and/or subsidies. The Bureau should also collaborate with the Hong Kong Construction Materials Association, Hong Kong Construction Association and Hong Kong Institute of Engineers to promote this to the larger industry.

**Building a Liveable City**

Building a liveable city is not only important in light of the city’s increasingly ageing population, but also for attracting more talent to visit, live and work in the city. As such, the Chamber recommends the following:

- Create a comprehensive policy for accessibility in light of Hong Kong’s ageing population — both physical and digital. This should include the retrofitting of older buildings (ramps, Braille signage, etc.).

- Require commercial websites to abide by accessibility standards in a similar manner to government websites.
Innovation, Technology and Industry

Skilled Talent for the Innovation and Technology Industry

Whilst talent attraction and retention has become an increasingly acute problem for all sectors, the Innovation and Technology Industry, in particular, has been facing challenges with a shortage of skilled workers and the relocation of companies’ bases of operations outside of Hong Kong. In addition to the previous suggestions regarding the retention of talent, the Chamber advocates for the following for the development and retention of technology talent:

- Increase the capacity for collaboration between MNCs in the Innovation and Technology Industry and local secondary schools, as facilitated by the Hong Kong Government.
- Build a bridge between top technology companies in Hong Kong and students (pre-university and pre-high school) to deepen their understanding of the job market and uncover potential talent for STEM-related careers before formal job-hunting efforts. As mentioned, this could be in the form of industry-exposure talks that help foster practical skills and industry knowledge.
- Encourage greater collaboration between the Government and MNCs in developing training programs to cultivate high-demand industry skills in innovation and technology talent. The Chamber appreciates the previous Administration's continued support for the CreateHK initiative (under the former Commerce and Economic Development Bureau) and the 2021 Future International Talent Program — which both AmCham and its member companies participated in — for promoting job opportunities for fresh and skilled graduates to work at companies across different industries. The new Bureau could replicate the program with a focus on the Innovation and Technology Industry.
- Take a more active role in advocating in tandem with the business community. The Government — as the representative of the city — should hold more active conversations with the business community, especially concerning the future of talent and wider innovation and technology talent development issues.
- Increase investment for the cultivation of a talent pool from the GBA or the future Northern Metropolis, including further efforts to develop Hong Kong into a “technology talent hub”. Simultaneously, the Government should publicly allay regulatory and operational concerns to give MNCs the confidence to set up data centers, research laboratories and more, which will help to transform the Northern Metropolis into a hub for innovation and technology.
- Increase joint-sector efforts and adopt a holistic approach to championing Hong Kong as an innovation hub.
- Expand the Government’s Talent List to include educators in STEM-related fields to attract more foreign educators to cultivate talent in STEM.
- Establish STEM Talent Schemes, similar to the one run by the Chinese University of Hong Kong at other public universities to encourage more secondary students to explore careers in STEM.
- Collaborate with the Hong Kong Science and Technology Parks Corporation to fund more frequent, annual pitching competitions for technology startups and projects in STEM. These should be open to young professionals but also secondary school students to finance their projects.
- Collaborate with the private sector to invest in competitive scholarship schemes that will place Hong Kong on the map for international students seeking higher education. Simultaneously, continue supporting initiatives such as the HK$2 billion Global STEM Professorship scheme to attract more world-class educators to teach in the city. Increasing the competitiveness of Hong Kong’s universities across world rankings is crucial to

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47 https://www.sci.cuhk.edu.hk/en-gb/prospective-students/ug/adm/stem-talent
attracting more talent into the city, especially following the launch of schemes such as the UK’s new High Potential Individual Visa overseas.49

The development of a vibrant and growing technology community draws both economic and talent benefits from a strong university and post-secondary school system. We recommend increasing the support and incentives for our Hong Kong universities and professional education programs, by promoting STEM learning and expanding research in innovation and technology.

**Data and Cybersecurity Issues**

In addition to the need to highlight the importance of a free and open internet as explained in the Overall Recommendations (paragraph 15), AmCham also emphasizes that Hong Kong should actively adhere to international cybersecurity and personal data protection standards that support technological innovation and growth, in addition to maintaining interoperable data security best practices. As an international business hub, Hong Kong should:

- Take into consideration both the Personal Information Protection Law and the General Data Protection Regulation, but the Hong Kong Government should also be careful that the regulations do not become an amalgamation of foreign jurisdictions’ policies.
- Pursue adequate consultation with stakeholders in the business and data community to ensure that new policies have clarity and are business friendly.
- Ensure consistency in digital regulations and smooth data flow across jurisdictions that will benefit both foreign businesses in Hong Kong and Hong Kong businesses operating overseas. This is critical to safeguard Hong Kong as an innovation and technology hub.

**Information Management**

Information management is universal, especially for international enterprises and organizations. The Chamber believes that the achievement of information management in Hong Kong should also influence the adoption in the GBA. International asset owners in the GBA should be able to enjoy the information flow in asset management in compliance with international standards.

Additionally, information management in Hong Kong starts with information production, followed by information exchange. However, Hong Kong’s information exchange is still primitive as it is not contractualized nor legalized. To formalize information exchange, the Chamber recommends the Hong Kong Government to take up the regulatory role of information exchange, making it a contractual part of projects as well as asset management. The Chamber also advocates for the following:

- Establish a Hong Kong standards body to develop city-wide information management standards.
- Enforce the application of information management standards for the whole-life cycle information flow.
- Contribute proactively to the adoption of information management in GBA.
- Encourage the establishment of an independent information exchange organization.

**Digital Economy and Smart Government**

The economic growth and transformation in Hong Kong’s future can be achieved by more collaboration between the public and private sectors. We see opportunities for business, education, communication and collaboration being created by technology. For example, on the Consumption Voucher Scheme, AmCham has seen a growing number of participating stored value facilities as well as growth in public confidence in this new way to disburse government-to-person payments which can take place quickly at scale and provide critical relief in times of crisis.

A smart government is a top-down prerequisite to achieving a digital economy. Following the Innovation, Technology and Industry Bureau’s announcement of the new Smart City Blueprint for Hong Kong (Blueprint 2.0), AmCham appreciates the establishment of the Smart Government

49 [https://www.davidsonmorris.com/high-potential-individual-visa-requirements/#:~:text=As%20part%20of%20the%20UK,UK%20employers%20and%20businesses%20access](https://www.davidsonmorris.com/high-potential-individual-visa-requirements/#:~:text=As%20part%20of%20the%20UK,UK%20employers%20and%20businesses%20access)
Innovation Lab in 2019 and encourages the Office of the Government Chief Information Officer to continue to take an active role in pursuing the digitization of systems across the different Bureaux. In particular, the Chamber recommends:

- Review the selection criteria during the procurement process with more focus on attracting companies, particularly start-ups and small and medium enterprises, that have the necessary expertise and solutions to assist in this digitization process.

With the successful introduction of the iAM Smart App, AmCham believes the new Administration can encourage even greater adoption of the App. Digitization not only increases the efficiency and quality of operations, but it is also more sustainable and allows information to be accessed more easily. AmCham recommends the following:

- Position and publicly promote the iAM Smart app as the Government’s centralized platform for all online services.
- Widely promote the use of electronic signatures for commercial transactions and government services. Digital signing can provide an efficient, green and safe alternative to authenticate identity and protect the integrity and confidentiality of electronic communications.
- Promote the use of the iAM Smart app across the different Bureaux to provide wider government services.
- Enhance the user interface of the iAM Smart app so that it could be more user-friendly to the public and industries.

Social Innovation

AmCham looks forward to the new Bureau’s focus on social innovation and believes such innovation will help accelerate a responsible transition of Hong Kong to a digital city. The Chamber encourages the Government to fully tap into the potential of the civil society in achieving this. We appreciate initiatives such as the Social Innovation and Entrepreneurship Development Fund and support programs on social entrepreneurship at tertiary institutions as well as non-profit organizations. The Chamber also encourages the Innovation, Technology and Industry Bureau to:

- Explore opportunities for collaboration with the other Bureaux — examples could include collaborating with the Home and Youth Affairs Bureau to develop an app that improves financial literacy amongst women, thus benefitting their well-being.

Labor and Welfare

AmCham is appreciative of the Secretary for Labor and Welfare Chris Sun’s emphasis on a collaborative, interactive and harmonious relationship between employer and employee in a recent address. The Chamber welcomes the Government’s achievements in labor and welfare, especially the commitment to progressively increasing the number of statutory holidays from 12 to 17 by 2030. To advance Hong Kong’s competitiveness for top talents and alignment with the future of work, in addition to ensuring livelihoods for the millions of workers in Hong Kong, the chamber advocates for the measures below.

Strengthening the Hybrid Working Model and Infrastructure as the New Normal

Given the COVID-19 pandemic’s long-term implications on in-person working and global trends in the workforce, AmCham believes that the Government should lead the transition towards a flexible, family-friendly, hybrid working model by enabling people to work remotely through policy implementation. Drawing examples from the US Federal Government, AmCham encourages the Administration to:

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50 90% of eligible federal workers in US engaged in telework during fiscal year 2020. In a global study by Accenture, the majority of federal workers indicated that working from home has improved productivity, quality of life, enabled them to learn new skills, take on new tasks, and improved mental health. Multiple agencies cited significant cost savings including transit costs and utilities. Source:
• Lead and support the development of alternative, co-working spaces which would better accommodate hybrid working needs where people can work partially in an office, at home or in alternative workspaces. This could begin with a communication strategy that outlines objectives, protocols, and messages that will engage the workers in helping to shift to a hybrid work model.

Protecting Short Term and Gig Economy Workers

The COVID-19 pandemic has also shifted the hiring landscape, with employers relying more on casual or short-term workers, part-time workers or contractors to fill the skills gap. 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. In view of this, AmCham recommends the following:

• Explore whether there is a 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.

• Review mandatory retirement clauses in employment contracts and support the development of the gig economy or part-time employment in the face of a rapidly ageing population (people aged 65 years or above amount to 18% of the population). This would help ensure that older people are better able to support themselves through employment and ensure livelihood needs are met.

Support the LGBT+ Community and Promote Diversity, Equity and Inclusion

In 2021 and early 2022, Hong Kong courts took positive steps by ruling in favor of LGBT+ applicants in several landmark cases. In May 2021, the court deviated from the long-standing position that non-biological same-sex parents are not granted parental rights by granting guardianship and joint custody, care and control rights to a same-sex, non-biological parent.51 In 2021 another High Court judgment was issued in favor of a same-sex couple over a discriminatory policy that barred them from living together in subsidized housing.52 Last month, two transgender applicants were granted permission to appeal to the Court of Final Appeal over a government policy that transgender persons can only change their gender as stated on their HKIDs if they undergo full sex reassignment surgery.53 AmCham urges the executive and legislative branches to:

• Take further steps toward positive lawmaking, including supporting the Equal Opportunities Commission in enacting anti-discrimination legislation based on sexual orientation and gender identity.

A study published by the Chinese University of Hong Kong in 2020 reported that only 12% of the respondents objected to laws preventing discrimination against LGBT+ people, down from 35% in 2016.54 It also reported increasing public support for LGBT+ inclusive businesses.55 With more companies like Swire Group, PayPal, and Morgan Stanley adopting Diversity, Equity and Inclusion (DEI) principles applicable to their Hong Kong operations, AmCham invites the Government to harness this momentum and increase public awareness of DEI by:

• Subsidizing workshops provided in workplaces, sponsoring the launch of DEI programs at universities and supporting public LGBT+ events such as the Hong Kong Pride Run and the upcoming Gay Games 11.

Transport and Logistics

51 AA v BB [2021] HKCU 2541
52 Ng Hon Lam Edgar v Secretary for Justice [2021] 1 HKC 580
53 Tse Henry Edward v Commissioner of Registration [2022] HKCU 2164
55 Ibid, Page 6 of 13
AmCham is pleased to see the establishment of the Transport and Logistics Bureau — its separation from the former Transport & Housing Bureau allows greater focus on the important, independent issues associated with both of these significant portfolio areas. In particular, the transport and logistics industry has always been a significant pillar of Hong Kong’s economy, contributing almost a fifth of the city’s total GDP prior to the pandemic. With the gradual reopening of Hong Kong’s borders, this coming year will be a crucial year for revitalizing the transport and logistics industry and upholding Hong Kong’s reputation as a maritime and aviation hub.

Strict pandemic regulations have severely impacted Hong Kong’s status as an aviation hub. AmCham appreciates the recent removal of the flight suspension mechanism and ban on individual flight routes, especially in light of the small percentage of imported cases in Hong Kong and the increasing need for travel amongst the public. As mentioned in the Chamber’s Overall Recommendations, travel connectivity is crucial for the transport and logistics industry and the Chamber emphasizes the need for the gradual removal of all inbound travel restrictions.

The Chamber would also like to express its gratitude to workers in the transport and logistics industry for providing the city with food, hygiene products and other necessities during the fifth wave of the pandemic. This year has no doubt illustrated the importance of having a modern and well-functioning transport and logistics system, and the Government should continue dedicating resources toward facilitating the smooth movement of essential cargo to and from the city.

Smart City, Smart Port, Smart Transport

AmCham appreciates the setting up of a smart port task force by the Hong Kong Maritime and Port Board, as well as the further investment made into the city’s Smart Mobility Initiatives. The Chamber believes a smart transport system, along with a smart port is absolutely essential and should be prioritized in line with the Government’s Smart City Blueprint 2.0. Moving forward, the Chamber encourages the Government to:

- Continue to strengthen Hong Kong’s port competitiveness by supporting the container port’s modernization drive. Currently, only Terminal 8 at HIT and Terminal 9 at COSCO-HIT have automated operations, whilst the rest heavily rely on human operators.
- Create a fund to support initiatives related to the digitalization of manual processes within the Transport and Logistics Industry.
- Promote the HKeMobility app and its functionalities more broadly to increase its adoption amongst the public.
- Explore the possibility of integrating smart transportation systems, such as Mobility as a Service, Vehicle to Infrastructure and the Advanced Traffic Management System (ATMS). In particular, the ATMS combines data collection from traffic lights, smart roads, toll booths, etc. to change traffic lights based on real-time rates and relays the information to city control centers, which when implemented successfully, may help to reduce Hong Kong’s traffic congestion problems.

Consolidating Hong Kong’s Position as a Leading Air Cargo Hub

Moving forward, AmCham is excited to see the growth of Hong Kong’s aviation industry — in addition to the completion of the third runway, the city’s growing connection with other cities in the GBA and the return of travel globally should all restore activity at the Hong Kong International Airport (HKIA). To complement these developments, the Chamber recommends the following measures:

- Continue to communicate and collaborate with other GBA airports to develop a roadmap for air travel around the GBA.
- Continue to facilitate the movement of pilots and flight crew in accordance with the principles of the International Civil Aviation Organization’s Public Health Corridor concept.
- Provide aerospace companies with advanced notice of any changes in regulations and flight restrictions to give them sufficient time to adapt and comply with new regulations.
• Create a roadmap for the full reopening of services at the HKIA whilst consulting with both aerospace companies and the larger industry. This will not only improve airlines’ ability to plan routes to the city but also decrease the volatility of the industry, which will help companies as they hire more workers to fulfil the increase in demand.

Promoting Hong Kong’s Maritime and Logistics Services

As trade around world economies recover, AmCham believes it is more crucial now than ever that the Hong Kong Government prioritizes the city’s development as an international maritime center. More than 80% of world trade takes place through the sea, and though the city continues to serve as an important gateway to Mainland China, its neighbor, Singapore, has overtaken Hong Kong as the largest container port in the surrounding area. The Chamber urges the Government to continue to leverage its advantages under “One Country, Two Systems” and use Hong Kong’s free port status to appeal to foreign corporations. Especially as the GBA develops and Hong Kong’s connectivity to Guangdong and other provinces in Southern China increase, the Chamber believes there will only be more business and economic opportunities for the transport and logistics industry. The Chamber also advocates for the following:

• Continue to encourage the development of high-end maritime services, such as ship management and leasing, ship finance, marine insurance, as well as maritime law and dispute resolution services.

• Accelerate the identification and promote the development of new sites in Hong Kong for logistics and related use — similar to Kwai Chung Town Lot No. 531 — to further strengthen Hong Kong’s position as a logistics hub.

Decarbonization of the Shipping Industry

Hong Kong was one of the first ports in Asia to implement legislation requiring ocean-going vehicles (OGVs) to use more environmentally friendly fuel. However, there have not been many recent developments when it comes to driving the decarbonization of the shipping industry in Hong Kong and the Chamber believes more radical policies are needed for Hong Kong to achieve the International Maritime Organization (IMO)’s goal of reducing the annual total of greenhouse gases by 50% by 2050. The Chamber encourages the Hong Kong Government to continue spearheading decarbonization-related legislation for the shipping industry to make Hong Kong a model of excellence for its Neighbors in Asia. These measures could include:

• Continue to promote alternative fuel types, such as liquefied natural gas (LNG) and hydrogen-based fuels that are low in sulfur content.

• Conduct a review of the safety, feasibility and environmental consequences of different emerging fuel types in Hong Kong, e.g., methanol and ammonia whilst referencing international publications such as the Future Fuels Report.

• Support new fuel type initiatives with the corresponding policies, for example, by providing tax incentives or subsidizing cleaner fuels.

• Increase funding for the research and development of cleaner fuels amongst public universities. Researchers at the Hong Kong University of Science and Technology recently developed the world’s most durable hydrogen fuel cell. The Government should increase funding for similar research to encourage more innovation in the energy and fuel areas.

Regulation of the Taxi and Point-to-Point Transport Industries

56 https://unctad.org/webflyer/review-maritime-transport-2018#--:text=Maritime%20transport%20is%20the%20backbone,upswing%20in%20the%20world%20economy.
57 https://www.imo.org/en/MediaCentre/HotTopics/Pages/Reducing-greenhouse-gas-emissions-from-ships.aspx#--:text=to%20peak%20GHG%20emissions%20from,consistent%20with%20the%20Paris%20Agreement
59 https://www.eurekalert.org/news-releases/957712
AmCham also encourages the Government to conduct a holistic review of the regulations governing the Taxi and Point-to-Point Transport Industries. The current regulations were designed and implemented in the 1980s, and are deeply outdated. Our members feel that they are no longer fit for purpose for Hong Kong’s modern transportation system. Having said the above, the Chamber recommends the Bureau to consider the following:

- Deregulate the Taxi and Point to Point Transport Industries to allow for more competitive and dynamic industry activities.

**Reducing Carbon Emissions through Enhancing the Public Transport System**

Roadside emissions have long been a problem for Hong Kong. The Chamber believes the Transport and Logistics Bureau also has a crucial role to play in reducing emissions in the transport sector and achieving Hong Kong’s decarbonization goals for 2050. Though Hong Kong’s transport-related emissions per capita is already relatively low, AmCham recommends the following measures to enhance the public transport system and further reduce emissions:

- Press ahead with the remaining 7 planned new rail lines/line extensions, so that rail lines continue to form the backbone of the public transport system.
- Address the current capacity limits of the MTR to decrease risks from serious overcrowding.
- Rationalize the public bus system, as well as organize incentives for park and ride. The Government should use the current lull in tourism to rethink regulations/systems for tourist coaches and commercial trucks.
- Reduce road traffic congestion by implementing an Electronic Road Pricing scheme or peak hour road traffic congestion taxes (ref. Singapore) in business districts like Central or Mong Kok during peak hours. Hong Kong was the first to introduce the concept to tackle the road congestion problem, but it has thus far not been implemented despite the rounds of consultations and feasibility studies conducted over the past two decades. Following the set-up of an international Expert Panel in 2020, the Chamber looks forward to more action in 2022 by the new Administration.

**A Walkable City**

AmCham applauds the Transport Department’s walkability strategy and the Government’s efforts in adopting “pedestrian oriented” approach in transport planning. To further enhance pedestrian experience, the Government needs to create a comprehensive and integrated walkable and livable city plan. The following are recommended:

- Revive and fully implement the Des Voeux Road pedestrian zone plan.
- Incorporate the concepts of bike share, bicycle lanes into road planning.
- Find a solution that addresses the impact of pedestrianization on commercial parking. The Government could develop a system of taxation-related incentives to drive the plan.

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