AmCham

The American Chamber of Commerce in Hong Kong

Submission on the Chief Executive Policy Address 2026

EXECUTIVE SUMMARY

1 Hong Kong's continued success rests on its status as a leading international hub for finance, trade, and investment, driven by its distinctive role as a "super value-adder" and a "super-connector" bridging the Chinese Mainland and the West. Against the backdrop of more stabilizing U.S.-China engagement and Hong Kong's prominent presence at this year's APEC meetings, the city should seize this opportunity to further strengthen its position as an international business and financial hub by reinforcing its "two systems" advantage and international character, actively showcasing its unique competitive edge, and attracting top-tier talent.

2 The Chamber appreciates the valuable opportunity to gather and share the perspectives of our diverse membership in response to the Chief Executive's Policy Address. The recommendations in this document reflect what the Chamber membership believes is essential to creating a thriving business environment in Hong Kong. AmCham is deeply committed to supporting policies that will strengthen the city's long-term competitiveness on a global scale. Below is a summary of our key recommendations.

3 **<u>Focus on the Hong Kong's "Two Systems" framework and international characteristics</u>:** AmCham continues to acknowledge the Government's commitment to upholding the "One Country, Two Systems" framework, particularly Hong Kong's unique bilingual common law system and its status as an international legal and dispute resolution services center. We encourage the Government, while necessarily emphasizing the "one country" fact, to **actively promote the city's rule of law, free flow of capital, data, and information, as well as regulatory transparency as the core pillars of a safe, stable, and attractive business environment.** Furthermore, to continue attracting international businesses and encourage Chinese Mainland enterprises to use Hong Kong as a launchpad for overseas expansion, it is essential that the Government **reinforce Hong Kong's distinct characteristics compared to other Chinese cities, particularly its role as a business and cultural entrepot bridging East and West through unique traditions and language, and historically strong English standards common law tradition - to maintain its international position.** Constantly reiterating the "Two Systems" framework and international character will preserve Hong Kong's attractiveness for both international and Chinese businesses. AmCham HK continues to suggest, as it has for three years now, the establishment of a "two systems" office within the HKSAR Government to better align policies with this framework.

4 AmCham strongly encourages the Government to proactively **promote Hong Kong's international status and reputation to the global business community**. Hong Kong should **leverage its status as a distinct economy and free port to attract foreign trade and investment.** Moreover, to **optimize its role as the primary gateway to Chinese Mainland, the city should continue facilitating the seamless, cross-border flow of capital, data, and talent.**

5 **<u>Foster talent attraction and retention</u>:** Hong Kong's vibrant global environment, coupled with the Government's recent talent admission schemes, has strengthened the city's appeal to global talent. To consolidate this strategy, the Government should **ensure comprehensive lifestyle and operational support for top-tier talent and their families, including diverse high-quality PK-12 and tertiary international education, an inclusive social environment, and a thriving**

business climate. Simultaneously, Hong Kong should **invest in nurturing local talent across emerging industries to align with the city's long-term strategic vision and reinforce its position as an international business hub.**

Specific recommendations for each of the bureaus are as follows:

6 **Commerce and Economic Development:** Hong Kong's position as a free, open and internationally connected trading hub remains crucial to its economic strength amid shifting global trade dynamics. To sustain and diversify this role, AmCham recommends **preserving free-trade principles and strengthening trade facilitation, deepening economic partnerships with emerging markets**. Additionally, AmCham proposes **stronger cross-border cooperation and digital enforcement to combat illicit trade**, developing an integrated commodity trading ecosystem, and enhancing coordination among stakeholders to streamline cross-border compliance and support international businesses.

7 **Constitutional and Mainland Affairs:** The role of a super connector and diversity remain crucial elements for Hong Kong's competitiveness. To sustain these unique edges, AmCham recommends **accelerating Northern Metropolis development by establishing a single statutory body for better coordination**, **leveraging HKIC platforms, and inviting institutional investors to the Financial Advisory Taskforce**, while **harmonizing policies and standards in the GBA.** Additionally, to retain talent and foster inclusivity, AmCham proposes further **legal protections for the LGBT community** and **enhanced measures to support non-Chinese and non-English-speaking residents**.

8 **Culture, Sports, & Tourism:** Hong Kong's sports sector has seen growing momentum with growing strength in elite sports and hosting of mega sports events. This positive momentum creates opportunities to develop sports as both a community asset and an economic driver. AmCham believes there are significant opportunities for Hong Kong to build on this momentum through **positioning Hong Kong as a center for major international sports events**, **developing sports as a sustainable industry**, and **promoting community sports participation.** In addition, Hong Kong should continue to leverage the city's valuable natural environment and historical heritage to attract more overnight tourists and further strengthen its tourism industry.

9 **Education:** International schools are essential to Hong Kong's ability to attract and retain global talent, yet they currently operate under the same regulatory framework as local schools. To further enhance Hong Kong as an international education hub, AmCham recommends **developing a separate "Code of Practice" for internationally accredited schools, providing commercial flexibility on finance and admission and maintaining frequent industry engagement**. AmCham also encourages the Government to **align pre-tertiary policy with its broader "Education Hub" goals** to build the robust talent pipeline required to support an international business hub capable of moving at tech-speed. Critical thinking skills are critical to the innovation that powers Hong Kong. Placing Education as a key area of focus under the jurisdiction of the proposed **statutory development body** would focus **strategically targeted support for schools in the Northern Metropolis, as well as our traditional business centers on Hong Kong Island**. These actions can further strengthen Hong Kong's competitiveness as a destination for both international and local talent.

10 **Environment and Ecology:** Hong Kong has made meaningful progress through **the Climate Action Plan 2050,** green finance development, and decarbonization policies. With the aim to strengthen policy clarity, support private sector investment, and position Hong Kong for long-term resilience, AmCham recommends action across several priority areas including **enhancing CAP 2050 transparency and nature-based solutions**, **accelerating the clean energy transition** and EV adoption**, stretching wastes management and EV batteries management** and **reinforcing sustainable finance**.

11 **Financial Services and the Treasury:** The financial services chapter outlines key recommendations across several recommendations to **maintain Hong Kong's stock market leading position and broaden various "Finance Connect" schemes** to unlock greater cross-border investment potential**.** In addition, to enhance Hong Kong's leading position as an international financial hub, AmCham encourages the Government to **reinforce financial integrity**; **committing to a technology-neutral regulatory approach** that aligns with international standards and **support the development of Silver**

Economy. Collectively, these actions aim to safeguard Hong Kong's competitive edge, strengthen market trust, and position the city for long-term growth as an international financial center.

12 **Health:** As Hong Kong faces an aging population, rising medical costs demand proactive action. AmCham recommends **shifting chronic care from hospitals to home, adopting value-based evaluation frameworks, expanding public-private partnerships and enhancing VHIS, accelerating patient access to innovation, sustaining R&D investment, implementing mandatory medical device registration, embedding digital health and AI, and advancing cross-border harmonization within the GBA**. These actions aim to improve hospital congestion, stabilize costs, and reinforce the city's position as a leading healthcare hub**.**

13 **Insurance:** Hong Kong's insurance industry is supported by strong market growth and the Government's vision to develop the city into an international insurance hub. To maintain the momentum, AmCham recommends the Government **deepening GBA connectivity and strengthening Hong Kong's regional reinsurance capabilities**, **developing cyber insurance and innovative products**. In addition, with the aim to strengthen the insurance industry's development, Hong Kong should streamline **sustainability reporting, modernize the legal and regulatory framework**, and **strengthen talent development**. These actions aim to enhance Hong Kong's competitiveness, drive innovation and connectivity, and reinforce its position as a leading regional insurance hub.

14 **Innovation, Technology & Industry:** The city is well-positioned as a leading I&T hub, backed by its strategic gateway position, thriving start-up ecosystem, and world-class research capabilities. To further build on this competitive edge, AmCham urges the Government to reaffirm the commitment for technology neutrality. Key recommendations include **shifting from talent attraction to talent enablement, facilitating cross-border data flows and adopting pro-cloud policies, and deepening government, industry and academic collaboration.** These actions aim to ensure I&T powers long-term growth and reinforce global leadership in technological development.

15 **Legal:** Hong Kong's unique position as an international legal and dispute-resolution hub continues to provide a strong foundation for international business, investment, and cross-border commerce. AmCham urges the Government to build upon these strengths by adopting the following key recommendations: **reinforce "One Country, Two Systems," the three free flows, and regulatory transparency**, **maintain the bilingual common law system, strengthen Hong Kong's intellectual property and AI legal framework, develop Hong Kong into an international dispute-resolution services center,** and **continue to align Hong Kong's legal strengths with the Five-Year Plan.** These actions aim to solidify Hong Kong's distinctive legal advantages and reinforce its position as a leading legal hub.

16 **Labour & Welfare:** The ability to attract and retain top-tier global talent remains fundamental to the city's status as a premier international business destination. While the Government's ongoing refinement of the Top Talent Pass Scheme and the Hong Kong Talent Engage office has yielded measurable results, regional competition for skilled professionals is intensifying. AmCham recommends a more comprehensive approach, guided by the proposed statutory development body across several fronts: **enhancing global talent attraction** through proactive marketing and a centralized information platform; **streamlining immigration regulations** to accommodate cross-border executive mobility; **bridging the pre-graduation internship gap** with a designated visa pathway; **optimizing AI-driven talent matchmaking** to avoid excluding non-local candidates; **elevating the importance of diverse PK-12 educational options;** and **maximizing the strategic value of Hong Kong's tertiary education sector.** These actions aim to broaden the talent pipeline, ease integration, and safeguard Hong Kong's competitive edge in the regional battle for human capital.

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1. Commerce & Economic Development

17 As global trade continues to evolve amid geopolitical uncertainty, supply chain restructuring, and shifting economic partnerships, maintaining and strengthening Hong Kong's position as an international trade and investment hub remains essential. AmCham views it as imperative that Hong Kong continues to reinforce its commitment to free trade, market openness, and international competitiveness.

18 Therefore, AmCham recommends measures to:

- Maintain Hong Kong as a Free Trading Port and International Trading Hub
- Strengthen Market Integrity by Combating Illicit Trade

Maintain Hong Kong as a Free Trading Port and International Trading Hub

19 Hong Kong remains one of the world's leading trading and investment centers, supported by its free port status, common law system, simple tax regime and strong international connectivity. Merchandise trade grew by 17.5% in 2025 to US$1.585 trillion,[1] while commercial services trade reached US$211 billion,[2] reflecting Hong Kong's continued importance in international commerce. Preserving an open, predictable, and rules-based trading environment remains fundamental to sustaining investor confidence amid increasing geopolitical uncertainty.

20 Despite these competitive advantages, changing global trade dynamics require Hong Kong to preserve its traditional strengths as an international trading hub while also diversifying its economic partnerships and deepen engagement with fast-growing markets.

21 Emerging markets across Central Asia, ASEAN, the Middle East and Africa are generating growing demand for investment, infrastructure, logistics and professional services. While Hong Kong has begun strengthening engagement with these markets, businesses continue to face information gaps, regulatory uncertainty, and limited institutional support when exploring new commercial opportunities. Developing a coordinated emerging markets strategy would enable Hong Kong enterprises to diversify market exposure while reinforcing the city's role as a gateway between Chinese Mainland and overseas markets.

22 To strengthen Hong Kong's position as an internationally competitive trading hub, AmCham recommends the Government to:

- Preserve Hong Kong's core competitiveness:
    - Continue to uphold free trade principles, maintaining the free flow of goods, capital, and information, and preserving Hong Kong's position as a separate customs territory under the Basic Law and WTO framework.
    - Engage with overseas governments, investors, and multinational corporations to reinforce confidence in Hong Kong's common law system, transparent regulatory environment, and business-friendly policies.

- Enhance trade facilitation:
    - Expand digital customs procedures, paperless trade documentation, and cross-border digital trade initiatives to reduce compliance costs, improve efficiency, and strengthen supply chain resilience.

- Expand external economic partnerships:
    - Increase high-level trade missions, investment promotion activities, and bilateral business exchanges with emerging economies, particularly Central Asia, ASEAN, the Middle East, and Africa.

[1] Hong Kong rises to world's fifth-largest trading entity in merchandise trade. (2023, January 10). Commerce and Economic Development Bureau. https://www.cedb.gov.hk/en/news/press_release/2026/pr02042026a.html
[2] Hong Kong rises to world's fifth-largest trading entity in merchandise trade. (2023, January 10). Commerce and Economic Development Bureau. https://www.cedb.gov.hk/en/news/press_release/2026/pr02042026a.html

- Establish dedicated government resources to provide market intelligence, regulatory guidance, and business matching services for Hong Kong enterprises seeking to expand into emerging markets, and unlock new opportunities for trade, investment, and business expansion.
- Leverage Hong Kong's strengths in finance, legal services, logistics, insurance, and dispute resolution to support Belt and Road projects and cross-border investments.

Strengthen Market Integrity by Combating Illicit Trade

23 Illicit trade continues to undermine legitimate commerce, consumer confidence, and government revenue across jurisdictions worldwide. For international trading centers such as Hong Kong, maintaining a transparent, efficient and trusted regulatory environment is essential to preserving competitiveness and supporting cross-border trade.

24 As Hong Kong deepens economic integration with the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) and experiences growing cross-border flows of goods and people, customs enforcement has become increasingly complex. Differences in regulatory requirements, taxation regimes, licensing arrangements and customs procedures across jurisdictions may create opportunities for regulatory arbitrage and illicit trade activities. These differences can increase compliance uncertainty for legitimate businesses while creating vulnerabilities that may be exploited by criminal networks.[3]

25 The impact of illicit trade extends beyond revenue losses. The circulation of untaxed, counterfeit or non-compliant products undermines fair market competition, distorts pricing and exposes consumers to products that may fail to meet safety and quality standards. It can also erode confidence in the integrity of Hong Kong's trading environment.

26 Recent enforcement data demonstrates the scale of the challenge. In 2025, the Customs and Excise Department handled 29,037 illicit cigarette cases, representing a 36% increase from 21,283 cases in the previous year.[4] This trend highlights the need for continued investment in enforcement capabilities and stronger cross-border regulatory collaboration.

27 To strengthen Hong Kong's market integrity, AmCham recommends the Government to:

- Continue working closely with Chinese Mainland authorities and regional enforcement agencies to enhance intelligence sharing, joint investigations, and coordinated enforcement against illicit trade networks.
- Review and address inconsistencies in product regulations and permissible consumer goods between Hong Kong and the Mainland, reducing compliance uncertainty while closing regulatory gaps that facilitate illicit trade.
- Expand the use of digital product traceability systems, electronic customs processes, risk-based inspections and supply-chain visibility technologies to improve enforcement efficiency while facilitating legitimate trade.
- Establish clear performance metrics and regular reporting mechanisms for anti-illicit trade enforcement operations to strengthen accountability and evaluate the effectiveness of enforcement strategies.
- Ensure that tax policy decisions appropriately balance public health, fiscal and economic objectives while considering potential impacts on illicit trade, government revenue and enforcement costs.

[3] Financial Services Development Council. (2025). Unveiling Hong Kong's potential: prospective growth in the expanding commodity market. https://www.fsdc.org.hk/media/3vynjcoi/fsdc-commodity-paper-en-20251111.pdf
[4] Ma, J., & Ma, J. (2026, February 12). Hong Kong customs seizes HK$2.7 billion of illicit cigarettes as busts jump 36%. South China Morning Post. https://www.scmp.com/news/hong-kong/law-and-crime/article/3343350/hong-kong-customs-seizes-hk27-billion-illicit-cigarettes-busts-jump-36

2. Constitutional and Mainland Affairs

28 Hong Kong's global competitiveness has risen for the third consecutive year and ranked second globally according to World Competitiveness Yearbook 2026.[5] This success comes as Hong Kong's unique advantages under the "One Country, Two Systems" framework position it as a "super connector" and "super value-adder." To sustain this momentum, Hong Kong should continue to maintain connectivity while building an inclusive society for international talents to thrive. By unifying regional integration initiatives with a progressive and inclusive domestic policy environment, Hong Kong can remain a dynamic, attractive, and sustainable gateway for global trade and talent.

29 To achieve this goal, AmCham believes the city should continue harmonizing GBA integration while enhancing Hong Kong's inclusiveness:

- Advancing the Development of Northern Metropolis
- Driving GBA Integration and Standard Harmonization
- Promoting Hong Kong as an Equitable and Inclusive Society

Advancing the Development of Northern Metropolis

30 The National 15th Five-Year Plan has expressed explicit support for expediting the development of the Northern Metropolis, the Government has also introduced a series of specific initiatives to support the development of the Northern Metropolis. AmCham appreciates the Government's effort to introduce the Northern Metropolis Development Bill to the Legislative Council this year to empower the administration in facilitating the smooth cross-boundary flow of personnel, materials, capital, and data in cooperation.[6]

31 Maintaining the development momentum will require sustainable financing mechanisms, effective governance, and stronger collaboration between the public and private sectors to support large-scale infrastructure and long-term development of the Northern Metropolis. AmCham welcomes the Government's effort to mobilize private capital to build joint financing channels.

32 To this end, AmCham recommends:

- Establish a single statutory body to ensure better coordination and facilitation of public-private partnerships (PPP) with the private sector.
- Utilize government platforms such as HKIC to attract institutional and private investors into strategic projects.
- Enhance coordination between government and private sector partners and engage the Financial Advisory Taskforce to support sustainable financing strategies. As an initial step, AmCham suggests the Government to consider expanding participation in the Taskforce by explicitly inviting long-term institutional investors (such as asset managers, insurers, and pension funds) to join as observers.

Driving GBA Integration and Standard Harmonization

33 Comprising the two Special Administrative Regions of Hong Kong and Macao alongside nine municipalities in Guangdong Province, the Greater Bay Area ("GBA") has provided tremendous opportunities for Hong Kong business community.

[5] Hong Kong rises to rank second globally in World Competitiveness Yearbook 2026. (n.d.). https://www.info.gov.hk/gia/general/202606/18/P2026061800331.htm
[6] Northern Metropolis Development Bill gazetted today. (n.d.). https://www.info.gov.hk/gia/general/202607/03/P2026070300863.htm

34 The GBA integration has shown huge success in captivating the regional economic potential, recording a GDP of over RMB 14.5 trillion in 2024.[7] However, high coordination costs remain a key barrier for business in the region and an obstacle to unlock the full economic potential.

35 To continue supporting Hong Kong's development as an international innovation and technology center and promote Hong Kong's integration into the GBA, AmCham recommends the Government to:

- Leverage the Northern Metropolis Bill pilot mechanism to facilitate cross-boundary flows and align policies across GBA cities and thereby reduce coordination costs for businesses.

Diversity and Inclusion under the Equal Opportunities Commission

Promoting Hong Kong as an Equitable and Inclusive Society

36 Hong Kong's openness and diversity is a longstanding competitive advantage for attracting international talent, and the Sex Discrimination Ordinance ("SDO") is conducive to Hong Kong's equal and inclusive workplace environment.

37 However, the current SDO has not adequately recognized LGBT minorities in Hong Kong, failing to provide a framework to protect the inclusive environment. As a result, the current law falls short of protecting members of the LGBT community from discrimination. [8]

38 Hong Kong has also seen citywide acceptance of LGBT minorities, with over 60% of Hong Kong citizens agreeing with same-sex marriage – an increase from 38% in 2013 to 50.4% in 2017 – and 71% supporting laws against discrimination on the basis of sexual orientation.[9] Consequently, it is crucial to build Hong Kong into an equitable and inclusive society to prevent further brain drain and to ensure all talent feel welcomed and included in the workplace.

39 To this end, AmCham recommends that the Government to:

- Officially declare members of the LGBT community as a protected class and design relevant laws and orders to safeguard their rights and ensure that equal opportunities of self-actualization are accessible to them.
- Enhance legal protections by modernizing requirements for updating HKID gender markers and supporting inclusive healthcare access, and by adopting workplace non-discrimination standards to improve local talent retention and enhance the city's appeal to international professionals.

40 Furthermore, to reinforce Hong Kong's inclusiveness and retain international talent, the city should recognize and value the contributions of non-Chinese and non-English-speaking people. In 2021, there were 619,568 non-Chinese people in Hong Kong, accounting for 8.4% of the population.[10] These groups are often subject to discrimination in hiring processes and the workplace and may be excluded from employment due to perceived gaps in Cantonese, Mandarin and/or English proficiency, even when such skills are not required for the role.

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[7] Guangdong-Hong Kong-Macao Greater Bay Area. (2024). Guangdong-Hong Kong-Macao Greater Bay Area Overview. https://www.brandhk.gov.hk/docs/default-source/factsheets-library/hong-kong-themes/2026-03-10/gba_en_feb-2026.pdf

[8] Hong Kong e-Legislation. (n.d.). https://www.elegislation.gov.hk/

[9] Lau, H., Loper, K., Suen, Y. T., Centre for Comparative and Public Law at the Faculty of Law, The University of Hong Kong, Sexualities Research Program, The Chinese University of Hong Kong, & Human Rights Law Program, UNC School of Law. (2023). Support in Hong Kong for same-sex couples' rights grew over ten years (2013-2023): 60 percent now support Same-Sex Marriage. https://law.unc.edu/wp-content/uploads/2023/05/Change-Over-Time-Report-2023-FINAL-English.pdf

[10] Race Relations Unit - Information Centre - Demographics. (n.d.). https://www.had.gov.hk/rru/english/info/demographics.htm#:~:text=The%202021%20Population%20Census%20found,about%208.4%25%20of%20the%20population.

41 To enhance Hong Kong inclusiveness, AmCham therefore suggests:

- Expand comprehensive syllabuses for teaching Chinese as a second language across Hong Kong's local school system and strengthen existing English Language curricula in local schools.

3. Culture, Sports & Tourism

Sports

42 Hong Kong's sports sector has gained significant momentum in recent years. The Hong Kong men's foil team's historic silver medal at the Fencing World Championships underscores the city's growing strength in elite sports. Meanwhile, the rising popularity of activities such as HYROX, pickleball and mass participation running events reflects growing public demand for sports and wellness experiences. Together, these trends create new opportunities to develop sports as both a community asset and an economic driver.

43 Building on this positive momentum, AmCham believes there are substantial opportunities to further strengthen Hong Kong's competitiveness through coordinated policies that promote sports tourism, industry development, governance and community participation.

44 This section focuses on three key pillars that will drive growth and development in sports:

- Position Hong Kong as a Center for Major International Sports Events
- Develop Sports as a Sustainable Industry
- Promote Community Sports Participation

<u>Position Hong Kong as a Center for Major International Sports Events</u>

Establish a Dedicated Framework and Inter-Department Coordination for Mega Sports Events

45 Hong Kong has successfully hosted a growing number of international sporting events in recent years, including the Hong Kong Sevens, the annual Hong Kong Football Festival, several annual professional tennis events and new global sports properties such as the upcoming ANOC General Assembly and Sail GP demonstrating its capability to stage world-class sports competitions.[11] Notably, Hong Kong's successful co-hosting of the 15th National Games has further demonstrated its ability to organize large-scale, multi-sport events at a standard consistent with the requirements of major international sporting competitions. These achievements have enhanced Hong Kong's international profile and reinforced its potential to become a leading destination for major sporting events in the region.

46 As competition among cities to attract mega sporting events continues to intensify in Asia and globally, an efficient operating environment has become increasingly important. Competition is even more intense as many global events require booking and funding commitments of up to two years in advance of the event taking place. While Hong Kong possesses the infrastructure and experience necessary to host world-class events, organizers are often required to engage with multiple stakeholders, including venue operators and a large number of various government authorities making approval processes taking far longer than those in other markets. There is an opportunity to streamline coordination through a more centralized framework that provides event organizers with greater certainty, longer lead times to plan global events, book venues with clearer points of contacts.

47 International experience demonstrates the benefits of such an approach. In Singapore, Sport Singapore functions as a centralized agency that coordinates venue management, event planning and government liaison, helping to facilitate coordination across stakeholders and support international event organizers with quick approval processes.[12]

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[11] Our Hong Kong Foundation & Public Policy Institute. (2025). Breaking Boundaries to Develop Hong Kong into a Mega Sports Events Capital. Our Hong Kong Foundation. https://s3.ourhkfoundation.org.hk/s3fs-public/2025-08/Breaking-Boundaries-to-Develop-Hong-Kong-into-a-Mega-Sports-Events-Capital_2025_PPT_EN.pdf

[12] ANNUAL REPORT. (n.d.-b). In Sport Singapore Annual Report 2024/2025. https://isomer-user-content.by.gov.sg/46/bfe9eccd-985f-405c-9b84-83d290eb86a3/20251023_SportSG_24_25_AR.pdf

48 To further strengthen Hong Kong's position as a global sport events hub, AmCham encourages the Government to:

- Establish a dedicated Sports Tourism Unit under the Hong Kong Tourism Board (HKTB) to coordinate cross-departmental planning, streamline communications, and provide a single point of contact for international event organizers.
- Continue strengthening collaboration with GBA cities and international sports organizations to attract flagship sporting events, develop cross-border sports tourism initiatives
- Evaluate and support Hong Kong's participation in a GBA bid for the 2036 Olympic Games

Optimize Venue Utilization and Streamlining Inter-Department Approval Processes

49 Hong Kong possesses a diverse portfolio of sporting infrastructure, including Kai Tak Sports Park, Hong Kong Stadium, AsiaWorld-Expo, stadiums, community centers, cycling tracks, rowing facilities, country parks and extensive coastal environments suitable for international competitions. Since opening, Kai Tak Sports Park has recorded 138 event days, attracting more than 7 million visitors, facilitated over 42,000 bookings and logged nearly 100,000 hours of community sports activities, demonstrating strong demand for sports and entertainment venues in Hong Kong.[13]

50 As Hong Kong's portfolio of major sporting venues continues to expand, maximizing their utilization has become increasingly important. While venues such as Kai Tak Sports Park and Hong Kong Stadium regularly host flagship events, there is an opportunity to adopt a more coordinated approach to venue scheduling, event allocation and community access throughout the year. Better integration and transparency across Hong Kong's major venues could increase booking flexibility, support a larger pipeline of sporting events and enhance the overall return on significant public infrastructure investments.

51 The challenge is particularly relevant for outdoor and water sports events, such as trail running and open-water swimming competitions, which may require coordination across venues and locations managed by different government departments. Providing clearer approval pathways and greater advanced planning certainty would reduce administrative complexity for organizers and strengthen Hong Kong's competitiveness as a destination for international sporting events.

52 To maximize the utilization of Hong Kong's sports venues, AmCham encourages the Government to:

- Develop a centralized application and approval platform for major sporting events involving multiple government departments, including the Leisure and Cultural Services Department (LCSD) and the Agriculture, Fisheries and Conservation Department (AFCD), with standardized procedures, transparent approval timelines, and clearer guidance for events held in country parks, coastal areas and marine environments.
- Introduce fast-track approval arrangements for recurring international sporting events and established organizers, and establish longer-term venue booking mechanisms with 12-to-24-month planning horizons to improve certainty for international event organizers.
- Conduct a strategic review of how major sports venues, including Kai Tak Sports Park, Hong Kong Stadium and AsiaWorld-Expo, can be coordinated to optimize scheduling, improve venue utilization and enhance Hong Kong's ability to attract recurring international sporting events.
- Integrate ESG and sustainability considerations into venue management and event planning by promoting environmentally responsible event operations, leveraging the sustainability features of major venues, and supporting the long-term maintenance of heavily utilized public trails, country parks and marine sports environments.

[13] Kai Tak Sports Park Marks a Defining Year New Documentary "Game On, Kai Tak!" Goes Global on 3 January. (2025, December 31). Kai Tak Sports Park. https://www.kaitaksportspark.com.hk/newsroom/Kai-Tak-Sports-Park-Marks-a-Defining-Year

Strengthen Sports Branding and International Marketing

53 As cities around the world intensify efforts to attract visitors through sporting events and effective international marketing has become as important as event hosting capability itself. While Hong Kong has successfully promoted individual events such as the Hong Kong Sevens and many other international events, international marketing efforts remain largely event-specific. There is an opportunity to more systematically position Hong Kong as a leading destination for sports tourism through a coordinated and sustained destination branding strategy.

54 Leading sports destinations such as Singapore,[14] Melbourne [15]and Dubai [16]actively position major sporting events as part of broader tourism, entertainment and business promotion campaigns, thus generating year-round international visibility and visitor engagement. Hong Kong would benefit from a similarly coordinated strategy involving the HKTB, Invest Hong Kong (InvestHK), Hong Kong Economic and Trade Offices (HKETOs), airlines, hotels and private-sector partners.

55 To enhance Hong Kong's international sports profile, AmCham encourages the Government to:

- Strengthen collaboration between HKTB, InvestHK, HKETOs, and industry stakeholders to promote Hong Kong as a leading destination for international sporting events and sports tourism.
- Leverage the global network of HKETOs and international partners to support overseas marketing campaigns and position Hong Kong as the gateway for major sporting events in Asia, the GBA, and China.
- Expand strategic partnerships with international sports organizations, athletes, brands and media platforms to enhance Hong Kong's global visibility and attract flagship sporting events.

Develop Sports as a Sustainable Industry

Enhance Professionalism of the Sports Sector

56 Hong Kong's investment in major sporting events and sports infrastructure has created new opportunities to develop sports as an industry, spanning event management, sports technology, media, marketing and tourism. However, translating this momentum into a sustainable sports economy will require significantly greater participation from the private sector.[17]

57 Despite the growing commercial potential of the sports sector, many sports organizations continue to rely heavily on government funding. Smaller National Sports Associations (NSAs) face challenges in securing sponsorships and developing long-term commercial partnerships. At the same time businesses often have limited visibility into available investment opportunities and the potential returns from supporting federations, sports programmes, and events.[18] This reduces the flow of private capital into the sports sector and constrains the development of sports as a sustainable industry.

58 To unlock greater private-sector participation, sports organizations need stronger commercial capabilities and more effective mechanisms to connect with potential corporate partners. Greater transparency, improved sponsorship facilitation and stronger governance standards of NSAs could help attract investment, diversify funding sources and support the growth of sports technology, event management and other sports-related industries.

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[14] Leisure events. (n.d.). Singapore Tourism Board. https://www.stb.gov.sg/industries-experience-development/leisure-events/
[15] Sport - What's on Melbourne. (n.d.). https://whatson.melbourne.vic.gov.au/things-to-do/entertainment/sport
[16] Sports map. (n.d.). Government of Dubai. https://www.dubaisc.ae/sport
[17] Our Hong Kong Foundation, *Breaking Boundaries to Develop Hong Kong into a Mega Sports Events Capital* (2025)
[18] Our Hong Kong Foundation & Public Policy Institute. (2025). Breaking Boundaries to Develop Hong Kong into a Mega Sports Events Capital. Our Hong Kong Foundation. https://s3.ourhkfoundation.org.hk/s3fs-public/2025-08/Breaking-Boundaries-to-Develop-Hong-Kong-into-a-Mega-Sports-Events-Capital_2025_PPT_EN.pdf

59 To this end, AmCham encourages the Government to:

- Continue strengthening governance standards, transparency and corporate compliance across NSAs to reinforce public confidence and improve institutional effectiveness.
- Introduce additional policies and new tax incentives to encourage private-sector investment in sports organizations, sports intellectual property, sports technology and related industries.

Support Emerging Sports and Athlete Career Transition

60 The sports sector contributes not only to athletic achievement but also to employment generation, talent development and the growth of sports-related industries. A sustainable sports ecosystem requires support for new and emerging sports as well as opportunities for athletes to continue contributing to the sector beyond their competitive careers.

61 Emerging sports, including new Olymics sports, often face challenges in securing long-term funding, building public awareness and expanding participation. At the same time, many retired athletes encounter limited opportunities to transition into coaching, sports administration, event management or industry leadership roles. [19] These challenges can constrain the development of Hong Kong's sports industry and result in the loss of valuable expertise accumulated by former athletes. Without sufficient support mechanisms, emerging sports may struggle to reach their growth potential, while athletes may find it difficult to remain engaged in the sector after retirement.

62 Many leading sports economies have implemented initiatives to support athlete career transition and foster the growth of emerging sports, helping to strengthen the overall sustainability of their sports ecosystems. For example, Singapore's spexBusiness Network connects athletes with employment, mentorship and professional development opportunities[20], demonstrating the value of providing structured support both during and after athletes' competitive careers.

63 To this end, AmCham encourages the Government to:

- Provide longer-term funding support for emerging, new Olympics sports, and non-mainstream sports to encourage sustainable athlete development and strengthen Hong Kong's international competitiveness.
- Review funding eligibility criteria to ensure independent event organizers, innovative sports initiatives and emerging sports associations have equitable access to government support.
- Strengthen athlete career transition programmes by creating pathways into coaching, sports administration, event management and related professions, enabling retired athletes to continue contributing to Hong Kong's sports ecosystem.

Promote Community Sports Participation

64 Hong Kong has taken positive steps to promote sports participation through initiatives such as expanding access to public sports facilities via SmartPLAY and increasing public engagement with major sporting events. As interest in sports continues to grow, there is an opportunity to further strengthen pathways that connect community participation, youth development and long-term engagement in sport.

65 While schools, sports associations, community organizations and social service providers each play an important role in sports development, collaboration across these sectors remains limited. A more integrated approach could help identify and nurture young talent, promote physical and mental well-being, and encourage lifelong participation in sport. In addition,

[19] Our Hong Kong Foundation & Public Policy Institute. (2025). Breaking Boundaries to Develop Hong Kong into a Mega Sports Events Capital. Our Hong Kong Foundation. https://s3.ourhkfoundation.org.hk/s3fs-public/2025-08/Breaking-Boundaries-to-Develop-Hong-Kong-into-a-Mega-Sports-Events-Capital_2025_PPT_EN.pdf
[20] Athlete wellbeing & engagement. (n.d.). WAIS. https://wais.org.au/services/athlete-wellbeing-and-engagement/

digital platforms can play an important role in connecting the public with sporting opportunities and raising awareness of local athletic achievements.

66 To this end, AmCham recommends the Government to:

- Strengthen collaboration between sports, education and social service sectors to develop integrated youth sports programmes that promote physical and mental well-being.
- Enhance the SmartPLAY platform by expanding information on local competitions, community sports programmes and athlete achievements to increase public participation and strengthen support for local sports

Tourism

67 Recent policy initiatives under the Northern Metropolis have introduced welcome measures to streamline licensing requirements for village eateries and guesthouses, reflecting growing government recognition of rural tourism's potential as an economic driver.

68 However, the sector continues to face constraints related to accommodation capacity, transportation connectivity, and visitor infrastructure. While demand for nature-based and experiential tourism is increasing, the availability of distinctive overnight accommodation options remains relatively limited. Expanding offerings such as heritage homestays, eco-lodges, and glamping facilities could encourage visitors to extend their stays, generating greater spending for local businesses while supporting broader government objectives of revitalizing rural communities.

69 To encourage sustainable growth in this segment, AmCham recommends that the Government to:

- Developing a more tailored, fit-for-purpose regulatory framework for rural hospitality that differentiates small-scale rural accommodation from conventional hotel developments.
- Providing dedicated guidance or more flexible compliance pathways for emerging accommodation models, such as glamping, could help foster a vibrant, low-impact eco-tourism ecosystem while maintaining appropriate safety and operational standards.

4. Education

70 Hong Kong's long-standing reputation as a premier education destination continues to underpin its broader ambitions of becoming a leading international hub for learning and talent. The Hong Kong Government has demonstrated commendable foresight in advancing the post-secondary education sector and promoting the "Study in Hong Kong" brand, as reflected in recent Policy Addresses.[21] According to the latest 2027 QS World University Rankings, published by global higher education analyst Quacquarelli Symonds, the eight universities funded by the University Grants Committee (UGC) achieved outstanding results, with five maintaining their positions among the world's top 100.[22] Furthermore, in the 2025/26 academic year, these funded universities hosted over 30,000 non-local students from more than 100 countries and regions, representing a 14% year-on-year increase compared to the 2024/25 academic year.[23]

71 As Hong Kong competes with regional peers to attract and retain top-tier talent, access to high-quality international education has become a decisive factor for relocating families and local professionals alike. AmCham encourages the Government to elevate education policy as a core pillar of Hong Kong's economic and talent attraction and retention strategy.

72 This chapter focuses on the following recommendations to the Government:

- Strengthen Hong Kong's Position as a Global Talent Hub through Education
- Enhance Operational and Financial Governance of Internationally Accredited Schools
- Institutionalize the Communications with International School Operators
- Align the Pre-Tertiary Sector and the Tertiary Sector

Strengthen Hong Kong's Position as a Global Talent Hub through Education

73 Excellent education is one of the cornerstones of Hong Kong's global competitiveness. Not only is it crucial for nurturing local talents, the availability of high-quality, accessible international educations that meets globally recognized standards is a critical factor in attracting and retaining top-tier talent. Without sufficient access to such educational opportunities, Hong Kong may find it more challenging to compete with other leading regional hubs. Moreover, a lack of educational diversity in Hong Kong can present a retention challenge, as many local professionals prioritize access to a broad range of curricula, teaching approaches and learning environments when making long-term decisions about where to live and work.

74 Most recently, success in attracting talent to Hong Kong after the Covid pandemic has resulted in oversubscription in all top tier PK-12 through train schools on Hong Kong island and Kowloon, especially at the secondary level, as many come to Hong Kong for the education that will assure access to top universities. Place availability is largely linked to policy constraints imposed by outdated pre-tertiary regulation, coupled with Hong Kong's high-cost environment.

75 In addition, the current quota for enrollment in international schools (30% for local passport holders),[24] which has been in force since 2009, poses a barrier for retaining local talents. The current cap for the local students' international schools can admit limits education options for local talent families. Without adequate options that offer the desired certainty and choice, families are increasingly incentivized to opt for overseas alternatives, resulting in a dual loss for the city: the departure of top-tier talent and the significant outflow of local top talent.

[21] The chief executive's 2024 policy address. (n.d.). https://www.policyaddress.gov.hk/2024/en/p108.html
[22] QS World University Rankings. (n.d.). https://www.topuniversities.com/qs-top-uni-wur
[23] LCQ16: Monitoring of operation of international schools. (n.d.). https://www.info.gov.hk/gia/general/202407/10/P2024071000287.htm?fontSize=1
[24] Harrow International School Hong Kong. (2025, November 19). Application timeline - Harrow International School Hong Kong. https://www.harrowhongkong.hk/his/admissions/application-timeline/

76 AmCham calls for the Government to address these concerns through the following measures:

- Position international school policy as a strategic pillar of the talent development ecosystem: AmCham recommends establishing a single **statutory development body** that can direct cross-bureau coordination, especially with Hong Kong Talent Engage under the Labor and Welfare Bureau. Education policy should be viewed through the lens of economic development and talent pipeline rather than an administrative issue, where cross-bureau coordination can allow responsive policy development and integrated decision-making.
- Relax quota restrictions on local student enrollment in international schools to provide diverse education options for local talent, thus retaining local talents and ensuring that Hong Kong remains an attractive destination for international professionals and their families.

Enhance Operational and Financial Governance of Internationally Accredited Schools

77 The current application of the Education Ordinance (Cap. 279) subjects all pre=tertiary schools, from government schools to internationally accredited schools to a uniform regulatory framework, limiting financial planning flexibility and inhibiting pedagogical innovation in international schools. Both local and international schools are governed under the same Education Ordinance (Cap. 279),[25] [26] except for certain international schools operating on allocated sites that are required to follow school practice by charging fees monthly rather than by term, thereby reducing flexibility in financial and strategic planning.

78 One of the largest global trends in international education is the emergence of a continuous PK–12 "through-train" model that anchors families long-term, and which has become the expected norm for parents coming to Hong Kong. This is not the same model for local schools, which accounts for nearly 95% of the students enrolled. This results in some internationally accredited schools being arbitrarily classified into separate kindergarten, primary, and secondary sections, which are regulated differently, blocking the efficiencies of the PK-12 model. Expansion from primary into secondary is hampered by opaque EDB policy support and requires restarting the registration process from scratch, or inability to modify registrations even for proven, high-performing schools. Crucially, each fee, investments, and use of funds for every self-funded school must each be approved by the EDB under CAP 279 as opposed to the UGC approach for government funded universities or the approaches for private, self-funded tertiary organizations offering non-local curriculum (regulated under CAP 493). Further, all fees must be charged monthly rather than by term, thereby reducing investment incentive, flexibility in financial and strategic planning.

79 Furthermore, aspects of the existing Ordinance,[27] including building compliance and staffing regulations, may constrain the ability of international schools to innovate and adapt to evolving educational needs.[28] This is particularly relevant as schools increasingly explore the use of emerging technologies, including artificial intelligence, to enhance teaching learning and administrative functions. The Government's commitment to advancing digital education, as reflected in the forthcoming Blueprint for Digital Education Development in Primary and Secondary Schools (Blueprint),[29] presents an opportunity to modernize the regulatory approach and enable greater innovation across the education sector. Providing internationally accredited schools with greater flexibility to pilot and adopt new educational technologies would strengthen Hong Kong's

[25] LCQ16: Monitoring of operation of international schools. (n.d.-b). https://www.info.gov.hk/gia/general/202407/10/P2024071000287.htm?fontSize=1
[26] EDUCATION ORDINANCE (Cap. 279) EDUCATION ORDINANCE (AMENDMENT OF SCHEDULE 3) NOTICE 2008. (n.d.). Legislative Council. https://www.legco.gov.hk/yr07-08/english/subleg/brief/146_brf.pdf
[27] LCQ16: Monitoring of operation of international schools. (n.d.-b). https://www.info.gov.hk/gia/general/202407/10/P2024071000287.htm?fontSize=1
[28] The Chief Executive. (n.d.). The Chief executive's 2025 policy address supplement. In Contents Page. https://www.policyaddress.gov.hk/2025/public/pdf/supplement/supplement-full_en.pdf#24#18
[29] Blueprint for Digital Education Development in Primary and Secondary Schools - Education Bureau. (2026, June 15). https://www.edb.gov.hk/en/edu-system/primary-secondary/applicable-to-primary-secondary/it-in-edu/debp.html

position as a leading international education hub and support the broader development of a future-ready talent pipeline.

80 To this end, AmCham recommends:

- Establish a collaborative taskforce with direct input from international school leadership and international business to identify regulatory barriers and create actionable policy recommendations informing the proposed SAR single statutory development body.
- Ensure that internationally accredited school needs are addressed through a tailored approach, rather than a one-size-fits-all model applied to all private schools.
- Create a separate "Code of Practice" for international schools achieving international accreditation to permit registration of PK-12 through-train schools without reclassification of curriculum; exemption from Section 61 fee restrictions to allow term-based fee collection, capital and operating fee collection; and provide standardized operational flexibility (including staffing, curriculum, admission, and investment strategies), thereby enabling better financial planning while maintaining appropriate regulatory oversight.

<u>Institutionalize the Communications with International School Operators</u>

81 While the Education Bureau is committed to overseeing Hong Kong's diverse education landscape, AmCham believes there are opportunities to further strengthen engagement with the international school sector. The International Schools Division (IISD) manages a very broad portfolio of institutions, encompassing local and international schools, however the distinct role and unique challenges faced by international schools may not always be reflected through existing communication channel.[30] Not all PK-12 internationally accredited schools are included in International School figures, or regulated by the IISSD. In addition, Teacher Registration is limited by a different division of the EDB, limiting private international teachers, Campus Facilities and School Registration are regulated by another EDB division, etc. As a result, the distinct role and unique challenges faced by PK-12 through-train, internationally accredited schools may not be fully reflected to the ultimate policy makers.[31]

82 Furthermore, without a dedicated communication channel and designated points of contacts for international schools, it would be challenging to maintain continuity of institutional knowledge as personnel changes occur. This affects the consistency of policy interpretation, implementation and established understandings, creating uncertainty for international school operators in their long-term planning and investment decisions, and significant operational delays and inefficiencies. Establishing a dedicated communication channel, supported by appropriate knowledge-transfer and continuity mechanisms, would help strengthen the partnership between the Government and the international school community.

83 To this end, AmCham recommends:

- Institutionalize the EDB IISSD international school liaison function to enhance communication with the international business community and the pre-tertiary education industry; ensuring a dedicated officer or office responsible for continuous policy alignment and relationship management with international schools, so that the international school sector's perspectives and operational considerations are adequately understood and incorporated into policy development.
- Establish formal handover coordination protocols for personnel changes to preserve institutional memory regarding international school policies and prior arrangements.

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[30] LCQ16: Monitoring of operation of international schools. (n.d.-c). https://www.info.gov.hk/gia/general/202407/10/P2024071000287.htm?fontSize=1
[31] LCQ16: Monitoring of operation of international schools. (n.d.-c). https://www.info.gov.hk/gia/general/202407/10/P2024071000287.htm?fontSize=1

Align Hong Kong's Pre-Tertiary and Tertiary Sector

84 To solidify Hong Kong's position as a premier global education destination, AmCham appreciates the Government for recognizing that the pre-tertiary and tertiary sectors do not operate in isolation. A fundamental connection between Hong Kong's pre-tertiary and tertiary regulatory framework is needed, which could enable the cohesive development of the broader education ecosystem.

85 Currently, a major policy gap exists between our agile, internationally focused tertiary sector and an overly centralized pre-tertiary regulatory structure. Without statutory alignment between PK–12 and higher education, Hong Kong risks to deliver a seamless and internationally competitive education pathway. Creating a cohesive framework that supports students from early childhood, primary and secondary education through to higher education is essential to attracting and retaining international students and their families, retaining local talent, and reinforcing Hong Kong's status as a leading talent-nurturing hub and a premier global education destination.

86 To this end, AmCham recommends that:

- Establish a high-level coordination body to align pre-tertiary policy with "International Education Hub" goals.
- Review and remove regulatory barriers that contradict and impede the development of a seamless primary-to-tertiary education ecosystem, while approaching tertiary flexibility with appropriate sensitivity given its unique policy and governance context.
- Introduce targeted policy support for international schools in the Northern Metropolis, where the EDB has already reserved sites, and investigate establishment of similar sites in the traditional centers on Hong Kong Island and Kowloon to ensure seamless integration of primary, secondary, and tertiary education and build a comprehensive education and talent pipeline in the region.

5. Environment & Ecology

87 Hong Kong's continued dedication to sustainability and climate resilience is the cornerstone of the city's long-term economic growth, global competitiveness, and urban strength to combat extreme weather. In the face of evolving global environmental conditions and increasingly frequent extreme weather events, Hong Kong's strategic focus on sustainable infrastructure and proactive adaptation is precisely what ensures the city remains a safe, sustainable, and thriving international business hub. The Government's clear targets in achieving carbon neutrality by 2050 and halving emissions before 2035 demonstrate strong institutional leadership in Hong Kong's sustainability development. These efforts provide businesses with a solid foundation and establish Hong Kong as a benchmark for sustainable development across the region.

88 As global expectations for sustainable and transparent business practices continue to evolve, AmCham urges the Government to maintain Hong Kong's competitiveness as an international business and financial center through clear policy direction, effective implementation, and ongoing stakeholder engagement.

89 This chapter outlines key areas where targeted action can strengthen Hong Kong's position as a global leader in sustainability, particularly:

- Enhance Transparency and Strategic Collaboration for Hong Kong's Carbon Neutrality
- Accelerate the Clean Energy Transition and Energy Diversification
- Enhance Hong Kong's Hydrogen Fuel Readiness
- Support Sustainable Data Centre Development
- Advance Electric Vehicle (EV) Adoption and Circular Battery Management
- Accelerate Hong Kong Nature-Based Solutions (HKNbS) Integration
- Strengthen Hong Kong's Physical Climate Risk Resilience
- Build Comprehensive Waste Management Ecosystem for Domestic and Commercial Textiles
- Incentivize Digital Product Passport (DPP) Infrastructure and Pilot Schemes
- Strengthen Sustainable Finance with Green Taxonomy

Enhance Transparency and Strategic Collaboration for Hong Kong's Carbon Neutrality

90 AmCham appreciates the Government's commitment to the clear long-term decarbonization targets set out in Climate Action Plan 2050 (CAP 2050), which provides a comprehensive framework for the city to achieve carbon neutrality by 2050.

91 As Hong Kong advances toward these ambitious sustainability goals, providing cross-sector stakeholders with enhanced visibility into interim implementation milestones will be crucial. Clearer tracking mechanisms and sector-specific roadmaps will empower businesses to more effectively align their capital allocation, ESG strategies, and long-term investments with the Government's overarching trajectory.

92 To further strengthen the transparency, accountability, and effectiveness of CAP 2050's implementation, AmCham suggests that the Government to:

- Publish regular progress reports with measurable indicators against CAP 2050 targets.
- Establish an ongoing public-private consultation platform to gather industry feedback and review implementation progress.
- Provide greater sector-specific guidance to support businesses in planning their decarbonization strategies.

Accelerate the Clean Energy Transition and Energy Diversification

93 With electricity generation contributing approximately 61% of the city's carbon emissions,[32] decarbonizing the power sector is essential to achieving the ambitions outlined in the Climate Action Plan 2050 (CAP 2050). AmCham welcomes the Government's continued efforts to diversify energy sources. Looking ahead, achieving a stable affordable, and low-carbon energy future will require the progressive phase-out of coal-fired electricity generation, coupled with the development of a secure sources of clean energy, supported by forward-looking policies that support a fully decarbonized power system.

94 However, Hong Kong's fuel mix remains heavily dependent on fossil fuels, with natural gas accounting for 55% and coal for 17%, while nuclear and renewable energy combined make up only 28%.[33] Given local geographical constraints, domestic renewable resources alone cannot supply the high-volume, continuous baseload power required to achieve full decarbonisation. To further enable Hong Kong to meet the target set in CAP 2050 and secure an affordable, low-carbon energy grid, Hong Kong must enhance regional grid connectivity and expand long-term zero-carbon energy imports.

95 To this end, AmCham recommends that the Government:

- Support Hong Kong's medium-term decarbonisation objectives by increasing imports of traceable nuclear power and renewable energy from Guangdong to provide a stable, long-term and transparent supply of clean energy.
- Formulate clear policy targets to increase the share of imported nuclear power within Hong Kong's energy grid mix, ensuring a reliable baseload supply of zero-carbon electricity, while continuing to support strategic power infrastructure and regional cooperation to enhance Hong Kong's capacity to import clean energy.
- Provide clear policy support for upfront investments, land allocation, and approval processes required for cross-boundary grid infrastructure, ensuring timely implementation of interconnection projects and achieve an orderly, secure, and cost-effective energy transition.
- Adopt a more integrated power system planning approach that aligns future electricity demand from electrification, artificial intelligence, data centres, transport and new development areas with timely investments in transmission, distribution and cross-boundary power infrastructure.
- Promote future-ready building infrastructure, including enhanced electrical capacity, energy-efficient design and smart energy management systems, to support wider electrification and improve building performance.

Enhance Hong Kong's Hydrogen Fuel Readiness

96 AmCham commends the Government's commitment to advancing the new energy sector, notably through the establishment of the Inter-departmental Working Group on Using Hydrogen as Fuel and the rollout of pilot schemes to test infrastructure readiness. Hong Kong benefits from an established Towngas distribution network that currently carries up to 49% hydrogen gas by volume,[34] providing a valuable foundation for early-stage adoption.

97 However, current trials and network blending still rely predominantly on fossil-derived "gray hydrogen" where a clear distinction must be maintained regarding their environmental classifications. Furthermore, existing initiatives remain largely demonstration-focused, leaving key operational parameters such as long-term deployment targets, refueling networks, import logistics, and standardized certification largely undefined.

98 To build a comprehensive hydrogen ecosystem, Hong Kong requires a structured, long-term operational framework. To this end, AmCham suggests that the Government to:

- Develop a comprehensive hydrogen roadmap, establish clear deployment targets, supporting infrastructure plans and investment priorities for hydrogen production, storage, transportation and utilization.

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[32] https://www.info.gov.hk/gia/general/202601/22/P2026012200196.htm
[33] https://www.eeb.gov.hk/en/energy/energy.html#:~:text=Hong%20Kong%20has%20no%20indigenous%20energy%20resources.,energy%20requirements%20in%20response%20to%20market%20demands.
[34] https://www.ourhkfoundation.org.hk/en/media/reports/%E7%AA%81%E7%A0%B4%E8%A9%A6%E9%BB%9E-%E9%A6%99%E6%B8%AF%E6%B0%AB%E8%83%BD%E7%99%BC%E5%B1%95%E7%AD%96%E7%95%A5

- Strengthen hydrogen certification standards, introduce transparent classification and reporting standards for different hydrogen sources to support credible sustainability reporting.
- Facilitate private sector participation, encourage pilot projects and public-private partnerships to accelerate commercialization and technological development.

Support Sustainable Data Centre Development

99 Hong Kong remains one of Asia-Pacific's leading digital infrastructure hubs,[35] driven by growing demand for artificial intelligence, cloud computing and financial services. According to a UN study, Hong Kong is ranked among the world's largest 20 data center hubs, but the city also has one of the most carbon-intensive grids with carbon footprints 43% above the global average.[36]

100 As Hong Kong continues to solidify its status as an international data center and artificial intelligence (AI) hub in the Asia-Pacific region, the Government should further enhance the sustainability of the city's data center operations. This will help concurrently achieve Hong Kong's carbon neutrality objectives while bolstering its overall international competitiveness across all fronts.

101 To support the sustainable growth of Hong Kong's digital economy while advancing its carbon neutrality objectives, AmCham suggests that the Government to:

- Develop a green data centre framework, introduce sector-specific decarbonization guidelines and measurable efficiency targets for data centre operators.
- Facilitate low-carbon infrastructure development, streamline approval processes for energy-efficient facilities and encourage the adoption of renewable and zero-carbon electricity.
- Promote innovation in energy efficiency, support wider adoption of advanced cooling technologies, waste heat recovery and AI-driven energy management systems.
- Designate supercomputing and data centres as strategic digital infrastructure and establish a Computing-Power Co-ordination Mechanism to streamline processes for planning, and cross-departmental approvals for power supply while promoting coordinated planning between computing infrastructure and the power grid development.
- Recognize cloud computing as a proven technology for achieving decarbonization targets and formally integrate cloud strategy into Hong Kong's Climate Action Plan 2050 to be updated. Please refer to Innovation & Technology section (Chapter 8) for more details.
- Strengthen coordination among utilities and infrastructure providers to ensure that electricity, telecommunications, water and transport infrastructure are planned and delivered in an integrated manner given the anticipated concentration of innovation and technology activities in the Northern Metropolis.

Advance Electric Vehicle (EV) Adoption and Circular Battery Management

102 AmCham commends the Government's ongoing effort to promote the adoption of EVs in Hong Kong and provide incentives and the expansion of charging infrastructure and announced the Updated Version of the Hong Kong Roadmap on Popularisation of Electric Vehicles. Although the number of EVs in Hong Kong has grown more than fourfold in four years to over 140,000 units, private EV market share still sits at 23.5-24%.[37]

[35] https://www.investhk.gov.hk/media/sg3pmocb/202403-print_investhk_cloud-dc_en.pdf
[36] https://www.scmp.com/news/hong-kong/health-environment/article/3356395/hong-kong-data-centres-outpace-global-average-carbon-footprint-un-study
[37] https://www.info.gov.hk/gia/general/202602/12/P2026021200268.htm?fontSize=1

103 As Hong Kong commits to achieve carbon neutrality, more effort in boosting private EV cars and electric commercial vehicles is welcomed. In addition, the number of EVs in Hong Kong continue to increased which also translates into a surge in retired EV batteries, therefore creating a strong demand for EV batteries recycling. The numbers of discarded EV batteries could increase from about 1,300 tons in 2026 to around 6,700 tons by 2030.[38]

104 To support a resilient, zero-emission future, Hong Kong should position itself as a regional leader in the circular management of EV batteries. Establishing a closed-loop ecosystem for EV battery lifecycle management would enable the recovery and reuse of valuable critical minerals, reducing environmental risks while creating new economic opportunities in support of the city's green transition. This vision relies on building out dedicated recycling and processing infrastructure and enacting a comprehensive circular management framework. To this end, AmCham suggests that the Government to:

- Continue reviewing EV adoption trends and assess whether targeted policy measures are needed to sustain long-term market growth.
- Accelerate the development of recycling facilities including the opening of EcoPark and collection networks to meet projected battery disposal demand.
- Encourage battery repurposing, material recovery and industry collaboration to maximize resource efficiency and reduce environmental impact.
- Establish clear and practical targets for the electrification of commercial vehicles, along with a timeline for phasing out Internal Combustion Engine (ICE) commercial vehicles and provide stronger incentives to the industry. AmCham recommends establishing these targets within the next 12 to 18 months.
- Propose making "zero emissions" a mandatory requirement for vehicle-related services (including third-party logistics) provided to Government and to set expectations for major corporations in Hong Kong to adopt similar practices.
- Strengthen policy planning to ensure that, in New Development Areas (NDAs) and urban redevelopment projects, power supply infrastructure and EV charging facilities are planned or developed concurrently.

<u>Accelerate Hong Kong Nature-Based Solutions (HKNbS) Integration</u>

105 AmCham welcomes the Hong Kong Government's recent launch of the Hong Kong Nature-based Solutions Design Guidelines (HKNbSDG),[39] which provide valuable, practical frameworks for integrating sustainable practices into infrastructure and development projects.

106 As Hong Kong accelerates its infrastructure development, expanding the application of these design principles presents a timely opportunity to enhance climate resilience and biodiversity. Accelerating the practical adaptation of the HKNbSDG across upcoming projects will enable the private sector to better incorporate nature-based approaches into early-stage planning, ensuring development remains aligned with long-term urban sustainability goals.

107 To promote the wider adoption and effective implementation of Nature-Based Solutions in Hong Kong, AmCham suggests that the Government to:

- Continue reviewing and updating the HKNbSDG based on implementation experience and international best practices.
- Integrate NbS into major planning and infrastructure projects where appropriate.
- Develop practical guidance and case studies to support developers and project owners in implementing NbS.

[38] https://opengovasia.com/hong-kong-plans-expanded-capacity-for-retired-electric-vehicle-battery-recycling/?c=hk
[39] https://www.info.gov.hk/gia/general/202603/03/P2026030300578.htm?fontSize=1

Strengthen Hong Kong's Physical Climate Risk Resilience

108 Physical risk caused by extreme weather is increasingly affecting Hong Kong. Hong Kong is experiencing more hot days and saw an increase in the frequency of extreme weather events. In 2025 there were 53 very hot days and 54 hot nights , both ranking as the third highest on record.[40] There were also four extremely hot days, ranking one of the fifth highest on record.

109 These escalating physical risks pose direct operational and financial challenges to the business community, putting pressure on critical infrastructure and threatening supply chain continuity. Highlighted in a 2025 Hong Kong Monetary Authority (HKMA) report on corporate exposure to climate hazards, nearly half (47%) of APAC firms surveyed are highly exposed to multiple climate hazards—substantially higher than the global average of 40%.[41]

110 While large corporations are independently executing individual climate risk assessments, a centralized review and coordinated urban planning blueprint for extreme weather prevention are required to modernize Hong Kong's capacity to handle mounting physical risks. Furthermore, a well-defined public action plan for physical risk prevention is vital to provide stakeholders with the precise regulatory guidance needed to standardize their own internal risk assessments and mitigation strategies.

111 To strengthen Hong Kong's resilience in physical climate risks and improve long-term climate adaptation, AmCham suggests that the Government to:

- Develop a citywide physical climate risk assessment framework incorporating updated climate projections and infrastructure resilience standards.
- Clearly define public-private responsibilities for climate adaptation and physical risk management.
- Strengthen cross-sector collaboration and information sharing to improve preparedness for extreme weather events by establishing a Government-led cross-sector climate resilience task force that brings together relevant bureaux and departments, utilities and industry stakeholders.
- Promote resilience upgrades in ageing buildings and critical facilities, including backup power systems and modernisation of essential building infrastructure vulnerable to extreme weather.

Build Comprehensive Waste Management Ecosystem for Domestic and Commercial Textiles

112 Following the suspension of the MSW Charging Scheme, Hong Kong has lacked a significant policy driver to advance its Waste Blueprint for Hong Kong 2035 objective of achieving "Zero Landfill."[42]

113 AmCham commends the Government's continued effort in building recycling infrastructure and public education to enhance public readiness and has made significant progress, the average daily disposal of MSW has continuously declined over the past four years since 2021, from an average of 11,358 tonnes per day in 2021 to 10,326 tonnes per day in 2025, a total reduction of 9.1%.[43] Furthermore, food waste recovery has increased significantly with the expansion of community recycling networks and treatment facilities. In 2025, an average of 350 tonnes of food waste was recycled each day, and recycling of domestic food waste has surged from around two tonnes per day in 2022 to more than 120 tonnes daily.[44]

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[40] https://www.hko.gov.hk/en/wxinfo/pastwx/2025/ywx2025.htm
[41] https://www.hkma.gov.hk/media/eng/publication-and-research/research/research-memorandums/2025/RM09-2025.pdf
[42] https://www.wastereduction.gov.hk/en-hk/zero-landfill
[43] https://www.wastereduction.gov.hk/en-hk/zero-landfill
[44] https://www.wastereduction.gov.hk/sites/default/files/resources_centre/waste_statistics/msw2021_eng.pdf

114 While recent improvements in recycling performance are encouraging, the absence of a demand-side pricing mechanism has weakened incentives for households and businesses to minimize waste generation at source. To support Hong Kong's progress towards its long-term waste reduction targets, AmCham suggests that the Government to:

- Reform and relaunch the MSW Charging Scheme with greater emphasis on affordability, public acceptance, and implementation practicality.

115 While Hong Kong is systematically introducing Extended Producer Responsibility (EPR) frameworks for other waste streams under the 2025 regulatory amendments, textiles remain a critical, unaddressed pressure point for the city's rapidly depleting landfill capacity.

116 Hong Kong currently discards over 400 tonnes of textiles into municipal landfills every single day.[45] While domestic textile recovery remains logistically complex, commercial and industrial (C&I) textile waste, such as brand deadstock, corporate uniforms, and hospitality linens, presents a highly organized, traceable, and business-ready waste stream. Implementing an EPR scheme targeting commercial textiles represents a low-hanging fruit for public-private circular economy collaboration.

117 To strengthen Hong Kong's circular economy and reduce textile waste sent to landfills, AmCham suggests that the Government to:

- Develop a phased roadmap for a commercial and industrial textile EPR scheme, prioritising high-volume sectors such as hospitality, logistics, healthcare and retail, while encouraging producer responsibility and industry participation.
- Provide land, funding and fiscal incentives to accelerate investment in fibre-to-fibre recycling facilities and textile regeneration technologies within EcoPark, enabling Hong Kong to retain more economic value from recycled textile materials and strengthen local circular supply chains.

<u>Incentivize Digital Product Passport (DPP) Infrastructure and Pilot Schemes</u>

118 To maintain Hong Kong's status as a leading international trade, logistics and supply chain capital, the government should proactively support the transition toward digital circularity and global data transparency requirements.

119 With major markets such as the European Union begin implementing mandatory Digital Product Passports (DPPs) under the Ecodesign for Sustainable Products Regulation (ESPR) from 2026 onwards, Hong Kong exporters will need the capability to efficiently generate and share verified product data across global supply chains. Strengthening readiness in this area will be essential to maintaining access to key export markets, ensuring regulatory compliance, and safeguarding Hong Kong's competitiveness as a leading international trading and logistics hub.

120 To support Hong Kong businesses in meeting emerging global sustainability requirements, AmCham suggests the that Government to:

- Recognize internationally accepted DPP data standards and reporting frameworks and incorporate them into local guidance to facilitate interoperability with major export markets while reducing compliance burdens for businesses.
- Provide financial support through existing innovation funding schemes, such as the Innovation and Technology Fund (ITF) or BUD Fund, to help businesses pilot Digital Product Passport technologies, including secure QR codes, RFID and digital twin solutions, accelerating adoption and strengthening Hong Kong's competitiveness in global supply chains.

[45] https://research.hktdc.com/en/article/MjI5NzY5OTY2MQ

Strengthen Sustainable Finance with Green Taxonomy

121 Hong Kong has made significant progress in strengthening its sustainable finance ecosystem through the development of the Hong Kong Taxonomy for Sustainable Finance. Nevertheless, as the taxonomy continues to evolve, many financial institutions and market participants seek greater clarity regarding implementation timelines, practical application and alignment with international taxonomies.

122 Greater policy certainty and detailed implementation guidance would encourage broader market adoption, reduce inconsistencies in sustainable finance reporting and facilitate greater cross-border investment. Aligning Hong Kong's taxonomy with internationally recognised frameworks would also reinforce the city's competitiveness as an international sustainable finance centre while supporting the transition towards a low-carbon economy.

123 To reinforce Hong Kong's position as a leading international sustainable finance hub, AmCham suggests that the Government to:

- Continue expanding the Hong Kong Taxonomy to recognize nuclear energy as a zero-carbon activity, in line with the national Green Bond Endorsed Projects Catalogue (2025 Edition), and, to include transition-enabling technologies and activities, such as carbon capture, utilization and storage (CCUS).
- Please refer to **Financial Services section (Chapter 6)** for more details.

6. Financial Services and the Treasury

Financial Services

124 Financial services remain a cornerstone of Hong Kong's economy and a key driver of the city's global standing. The financial services sector constitutes 26.2% of the city's GDP in 2024,[46] up from 24.9% in 2023,[47] and provided approximately 265,000 jobs.[48] Hong Kong also continued to rank first in the Asia Pacific[49] and third globally in the Global Financial Centers Index (GFCI 38) in 2025,[50] reflecting Hong Kong's long-standing status as an international financial hub. The Government and AmCham share the common objective of maintaining or improving Hong Kong's ranking in the index through continued collaboration on forward-looking programs and policies. Hong Kong should continue to reinforce its role as the premier platform connecting Chinese Mainland and global markets, supporting both Chinese Mainland enterprises expanding internationally and global capital flowing into Hong Kong and Mainland China.

125 AmCham suggests the Government takes the following actions within the financial sector:

- Reinforce Stock Market's Leading Position
- Underpin Cross-border Finance Connect Scheme and GBA Financial Integration
- Enhance Hong Kong's Role as a Global Offshore RMB Business Hub
- Consolidate Hong Kong's Role as a Wealth Management Hub
- Develop Hong Kong into an International Commodity Trading Hub
- Strengthen Hong Kong's Role in Financial Integrity and Anti-Fraud Measures
- Support the Silver Economy Through Collaboration with Private Sector
- Strengthen Social Mobility and Financial Inclusion
- Implement the Hong Kong Green Taxonomy to Accelerate Sustainable Finance
- Reaffirm Technology-Neutrality and Innovation for the Financial Sector
- Facilitate Dialogue with Banks, Regulators, and Overseas Governments
- Promote Diversity of Women on Listed Boards

Reinforce Stock Market's Leading Position

126 Hong Kong's top-tier stock market remains a vital pillar of its international financial standing. In the first half of 2026, Hong Kong's IPO market reached a five-year high, ranking second globally by raising HK$210.2 billion, showcasing investors' strong interest in the Hong Kong financial market.[51] Global markets trend toward quicker trading speeds and key overseas jurisdictions transition to a T+1 settlement model. To maintain Hong Kong's competitiveness as an international financial center, it is crucial for the city to enhance its settlement speed.

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[46] Census and Statistics Department, Hong Kong Special Administrative Region. (2025). Hong Kong Monthly Digest of Statistics [Journal-article]. https://www.censtatd.gov.hk/en/data/stat_report/product/FA100099/att/B72512FA2025XXXXB0100.pdf
[47] Table 655-82101 : Value added and employment in respect of the Four Key Industries. (n.d.). https://www.censtatd.gov.hk/en/web_table.html?id=655-82101
[48]支柱行業 GDP 佔比升至 58.2%　金融業經濟貢獻率再升　惟就業職位減. HK01 https://global.hk01.com/%E7%A0%94%E6%95%B0%E6%89%80/60356099/%E6%94%AF%E6%9F%B1%E8%A1%8C%E4%B8%9Agdp%E5%8D%A0%E6%AF%94%E5%8D%87%E8%87%B358-2-%E9%87%91%E8%9E%8D%E4%B8%9A%E7%BB%8F%E6%B5%8E%E8%B4%A1%E7%8C%AE%E7%8E%87%E5%86%8D%E5%8D%87-%E6%83%9F%E5%B0%B1%E4%B8%9A%E8%81%8C%E4%BD%8D%E5%87%8F
[49] https://www.xinhuanet.com/gangao/20250925/10b42ce8369845aa8ea896ca9f077725/c.html 香港全球金融中心指数排名第三 与前两名分差收窄-新华网. (n.d.). https://www.xinhuanet.com/gangao/20250925/10b42ce8369845aa8ea896ca9f077725/c.html
[50] Hong Kong ranks third globally in Global Financial Centres Index, closing rating gaps with first and second places. (2025, September 25). FintechHK. https://www.hongkong-fintech.hk/en/insights/news/news-2025/hong-kong-ranks-third-globally-in-global-financial-centres-index-closing-rating-gaps-with-first-and-second-places/
[51] https://www.chinadailyasia.com/hk/article/636078

127 AmCham welcomes the efforts of the Hong Kong Government and HKEX's efforts to transition the Hong Kong cash market to a T+1 settlement cycle and believes Hong Kong should concurrently position itself for eventual T+0 adoption to preserve its long-term competitive edge.

128 However, Hong Kong needs to evaluate the roadmap and infrastructure to maintain international competitiveness. Experience in the US and Canada involved more than three years of preparation, while the EU, UK and Switzerland are planning similar multi-year implementation timelines. Against this backdrop, industry participants view the proposed Q4 2027 timeline as relatively compressed, particularly given that a few key infrastructure and regulatory dependencies remain to be clarified. AmCham therefore encourages a carefully phased approach, supported by regulatory certainty, infrastructure readiness and close industry consultation, to minimize execution risks and ensure a smooth transition.

129 To ensure a robust, well sequenced transition that can further strengthen Hong Kong's settlement infrastructure, AmCham recommends the Government to:

- Reaffirm the Government's commitment to help the industry build infrastructure readiness for T+1 settlement cycle and targeted support for automation and upgraded post-trade tools to handle compressed timelines, reduce the risk of trade failures, and manage the time-zone challenges faced by international investors.
- Consider coordinating the transition timetable with developments in other major markets to help manage potential resource constraints for global financial institutions. The sequencing could also take account of the planned mid-2027 rollout of the Orion Cash Platform and allow sufficient time for industry adoption, testing and stabilization. A phased approach, supported by parallel enhancements to post-trade infrastructure and automation, would help promote operational readiness and reduce implementation risk.
- Establish formal, comprehensive industry-wide working groups and dedicated workstreams to coordinate transition efforts and build operational readiness.
- Convene regular technical sessions and structured industry dialogues with custodians, brokers, asset managers and other relevant participants. These engagements could help clarify outstanding operational issues, inform the development of a workable end-state operating model and support market-wide readiness for the transition.
- Formulate a long-term roadmap for future migration to T+0. This proactive positioning aligns with the "Finance + Innovation & Technology" pillar of the Government's 5-year strategic plan, ensuring Hong Kong remains globally competitive not just next year, but five to ten years down the line. This migration should leverage Hong Kong's existing headway in digitally native bond advances, establishing a common DLT base layer for fixed-income assets before scaling to other asset classes.

130 AmCham also supports Hong Kong's vision of becoming the premier global Fixed Income and Currency (FIC) hub and gold trading hub and welcome the initiatives announced at the July 2026 Hong Kong FIC & Bond Connect Summit. These measures represent an important step forward to strengthening Hong Kong's broader product offerings and ecosystem.

131 The key is now on implementation, liquidity enhancement and international participation. To this end, AmCham recommends the following enhancements:

- Continue expanding offshore RMB (CNH) liquidity management tools. We welcome progress on offshore RMB repo arrangements, Repo Connect, cross-currency repo functionality and collateral reuse.
- Support the ongoing joint study by the HKMA, CMU OmniClear and HKEX to establish a unified, multi-asset-class post-trade platform, which would unlock the potential of Mainland bonds as collateral and enhance cross-border capital efficiency.
- Develop a more liquid HKD government bond benchmark curve through regular issuance across key maturities and active market-making arrangements, improving price discovery and secondary-market liquidity. As global investors increasingly seek diversification beyond US dollar assets, Hong Kong has an opportunity to deepen a high-quality, internationally accessible fixed-income market.

Underpin Cross-border Finance Connect Scheme and GBA Financial Integration

132 Hong Kong's seamless accessibility to the fast-growing Mainland market, combined with its robust financial services sector, has enabled the city to establish various financial Connect schemes that further unlock the Greater Bay Area's (GBA) full potential. Key infrastructure programs, such as Stock Connect, Bond Connect, and Wealth Management Connect 2.0, facilitate fluid, regulated capital flows between Hong Kong and the nine Mainland GBA cities.

133 AmCham welcomes recent measures allowing bonds held under Northbound Bond Connect to be used as collateral in offshore RMB bond repurchase (repo) arrangements and to meet margin requirements in OTC Clear, further solidifying Hong Kong's position as a global offshore RMB hub.

134 To continue underpinning cross-border connect schemes, AmCham recommends the following enhancements for each specific scheme:

Stock Connect

- Expand the Northbound Stock Connect to include all China A-shares and more micro-cap names.
- Include more RMB-denominated stocks and all ETFs listed on HKEX.
- Increase connectivity between Stock Connect and the QFI channel to allow more hedging options / products.
- Align holiday trading days.
- Reform the Sell-Only List and align treatment of the Risk Alerts between Stock Connect and QFI.
- Enable block trading mechanism to enhance efficiency, reduce impact costs, and attract greater institutional participation.

Bond Connect

- Expand Southbound Bond Connect Market-Maker eligibility to include more foreign-domiciled financial institutions, which will improve end-execution quality and liquidity, given their significant access to global bond liquidity pools
- Further expand the range of eligible products to include credit-linked and structured fixed-income solutions, providing investors with additional yield-enhancement opportunities and greater portfolio diversification

Repo Connect

- Support the HKMA's efforts to enable offshore repo business. The Chamber welcomes the July 2026 announcement to develop bond repo business using Southbound Bond Connect bonds as collateral, which will significantly enhance liquidity management and lower financing costs for investors.
- AmCham also endorses the initiative to accept onshore China Government Bonds (CGBs) and policy bank bonds held under Northbound Bond Connect as eligible margin collateral for HKEX clearing houses by the end of 2026.

135 Hong Kong continues to leverage its strength as a super connector, with the Wealth Management Connect scheme (WMC) serving as a core initiative to promote deeper integration within the Greater Bay Area (GBA) wealth management market. To maintain Hong Kong's leading position as a wealth management hub and international financial center, it is crucial to broaden the scope of the well-established WMC.

136 While expanding options for both southbound and northbound investors, it is equally important to address retail investor vulnerability. The ongoing expansion of the WMC now allows for medium-to-high risk SFC-authorized funds, while deliberately excluding high-yield bond funds and single emerging market equity funds to mitigate excessive risk.

137 However, the market also faces a coordination dilemma that limits the utilization of official outbound channels such as WMC and Qualified Domestic Institutional Investor/ Qualified Domestic Limited Partner. Financial institutions frequently seek regulatory clarity before investing heavily in operational infrastructure, while regulators await full utilization or ecosystem readiness before expanding policy parameters. This results in the market failing to explore the full potential of the WMC scheme.

138 AmCham welcomes the Government's continued efforts to expand distribution channel requirements, increase aggregate and individual quotas, broaden eligible products, and allow greater flexibility in promotional and sales activities to drive higher investor utilization of the WMC.

139 To this end, AmCham recommends the Government to:

- Include principal-protected financial products within the low-to-medium risk expansion, offering safe, compliant options that drive utilization without increasing retail investor risk.
- Work closely with Mainland regulators to develop a clear, synchronized regulatory roadmap. This ensures that the Hong Kong banking sector can prepare its technical capabilities and operational infrastructure simultaneously with Mainland regulatory shifts, promoting continuous framework improvements rather than delaying policy expansion until full utilization is achieved.
- Continue to closely monitor market dynamics and continuously enhance oversight mechanisms as the WMC scheme scales and the GBA wealth management market integrates further.
- Review individual quotas and investor eligibility to facilitate participation by a broader range of suitable wealth clients, including high-net-worth and ultra-high-net-worth investors
- Provide clearer and more practicable guidance on regulated cross-boundary client education, engagement and promotion, enabling eligible investors to better understand and access suitable cross-border wealth management solutions.

140 AmCham welcomes the Government's continued efforts in facilitating GBA integration, particularly within the financial sector, as regional economic connectivity depends heavily on the seamless flow of high-value expertise across borders.

141 Current operational friction, such as differences in personal tax considerations, visa procedures, and separate licensing requirements across jurisdictions, can create administrative complexity for institutions and restrict the flexible deployment of specialized practitioners across the region.

142 To enable integration of the financial sector between Hong Kong and the rest of GBA, AmCham recommends the Government to:

- Deepen capabilities in cross-border treasury management, FX hedging, liquidity management, and working capital solutions, supported by strong connectivity with Mainland financial infrastructure.
- Expand and simplify preferential tax and mobility arrangements for eligible high-end talent across more GBA cities and institutions to facilitate the movement of financial and professional expertise.
- Deepen mutual recognition and establish practical licensing arrangements for financial and professional practitioners to enable more effective cross-border client coverage and service continuity.

Enhance Hong Kong's Role as a Global Offshore Renminbi Business Hub

143 Hong Kong stands as the world's premier offshore Renminbi (RMB) business hub, processing approximately 70% of global offshore RMB settlement payments with a liquidity pool exceeding RMB 1 trillion.[52] Driven by the leading position, global investors have shown growing interest in offshore RMB assets and connectivity schemes. According to a recent HSBC survey, 63% of institutional respondents prefer offshore RMB markets for currency transactions.[53]

144 To optimize asset allocation, reduce operational frictions, and access diverse counterparts, investors and market participants prefer a global pool of centralized management of collateral and funding. Therefore, leveraging global custodians' and

[52] H. K. M. Authority (2025c, October 19). Hong Kong Monetary Authority - dominant gateway to China. Hong Kong Monetary Authority. https://www.hkma.gov.hk/eng/key-functions/international-financial-centre/hong-kong-as-an-international-financial-centre/dominant-gateway-to-china/

[53] Wu, D., & Wu, D. (2026, July 6). Global investors pivot from access to scale in yuan operations, anchored by Hong Kong. South China Morning Post. https://www.scmp.com/business/banking-finance/article/3359585/global-investors-pivot-access-scale-yuan-operations-anchored-hong-kong

international central securities depositories' (ICSDs) triparty platforms would enhance liquidity, resiliency, reduce operational complexity, risk, and cost to investors and market participants. It will also foster the internationalization of RMB assets.

145 To this end, AmCham recommends the Government to:

- Adopt global standards in collateral management under the Bond Connect Scheme to promote Hong Kong's position as an offshore RMB center and the usage of RMB bonds in global capital markets.
- Enable the transfer of Northbound Bond Connect securities to global custodians and ICSDs to use as collateral for offshore RMB repo arrangements, in addition to the CMU Omniclear Repo Service system, and to seamlessly integrate these securities into the global collateral pool, consistent with international practice.
- Allow Northbound Bond Connect securities to be used more broadly as collateral for securities lending under the same rules as repo.
- Consider further enhancing RMB liquidity infrastructure, particularly for foreign overseas participating banks.

Consolidate Hong Kong's Role as a Wealth Management Hub

146 The Hong Kong wealth management industry is ranked among the top globally, according to the Global Wealth Report 2026 published by the Boston Consulting Group.[54] To fully affirm this status and attract global ultra-high-net-worth (UHNW) capital, family offices, and institutional asset managers, Hong Kong must continuously modernize its market infrastructure, broaden its investment universe, and maintain a competitive operating environment.

147 To continue maintaining Hong Kong's leading position, resolving policy friction across the industry is crucial. AmCham welcomes the Government's continued efforts to refine Hong Kong's regulatory environment, however, institutional asset managers, family offices, and UHNW investors still encounter operational obstacles across the value chain, ranging from overly rigid source-of-wealth verification and fragmented data-sharing that delay client onboarding, to strict fund-size limits under cross-border frameworks (like MRF) and restricted investable universes (such as MPF) that limit access to timely global strategies.

148 In addition, addressing these tax treaty gaps, administrative procedures, and mobility considerations will help streamline operational overhead for international firms establishing structures in Hong Kong.

149 AmCham recommends the Government focus on the following priority areas:

Core Market Infrastructure:

- Encourage a proportionate approach to source-of-wealth reviews, under which the depth of verification reflects the client's risk profile and the quality of available documentation. Common materiality thresholds and clearer supervisory expectations could reduce unnecessary process friction for well-documented, lower-risk clients while preserving robust financial-crime safeguards.
- Broaden current data-sharing arrangements to a wider range of regulated financial institutions and increasing the breadth of available data would provide private banks with the speed and efficiency of a centralized KYC utility, facilitating an effective due diligence process and financial crime detection.
- Position Hong Kong as the premier location for global and GBA entrepreneurs and UHNW families to establish family offices by enhancing tax treatment, investment-migration pathways, and succession planning capabilities.

- Consider allowing a broader portion of New CIES capital to be invested through Hong Kong-managed funds supporting areas such as innovation, sustainability, culture, sport and tourism

[54] HK a top wealth management hub. (2026, May 27). Hong Kong's Information Services Department. https://www.news.gov.hk/eng/2026/05/20260527/20260527_192138_237.html

Investment Access and Market Development:

- Ensure that investors can access a broad and timely range of international investment solutions through Hong Kong
- Approval procedures could be simplified, including expedited recognition where products have already been authorized in comparable jurisdictions. A more predictable framework covering a wider variety of investment vehicles would help retain capital, advisory activity and product development in Hong Kong
- Foster closer regulatory coordination with Mainland authorities; shorter, more predictable authorization timelines; and further steps to relax the MRF participation requirements including the minimal fund size limit, would together further strengthen MRF as a practical cross-border distribution channel
- Widen the MPF investable universe. Beyond listed private-equity vehicles, consideration could be given to permitting appropriate SFC-authorized evergreen funds and selected closed-ended private-market strategies
- Encourage more private-market vehicles to domicile in Hong Kong. A stronger domestic fund-structuring environment would help attract international alternative-investment managers, broaden local capital formation and facilitate investment into Hong Kong and GBA businesses

Operating Environment:

- Provide clear, stable and internationally competitive tax rules for funds, family offices, family-owned investment entities, carried-interest arrangements and related structures—particularly where cross-border ownership or succession planning is involved.
- Extend Hong Kong's tax-treaty coverage through faster negotiation of Comprehensive Double Taxation Agreement (CDTA) with key investment destinations across Europe, the Americas, and the Middle East. Tax treaty access is an important consideration for global asset managers when deciding where to establish investment structures.
- Modernize tax-residency administration. Without changing the underlying eligibility standards or safeguards against treaty abuse, the Certificate of Resident Status process could be made more efficient through digital applications and simplified renewal and review procedures for applicants whose activities have not materially changed.
- Streamline work visa processes, relocation arrangements, ordinary residence requirements, and access to financial services for family offices and global talent.

<u>Develop Hong Kong into an International Commodity Trading Hub</u>

150 Hong Kong is seeking to develop into an international commodity trading hub as part of its efforts to diversify the economy and strengthen its role in regional and global supply chains. The Financial Services Development Council (FSDC) has established a dedicated working group to formulate recommendations for commodity market development,[55] while the GBA development agenda has provided additional momentum through initiatives such as the Qianhai Mercantile Exchange (QME).[56] Developing a comprehensive commodity trading ecosystem would diversify Hong Kong's economic base, strengthen supporting professional services and reinforce the city's role in regional and global supply chains.

151 However, Hong Kong's commodity trading ecosystem remains less developed than those of major international commodity trading centers such as Singapore and Switzerland. Although Hong Kong possesses strong financial, legal and maritime capabilities, closer integration across logistics, insurance, shipping, warehousing, trade finance, risk management and digital infrastructure is needed to create a fully integrated commodity trading ecosystem.[57]

152 Without stronger coordination among these supporting industries, Hong Kong may face challenges in attracting global commodity traders that require comprehensive business support services and efficient end-to-end trading capabilities.

153 To strengthen Hong Kong's commodity trading ecosystem, AmCham recommends the Government to:

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[55] Financial Services Development Council. (2025). Unveiling Hong Kong's potential: prospective growth in the expanding commodity market. https://www.fsdc.org.hk/media/3vynjcoi/fsdc-commodity-paper-en-20251111.pdf
[56] Financial Services Development Council. (2025). Unveiling Hong Kong's potential: prospective growth in the expanding commodity market. https://www.fsdc.org.hk/media/3vynjcoi/fsdc-commodity-paper-en-20251111.pdf
[57] Financial Services Development Council. (2025). Unveiling Hong Kong's potential: prospective growth in the expanding commodity market. https://www.fsdc.org.hk/media/3vynjcoi/fsdc-commodity-paper-en-20251111.pdf

- Advance the development of commodity markets through initiatives such as the international gold trading center and adopt a coordinated cross-regulatory approach across relevant authorities including HKMA and SFC.
- Continue strengthening complementary industries including logistics, shipping, warehousing, insurance, trade finance and risk-management services to support commodity trading activities.
- Facilitate the attraction and retention of experienced commodity trading professionals through streamlined employment and visa arrangements to address immediate industry needs. Detailed suggestions have been listed in the **Labour and Welfare section (Chapter 10)**.
- Partner with universities, vocational institutions and industry stakeholders to develop local talent pipelines through specialized programs, internships and industry-led training initiatives.

Strengthen Hong Kong's Role in Financial Integrity and Anti-Fraud Measures

154 Hong Kong's status as a free market and leading international financial hub is underpinned by its open economy and efficient infrastructure. However, the very strengths that make the city an attractive global finance centre can also be exploited by illicit actors. In 2024, there were 44,480 fraud cases in Hong Kong, showing a 11.7% increase from the previous year, and of these, 61.8% were online fraud cases. Fraud cases accounted for 46.9% of all crimes.[58]

155 While the high speed of transactions and payments in Hong Kong serves as a core competitive advantage, it is frequently exploited by bad actors. Funds often move through the banking system within minutes, making recovery extremely difficult. Left unaddressed, these vulnerabilities risk undermining Hong Kong's hard-won reputation and integrity as an international financial centre.

156 AmCham welcomes the Government's continued efforts to adopt proactive frameworks, such as those highlighted in the Hong Kong Banking Ordinance 2025, specifically the establishment of an AI-to-AI information-sharing mechanism to reinforce Anti-Money Laundering (AML) and Counter-Financing of Terrorism (CFT) measures, safeguarding Hong Kong's banking ecosystem against systemic abuse.

157 To further strengthen Hong Kong's financial integrity, AmCham recommends the Government:

- Partner with banks and the police to establish a mandatory mechanism to immediately track, freeze, or map the wire transfers routed through Hong Kong by international fraud networks.
- Maintain regular cross-border dialogue and work closely with international law enforcement and global regulatory bodies to better track and intercept illicit financial flows.

Support the Silver Economy Through Collaboration with Private Sector

158 As Hong Kong faces a demographic shift toward an older population, it is projected that Hong Kong will have 2.4 million elderly residents by mid-2036.[59] To address the mounting pressure for healthcare and demographic change, Hong Kong has been increasingly focusing on the silver economy as its demographic landscape shifts. In this regard, it is critically important to cultivate sustainable retirement structures and innovative risk-sharing mechanisms. These tools remain essential to complement ongoing public policy initiatives and fortify long-term individual financial security.

159 AmCham highly commends the Government's proactive steps in establishing the Working Group on Promoting the Silver Economy, particularly welcoming the explicit focus on "financial and security arrangements" as a core pillar.

[58] Deception crimes in Hong Kong. (2025b). Research Office Legislative Council Secretariat. https://app7.legco.gov.hk/rpdb/en/uploads/2025/ISSH/ISSH06_2025_20250326_en.pdf
[59] Yiu, E., & Yiu, E. (2025, December 8). Ageing Hong Kong opens new frontiers for insurers, pensions and cross-border care. South China Morning Post. https://www.scmp.com/business/article/3335637/ageing-hong-kong-opens-new-frontiers-insurers-pensions-and-cross-border-care

160 To further advance the development of the silver economy, AmCham recommends the Government:

- Deepen collaboration with the private sector and leverage industry expertise to support the development and scaling of comprehensive retirement and longevity-oriented financial solutions.
- Develop integrated retirement and healthy aging solutions and products tailored to Hong Kong's ageing population.
- Strengthen financial literacy and preventive healthcare by enhancing public education on retirement planning and insurance while encouraging preventive healthcare to improve long-term affordability and wellbeing.

Strengthen Social Mobility and Financial Inclusion

161 Building on existing initiatives, Hong Kong can further advance social mobility and financial inclusion by strengthening the systems and incentives that convert provision into outcomes. For example, for adults with special educational needs, the main constraint is often not access to vocational training but the absence of employer demand and structured pathways into work. Moreover, financial capability is built through use and behavior, not classroom education alone. Policy should support practical access to appropriate financial products and trusted intermediaries that help underserved individuals and small businesses engage confidently with finance. There is also a strong case for deploying philanthropic and catalytic capital to strengthen the infrastructure that moves capital closer to underserved people, businesses, and places. This includes shared data systems, risk-sharing mechanisms, and intermediary capacity.

162 To this end, AmCham recommends that the Government:

- Create employment pathways for adults with special educational needs with an approach that connects training to real labour market outcomes. This would include employer-linked placement programmes, time-limited hiring incentives, supported employment, job coaching and stronger use of public procurement to encourage inclusive hiring. The objective would be to address the demand side of the labour market so that adults with special educational needs can move from training into sustained work.
- Adopt a catalytic capital approach that uses philanthropic and blended finance to strengthen the infrastructure that helps capital reach underserved people, businesses and communities. Systems, intermediaries and market infrastructure that determine whether capital can reach underserved individuals, small businesses and communities effectively. Philanthropic and catalytic capital can play an important role in building the shared infrastructure that makes inclusion-focused finance more effective and scalable.
- Develop a shared data infrastructure for community finance and other inclusion-focused intermediaries in Hong Kong. Consistent data on lending performance and impact would help demonstrate credibility, improve risk assessment, and attract more public, philanthropic and private capital over time. Better evidence would make it easier to scale support for small businesses and communities that mainstream finance may not reach consistently. The ability to capture, standardize and analyze currently fragmented data on payment behaviors and patterns of engagement with the financial system would provide valuable insights into consumer needs and support the development of more effective financial products, services and policy interventions.

Implement the Hong Kong Green Taxonomy to Accelerate Sustainable Finance

163 Following the HKMA's recent finalization of Phase 2A, the Hong Kong Taxonomies for Sustainable Finance continue to evolve as a living framework to guide green finance development. To maintain this momentum, the focus must now pivot toward a seamless rollout of upcoming phases, ensuring the framework remains highly practical for the private sector.

164 AmCham recommends the Government to:

Expanding the Taxonomy's Scope

- AmCham recommends the HKMA and the Hong Kong Green Finance Association (HKGFA) expand upcoming phases of the Hong Kong Taxonomy to incorporate standardized social performance indicators. Specifically, the taxonomy should formally co-recognize established, widely utilized regional and global frameworks - such as CNTAC's CSC9000T and the Social & Labor Convergence Program (SLCP) - as verified verification pathways for social and labor outcomes.

- Expand coverage beyond established areas such as flood management to include persistent climate risks, particularly heat stress and drought.

Regulatory Alignment & Corporate Disclosures

- Improve alignment across the taxonomy, fund regulation and corporate reporting, including by expanding the taxonomy to corporate disclosure and public-equity investment.
- Strengthen sustainable-fund labelling by linking portfolio-level requirements, including NAV alignment, more directly to the green taxonomy.
- Complement operational disclosures with forward-looking transition indicators, including green or transition revenue and planned capital expenditure.

Data Standardization & Verification

- As the HKMA rolls out Phase 2 of the taxonomy to include transition activities, AmCham encourages the Government to explicitly recognize standardized, third-party verified supply chain data platforms to verify emissions reductions and circularity metrics.
- Enhance emissions accounting to reflect trade-linked carbon exposure.
- Work with industry to close gaps in data coverage, common reporting standards and risk methodologies, while expanding training, professional development and specialist capacity.

Mobilizing Capital & Facilitating Transition Finance

- Foster ongoing public-private dialogue to progressively integrate comprehensive transition activities, clear metrics, and sector-specific outcomes that align with the latest regulatory and regional market landscape.
- Build on Hong Kong's strong foundation in sustainability disclosures and taxonomy frameworks to mobilize capital and channel investments into high-quality, tangible transition assets across energy, infrastructure, and resilience sectors.
- Provide greater clarity on the regulatory and prudential treatment of transition assets, together with better data availability, disclosure and transition-planning capabilities, would help mobilize private capital into credible transition and resilience projects.

Reaffirm Technology-Neutrality and Innovation for the Financial Sector

165 Hong Kong's technology infrastructure is a vital node within interconnected global networks. As modern financial and digital systems rely on these international links, localized technological mandates can create fragmented operating environments and impose significant compliance costs on global firms.

166 AmCham appreciates the Government's efforts to strengthen innovation in the industry and underscores the importance of sustaining this momentum while upholding technology neutrality. To maintain Hong Kong's fintech leadership and strengthen its status as an international financial hub, the city must continue adopting a risk-based, technology-neutral supervisory approach. Leveraging its unique position as a super connector, Hong Kong can strategically bridge global technological advancements to enhance its financial services sector.

167 To this end, AmCham recommends the Government to:

- Reaffirm Hong Kong's commitment to technology neutrality and adherence to international standards. Please refer to **Innovation & Technology section (Chapter 8)** for more details.
- Preserve access to global liquidity, ensuring that all new regulatory frameworks and technical requirements remain globally interoperable, preventing the isolation of Hong Kong's liquidity pools through incompatible local standards.
- Support responsible AI adoption through a principles-based regulatory approach that promotes innovation while managing risks and prioritize the commercialization and scaling of successful digital asset and tokenization initiatives.
- Promote globally interoperable frameworks for digital trade, tokenized deposits, stablecoins, tokenized securities and digital assets.

Facilitate Dialogue with Banks, Regulators, and Overseas Governments

168 Hong Kong's position as an international financial center depends on maintaining a transparent, efficient and internationally recognized regulatory environment that facilitates cross-border capital flows and business operations. AmCham welcomes the Government's efforts to provide clearer guidance on bank account opening procedures and strengthen anti-money laundering (AML) and counter-terrorist financing (CTF) frameworks.[60] These initiatives have helped reinforce confidence in Hong Kong's financial system and support its attractiveness as an international business hub.

169 However, as businesses increasingly operate across multiple jurisdictions, differences in regulatory and compliance requirements continue to create practical challenges for financial institutions and international companies. Variations in customer due diligence, reporting obligations, documentation requirements, and risk assessment practices between Hong Kong[61] and overseas jurisdictions, particularly the United States,[62] can result in inconsistent account-opening processes and prolonged onboarding timelines for overseas businesses.

170 These differences increase compliance costs and create uncertainty for businesses seeking to establish operations in Hong Kong, particularly SMEs. Differences in the interpretation of international compliance obligations, including the Foreign Account Tax Compliance Act (FATCA) and other cross-border reporting requirements, may further contribute to additional documentation requests and inconsistent customer experiences across institutions.[63]

171 Greater coordination among regulators, financial institutions and overseas authorities could help improve consistency in the implementation of compliance requirements while maintaining robust regulatory standards. Such efforts would strengthen Hong Kong's reputation as an efficient and business-friendly international financial center.

172 To this end, AmCham recommends the Government to:

- Establish regular dialogue among regulators, banks, and industry stakeholders to address practical implementation issues relating to FATCA[64] and other international compliance obligations, while promoting greater consistency in account opening practices.
- Continue engaging with overseas governments and financial regulators, particularly the United States, to enhance mutual understanding of cross-border compliance requirements and reduce unnecessary regulatory uncertainty.
- Issue practical guidance and best practice recommendations that support consistent interpretation of international compliance requirements across financial institutions, reducing unnecessary administrative burdens while maintaining robust financial integrity.

[60] Guideline on Anti-Money Laundering and Counter Financing of Terrorism. (2023, May). Hong Kong Monetary Authority. https://brdr.hkma.gov.hk/eng/doc-ldg/docId/getPdf/20230525-4-EN/AML-2.pdf
[61] Authority, H. K. M. (2025, July 9). Hong Kong Monetary Authority - Account opening and maintenance. Hong Kong Monetary Authority. https://www.hkma.gov.hk/eng/smart-consumers/account-opening/
[62] Mani, K., & Proeitz, P. (n.d.). A checklist for foreign companies opening a bank account in the United States. https://www.trade.gov/sites/default/files/2025-03/Chapter%209%20-%20Banking%20Checklist.pdf
[63] Foreign Account Tax Compliance Act (FATCA) | Internal Revenue Service. (n.d.). https://www.irs.gov/businesses/corporations/foreign-account-tax-compliance-act-fatca
[64] Foreign Account Tax Compliance Act (FATCA) | Internal Revenue Service. (n.d.). https://www.irs.gov/businesses/corporations/foreign-account-tax-compliance-act-fatca

Promote Diversity of Women on Listed Boards

173 AmCham commends the successful implementation of The Hong Kong Stock Exchange's 2021 regulation requiring all 2,650 listed companies to appoint at least one female board member by the end of 2024.[65] By January 2025, single-gender boards had fallen to approximately 3%, a significant improvement from the 40% of all-male boards recorded among the 2,650 HKEX-listed companies in early 2022.[66]

174 Despite this progress, 85 listed companies failed to meet the January 2025 compliance deadline.[67] AmCham urges the HKSAR Government and the Hong Kong Stock Exchange to take steps to:

- Ensure full enforcement of this requirement by prioritizing timely follow-up with non-abiding companies and introducing consequences for persisting non-compliance. Improving gender diversity on boards is essential for Hong Kong to maintain its global position as a top-tier financial center.[68]
- Launch a Phase 2 of the project once full compliance has been achieved that establishes target rations for women on boards of publicly listed companies and in senior management positions that would increase over time.

Insurance

175 Hong Kong's insurance industry remains one of the world's most competitive and a cornerstone of the city's international financial centre. The city's gross insurance premiums reached HK$827 billion in full-year 2025, marking a strong 29.7% increase year-on-year.[69] Riding on the industry momentum and the Government strategic vision to build Hong Kong into the international insurance hub, the industry has an important role to play in promoting sustainable growth, enhancing cross-border connectivity, driving innovation, and supporting long-term financial resilience.

176 AmCham welcomes the Government and the Insurance Authority's strategic priorities to enhance Hong Kong's competitiveness through GBA integration, digital transformation, and market development. The Chamber is supportive of these priorities and recommends the following measures to further strengthen Hong Kong's position as a leading regional insurance hub.

177 To actualize these shared aims, this chapter will focus on the following recommendations to the Government:

- Build Connectivity and Developing Hong Kong into a Regional Insurance Hub
- Strengthen Hong Kong's Competitiveness as a Regional Reinsurance Hub
- Establish Hong Kong as a Regional Cyber Insurance Center with Product Innovation
- Streamline Sustainability Reporting Requirements for Hong Kong Insurers
- Modernize Hong Kong's Legal and Regulatory Infrastructure for Insurance
- Reinforce Talent Development for Insurance Industry

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[65] Ng, Katherine. (2024, June 13). Get on board – time to break barriers and build a better, more inclusive future. https://www.hkexgroup.com/Media-Centre/Insight/Insight/2024/Katherine-Ng/Get-on-board?sc_lang=en#:~:text=2024%20will%20be%20an%20important,top%2Dtier%20international%20financial%20centre
[66] Davis, C. (2025, January). Hong Kong boards go gender-diverse. Accounting and Business Magazine. https://abmagazine.accaglobal.com/global/articles/2025/jan/comment/hong-kong-boards-go-gender-diverse.html
[67] Davis, C. (2025, January). Hong Kong boards go gender-diverse. Accounting and Business Magazine. https://abmagazine.accaglobal.com/global/articles/2025/jan/comment/hong-kong-boards-go-gender-diverse.html
[68] Davis, C. (2025, January). Hong Kong boards go gender-diverse. Accounting and Business Magazine. https://abmagazine.accaglobal.com/global/articles/2025/jan/comment/hong-kong-boards-go-gender-diverse.html
[69] Hong Kong life insurers' premiums jump 51% in 2025. (2026, April 27). Insurance Asia. https://insuranceasia.com/insurance/in-focus/hong-kong-life-insurers-premiums-jump-51-in-2025

Build Connectivity and Developing Hong Kong into a Regional Insurance Hub

178 Demand from MCV and GBA residents continues to highlight the city's value as a trusted centre for wealth protection, retirement planning and health risk management. Record levels of MCV insurance purchases in 2025 demonstrate sustained demand for Hong Kong's insurance expertise and wealth management capabilities.[70]

179 While multiple cross-border financial initiatives have strengthened integration between Hong Kong and Mainland China, cross-border insurance services remain fragmented. Policyholders who purchase insurance in Hong Kong continue to face difficulties accessing after-sales services once they return to Mainland China. Services such as policy enquiries, beneficiary changes, premium payments and claims handling often require customers to travel back to Hong Kong or rely on limited c ross-border arrangements.

180 Given the recent regulatory developments, clear and sustainable cross-border insurance flows under a properly regulated environment are needed for the industry. AmCham encourage a phased approach that first strengthens cross-boundary policy servicing, which would provide a practical foundation for the future development of cross-border insurance services.

181 To this end, AmCham recommends the Government to:

- Explore GBA insurance services framework, beginning with a clear whitelist of core after-sales services that can be provided to existing policyholders across the boundary, including policy enquiries, change requests, premium renewal support, claims submissions and customer education.

- Develop a more differentiated, risk-based approach on MCV sales requirements to strengthen cross-border insurance services.
- Continue engaging industry stakeholders on key implementation issues, including product scope, eligible regions, participating institutions, quota arrangements, fund flow management, and alignment with existing Connect schemes in the financial services industry.
- Continue supporting the establishment of Mainland service centers in hubs such as Qianhai and Nansha, which allows Mainland residents holding Hong Kong policies to smoothly process claims, renewals, and inquiries closer to home.

182 Hong Kong stands to benefit significantly from deeper integration with the GBA healthcare ecosystem. The Government's recent relaxation of cross-boundary data transfer restrictions represents an important step towards improving connectivity between Hong Kong and Mainland insurance markets.[71]

183 Nevertheless limitations on data transmission and sharing as well as claims payment and settlement between Hong Kong and cities within the GBA constrained the effective development of cross-border insurance services. Inconsistent data formats and differing compliance requirements reduce insurers' ability to conduct efficient underwriting, risk assessment[72] and claims verification.

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[70] Hong Kong insurers shrug off crackdown fears: CGS International. (2026, June 21). Hong Kong Business. https://hongkongbusiness.hk/insurance/news/hong-kong-insurers-shrug-off-crackdown-fears-cgs-international

[71] Facilitation Measure of "Standard Contract for the Cross-boundary Flow of Personal Information within the Guangdong-Hong Kong-Macao Greater Bay Area (Mainland, Hong Kong)" | Digital Policy Office. (2026, April 22). https://www.digitalpolicy.gov.hk/en/our_work/digital_infrastructure/mainland/gbacbdf/cross-boundary_data_flow/

[72] Whitepaper on Federated Learning: Unlocking Innovation in the Insurance sector. (2025). Hong Kong Applied Science and Technology Research Institute. https://www.astri.org/wp-content/uploads/2025/11/Whitepaper-on-Federated-Learning_Unlocking-Innovation-in-the-Insurance-Sector.pdf

184 To enable further efficient healthcare and insurance operations across the GBA, AmCham encourages the Government to:

- Establish secure data-sharing mechanisms to facilitate greater connectivity within the GBA insurance ecosystem and enable insurance providers to understand local market characteristics better, improve operational efficiency, strengthen risk management capabilities and offer more innovative and cost-effective products to consumers.
- Expand secure cross-boundary data sharing arrangements between Hong Kong and Mainland authorities and establish clear implementation guidelines and secure data-sharing.
- Promote standardized claims protocols and expand direct billing arrangements across public and private medical institutions within the GBA.
- Strengthen payment connectivity by promoting partnerships between insurers, Mainland healthcare providers and financial institutions. Greater integration between Mainland China's Internet Banking Payment System (IBPS) and Hong Kong's Faster Payment System (FPS), alongside wider adoption of open APIs and standardized payment infrastructure.
- Continue investing in digital infrastructure that supports secure cross-border underwriting, claims management and operational processes.

<u>Strengthen Hong Kong's Competitiveness as a Regional Reinsurance Hub</u>

185 Hong Kong has established itself as one of the world's leading centres for marine insurance and reinsurance, supported by its international financial system, common law framework and strategic location.[73]

186 In the first quarter of 2026, the Hong Kong reinsurance inward sector recorded gross premiums of HK$17.3 billion and net premiums of HK$11.3 billion[74]. However, Hong Kong's established strengths, increasing regional competition and evolving market demands require further policy enhancements to attract regional headquarters, specialized underwriting functions and high-value reinsurance activities.

187 Tax competitiveness, regulatory efficiency, and coordinated government support under Insurance Authority will be important to strengthen Hong Kong's competitiveness as a global insurance and reinsurance hub.

188 To this end, AmCham recommends the Government to:

- Establish Hong Kong as the premier offshore hub for asset-intensive reinsurance (AIR), the reinsurance of long-duration life policy liabilities together with the associated investment risk, enabling cedents to release capital and diversify risk offshore.
- Foster collaboration with the Insurance Authority and the National Financial Regulatory Administration (NFRA) to develop an AIR framework.
- Establish Hong Kong as an internationally competitive AIR platform for the Hong Kong (re)insurance market by strengthening regulatory dialogue among Hong Kong, Mainland and international supervisors to promote coherent supervisory approaches, avoid conflicting requirements, and facilitate well-regulated cross-border reinsurance activity. This would also support the growth of associated asset management, actuarial, legal, and advisory services.
- Continue introducing targeted incentives to attract multinational insurers and reinsurers to establish regional headquarters and specialized reinsurance functions in Hong Kong. Particular emphasis should be placed on high-value sectors such as marine cargo insurance and reinsurance, reinforcing Hong Kong's position as a global leader in marine

[73] Insuring Success: Enabling sustainable growth and innovation to cement Hong Kong's role as a premier global insurance hub (pp. 1–38). (2025). Financial Services Development Council. https://www.fsdc.org.hk/media/lrnogee2/eng-fsdc_68-insuring-success-enabling-sustainable-growth-and-innovation-to-cement-hong-kong-s-role-as-a-premier-global-insurance-hub.pdf
[74] Hong Kong insurance premiums jump 32.3% to $38b in Q1 2026. (2026, July 27). Hong Kong Business. https://hongkongbusiness.hk/insurance/in-focus/hong-kong-insurance-premiums-jump-323-38b-in-q1-2026

insurance and leading regional reinsurance hub.

189 Managing General Agents (MGAs), specialized delegated-underwriting vehicles that write business on behalf of foreign insurers or reinsurers under binding authority, are a core building block of major global wholesale markets, including London, Bermuda, and Singapore.

190 Hong Kong currently lacks a dedicated, purpose-built MGA licensing category. As a result, specialized global underwriters seeking to deploy international capacity or manage offshore risk from Hong Kong face regulatory friction and disproportionate compliance requirements under traditional full-insurer or broker frameworks.

191 Establishing a streamlined MGA regime ring-fenced strictly for risks outside Hong Kong and Mainland China would significantly enhance Hong Kong's ability to compete with Singapore and Bermuda for regional specialty and wholesale reinsurance business.

192 To build a competitive MGA framework, AmCham recommends the Government to:

- Establish a proportionate licensing framework tailored specifically for delegated-underwriting vehicles, distinct from full insurer or broker authorization.
- Formally validate binding authority agreements governed by foreign law of the contracting parties' choice to seamlessly accommodate global wholesale placement standards.
- Establish clear, competitive tax treatment for offshore-sourced fee income generated by MGA operations in Hong Kong.
- Calibrate local capital, physical presence, and staffing demands appropriately to match the lower risk profile of non-domestic wholesale business.

Establish Hong Kong as a Regional Cyber Insurance Center with Product Innovation

193 As technologies continue to advance and become widely adopted in Hong Kong, cyberattacks have become more automated, targeted, and destructive with the rapid proliferation of Artificial Intelligence (AI) technologies, posing significant threats to business operations and individuals.

194 Hong Kong recorded 15,877 general cybersecurity incidents through the Hong Kong Computer Emergency Response Team Coordination Centre (HKCERT) [75]and 31,571 technology crime cases tracked by the Cyber Security and Technology Crime Bureau (CSTCB) in 2025.[76] Against this backdrop, cybersecurity and cyber risk management has become more prominent, in Hong Kong. Adoption is growing, with cyber insurance penetration in Hong Kong's financial sector estimated at 60-70% for large firms, driven by global incidents like ransomware attacks.[77]

195 However, as an emerging and highly specialized product, cyber insurance remains in a development phase and faces fragmented regulatory oversight across different authorities. The current ILS framework[78] should move beyond on traditional catastrophe risks and provide diverse support for cyber-specific risk transfer products.

[75] "Hong Kong Cybersecurity Outlook 2026" Security Incidents Hit Record High with 27% Annual Increase AI-related Attacks and Supply Chain Risks Emerge as Top Concerns Nearly 30% of Enterprises Lack Dedicated Cybersecurity Personnel. (2026, January 28). Hong Kong Productivity Council. https://www.hkpc.org/en/about-us/media-centre/press-releases/2026/hk-cybersecurity-outlook-2026
[76] Cybersecurity Report 2025. (2025). Hong Kong Police Force. https://www.police.gov.hk/ppp_en/04_crime_matters/tcd/cybersecurityreport2025.html
[77] Cyber Insurance Regulations and Landscape in Hong Kong for Financial Institutions. (n.d.). EverBright Actuarial. http://ebactuary.com/post/cyber-insurance-regulations-and-landscape-in-hong-kong-for-financial-institutions
[78] Securities and Futures Commission. (n.d.). Distribution of insurance-linked securities and related products. Hong Kong Monetary Association. https://brdr.hkma.gov.hk/eng/doc-ldg/docId/getPdf/20211011-1-EN/20211011-1-EN.pdf

196 To bridge these regulatory gaps, enhance underwriting capacity, and solidify Hong Kong's position as a regional hub for cyber insurance, AmCham recommends the Government to:

- Extend existing insurance-linked securities (ILS) regulatory framework and grant scheme to accommodate cyber-specific structures, including cyber catastrophe bonds, sidecars, and parametric cyber transactions.
- Enhance industry-regulator collaboration on cyber loss-data sharing and modelling standards, to address the data constraints that currently limit market capacity across the region.
- Strengthen alignment between the Insurance Authority's cyber underwriting expectations and the HKMA's cyber resilience framework, so that Hong Kong offers issuers and cedents a coherent regulatory environment for cyber risk transfer.

197 As technological developments continue to shape the insurance industry, further regulatory flexibility will be essential to support emerging business models. Beyond the rapid development of generative artificial intelligence, opportunities in digital assets, cyber risk, climate risk and InsurTech[79] continue to evolve. AmCham welcomes the Government's continued commitment to fostering innovation through close collaboration among regulators, insurers, financial institutions and technology providers.

198 Current regulatory sandbox arrangements[80] primarily support pilot projects[81] but may not provide sufficiently streamlined approval pathways for insurers developing innovative business models in digital assets, cyber insurance and AI-enabled insurance products. Longer approval timelines may discourage investment and slow commercialization.

199 To further strengthen Hong Kong's position as a leading center for insurance innovation, AmCham recommends the Government undertake the following measures:

- Broaden the existing Fast Track authorization framework — currently targeted at digital-distribution insurers — to accommodate new and existing insurers offering innovative products.
- Streamline the Insurtech Sandbox operated by the Insurance Authority, with clearer eligibility criteria for emerging product classes, shorter decision windows, and a defined transition path from sandbox exit to full authorization.
- AmCham supports appropriate consumer safeguards and disclosure standards to accompany any expansion, and notes that comparable regimes — such as the Bermuda Monetary Authority's Innovation Hub and its innovative-business licensing classes — have supported the emergence of new specialty and digital-native carriers in that market.

Streamline Sustainability Reporting Requirements for Hong Kong Insurers

200 Hong Kong's adoption of the International Sustainability Standards Board (ISSB) framework[82] represents an important milestone in strengthening the transparency and competitiveness of its financial markets.

201 As implementation progresses towards 2028, providing regulatory clarity and maintaining international consistency will be essential to preserving investor confidence while supporting insurers' transition towards more comprehensive sustainability reporting.

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[79] Tam, K. Y., Yeung, C., Mansoor, A., Tsang, C., & Raymond, M. (2024). Insurtech Talent development in Hong Kong – From insurance to insurtech: Strategies for building a Sustainable talent Pipeline. HKUST Business School. https://bm.hkust.edu.hk/sites/default/files/html/6824e56de4dc9f71fde52b038b72c6ed/Insurtech%20Talent%20Development%20in%20Hong%20Kong/15/

[80] Hong Kong Monetary Authority - Fintech Supervisory Sandbox (FSS). (2026, June 22). Hong Kong Monetary Authority. https://www.hkma.gov.hk/eng/key-functions/international-financial-centre/fintech/fintech-supervisory-sandbox-fss/

[81] Malsam, W. (2025, March 6). Pilot Project: meaning, benefits and example. ProjectManager. https://www.projectmanager.com/blog/pilot-project

[82] Government welcomes International Financial Reporting Standards Foundation's publication of jurisdictional profiles on adoption of ISSB Standards. (2025, June 12). The Government of the Hong Kong Special Administrative Region Press Releases. https://www.info.gov.hk/gia/general/202506/12/P2025061200525.htm

202 While Hong Kong's adoption of ISSB standards demonstrates strong commitment towards international sustainability reporting, implementation challenges remain for insurers, particularly during the transition period.

203 To facilitate effective implementation of the ISSB framework,[83] AmCham recommends the Government undertake the following measures:

- Provide timely and consistent regulatory guidance while maintaining alignment with major international financial centers, and allow insurers sufficient time to strengthen governance frameworks, internal controls and data capabilities.
- Introduce proportionate reporting exemptions for qualifying subsidiaries whose parent companies already publish ISSB-aligned sustainability reports[84]covering Hong Kong operations.

Modernize Hong Kong's Legal and Regulatory Infrastructure for Insurance Industry

204 Hong Kong's strong position as an international insurance and reinsurance center, is supported by its common law legal system and well-established regulatory framework. In 2025, Hong Kong's marine, aviation, and transport (MAT) insurance sector saw gross premiums reach HK$2.2 billion in the first quarter,[85] supported by a broader 33% surge in marine insurance underwriting performance over the first three quarters.[86]

205 As the insurance industry continues to evolve with increasingly complex commercial risks and cross-border transactions, international alignment of the insurance contract law system is crucial for Hong Kong to maintain an international leading position as an insurance and reinsurance center, thus supporting Hong Kong's development of other core industries in the long run.

206 While Hong Kong's framework has served the market well in the past years, modern commercial practices in other jurisdictions call for a more nuanced balance between policyholders and underwriters. At present, strict pre-contract disclosure rules and rigid warranty terms place disproportionate compliance burdens on commercial policyholders, allowing insurers to avoid liability over minor or unrelated breaches. Enhancing these contractual rules to reflect proportionality would eliminate commercial friction and enhance Hong Kong's attractiveness to international (re)insurers, brokers, and clients.

207 AmCham encourages the Government to invite the Law Reform Commission of Hong Kong to examine reforms consistent with other jurisdictions and maintain Hong Kong's status as an international insurance hub.

208 To this end, AmCham recommends the Government to:

- Replace the current pre-contract duty of disclosure with a duty of fair presentation for commercial insureds and a duty to take reasonable care not to make a misrepresentation for consumer insureds.
- Introduce proportionate remedies for breach, reserving avoidance for deliberate or reckless conduct.

[83] Government welcomes International Financial Reporting Standards Foundation's publication of jurisdictional profiles on adoption of ISSB Standards. (2025, June 12). The Government of the Hong Kong Special Administrative Region Press Releases. https://www.info.gov.hk/gia/general/202506/12/P2025061200525.htm

[84] Hong Kong Government's Financial Services and the Treasury Bureau, Hong Kong Institute of Certified Public Accountants, Hong Kong Exchanges and Clearing Limited, IFRS Foundation, HKICPA, & HKEX. (2025, September). Linking the ISSB standards and HKEX ESG Reporting Code. https://www.hkex.com.hk/-/media/HKEX-Market/Listing/Rules-and-Guidance/Environmental-Social-and-Governance/Exchanges-guidance-materials-on-ESG/ISSBstd_esgcode.pdf

[85] Insurance Authority releases provisional statistics for the first quarter of 2025. (2025). Insurance Authority. https://www.ia.org.hk/en/infocenter/press_releases/20250725.html

[86] Libatique, R. (2026, March 11). Hong Kong expands war-risk cover for Chinese shipping in Gulf. Insurance Business. https://www.insurancebusinessmag.com/asia/news/marine/hong-kong-expands-warrisk-cover-for-chinese-shipping-in-gulf-568222.aspx

- Modernize the law of warranties to ensure breach suspends rather than discharges liability, and warranties operate consistently with the risk they are intended to address.
- Introduce a damages remedy for unreasonably late payment of valid claims.

209 There is confusion regarding advice received, representation of client interests, and accountability between agencies and brokers during the policy selection process. Maintaining high professional standards and public confidence across all distribution channels is therefore essential for consumers' interest and preserving Hong Kong's reputation as a leading international insurance hub.

210 To further enhance the professionalism in the insurance industry, AmCham recommends the Government to:

- Enhance the regulatory framework for intermediaries, conducting regular reviews of licensing, continuing professional development, and compliance. This will ensure consistent ethical conduct and competency, and strengthen consumer confidence.
- Promote industry-wide education to raise awareness of the roles and responsibilities of insurance intermediaries, and encouraging clear disclosure of services, remuneration, and regulatory obligations. This will empower consumers to make more informed decisions and foster greater trust in the insurance sector.

Reinforce Talent Development for Insurance Industry

211 As Hong Kong's insurance sector advances across the Greater Bay Area (GBA), digitalization, and emerging risk markets, industry demand is rapidly evolving toward specialized capabilities in AI, InsurTech, cyber and climate risk, data analytics, and modern actuarial science. AmCham appreciates the Government's ongoing effort to innovate the insurance industry.

212 However, intensifying global competition for specialized professionals, coupled with a growing gap between traditional training programs and fast-evolving industry requirements, presents an ongoing challenge to sustaining the sector's innovation capacity and long-term competitiveness. In addition, VTC Insurance Industry Manpower Survey underscores acute talent shortages in specialized fields, specifically underwriting, actuarial science, risk management, and digital ESG talent, compounded by workforce demographics.[87]

213 To ensure Hong Kong continues to attract, cultivate, and retain top-tier insurance talent, AmCham recommends the Government to:

- Strengthen collaboration among insurers, universities and professional bodies to expand industry-academia partnerships, attract young professionals to insurance careers and promote continuous professional development in emerging areas including AI, cyber risk and sustainability.

- Enhance Hong Kong's attractiveness as a regional insurance hub by improving policies that support international talent mobility and retention, including capacity for international schooling and relocation support for overseas professionals.

[87] Insurance Industry Manpower Survey Report. (2025). Insurance Training Board. https://manpower-survey.vtc.edu.hk/f/publication/26552/IN-MPS2025_Report%28E%29.pdf#:~:text=16.%20Page%2021.%20The%202025%20Manpower%20Survey,insurance%20careers%20lack%20appeal%20among%20younger%20generations.

7. Health

214 Hong Kong's high-quality healthcare system remains one of the city's most important competitive strengths, supporting public health, economic resilience, and Hong Kong's attractiveness as an international destination. AmCham commends the Government's commitment to improve healthcare sustainability through ongoing healthcare reform, providing a solid foundation for building a more sustainable, patient-centered, and innovation-driven healthcare system.

215 As Hong Kong's population continues to age and the prevalence of chronic diseases rises, ensuring the long-term sustainability of the healthcare system will require a greater emphasis on prevention, early intervention, innovative solutions and more efficient use of healthcare resources. In addition, continued progress will depend on closer collaboration between the Government, healthcare providers, industry, academia, and patient groups to ensure that policy development reflects evolving clinical needs and technological advances. Maintaining regular industry engagement, strengthening primary care and chronic disease management, and fostering an enabling environment for medical innovation will reinforce Hong Kong's position as a leading international healthcare hub while supporting better health outcomes and long-term economic competitiveness.

216 This chapter will focus on the following recommendations to the Government:

- Evaluate Fiscal Model and Establish Value-Based Healthcare Frameworks
- Utilize Private Sector Resources to Build Comprehensive Healthcare System
- Strengthen Healthcare System with Medical Innovation
- Enhance Primary Care & Chronic Disease Management
- Maintain Regular Industry Engagement
- Enhance Women Mental Health Protection and Reproductive Health Resources

Evaluate Fiscal Model and Establish Value-Based Healthcare Frameworks

217 Hong Kong, which has one of the most rapidly aging populations globally, is projected to see an average annual growth rate of 4.0% in the population aged 65 and over between 2021 and 2030.[88] Specifically, the population aged 65 and over is expected to rise from 1.5 million (20% of the total population) in 2021 to 2.52 million (31% of the total population) by 2039.[89]

218 AmCham appreciates the Government's ongoing efforts to balance public expenditure with top-class clinical standards. However, the Hong Kong healthcare system relies heavily on simplistic cost-containment measures and rigid external price referencing. This leads to the Hospital Authority (HA) focusing on reducing upfront product costs while overlooking total system spending.

219 To address this, our members believe that value-based pricing and value-based care align treatment decisions with patient outcomes, support better clinical decision-making, and help control total healthcare expenditure over time.

220 AmCham suggests the following:

- Launch a pilot value-based procurement program within selected HA services, focusing on high-burden disease areas such as renal care, critical care, and chronic disease management.
- Implement an evaluation framework that accounts for total system costs, including hospital avoidance, complication reduction, and workforce productivity, broadening evaluations to reflect overall system benefits beyond immediate unit-cost considerations. Evaluation criteria should incorporate clinical outcomes, total cost of care, operational efficiencies, and real-world evidence, alongside traditional pricing considerations.

[88] Chapter 1 - The healthcare challenges in Hong Kong. (n.d.). https://www.primaryhealthcare.gov.hk/bp/en/supplementary-documents/challenges/
[89] Health Bureau. (n.d.). THE HEALTHCARE CHALLENGES IN HONG KONG. https://www.primaryhealthcare.gov.hk/bp/en/blueprint-2/

- Adopt innovative funding models that align public healthcare costs directly with clinical outcomes.
- Establish forward-looking mechanisms to anticipate high-impact therapies, prepare funding and services in advance, and integrate pipeline visibility with medium-term budget planning to ensure earlier access readiness.
- Continue to improve transparency in assessment and funding approaches.

<u>Utilize Private Sector Resources to Build Comprehensive Healthcare System</u>

221 AmCham commends the Government's continued efforts to promote and leverage the Voluntary Health Insurance Scheme (VHIS) to alleviate pressure on the public healthcare system and harness the full potential of the private sector.

222 However, VHIS is yet to be fully utilized to relieve the pressure on public healthcare system. Currently, 97% of VHIS subscribers are concentrated in premium "Flexi plans," while Standard Plans remain undersubscribed by younger, healthier demographics.[90] Without a comprehensive bridge between the public and private sectors, middle-class patients continue to rely on the public system for specialized chronic care, straining public healthcare resources.

223 Regularly reviewing the VHIS to ensure that it remains affordable, attractive, and responsive to changing healthcare needs would encourage broader participation, improve risk diversification, strengthen the scheme's long-term sustainability, and better support the transition of appropriate patients to private care.

224 To this end, AmCham suggests the following actions.

- Mobilize private capital and insurers to help finance models that reward prevention, treatment adherence, and operational efficiency, positioning healthcare financing reform as a key enabler of system resilience.
- Strengthen incentives for broader public uptake, improving the predictability of patient cost-sharing, and facilitating greater utilization of private sector capacity.
- Broaden public-private partnerships, particularly in high-demand and specialized care areas, to alleviate pressure on the public system and improve timely patient access to advanced treatments.
- Review the VHIS regularly to ensure it remains affordable and appealing. Address the current market distortion by adding design flexibility to incentivize uptake by younger segments, incorporate preventive care, and include cross-border solutions.

225 Hong Kong's rising healthcare costs have become an increasingly systemic concern, with recent industry research indicating that private medical insurance expenditure increased by over 60% between 2019 and 2023.[91] If this trajectory continues, it risks undermining long-term affordability while placing additional pressure on both the insurance market and the public healthcare system.

226 Greater price transparency reduces information asymmetry by enabling healthcare providers and insurers to negotiate more effectively, while empowering consumers to make more informed healthcare and insurance choices.

227 This can also promote greater competition, contribute to more efficient pricing across the healthcare system, improve access to pricing data, and support policy evaluation, regulatory oversight, and market monitoring, thereby providing policymakers with better information to assess market performance and identify opportunities for reform.

[90] Inland Revenue Department. (2024, December 4). LCQ5: Voluntary Health Insurance Scheme. https://www.ird.gov.hk/eng/ppr/archives/24120401.htm

[91] College of Professional and Continuing Education (CPCE). (2026, April 28). Study reveals Post-Pandemic private health insurance expenditure in Hong Kong surged by over 60% in four years Day procedures and High-End outpatient services identified as primary drivers. The Hong Kong Polytechnic University. https://www.cpce-polyu.edu.hk/news/study-reveals-post-pandemic-private-health-insurance-expenditure-in-hong-kong-surged-by-over-60--in-four-years-day-procedures-and-high-end-outpatient-services-identified-as-primary-drivers

228 To this end, AmCham respectfully recommends the following actions:

- Strengthen private healthcare price transparency within the private healthcare sector to complement public system sustainability and build consumer confidence. This includes establishing a secure, interoperable platform for private healthcare data which will enable better identification of cost drivers, strengthen fraud and waste detection, support responsible product development, and facilitate evidence-based policy recommendations.
- Establish a centralized data platform to improve transparency and cost efficiency.
- Introduce granular price transparency regulations to improve cost predictability.
- Establish multi-stakeholder platforms to enhance coordination on price transparency and resolve claims disputes.
- Partner explicitly with consumer education groups—such as the Consumer Council and the Investor & Financial Education Council (IFEC)—to launch healthcare and insurance literacy initiatives on costs, coverage, and package pricing.

Strengthen Healthcare System with Medical Innovation

229 Hong Kong has made strong progress in strengthening medical product registration, enhancing clinical research capabilities, and deepening collaboration within the GBA. These are important steps toward establishing Hong Kong as an International Health and Medical Innovation Hub.

230 AmCham commends the Government's continued efforts to strengthen Hong Kong's medical regulatory system through the "1+" drug registration mechanism and the establishment of the preparatory office for the Centre for Medical Products Regulation (CMPR). These initiatives provide a strong foundation for accelerating access to innovative medicines and reinforcing Hong Kong's position as a regional life and health technology hub. However, a challenge lies in translating these regulatory approvals into timely, predictable, and equitable patient access within the HA formulary and clinical pathways.

231 Building on this momentum, the next priority is to **ensure that regulatory reforms are complemented by policies that facilitate the timely adoption and reimbursement of innovative therapies across the healthcare system.**

232 To this end, AmCham recommends that the Government:

- Strengthen the operational integration between the Department of Health regulatory approvals and HA access pathways to minimize "last-mile" delays in patient access.
- Implement structured, reliable review timelines, and introduce system-level performance monitoring to enhance commercial planning certainty.
- Strengthen regulatory capacity, provide adequate resourcing, and internal quality-assurance mechanisms within the regulatory authority to ensure consistent, high-quality review outcomes.

233 Investment decisions by multinational life sciences companies are becoming increasingly competitive across global markets, with jurisdictions competing to attract R&D, clinical trials, and the commercialization of innovative therapies. This trend is reflected in the growing importance of regulatory efficiency, intellectual property protection, and timely market access in determining where companies choose to invest and launch innovative medicines.[92]

234 While Hong Kong has established strong foundations through its internationally recognized regulatory framework, robust intellectual property regime, and continued efforts to strengthen its health technology ecosystem, further policy refinement is needed to ensure these strengths translate into long-term investment decisions. Building on these foundations, the next priority is to **strengthen the policy and regulatory environment so that Hong Kong remains a preferred destination for global R&D investment, clinical trials, and the early introduction of innovative therapies.**

[92] European Parliamentary Research Service. (2023). Improving access to medicines and promoting pharmaceutical innovation. European Parliament. https://www.europarl.europa.eu/RegData/etudes/STUD/2023/753166/EPRS_STU(2023)753166_EN.pdf

235 To this end, AmCham recommends that the Government:

- Ensure that market access policies explicitly value incremental innovations, such as advanced formulations, new indications, and companion diagnostics, which improve patient compliance and reduce healthcare delivery burdens.
- Formulate policy frameworks that explicitly recognize and utilize locally generated clinical trial data and Real-World Evidence in the regulatory and HA assessment processes.
- Uphold a robust, internationally aligned intellectual property and regulatory data protection framework to sustain long-term private sector R&D investment.
- Align healthcare market access policies with Hong Kong's broader innovation and technology strategies, positioning the city as a regional hub for clinical research and the priority market for introducing innovative therapies.

236 In addition, a clear, predictable, and internationally aligned regulatory framework will help maintain business confidence while supporting the timely availability of safe and innovative medical devices.[93]

237 Currently, greater clarity is still needed regarding legal enforcement, risk classification, and market distribution channels to provide regulatory certainty, protect patient safety, and maintain a level playing field. Building on the Government's ongoing efforts, including recent establishment of the Office for Introducing Innovative Drugs and Medical Devices, the next priority is to ensure that implementation is supported by clear guidance and continued industry engagement.

238 The current framework appears heavily focused on pharmaceuticals and cost-based evaluations. As Hong Kong advances medical innovation, it would be helpful to ensure that assessment pathways and access considerations for medical devices are also clearly defined and appropriately reflected.

239 To this end, AmCham recommends:

- Provide Clear Guidelines and Frameworks for the Mandatory Registration Regime.
- Introduce a licensing regime for medical device importers, distributors, and wholesalers to ensure safety and market integrity.
- Place a statutory duty on online marketplace operators to verify device registration status, and establish a joint documentation-vetting framework to inspect and verify medical device registration prior to customs clearance and market entry.

240 Digital health platforms, remote patient monitoring (RPM), and AI are becoming increasingly important in transforming healthcare delivery, enabling more personalized, preventive, and efficient models of care. These technologies have significant potential to strengthen chronic disease management, improve patient outcomes, and alleviate pressure on healthcare resources by enabling care to be delivered beyond traditional clinical settings.[94] [95] However, their adoption in Hong Kong continues to face systemic barriers, including fragmented IT budgeting, limited integration into clinical workflows, and the absence of clear governance frameworks for health data and AI.

241 Integrating this technology into HA and Public-Private Partnership (PPP) programs would enable continuous monitoring/management of patients with chronic conditions such as chronic kidney disease, end-stage renal disease, heart

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[93] REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulations (EU) 2017/745 and (EU) 2017/746 as regards simplifying and reducing the burden of the rules on medical devices and in vitro diagnostic medical devices, and amending Regulation (EU) 2022/123 as regards the support of the European Medicines Agency for the expert panels on medical devices and Regulation (EU) 2024/1689 as regards the list of Union harmonisation legislation referred to in its Annex I. (2025). European Comission. https://health.ec.europa.eu/document/download/94299481-f705-4918-9c64-8fd1d2ac2cb5_en?filename=md_swd-2025-1050_en.pdf

[94] Patel, P., Green, M., Tram, J., Wang, E., Murphy, M., Abd-Elsayed, A., & Chakravarthy, K. (2024). Beyond the Pain Management Clinic: The Role of AI-Integrated Remote Patient Monitoring in Chronic Disease Management – A Narrative review. Journal of Pain Research, Volume 17, 4223–4237. https://doi.org/10.2147/jpr.s494238

[95] Nabi, J., Staynings, R., Sofi, J. I., & Willis, H. H. (2025). Understanding the risks and benefits of implementing AI-Enabled remote patient monitoring systems for disease management. International Journal of Environmental Research and Public Health, 22(11), 1734. https://doi.org/10.3390/ijerph22111734

failure, and diabetes, allowing earlier clinical intervention and reducing avoidable hospital admissions. Such a policy would align with Hong Kong's primary healthcare reform agenda by shifting care from hospitals to homes while improving patient outcomes and healthcare system efficiency.

242 Building on Hong Kong's ongoing digital health initiatives, the next priority is to establish an enabling policy and governance framework that supports the safe, effective, and scalable adoption of digital health technologies.

243 As such, AmCham recommends:

- Formally recognise and integrate digital health platforms that support patient monitoring, treatment adherence, and care coordination as clinical components of standard care pathways, moving away from treating them as standalone IT projects.
- Formulate clear, transparent governance frameworks addressing the ethical use of generative AI, the integration of patient-generated health data, and secure public-private data collaboration.
- Establish a reimbursement framework for Remote Patient Management as a recognized component of routine clinical care.
- Consider launching pilot reimbursement schemes that reward measurable outcomes, including reduced emergency visits, lower hospitalization rates, improved treatment adherence, and enhanced patient quality of life.
- Recognize Remote Patient Management technology as a reimbursable healthcare service rather than an IT expense to accelerate adoption of digital health solutions, strengthen chronic disease management capabilities, and build a scalable model for an aging population.

Enhance Cross-Border Healthcare Integration

244 As healthcare integration within the GBA continues to deepen, greater interoperability between Hong Kong and Mainland healthcare systems will become increasingly important to supporting cross-boundary healthcare services and patient mobility. However, discrepancies in medical diagnostics, data-sharing arrangements, and legal and regulatory definitions continue to slow insurance underwriting, claims approvals, and the continuity of care for patients receiving treatment across jurisdictions.[96]

245 Building on existing cross-boundary healthcare cooperation, the next priority is to strengthen collaboration with Mainland authorities to further harmonize regulatory standards, medical data-sharing protocols, and diagnostic codes. Doing so will reduce administrative barriers, improve the efficiency of cross-border healthcare and insurance services, enhance patient experiences, and support the long-term integration of healthcare systems across the GBA.

246 AmCham therefore recommends:

- Enhance collaboration between the Government, the Department of Justice, and Mainland authorities to align diagnostic codes, definitions, and medical data-sharing protocols.
- Incorporate explicit cross-border use cases into the policy design and coverage of local insurance frameworks like the VHIS to allow seamless healthcare access for patients moving across the GBA.
- Develop bundled care and insurance-supported cross-border models to position Hong Kong as a regional hub for specialized, high-value clinical care.

[96] PWC & The GBA Healthcare Group. (2024). Healthy Greater Bay Area : Integration and Reciprocity. https://www.pwccn.com/en/research-and-insights/greater-bay-area/integration-healthy-sep2024.pdf

Enhance Primary Care & Chronic Disease Management

247 Chronic diseases heavily drive hospital utilization, but managing these long-term conditions through acute, public hospital facilities is inefficient and financially unsustainable. In 2020/21, approximately 31% of the population (around 2.2 million people) lived with chronic health conditions, of which 47% were aged 65 and over.[97]

248 AmCham commends the Government's continued efforts to expand PPPs in the healthcare sector, recognising their growing contribution to alleviating pressure on the public healthcare system while broadening access to high-quality healthcare services.[98]

249 However, most PPP initiatives remain focused on specific services or pilot programmes, while the growing burden of chronic disease requires longer-term, integrated models of care. PPPs can be effective, but only when there is strong governance, monitoring, and better coordination between sectors.[99]

250 Building on the success of existing PPPs, the next priority is to embed public-private partnerships as a core component of chronic disease management, enabling greater use of private sector capacity to improve care continuity, enhance system efficiency, and support the long-term sustainability of Hong Kong's healthcare system.

251 As such, AmCham suggests the Government to:

- Scale PPPs from pilots into core delivery mechanisms for chronic disease management.
- Introduce multi-year contracting and outcome-based performance measures to support continuity, quality, and efficiency.
- Integrate digital health platforms and AI solutions as core components of standard care pathways and incorporate digital tools into PPP funding models to enhance efficiency.
- Introduce multi-year financing and refinancing approaches for chronic care programs to smooth fiscal pressure.
- Explore outcome-linked funding and public-private co-financing models backed by reduced hospital utilization, predictable cost avoidance, and measurable care outcomes.

252 As Hong Kong's population continues to age, the number of HA patients with chronic diseases is projected to rise significantly, placing growing pressure on healthcare resources. Without a greater shift towards community- and primary care-based management, predictable long-term conditions will continue to occupy acute hospital capacity, exacerbating bed shortages, increasing workforce pressures, and driving up public healthcare expenditure.

253 Building on the Government's ongoing primary healthcare reforms, the next priority is to strengthen integrated chronic disease management beyond the hospital setting.

254 To this end, AmCham suggests the Government to:

- Establish a clear policy directive designating home- and community-based care as the default pathway for clinically appropriate chronic disease patients.
- Continue supporting care models that enable patients to be treated safely at home, reducing avoidable hospital visits and admissions.
- Align funding mechanisms to eliminate structural bias toward hospital-based care and support long-term disease management in the community.

[97] Chapter 1 - The healthcare challenges in Hong Kong. (n.d.). https://www.primaryhealthcare.gov.hk/bp/en/supplementary-documents/challenges/
[98] Health Bereau. (n.d.). Chapter 3 Promote Public-Private Partnership in Healthcare. In Your Health, Your Life (pp. 29–31). https://www.healthbureau.gov.hk/beStrong/files/consultation/chapter3_eng.pdf
[99] Audit Commission. (2012). Report No. 58 of the Director of Audit — Chapter 3: HOSPITAL AUTHORITY: PUBLIC-PRIVATE PARTNERSHIP (PPP) PROGRAMMES. In Report (Issue 58, pp. 1–3) [Report]. https://www.aud.gov.hk/pdf_e/e58ch03sum.pdf

Maintain Constant Industry Engagement

255 Hong Kong's healthcare system has benefited from ongoing collaboration between the Government and industry in advancing healthcare reform, medical innovation, and service delivery. As the healthcare sector becomes increasingly complex and innovation-driven, sustained engagement with industry stakeholders will be essential to ensuring that policies remain practical, responsive, and aligned with evolving healthcare needs.

256 However, engagement with healthcare and pharmaceutical companies is often conducted on an ad hoc or transactional basis, resulting in the absence of a structured and regular mechanism to treat the industry as a long-term strategic partner. This can limit opportunities for early policy input, coordinated implementation, and long-term planning across the healthcare ecosystem.

257 Building on the Government's existing engagement with the healthcare sector, the next priority is to establish a structured and regular public-private communication platform. Doing so would strengthen strategic collaboration, improve policy implementation, facilitate more effective discussions on healthcare financing, investment, and service delivery, and support the long-term sustainability and competitiveness of Hong Kong's healthcare system.

258 As such, AmCham recommends:

- Establish formalized, regular communication channels between key government bureaus and multi-sector industry representatives to enable the exchange of views on topics such as budget allocations, investment attraction strategies, and healthcare delivery bottlenecks.

Enhance Women Mental Health Protection and Reproductive Health Resources

259 3.5% of women in Hong Kong report suffering from mental health disorders compared to 2.2% of men,[100] a disparity that can be attributed to the pressure placed on women to balance expectations in the workplace and at home. A Deloitte study issued on working women in 2024 revealed that mental health is among the top three factors in driving women to quit their jobs, and a lack of awareness surrounding this issue means that 20% of respondents feared expressing their mental health challenges would adversely impact their career progression chances.[101]

260 AmCham commends the Government’s efforts to raise awareness of mental health through initiatives like Women Wellness Satellites (WWSs) and WWS Service Points, which started in June 2025, to offer preventative and personalized primary healthcare services to eligible women.[102] However, the Government should take additional steps to safeguard the mental well-being of women in the workforce.

261 To this end, AmCham suggests the Government to:

- Provide incentives for companies to implement mental health support programs such as on-site counselling and extend its support to working mothers returning to the office by mandating time off and legislating a flexible working hours policy.

262 Women in the working sphere may encounter a range of health concerns, from pregnancies to menopause. Offering them support will not only improve their over-all wellbeing, but also contribute to a more productive and inclusive work environment. Addressing such health gap could improve the quality of life for women, as well as boost healthy aging.

263 AmCham commends the Hong Kong Government’s strides in protecting women in the workplace, through the prohibition of discrimination against breastfeeding women in the Discrimination Legislation Ordinance.

[100] https://link.springer.com/article/10.1007/s00127-015-1014-5
[101] https://www.deloitte.com/global/en/issues/work/content/women-at-work-global-outlook.html
[102] apc01.safelinks.protection.outlook.com/GetUrlReputation

264 In addition, period poverty and unaddressed health challenges continue to affect many women in Hong Kong. Financial pressures and social stigma force vulnerable individuals to compromise on basic menstrual hygiene, while broader health concerns—from pregnancy to menopause—often lack adequate support in the workplace.

265 To further address the health gap, improve women's quality of life and protection in workplace, AmCham encourages the Government to:

- Mandate initiatives such as Breastfeeding Friendly Workplace Guide issued by the Family Health Service to protect women in the workplace by providing private spaces and refrigeration facilities for breastfeeding women.
- Incorporating menstrual products into poverty alleviation schemes, providing free supplies in schools and public facilities, and launching inclusive public education initiatives.

8. Innovation, Technology & Industry

266 With a strategic position as a gateway to the Chinese Mainland and international markets, a business-friendly environment, a thriving start-up ecosystem, and world-class research and innovation capabilities, Hong Kong is well-positioned to serve as a leading international innovation and technology (I&T) hub. This is reflected in the continued growth of its innovation ecosystem, with the number of companies with Chinese Mainland or overseas parent companies and the number of start-ups both reaching record highs in 2025.[103] Hong Kong also ranked fourth globally in the IMD World Digital Competitiveness Ranking 2025, while the Shenzhen-Hong Kong-Guangzhou science and technology cluster retained its position as the world's leading science and technology cluster in the WIPO Global Innovation Index 2025.

267 These indicators reaffirm Hong Kong's position as a leading innovation hub on the international stage. AmCham respectfully recommends that the Government build upon this momentum to ensure that I&T powers long-term sector-wide growth and reinforces Hong Kong's role as a global leader in technological development.

268 To this end, AmCham recommends the following key actions:

- Support the Development of Hong Kong as an International I&T Center
- Facilitate Cross-Border Data Flow
- Support the Implementation of the AI+ Initiative
- Adopt a More Pro-Cloud Policy
- Accelerate Industry-Led Innovation with R&D
- Strengthen the I&T Talent Ecosystem and Support Young Innovators

Support the Development of Hong Kong as an International I&T Center

269 The 15th National Five-Year Plan supports Hong Kong's development into an international I&T hub. Having consistently ranked among the top 10 in the IMD World Digital Competitiveness Ranking since 2019,[104] Hong Kong has demonstrated clear achievements in technology and established a solid foundation to achieve this goal.

270 Because modern financial and digital systems rely heavily on global connectivity, localized technological mandates risk creating fragmented operating environments and imposing significant compliance costs on international firms. To maintain its technological edge and leadership in fintech, Hong Kong should continue adopting a risk-based, technology-neutral supervisory approach. By leveraging its unique role as a "super-connector," the city can strategically bridge global technological advancements to strengthen its industry.

271 To further develop Hong Kong into the hub for I&T AmCham recommends the Government to:

- Reaffirm Hong Kong's commitment to technology neutrality and adherence to international standards. This will allow multinational companies to continue to benefit from the best technology solutions around the world. This is critical for the enhancement of Hong Kong's status as an international financial center and its development as an international I&T center under the National 15th Five Year Plan.

[103] Insurance Industry Manpower Survey Report. (2025). Insurance Training Board. https://manpower-survey.vtc.edu.hk/f/publication/26552/IN-MPS2025_Report%28E%29.pdf#:~:text=16.%20Page%2021.%20The%202025%20Manpower%20Survey,insurance%20careers%20lack%20appeal%20among%20younger%20generations.
[104] Chu, E. (2025, November 7). Innovation and Technology Industry in Hong Kong. HKTDC Research. https://research.hktdc.com/en/article/MzEzOTIwMDIy

- Ensure that the enforcement of the Critical Infrastructure Ordinance and other technology-related regulations/guidelines align with international standards to mitigate compliance costs and sustain Hong Kong's attractiveness for international businesses.

272 Hong Kong's technological industry has also thrived by leveraging Hong Kong's comprehensive financing ecosystem and strong commercialization capacity. Tech startups raised about US$638 million in 2025,[105] while Hong Kong's IPO market raised about US$26.42 billion in the first half of 2026, with tech firms accounting for more than half of proceeds.[106]

273 The Government's goal of building Hong Kong into an international I&T center should build on the strong financial foundation and further strengthen the links between technology, industry and finance so that innovative research can be commercialized more effectively and scaled more rapidly. AmCham therefore recommends the following:

- Strengthen technology-industry-finance integration through innovation-linked financing, regulatory sandboxes, and clearer IP commercialization mechanisms.
- Position Hong Kong as a regional hub for technology governance, including AI ethics, cybersecurity standards, and data governance.

Facilitate Cross-Border Data Flow

274 As Hong Kong deepens its integration with the GBA and strengthens its position as an international I&T hub, the efficient flow of data across jurisdictions will become increasingly important to enabling innovation, digital trade, and cross-border business operations.[107] Hong Kong's role as a "super connector" and "super value-adder" depends on its ability to facilitate trusted cross-border data flows while maintaining high standards of privacy and security. As businesses increasingly rely on cloud computing, AI and cross-border digital services, trusted data flows have become an essential enabler of innovation, research collaboration and digital trade.[108]

275 A predictable and internationally aligned data governance framework will help businesses deploy digital services across markets, support cross-border research and collaboration, and reinforce Hong Kong's competitiveness as a regional digital economy hub. Further measures to facilitate trusted data flows across jurisdictions would strengthen Hong Kong's role as the gateway connecting the Chinese Mainland with international markets.

276 As such, AmCham recommends the Government the below measures to further enhance Hong Kong's digital economy:

- Avoid imposing localization requirements for the public and/or private sectors as localization measures do not improve personal data security outcomes but do impede business innovation and limit services available to consumers.
- Do not impose stringent restrictions on cross-border data transfer to foster the development of digital economy and strengthen Hong Kong's role as a "super connector" and "super value adder".
- Recognize international security and privacy standards and codes of practice that have proven their efficiency as an appropriate voluntary mechanism for demonstrating compliance with domestic privacy laws and frameworks.

[105] Bejer, G. (2026, March 25). Fintech startups to lead Hong Kong venture funding. Hong Kong Business. https://hongkongbusiness.hk/markets-investing/exclusive/fintech-startups-lead-hong-kong-venture-funding#:~:text=roughly%20%245b%20(US%24638.2m)%20deployed%20across%2032%20funding%20rounds
[106] Zhang, J. (2026, June 30). Hong Kong IPOs ride China's tech wave, but Nasdaq leads way with SpaceX tsunami. South China Morning Post. https://www.scmp.com/business/banking-finance/article/3358823/hong-kong-ipos-ride-chinas-tech-wave-nasdaq-leads-way-spacex-tsunami?pgtype=live
[107] Cross-border data flows. (n.d.). OECD. https://www.oecd.org/en/topics/sub-issues/cross-border-data-flows.html
[108] Peng, S. (2024). Data flows as digital trade. In Cambridge University Press eBooks (pp. 197–237). https://doi.org/10.1017/9781009355025.010

- Extend the facilitation measures of the Standard Contract for the Cross-Boundary Flow of Personal Information within the GBA to other data center hubs in the Mainland, such as the Beijing-Tianjin-Hebei Region, Yangtze River Delta, and Ningxia Hui Autonomous Region.

Support the Implementation of the AI+ initiative

277 The Government has made significant investments to strengthen Hong Kong's AI ecosystem, recognizing AI's transformative potential across industries and the corresponding need for workforce upskilling. As AI becomes further embedded in the economy, AmCham strongly supports the Government’s commendable steps to drive adoption and implement the AI+ initiative.

278 To maximize the impact of these initiatives, the next priority should be ensuring that policy and regulatory frameworks enable businesses, researchers, and developers to fully leverage these investments. Unlocking the true value of AI requires access to quality data, trusted cross-border flows, open data access, and proportionate governance.

279 To maintain Hong Kong’s regional competitiveness and foster a thrive-and-scale environment for responsible AI innovation, AmCham recommends that the Government:

- Amend existing applicable requirements where existing laws are insufficient to address the application of AI, rather than creating a separate AI-specific regulatory framework.
- Consider making more data available to the public, businesses, and academia for research and commercial purposes so that Hong Kong can fully reap the benefits from the data-driven AI age.
- Avoid overclassifying data as restricted and confidential, which can incur unwarranted expenses by implementing costly controls, diverting attention from less critical datasets, and limiting society’s use of the data through unnecessary compliance requirements.

Adopt a More Pro-Cloud Policy

280 Cloud computing accelerates AI innovation, giving startups, researchers, and enterprises on-demand access to the compute power needed to build and scale AI—without heavy upfront infrastructure costs. A technology-neutral, standards-aligned cloud policy that permits data flows under robust security safeguards strengthens Hong Kong's competitiveness as an international innovation hub.

281 Cloud adoption also improves efficiency, resilience, and sustainability across public and private sectors. By aligning with international best practices on digital transformation, Hong Kong can attract investment, foster digital talent, and reinforce its position as a leading global technology and financial center. To this end, AmCham urges the Government to:

- Adopt a more coordinated pro-cloud strategy to fully capitalize on the merits of cloud computing in terms of agility, cost savings, scalability and sustainability, allowing faster innovation and deployment, with a view to driving digital transformation in both the public and private sectors.
- Recognize cloud computing as a proven technology for achieving decarbonization targets and formally integrate cloud strategy into Hong Kong’s Climate Action Plan 2050 to be updated.

Accelerate Industry-Led Innovation with R&D

282 AmCham commends the Government’s continued efforts to strengthen Hong Kong's innovation by advancing the establishment of pilot lines by the Hong Kong Microelectronics Research and Development Institute, facilitating leading I&T, and actively nurturing emerging industries.

283 These initiatives provide a strong foundation for further strengthening collaboration between government, industry and academia, helping to align research with industry needs and accelerate the commercialization of innovation. The next priority is to deepen collaboration between government, industry and academia by encouraging enterprises to play a greater role in shaping research priorities and co-funding applied innovation, while expanding cross-border innovation platforms that enable Hong Kong-based companies to pilot, commercialize and scale innovative solutions across the GBA.

284 Accordingly, AmCham recommends the HKSAR Government to:

- Encourage enterprises to play a larger role in defining research agendas and co-funding applied innovation.
- Expand cross-border innovation platforms that allow Hong Kong-based companies to pilot and scale solutions within the GBA.

Strengthen the I&T Talent Ecosystem and Support Young Innovators

285 The Policy Address rightly emphasizes talent attraction schemes and global recruitment, directly addressing a critical demand of the I&T industry. Despite recent efforts, Hong Kong's I&T industry still faces a talent shortage. A 2026 survey by the Hong Kong Computer Society revealed that 25.69% of the sector view cybersecurity talent shortages as a primary challenge.[109] To address this, Hong Kong must look beyond global talent attraction and focus on talent enablement.

286 Moving past recruitment alone, businesses require the flexibility to deploy staff seamlessly throughout the Greater Bay Area (GBA), build cross-border project teams, and offer long-term career progression.

287 To place a stronger emphasis on talent enablement, ensuring professionals can contribute fully and sustainably to drive Hong Kong’s innovation, AmCham recommends that the Government:

- Develop a GBA-oriented talent mobility framework, including simplified arrangements for cross-border work, short-term project deployment, and multi-location employment.
- Enhance mutual recognition of professional and technical qualifications across GBA cities, especially in technology, engineering, and digital professions.

288 Moreover, the previous Policy Address highlights education, STEM development, and AI capability building. Industry experience suggests that the most acute shortages are in hybrid talent, according to a study by talent agency KOS international, over 60% of surveyed firms are looking for hybrid talent.

289 To further build Hong Kong’s capability in the innovative and technology industry, the Government should reinforce the pipeline of applied and hybrid talent and bringing in multiskilled talent who can bridge research, product development, and market adoption.

290 To address labor market’s demand, AmCham suggests the Government to:

- Expand industry-co-designed curricula and work-integrated learning, particularly in AI, cybersecurity, fintech, healthtech, and green technology.
- Support mid-career reskilling and professional conversion programmes aligned with fast-evolving technology needs.

291 AmCham commends the Government’s commitment to focus on youth development and innovation, these initiatives, coupled with Hong Kong's position as a gateway to the GBA and access to regional markets, provide significant

[109] Hong Kong Computer Society Announces 2026 I&T Industry Trend Survey Results. (2026). Hong Kong Computer Society. https://hkcs.org.hk/wp-content/uploads/2026/06/20260614-HKCS-2026-IT-Industry-Trend-Survey-Result-Press-Release-English-version.pdf

opportunities for young innovators to translate research into commercially viable solutions.[110]

292 However, early-career innovators often face fragmented funding, administrative burdens, and limited exposure to industry contexts. To continue ensuring that early-career researchers and entrepreneurs can access these opportunities and are supported in bringing innovative ideas from research to market, AmCham recommends the following to support Hong Kong's young and early career innovators:

- Provide longer-term, non-fragmented support for early-career technologists and researchers, including industry secondments and applied R&D pathways.
- Reduce compliance and reporting burdens for early-stage innovation programmes to allow greater focus on innovation and experimentation.

[110] Guangdong-Hong Kong-Macao Greater Bay Area - Innovation and Technology. (n.d.). https://www.bayarea.gov.hk/en/opportunities/it.html

9. Legal

293 Hong Kong remains uniquely positioned to serve as an international legal and dispute-resolution hub connecting the Chinese Mainland and global markets. Its common law system, bilingual legal environment, and position under the "One Country, Two Systems" framework continue to provide a strong foundation for international business, investment, and cross-border commerce.

294 AmCham welcomes the Government's continued efforts to strengthen Hong Kong's legal competitiveness and recommends the following actions:

- Reinforce "One Country, Two Systems," the Three Free Flows, and Regulatory Transparency
- Maintain Bilingual Common Law System as Hong Kong's Unique Edge and Develop Legal Talent
- Strengthen Hong Kong's Intellectual Property and AI Legal Framework
- Develop Hong Kong into an International Dispute-Resolution Services Center
- Continue to Align Hong Kong's Legal Strengths with the Five-Year Plan

Reinforce "One Country, Two Systems," the Three Free Flows, and Regulatory Transparency

295 Hong Kong's success as an international financial, legal, and commercial centre, founded on the "One Country, Two Systems" principle, remains one of its greatest competitive advantages.[111] AmCham appreciates the Government's continued commitment to upholding this framework, as well as its efforts to safeguard the free flow of capital, information, and people and to maintain regulatory transparency. Together, these strengths underpin Hong Kong's common law system, support investor confidence, and reinforce the city's attractiveness as a destination for international business and investment.

296 The continued importance of these institutional advantages is reflected in the resilience of Hong Kong’s legal and professional services sectors. International law firms continue to view Hong Kong as a strategic base for regional operations and demand for Hong Kong's legal and dispute-resolution services remains strong.[112]

297 Looking ahead, continued confidence in the "One Country, Two Systems" framework, the three free flows, and transparent regulatory processes will remain essential to Hong Kong's long-term competitiveness. Businesses require legal certainty, policy predictability, and the ability to move capital, information, and talent efficiently when making investment and operational decisions. Reinforcing these strengths will help Hong Kong differentiate itself from other international business centers while supporting sustainable economic growth.

298 To this end, AmCham recommends that the Government:

- Establish the inter-agency "Two Systems Office" to coordinate implementation across government departments and to promote wider understanding of "One Country, Two Systems" as a core strength of Hong Kong's legal and business environment, ensuring that these distinct advantages are reflected across policymaking.
- Continue safeguarding the free flows of capital, information, and people, which remain fundamental to investor confidence and Hong Kong's role as an international business and finance center.
- Further enhance transparency, predictability, and stakeholder engagement in the development and implementation of legal and regulatory measures affecting businesses, including through clear consultation and communication processes.

[111] https://www.doj.gov.hk/en/publications/pdf/basiclaw/basic21_3.pdf
[112] https://docs.chambers.com/story/global-guide-launch-2026-u/page/9/4

Maintain Bilingual Common Law System as Hong Kong's Unique Edge and Develop Legal Talent

299 Hong Kong's bilingual common law system is one of its most distinctive competitive advantages. Combined with its ability to operate seamlessly in both Chinese and English, it enables Hong Kong to serve as a unique legal bridge between the Chinese Mainland and the international business community. AmCham welcomes the Government's continued commitment to strengthening Hong Kong's position as an international legal hub and leveraging its bilingual common law system as a core pillar of competitiveness.

300 The continued presence and expansion of international law firms demonstrates sustained confidence in Hong Kong's legal market. With 94 registered foreign law firms from 19 jurisdictions and several international and Mainland firms establishing Hong Kong offices in recent years,[113] Hong Kong remains a preferred base for cross-border legal and professional services.

301 As demand for cross-border legal and dispute resolution services continues to grow,[114] maintaining this competitive advantage will increasingly depend on both a strong pipeline of bilingual legal professionals and a vibrant international legal services ecosystem. Continued investment in the development of bilingual common law talent will be critical to ensuring that Hong Kong can continue to serve the needs of both international and Mainland clients while reinforcing its role as a leading international legal and business hub.

302 AmCham therefore encourages the Government to:

- Outline concrete measures and milestones to further strengthen Hong Kong's position as a trusted international legal hub and promote its role as a bridge between the Chinese Mainland and the international business community.
- Increase support for the training and development of bilingual judicial and legal professionals capable of operating across both international and Mainland legal environments.
- Introduce targeted measures to attract and retain international law firms, further enhancing Hong Kong's unique legal ecosystem and global competitiveness.

Develop Hong Kong into an International Dispute-Resolution Services Center

303 As international trade and investment become increasingly complex, businesses are seeking more efficient and commercially practical ways to resolve disputes. Mediation has gained wider international recognition as a flexible, confidential, and cost-effective dispute-resolution mechanism that can preserve commercial relationships while reducing the time and costs associated with litigation and arbitration.

304 AmCham commends the Government's efforts to promote mediation and diversify dispute-resolution mechanisms, including initiatives within the Greater Bay Area (GBA) and the establishment of the International Organization for Mediation (IOM). Continued investment in Hong Kong's mediation ecosystem will help meet the evolving needs of the international business community and strengthen Hong Kong's competitiveness as a preferred venue for resolving cross-border commercial disputes.

305 AmCham therefore recommends that the Government:

- Continue promoting a mediation culture and support the development of the IOM.
- Position Hong Kong as the leading regional center for mediation in cross-border commercial disputes involving Mainland, US, and international businesses.

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[113] https://www.hklawsoc.org.hk/en/About-the-Society/Profile-of-the-Profession
[114] file:///Users/alexissjovall/Downloads/NILQ+75.AD1.6+Clark+and+Sourdin+FINAL.pdf

306 Beyond mediation, deeper legal and dispute-resolution connectivity within the GBA will be equally important as cross-border commercial activity continues to grow. As the GBA continues to deepen economic integration, businesses are increasingly operating across multiple jurisdictions with different legal and regulatory systems. This has created growing demand for efficient, internationally trusted legal and dispute-resolution services. Survey findings indicate that more than 95.4% of GBA enterprises require Hong Kong legal services, while demand is expected to continue increasing.

307 Further strengthening legal and dispute-resolution connectivity across the GBA will reduce legal uncertainty, lower transaction and dispute-resolution costs, and facilitate cross-border investment and commercial activity. Given Hong Kong's common law system, internationally recognized legal services sector, and unique role as a bridge between the Chinese Mainland and the international business community, deeper legal integration will reinforce Hong Kong's position as the preferred legal and dispute-resolution services center for the GBA.

308 AmCham therefore recommends that the Government:

- Strengthen measures that reduce the cost and complexity of resolving cross-boundary disputes.
- Improve the accessibility and usability of Hong Kong's legal, arbitration, and mediation services for GBA enterprises.
- Continue enhancing collaboration and practical legal cooperation across the GBA to support growing cross-border commercial activity and reinforce Hong Kong's role as the region's leading international legal and dispute-resolution services center.

Strengthen Hong Kong's Intellectual Property and AI Legal Framework

309 The rapid development and adoption of artificial intelligence (AI) are reshaping innovation, investment, and cross-border commerce. Global spending on AI-related applications, services, and infrastructure is projected to exceed US$632 billion by 2028,[115] while AI is expected to have a significant impact across professional and commercial sectors.[116]

310 Hong Kong's continued success as an international financial and innovation center reinforces the importance of maintaining a modern legal framework that supports emerging technologies. In the first half of 2026, Hong Kong's IPO market raised approximately US$26.4 billion, with technology companies accounting for more than half of total proceeds, highlighting the growing importance of technology-driven businesses to the city's economy.

311 As Hong Kong continues to position itself as an international innovation, technology, and legal services hub, a modern and internationally trusted legal framework is essential to support the development and commercialization of emerging technologies.

312 However, the growing use of AI is giving rise to increasingly complex intellectual property and legal questions, including issues relating to ownership, copyright protection, licensing, liability, and the use of copyrighted materials in AI training. These challenges have already led to numerous high-profile disputes globally, including cases concerning the use of copyrighted works to train generative AI models and questions surrounding the ownership and protection of AI-generated outputs. The absence of clear legal guidance may create uncertainty for businesses seeking to develop, deploy, or invest in AI technologies. Businesses may also face difficulties assessing ownership rights, licensing arrangements, and potential infringement liabilities, increasing the cost and complexity of innovation-related investments.

313 Greater legal certainty will be critical to encouraging innovation, attracting investment, and facilitating the commercialization of intellectual property. A robust, technology-neutral framework would also strengthen Hong Kong's position as a trusted jurisdiction for intellectual property protection, technology commercialization, and the resolution of complex technology-related disputes, creating new opportunities for the city's legal and professional services sectors.

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[115] https://www.nortonrosefulbright.com/en-gb/knowledge/publications/c6d47e6f/the-interaction-between-intellectual-property-laws-and-ai-opportunities-and-challenges
[116] 2025 Future of Professionals Report, p. 11

314 In addition, while Hong Kong continues to invest heavily in innovation and research, stronger mechanisms for patent valuation, licensing, and technology transfer are needed to ensure that intellectual property can be effectively commercialized and translated into economic value.

315 AmCham therefore suggests the following actions:

- Develop and refine legal frameworks that facilitate the responsible development, deployment, and commercialization of AI technologies.
- Enhance the legal and institutional framework for intellectual property commercialization, including mechanisms for patent valuation and technology transfer.

Continue to Align Hong Kong's Legal Strengths with the Five-Year Plan

316 AmCham welcomes the Government's commitment to strengthening Hong Kong's legal services sector, common law system, dispute-resolution capabilities, and legal talent development through both the upcoming Policy Address and the city's first Five-Year Plan. These strengths remain central to Hong Kong's competitiveness as an international business and financial center. As the Government develops the Five-Year Plan, the Chamber encourages it to build on these foundations and incorporate the recommendations outlined above into a coherent strategy for strengthening Hong Kong's international legal competitiveness. This will reinforce investor confidence, support cross-border commerce, and further enhance Hong Kong's role as a leading international legal and dispute-resolution hub connecting the Mainland and the global business community.

317 AmCham therefore recommends that the Government:

- Incorporate legal services, dispute resolution, common law development, legal talent cultivation, and legal connectivity as strategic priorities within the forthcoming Five-Year Plan.
- Establish clear policy objectives, implementation measures, and performance indicators to support Hong Kong's long-term development as an international legal and dispute-resolution hub.

10. Labour & Welfare

318 Hong Kong's position as a premier international business destination is underpinned by its ability to attract and retain top-tier global talent. AmCham appreciates the Government's ongoing refinement of the Top Talent Pass Scheme (TTPS) and the Hong Kong Talent Engage (HKTE) office, which is building Hong Kong into a global talent hub.

319 The efforts have gained positive results including attracted over 270,000 talented individuals from around the world, with the TTPS drawing over 100,000 global elites, contributing to Hong Kong's economic development.[117] Hong Kong has also achieved its highest-ever position in the IMD World Talent Ranking 2025, leaping from 9th place in 2024 to 4th globally and 1st in Asia.[118]

320 To further reinforce Hong Kong's status as an international business hub, Hong Kong must adopt a more comprehensive and proactive approach to talent acquisition and retention. This chapter focuses on the following recommendations to the Government:

- Enhance Global Talent Attraction and Strengthen Talent Retention
- Optimize Global Talent Matchmaking and Workplace Internationalization
- Bridge the Global Internship Gap for Pre-Graduate International Talents
- Build Hong Kong as an International Hub Providing Global/Regional Talent
- Strengthen the I&T Talent Ecosystem and Support Young Innovators
- Enhance Childcare Benefits and Increase Workplace Participation in Hong Kong
- Strive for Workplace Equality

Enhance Global Talent Attraction and Strengthen Talent Retention

321 Hong Kong's long-standing connectivity, along with streamlined entry pathways like the Top Talent Pass Scheme (TTPS), and its renowned low-tax regime remain the primary drivers attracting global talent to relocate to the city. AmCham commends the Government's efforts to engage global talents through dedicated channels such as the Hong Kong Talent Engage office,[119] while concurrently introducing initiatives that facilitate their integration into life in Hong Kong.

322 However, international talents often face scattered information regarding relocation and support initiatives offered by the Hong Kong Government. Consequently, they remain largely unaware of these structural advantages, causing high-value global talent to settle into alternative regional hubs.

323 The Chamber, therefore, encourages the Government to address these concerns by refining its existing outreach and information dissemination strategies and recommends the following:

- Launch a proactive international marketing campaign that explicitly highlights Hong Kong's competitive edge as a destination for global talent. This could showcase Hong Kong's unique advantages, including its low-tax regime, world-class infrastructure and education, international lifestyle, and strategic position as a gateway to the GBA, providing a significant drive for international talent to grow in Hong Kong.
- Leverage InvestHK and OASES success cases and formulate a list of strategic foreign enterprises in Hong Kong to attract global talent.

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[117] The 2026-27 Budget - Budget speech. (2026, February 25). https://www.budget.gov.hk/2026/eng/budget25.html

[118] IMD Business School. (2026, June 10). World Talent Ranking 2025 - IMD business school for management and leadership courses. IMD Business School for Management and Leadership Courses. https://www.imd.org/centers/wcc/world-competitiveness-center/rankings/world-talent-ranking/

[119] HKTE | Talent Acquisition | Talent Support Services. (n.d.). https://www.hkengage.gov.hk/en/

- Establish a centralized information platform for international talent that consolidates guidance on visa pathways, housing, schooling, healthcare, tax calculation, and essential relocation support services. This measure could facilitate the decision making of global talent to relocate to Hong Kong.

324 Current immigration policy requires individuals to be physically present in Hong Kong when their visa renewal is formally approved. In a post-pandemic environment where Hong Kong serves as a crucial base for regional travel, this physical presence requirement creates unnecessary administrative bottlenecks for multinational executives whose roles demand constant cross-border mobility. To provide the necessary flexibility for international talents in Hong Kong, AmCham encourages the Government to:

- Introduce business travel flexibility for visa renewals by establishing verified business travel exemptions during the renewal window, ensuring that executive mobility does not inadvertently jeopardize residency status. This flexibility will significantly enhance Hong Kong's capacity to retain the global talent working in the city and maintain its competitive edge as a regional business hub.

325 International education is also a cornerstone of Hong Kong's global competitiveness. For high-level professionals and the mobile middle class, the availability of diverse, high-quality schooling is not merely a preference, but a strategic prerequisite for relocating to or investing in the city. Meanwhile, local talent would also benefit from a more diverse and high-quality education.

326 To further strengthen Hong Kong's status as a hub for global talent, AmCham recommends:

- Position international school policy as a core pillar of the Talent Development Ecosystem by enhancing cross-bureau coordination, especially with Hong Kong Talent Engage under the Labour and Welfare Bureau. Education policy should be viewed through the lens of talent attraction rather than an isolated administrative issue, where cross-bureau coordination can allow a more unified and responsive policy action.
- Please refer to **Education section (Chapter 4)** for more details.

Optimize Global Talent Matchmaking and Workplace Internationalization

327 Currently, global talent and international graduates face a growing challenge as hiring in Hong Kong increasingly shifts toward automated AI-driven recruitment ecosystems. While these tools enhance corporate hiring efficiency, standardized HR screening templates often default to apply uniform trilingual criteria (English, Cantonese, and Mandarin), which may not accurately reflect the language requirements of a given role.

328 This prevents highly-qualified international candidates from matching with the most suitable opportunities due to non-localized language backgrounds. This operational mismatch occurs even for globally-oriented roles, regional operations, or highly specialized technical positions in which English is the primary working language. Without a more flexible, globally aligned corporate matchmaking framework, Hong Kong risks continued talent loss of high-caliber non-local professionals who are eager to contribute to the city's multinational ecosystem but face localized hiring bottlenecks. AmCham recommends that the Government:

- Monitor the role AI plays in talent attraction and retention and issue clear guidance for the industry to ensure that digital recruitment technologies serve as a boost for talent integration rather than creating unintended outcomes.
- Encourage international workplace benchmarks by collaborating with corporations in Hong Kong to establish role-specific language standards for hiring. By explicitly distinguishing roles that specialize in international operations from localized, client-facing functions, Hong Kong can more effectively absorb top-tier talent and foster a more internationalized working environment.

Bridge the Global Internship Gap for Pre-Graduate International Talents

329 While Hong Kong has successfully established robust post-graduation pathways[120] like the Top Talent Pass Scheme (TTPS) and the Immigration Arrangements for Non-local Graduates (IANG), a critical regulatory gap remains for international students prior to graduation. Currently, global undergraduates and postgraduate students who are interested in pursuing short-term internships with multinational corporations here face restrictive entry hurdles.

330 The current visa framework does not accommodate pre-graduation internships, limiting multinational firms' ability to build early talent pipelines. In addition, Hong Kong only has Working Holiday Scheme agreement with 13 countries, which also limits the window for broader talent attraction.[121]

331 Failing to leverage this prime window to showcase Hong Kong's vibrant lifestyle and career opportunities to high-caliber global youth weakens the city's overall talent pipeline. To address this gap, AmCham recommends the HKSAR Government to:

- Introduce a "Young Top Talent Pass" or designated Internship Visa pathway to broaden Hong Kong's talent acquisition. While existing training visas require a pre-arranged job offer, this proposed pass would allow top-tier global students to temporarily reside in Hong Kong to pursue corporate internships without requiring a prior job offer.
- Expand the Working Holiday Scheme's country coverage and relax eligibility criteria. By leveraging the TTPS's verified list of elite global universities, this pathway would offer top-tier students a streamlined short-term visa for corporate internships in Hong Kong. This would further help multinational firms build a global talent pipeline earlier, while giving international youth direct exposure to Hong Kong's career and living advantages.

Build Hong Kong as an International Hub Providing Global/Regional Talent

332 Hong Kong's world-class tertiary education sector is increasingly world-renowned. According to the QS World University Rankings,[122] five of Hong Kong's universities are ranked within the global top 100. According to University Grants Committee (UGC), more than 20,000 non-local students in eight UGC funded local universities, reflecting Hong Kong's success in attracting a growing cohort of top international postgraduate and MBA students.[123]

333 However, a high admission rate of non-local students does not necessarily translate into strong retention after graduation. Undergraduate retention is estimated at around 30%, and postgraduate retention expected to be even lower, driven by intense job market competition and a structural mismatch between university training and economic demand.[124] In particular, research postgraduates in STEM fields face significant difficulties securing relevant employment due to localized market mismatches and a shortage of immediate, full-time opportunities.[125]

334 To maximize the strategic value of Hong Kong's education sector, the city should not only retain international talent but also reposition itself as a regional talent development hub that cultivates and exports globally-minded professionals across Asia. In this regard, AmCham recommends that the Government:

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[120] Lam, M. (2025, July 31). HK rolls out revamped talent portal to woo global professionals. The Standard. https://www.thestandard.com.hk/news/article/307964/HK-rolls-out-revamped-talent-portal-to-woo-global-professionals
[121] Working Holiday scheme | Immigration Department. (n.d.). https://www.immd.gov.hk/eng/services/visas/working_holiday_scheme.html
[122] QS World University Rankings 2026. (n.d.). QS Top Universities. https://www.topuniversities.com/world-university-rankings/2026
[123] Yiu, W. (2026, February 14). How many non-local students are going to Hong Kong universities since quota rise? South China Morning Post. https://www.scmp.com/news/hong-kong/education/article/3343576/how-many-non-local-students-are-going-hong-kong-universities-quota-rise
[124] Jiang, E. (2026, June 6). Is the dream over? Mainland students rethink Hong Kong over costs and cultural fit. South China Morning Post. https://www.scmp.com/news/hong-kong/hong-kong-economy/article/3356168/dont-dream-its-over-mainland-students-rethink-hong-kong-over-costs-culture
[125] International education hub and local research postgraduates. (2025). Research Office Legislative Council Secretariat. https://app7.legco.gov.hk/rpdb/en/uploads/2025/ISSH/ISSH08_2025_20250422_en.pdf

- Implement corporate temporary subsidies and specialized job boards to diversify career opportunities for international graduates. These measures will further absorb the global talent attracted by Hong Kong's elite universities and ensure that the city captures the full economic and strategic value of its world-class education sector.
- Pioneer a pan-APAC and GBA cross-border internship mechanism: By securing dedicated short-term training visas and internship opportunities across major corporations in these regions, Hong Kong can act as a high-value regional launchpad for international students studying in Hong Kong. This initiative will position Hong Kong as a premier talent-nurturing hub and strengthen its strategic role within the broader regional ecosystem.

Strengthen the I&T Talent Ecosystem and Support Young Innovators

335 Despite the Government's recent efforts in attracting global talent for I&T sector, Hong Kong's I&T industry still faces a talent shortage. To address this, Hong Kong must look beyond global talent attraction and focus on talent enablement.

336 Furthermore, to further build Hong Kong's capability in the innovative and technology industry, the Government should reinforce the pipeline of applied and hybrid talent and bring in multiskilled talent who can bridge research, product development, and market adoption.

337 To further strengthen Hong Kong's status as an international innovation and technology hub, AmCham recommends the Government to:

- Develop a GBA-oriented talent mobility framework, including simplified arrangements for cross-border work, short-term project deployment, and multi-location employment.
- Enhance mutual recognition of professional and technical qualifications across GBA cities, especially in technology, engineering, and digital professions.
- Expand industry-co-designed curricula and work-integrated learning, particularly in AI, cybersecurity, fintech, healthtech, and green technology.
- Support mid-career reskilling and professional conversion programmes aligned with fast-evolving technology needs.

- Please refer to **Innovation & Technology (Chapter 8)** for more details.

Enhance Childcare Benefits and Increase Workplace Participation in Hong Kong

338 AmCham acknowledges the Government's initiatives targeted towards childcare, such as extending the statutory maternity leave to 14 weeks and the introduction of the Re-employment Allowance Pilot Scheme, which is particularly commendable for targeting women's labor force participation.[126]

339 Providing Government-funded child-care services is essential, given that the birth of a child is often the point at which women leave the workforce. An HSBC global survey found that up to 26% of the interviewed women in Hong Kong were willing to sacrifice their career for their family, a stark contrast to 5% in China.[127] Furthermore, it was found that 30% of Hong Kong women leave the workforce due to difficulties in balancing work and home responsibilities.[128]

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[126] Hong Kong Monetary Authority. (n.d.). Hong Kong Monetary Authority. https://vpr.hkma.gov.hk/eng/regulatory-resources/registers/register-of-ais-and-lros/

[127] HRM Asia Newsroom. (2018, November 26). Hong Kong women are most willing to sacrifice career for family in Asia - HRM Asia. HRM Asia. https://hrmasia.com/hong-kong-women-most-willing-sacrifice-career-family/

[128]Yeung, P. (2023). Gender equality in Hong Kong: at a glance. Howse Williams 何韋律師行. https://www.howsewilliams.com/attachment/newsPdf/20230308_Gender_equality_in_Hong_Kong_at_a_glance.pdf.pdf

340 Furthermore, Hong Kong's family policies still lag behind those of its competitors. On average, parents in OECD countries are entitled to 18.6 weeks of paid maternity leave, 2.5 weeks of paid paternity leave and 39.3 weeks of paid parental leave.[129] By comparison, Hong Kong parents are only given 14 weeks of paid maternity leave and 5 days of paid paternity leave.

341 To ameliorate such difficulties and incentivize women to remain in the workforce, AmCham urges the Government to:

- Extend paternity leave to at least two weeks and introduce paid parental leave to be shared between parents.
- Introduce policies relating to promoting flexible working arrangement, which enables and attracts more women to stay in an organization, and remove potential stigma associated with the use of flexible working arrangements.
- Consider mandating disclosure by publicly listed companies of steps they have taken to implement flexible working arrangement practices and family-friendly policies to encourage the sharing of best practices across industries.

342 Sustaining Hong Kong's competitiveness depends on a holistic strategy that pairs talent attraction with the full activation of local talent. Maximizing female labor force participation requires removing structural household barriers, ensuring caregivers have the essential support needed to enter and remain in the workforce. This is particularly critical not only to addressing demographic challenges, but also to ensuring the sustainable growth and resilience of Hong Kong's economy.

343 Hong Kong is currently facing both a domestic labor shortage and a talent outflow, with the Labor and Welfare Bureau (LWB) projecting a manpower shortfall of 180,000 by 2028.[130] At the same time, the number of foreign domestic helpers at the end of 2024 remained more than 30,000 below pre-pandemic levels recorded in January 2020. This shortfall may have constrained the ability of many women, particularly mothers and caregivers, to enter or remain in the workforce.[131] To increase the workplace participation rate of women in Hong Kong, and enhance Hong Kong's overall competitiveness, AmCham recommends:

- Strengthen incentives and support measures to retain and attract foreign domestic helpers, recognizing their critical role in enabling workforce participation among working parents, particularly women. Addressing the domestic helper shortage would help remove a key barrier to employment, support family formation, and contribute to Hong Kong's broader economic and demographic sustainability.

[129] OECD Family Database. (2026). Parental leave systems. https://webfs.oecd.org/els-com/Family_Database/PF2_1_Parental_leave_systems.pdf
[130] Labour and Welfare Bureau. (2024, November 14). Government publishes report on latest manpower projection (with photo). The Government of the Hong Kong Special Administrative Region Press Releases. https://www.info.gov.hk/gia/general/202411/14/P2024111400292.htm
[131] Foreign domestic helpers in Hong Kong. (2025). Research Office Legislative Council Secretariat. https://app7.legco.gov.hk/rpdb/en/uploads/2025/ISSH/ISSH02_2025_20250224_en.pdf

Strive for Workplace Equality

344 Women may be less prone to enter or remain in the workforce if they believe that they are not fairly compensated compared to men[132]. The pay difference between men and women has widened from 15.8% in 2021 to 19.6% in 2022,[133] with women in the professional workspace earning 15.6% less than men in 2022.[134]

345 At present, Hong Kong has one of the lowest gender pay gap publication rates in the world (6%) as opposed to other Asia-Pacific competitors, such as Singapore (22%) and Australia (23%). [135]

346 To strive for better equality, AmCham urges the Government to:

- Reduce the gender pay gap by considering a mandate in which companies employing a specified number of employees should be required to disclose gender pay gaps.

347 According to the Hong Kong Female Talent Pipeline Study, 9 out of every 10 Hong Kong women report barriers in reaching their career aspirations, ranging from family commitments to a lack of promotional opportunities within their companies and/or industries.[136] Women will be incentivized to remain in the workplace if they believe there are no glass ceilings to their continued promotion.

348 Hong Kong still trails behind its regional peers in removing glass ceilings to women's continued advancement in senior management positions. AmCham supports the Hong Kong Government's 2023 introduction of the Women Empowerment Fund, subsidizing projects to support women in the workforce. The first round of applications opened in June 2025, and the Chamber looks forward to seeing impactful projects that enhance women's career development and promote community engagement.[137] However, these initiatives do not sufficiently address the need to attract, retain, and advance women into senior leadership roles.

349 Thus, AmCham further encourages the following:

- Provide boards with guidelines and training materials to facilitate succession planning and leadership programs to prepare female candidates for board and senior management roles.
- Introduce policies related to gender-neutral flexible working arrangements and encourage corporations to develop better return rates and training programs for women hoping to rejoin the workforce.

[132] Terada-Hagiwara, A., Camingue-Romance, S. F., & Zveglich, J. E., Jr. (2018). Gender Pay Gap: A Macro Perspective. ADB Economics Working Paper Series, 538. https://www.adb.org/sites/default/files/publication/404406/ewp-538-gender-pay-gap.pdf
[133] Wong, G. (2025, March). Mind the gender pay gap. Accounting and Business Magazine. https://abmagazine.accaglobal.com/global/articles/2025/mar/practice/mind-the-gender-pay-gap.html#:~:text=Hong%20Kong's%20gender%20pay%20gap,men%20on%20average%20in%202024.
[134] Lee, C. (2022, September 13). Workplace gender disparity widens in Hong Kong - HRM Asia. HRM Asia. https://hrmasia.com/workplace-gender-disparity-widens-in-hong-kong/
[135] GENDER EQUALITY IN ASIA-PACIFIC - 2022 EDITION. (2022). Equileap. https://equileap.com/wp-content/uploads/2022/06/Equileap_Gender-Equality-in-Asia-Pacific_Special-Report_2022.pdf
[136] Examining the state of gender parity. (2023, August 29). Foundation for Shared Impact. https://www.shared-impact.com/perspectives/gender-parity/
[137] Women Empowerment Fund invites 2025-26 first-round applications. (2025, June 9). The Government of the Hong Kong Special Administrative Region Press Releases. https://www.info.gov.hk/gia/general/202506/09/P2025060900250.htm