

## Policy Matching Exercise by The British Chamber of Commerce in Hong Kong

Chief Executive Policy Address 25<sup>th</sup> November 2020  
Financial Secretary Budget Address 24<sup>th</sup> February 2021

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### Contents:

#### **1. Policy Matching Exercise – British Chamber Policy Address Submission**

- Matching policy proposals from the British Chamber’s 7<sup>th</sup> August 2020 [Policy Address Submission](#), with relevant announcements in the Chief Executive’s [Policy Address speech](#) and Policy Address [Supplement document](#) delivered on 25<sup>th</sup> November 2020. The content focuses on new initiatives proposed by the administration.
- Matching relevant announcements in the Financial Secretary’s [Budget speech](#) delivered on 24<sup>th</sup> February 2021.

#### **2. Additional Points of Interest**

This section highlights other announcements from the Policy Address speech and Supplement document which may be of relevance and interest to Chamber Members.

#### **3. Additional Points of Interest from Financial Secretary’s February 2021 Budget Address**

Highlighting other announcements from the Budget Address which may be of relevance and interest to Chamber Members.

*Please note throughout the document, **text in black** is taken from the Policy Address speech – numbers relate to the paragraph numbers of the speech. **Text in blue** is taken from the Policy Address Supplement document – numbers e.g. P34) relate to the page the text is taken from. **Text in Brown** is taken from the Budget Address – numbers relate to the paragraph numbers of the speech.*

Additional information is available on the Policy Address website:

<https://www.policyaddress.gov.hk/2020/eng/index.html>

Additional information on the 2021/22 Budget is available on the Budget website:

<https://www.budget.gov.hk/2021/eng/index.html>

## 1. Policy Matching Exercise

<b>Cover Letter</b>	
<b>2. British Chamber Ask / Proposal</b>	<b>3. Corresponding Proposal in the Policy Address</b>
<ul style="list-style-type: none"> <li>Recommend ongoing strong financial and other support in place well into 2021 to help businesses weather the storm</li> <li>Focusing on areas in the NSL where greater clarification would assist the international business community in understanding the practical implications of the Law, including a consideration of the issue of guidance notes for businesses.</li> </ul>	<p><b>See Emerging from the Crisis below</b></p>
<b>Recovery: Emerging from the Crisis</b>	
<b>4. British Chamber Ask / Proposal</b>	<b>5. Corresponding Proposal in the Policy Address</b>
<p><b>On-going Impact of COVID19</b></p> <ul style="list-style-type: none"> <li>Proactively engage the population to increase both preparedness and resilience, ensuring contingency measures and adequate supplies are in place and provide additional funding to the health sector on a long-term basis.</li> <li>Review and assess the basis on which borders can be opened to international travel</li> <li>Flexibility in the allocation of enough staff, hospital beds and ICU places/equipment</li> <li>Ensuring sufficient local stocks of PPE and other vital medical equipment are in place.</li> <li>Creating an efficient and effective local ecosystem for testing, monitoring, tracking and tracing infection.</li> </ul>	<p><b>Border Control Measures</b></p> <p><b>P32)</b> As for arrangements to facilitate cross-border travel which the public are concerned about, provided that the epidemic in Hong Kong is under control, the Central Government supports the gradual resumption of travel between Hong Kong and Guangdong without the need for compulsory quarantine in an orderly manner through mutual recognition of health codes.</p> <p><b>P27)</b> Enter into discussions with overseas places to facilitate the establishment of travel bubbles. (CEDB, FHB)</p> <p><b>Vaccines</b></p> <p><b>P7)</b> The Central Government also supports Hong Kong in ensuring the supply of COVID-19 vaccines and will reserve a certain amount of vaccines developed or produced in the Mainland for use by Hong Kong people when necessary.</p> <p><b>P24)</b> The Government will seek funding support from the Finance Committee (FC) of the Legislative Council</p>

<ul style="list-style-type: none"> <li>Assessing the opportunity for Hong Kong to participate in coronavirus vaccine solutions</li> <li>In the medium term, assessing whether the Hospital Authority building projects can be procured and delivered faster and more efficiently.</li> <li>Explore longer-term prevention of future pandemics and introducing a ban on all wildlife trading in or through Hong Kong.</li> </ul>	<p>(LegCo) in the end of this month to establish a vaccination indemnity fund with \$1 billion.</p> <p><b>Testing</b></p> <p><b>P27)</b> Encourage and assist private laboratories in Hong Kong to enhance COVID-19 testing capacity to meet the future travelling needs of inbound and outbound passengers, increase accessibility and improve affordability. Enhance testing capacity in the public sector. DH's satellite laboratory at the Hong Kong Children's Hospital and the new laboratories at the Chinese University of Hong Kong and the University of Hong Kong have been set up. They together with other measures will progressively increase the testing capacity of the public sector from about 3 600 tests per day in late-June to over 7 000 tests per day.</p>
<p><b>Future Stimulus Measures to Shorten Recession</b></p> <ul style="list-style-type: none"> <li>Continuing support measures through the remainder of the current year into 2021</li> <li>Enhancing the Enterprise Support Scheme (ESS) by increasing the base amount from \$9,000, perhaps to \$18,000, and extending the scheme to July 2021,</li> <li>Providing a significant tax rebate to landlords which is required to be passed back to non-affiliated tenants.</li> <li>Taking over MPF payments for small businesses until the economy improves.</li> <li>Repositioning and relaunching Hong Kong's tourism visitor offer.</li> <li>Updating the insolvency laws in Hong Kong to provide relief from the effects of COVID-19.</li> </ul>	<p><b>P29)</b> Anti-epidemic Measures to Relieve Hardship - Continue to implement those outstanding AEF measures to provide support to businesses and individuals. (Relevant bureaux)</p> <p><b>P32)</b> Propose to further allocate \$6.6 billion to create around 30 000 time-limited jobs for a period up to 12 months in the public and private sectors through the AEF.</p> <p><b>P46)</b> Issue electronic consumption vouchers in instalments with a total value of \$5,000 to each eligible Hong Kong permanent resident and new arrival aged 18 or above, so as to encourage and boost local consumption.</p> <p><b>P28)</b> Extend the application period of the Special 100% Guarantee Product to the end of this year; further increase the maximum loan amount per enterprise from the total amount of employee wages and rents for 12 months to that for 18 months and raise the loan ceiling from \$5 million to \$6 million; extend the maximum repayment period from five years to eight years; and extend the maximum duration of principal moratorium from 12 months to 18 months.</p> <p><b>P66)</b> Given that the tourism industry will continue to face grave and prolonged challenges for quite some time in the future, the Government will roll out additional relief measures for the industry, involving a total commitment of close to \$600 million.</p> <p><b>P48)</b> Further earmark a total of \$934 million to enhance tourism resources, of which \$169 million will be used to continue to take forward local cultural, heritage and creative tourism projects.</p>

	<p><b>P49)</b> Earmark \$765 million to support the Hong Kong Tourism Board (HKTB) in reviving our tourism industry.</p> <p><b>P71)</b> Support businesses and relieve individuals' financial burden through time-limited measures including rental and fee concessions for eligible tenants of government premises, and short-term tenancies and waivers administered by the Lands Department; waivers/concessions of 35 groups of government fees and charges; and fee review moratorium.</p> <p><b>P66)</b> The Hong Kong Tourism Board is taking the opportunity to examine the positioning of Hong Kong's tourism to meet future challenges.</p>
<p><b>NGO Support</b></p> <ul style="list-style-type: none"> <li>Commissioning an urgent independent review of the relative financial support needs of the various NGO sectors in Hong Kong could be coupled with a process for consolidation of NGOs to optimise resource allocation and the targeting of needs, with a balanced and equitable prioritisation process to ensure that all worthy causes are sufficiently supported.</li> </ul>	<p><b>P138)</b> The Government is also seeking funding from the Community Care Fund to subsidise NGOs, as a pilot scheme, to rent suitable rooms in hotels and guesthouses with relatively low occupancy rates for use as transitional housing.</p>
<p><b>Youth Employment Support</b></p> <ul style="list-style-type: none"> <li>Target youth employment with some specific measures including work experience programmes, job creation schemes, apprenticeships and traineeships and to work with the private sector to implement these.</li> </ul>	<p><b>P49)</b> To construct the Hong Kong International Aviation Academy campus and student dormitories on the HKBCF Island, in order to strengthen talent training and attract more Hong Kong youth to join the aviation industry.</p> <p><b>P162)</b> To encourage and support young people to work and pursue their career in the Mainland cities of the GBA, the HKSAR Government will launch the Greater Bay Area Youth Employment Scheme to encourage enterprises with operation in both Hong Kong and the GBA to recruit and deploy local university graduates to work in the Mainland cities of the GBA.</p> <p><b>P163)</b> Last year, the Youth Development Commission introduced the new Funding Scheme for Youth Entrepreneurship in the Guangdong-Hong Kong-Macao Greater Bay Area under the Youth Development Fund to render better entrepreneurial support ... GBA, The Home Affairs Bureau will launch the scheme to subsidise over 10 NGOs to implement youth</p>

	<p>entrepreneurship projects. It is estimated that about \$100 million will be provided for nearly 200 youth start-ups and supporting services to about 4 000 young people. In addition, the HKSAR Government will establish the Alliance of Hong Kong Youth Innovative and Entrepreneurial Bases in the Greater Bay Area to serve as a one-stop information....</p> <p><b>P66)</b> Explore with foreign chambers of commerce to offer internship and work opportunities in recommended companies of relevant industries (such as creative industries) to young graduates for 12 months. (CEDB)</p>
<p><b>Regaining and Maintaining Community Trust</b></p> <ul style="list-style-type: none"> <li>• Re-engage in a proactive and constructive dialogue and look at meaningful measures to build bridges with all sectors of the community.</li> <li>• Address the international perception of the erosion of the One Country Two Systems structure and what that could mean for international businesses.</li> </ul>	
<p><b>Rebuilding the Economy</b></p>	
<p><b>6. British Chamber Ask / Proposal</b></p>	<p><b>7. Corresponding Proposal in the Policy Address</b></p>
<ul style="list-style-type: none"> <li>• Committing to a Major Programme of Infrastructure Spending.</li> <li>• Execute a major programme of infrastructure spending and set out a clear and detailed roadmap for the next five years including boosting land supply, Lantau Tomorrow Vision, the Site 3 project, other major developments and also take the opportunity to reset housing targets.</li> <li>• Start moving some of the development and building process to a digitalised framework whilst incentivising sustainability, liveability and innovation.</li> <li>• Establishing a Private Sector-Government Partnership (PPP) taskforce that can work together to prioritise and accelerate</li> </ul>	<p><b>Infrastructure Spending</b> <b>P57)</b> The Government will continue to invest in infrastructure with an estimated annual expenditure of over \$100 billion on average in the next few years, and strive to ensure the early commencement of capital works projects.</p> <p><b>P58)</b> We propose that the LegCo should raise the expenditure ceiling of each minor works project funded under the block vote from the current \$30 million to \$50 million.</p> <p><b>Land Supply</b> <b>P85)</b> We have identified all of the 330 hectares of land required for providing 316 000 public housing units to meet the demand for about 301 000 public housing units in the coming 10 years (i.e. 2021/22 to 2030/31).</p> <p><b>P104)</b> (LTV) Although we have already secured support from the Public Works Subcommittee of the LegCo for the study in May last year, funding approval has yet to</p>

- A move away from the "project-by-project" approval process and towards a yearly project pipeline budget approval
- A review of current building regulations is required as these limit the efficiency in construction and design flair possible for new buildings. Building standards and approval processes across Government departments should be streamlined
- Introducing the Buildability Design Appraisal System (B-score) for building approvals, encourage a broadening of the definition of Modular Integrated Construction (MiC).

be obtained. For the sake of Hong Kong's future, the current-term Government will not give up on the Lantau Tomorrow Vision and will strive for the early commencement of the relevant studies. I pledge that the Government will continue to listen to the views of various sectors of the community and proactively explore new financing options for the project in the course of the studies.

**P38)** Set up the Lantau Conservation Fund (LCF) to promote and implement conservation of rural Lantau and to pursue minor local improvement works in remote villages and communities. The LCF Advisory Committee was established on 1 October 2020 to vet and monitor projects to be funded by the LCF. Application is planned to commence in December 2020. (DEVB)

**P35)** Taking forward the studies on three urban squatter areas (Cha Kwo Ling Village, Ngau Chi Wan Village and Chuk Yuen United Village) with a view to completion in 2021, to be followed by rezoning, funding application, land resumption and clearance etc., with a view to commencing works in around 2025. (DEVB)

**P127)** The 2021-22 Land Sale Programme comprises a total of 15 residential sites and three commercial sites, capable of providing about 6 000 residential units and about 480 000 square metres of commercial floor area respectively. With the residential sites under the Land Sale Programme, together with railway property development projects, private development and redevelopment projects and the Urban Renewal Authority's projects, the potential land supply for the whole year is expected to have a capacity of providing about 16 500 units.

**P133)** Pressing ahead with the development of the Siu Ho Wan Depot Site target is to have the first batch of about 6 000 public and private housing units gradually ready for intake in around 2030.

**P138)** The \$5 billion Funding Scheme to Support Transitional Housing Projects has approved projects involving over \$2.6 billion, and the Government will inject another \$3.3 billion this year.

#### **Digitalisation**

**P68)** Co-ordinate efforts of works departments for taking forward research and development studies and piloting innovative construction methods, new materials and digital technology, etc., for enhancing the cost-effectiveness, delivery capacity and performance of capital works projects. (DEVB)

Commence trial operation of an automated system for concrete cube testing in January 2021. (DEVB)

Explore further the use of remote monitoring, wireless sensors networks, internet of things and other innovative technologies to push forward digitisation of works supervision system, reduce interpersonal contact and improve occupational safety and health on site.

**P126)** With \$100 million allocated for the development of the integrated digital platform in the last Budget, the platform will be implemented in phases from this year onwards for driving digitalisation of public works through data integration and analysis to monitor project performance continuously and enhance the management of capital works projects.

#### **Approval Processes**

**P16)** On streamlining administrative procedures, we will place special emphasis on streamlining land development control and approval processes, as well as expediting the approval process of applications for lease modifications pertaining to the planning of major private residential sites and other developments.

**P106)** I have authorised the Secretary for Development to expand the composition and remit of the Steering Group to include vetting departments other than those under the DEVB, with a view to reviewing more comprehensively the development approval processes for both Government and private projects, and rationalising the development-related requirements imposed by different bureaux, such as reviewing whether the technical assessment requirements are clear and suitable.

#### **Building Quality**

**P95)** Collaborate with the Hong Kong Green Building Council to explore the development of a sustainability evaluation system to enhance the performance and sustainability of infrastructure projects to reinforce the international status of Hong Kong's infrastructure development. (DEVB)

**P125)** The Government actively promotes the Modular Integrated Construction (MiC) method. Intake for the first batch of pilot projects, including the InnoCell of the Hong Kong Science Park and the Disciplined Services Quarters for the Fire Services Department at Pak Shing Kok, is expected to commence early this year.

### Rebuilding Existing Businesses and Creating New SMEs

- New programmes are needed to encourage and mentor young entrepreneurs, with business creation, company start-up, initial cash-flow support and growth financing, all with Government agencies working together with the private sector.
- Forming a working group of business and SME leaders to act as a think tank and sounding board for Government initiatives.
- Enhancing the international promotion of Hong Kong and the opportunities of the GBA.
- Providing more education so SMEs know how to get on Government's approved supplier procurement lists.
- Taking advantage on progress in virtual trade missions.
- Significantly reducing visa processing times to allow the speedy recruitment of Mainland or overseas talent.
- Streamlining the grant application process for all Government grants by introducing an integrated application process for multiple grants.

**P68)** To facilitate small and medium enterprises (SMEs) to apply for relevant funding from various government support schemes in a quicker and easier way, we have formed the "SME ReachOut" service team to provide one-stop consultation and referral services.

**P81)** When the pandemic situation stabilises, we will roll out large-scale publicity and promotion strategies to promote Hong Kong to businessmen, investors, entrepreneurs, researchers and talents around the world

**P82)** Moreover, to restore the confidence of various Mainland sectors in Hong Kong, the five Mainland Offices of the HKSAR Government will launch publicity programmes through diversified platforms in various places in the Mainland to enhance our promotion work.

**P60)** Injected \$3.5 billion and \$2 billion respectively into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) and SME Export Marketing Fund (EMF), and introduced a series of enhancements, including expansion of funding scope and increase in funding limits for each enterprise. Since July 2017, \$1.1 billion grant has been approved under BUD Fund, benefiting over 1 600 enterprises and 19 000 employees; and \$740 million has been approved under EMF, benefiting 12 000 enterprises and 82 000 employees. (CEDB)

**P70)** Update the online procurement plans of Government departments more frequently in order to keep enterprises (especially SMEs and start-ups) abreast of Government's latest procurement plans and encourage them to participate in tendering. (FSTB)

**P42)** Allocate a total of \$375 million to the Hong Kong Trade Development Council (TDC) in three years starting from 2021- 22 for developing virtual platforms to enhance its capability to organise online activities and to proceed with digitalisation.

### Continuing to Grow our Financial Markets

- To develop an enhanced suite of next generation financial market/service offerings including green finance, fintech and digital assets.
- To develop a strategic approach to capitalise on the opportunities presented by the GBA, with more 'connect' schemes and the opportunity

**P44)** We are considering various measures through a multi-pronged approach, including relaxing the investment restrictions of REIT as appropriate, broadening the investor base, facilitating market operation through legislative and regulatory enhancements, and stepping up market promotion and investor education. Further Promoting the Development of Private Equity Funds

**P80)** Subsidies will be provided for qualifying REITs authorised by the SFC and listed in Hong Kong in the



to market Hong Kong's financial expertise within the Mainland.

- Grasp the opportunities presented by changes in global trading relationships, such as the preference for the listing of Regional or Mainland companies here in Hong Kong. It will be critical for Hong Kong regulators, the industry and the HKEX to work closely with the Financial Secretary in all these respects.
- Initiatives that encourage the formation and development of Hong Kong as a regional booking hub for assets and liabilities.
- Further actions that support the ability of HKEX to offer expanded products such as the recent MSCI contracts (which development is to be commended).
- Improving the ability of locally-incorporated securities institutions to more easily issue sub-debt as a funding source.

### Green Finance

- Providing adequate status and funding for the HKMA Steering Group and quickly set up technical working group(s).

coming three years to encourage the listing of more REITs in Hong Kong.

**P45)** With a view to consolidating Hong Kong's position as Asia's premier fund hub for private equity, we will provide tax concession for carried interest issued by private equity funds operating in Hong Kong subject to the fulfilment of certain conditions.

### Fintech

**P65)** Launch the Fintech Proof-of-Concept Subsidy Scheme to provide financial incentives for financial institutions to partner up with Fintech companies to conduct PoC projects, with a view to encouraging innovation and accelerating technology transformation. (FSTB)

**P110)** HKMA is considering enhancing its Fintech Supervisory Sandbox by providing "through-train" vetting and funding arrangements for those promising Fintech solutions to reduce the time for the launch of innovative financial products in the market.

### Digital Asset

**P65)** Establish a robust regulatory framework to supervise virtual asset trading platforms through a licensing system and attract high quality virtual asset service providers to domicile in Hong Kong. This would allow us to capitalise on financial innovation whilst managing money laundering and market manipulation risks, thereby promoting the orderly development of the market. (FSTB)

### Asset Management

**P87)** Provide subsidies to cover 70 per cent of the expenses paid to local professional service providers for OFCs set up in or re-domiciled to Hong Kong in the coming three years, subject to a cap of \$1 million per OFC.

**P127)** We will develop green finance to boost investments conducive to reducing carbon emissions, build a low-carbon economy which is more resilient to climate change, and enhance public education and publicity.

**P74)** We propose to double the borrowing ceiling of the Programme to \$200 billion to allow for further issuance of green bonds totalling \$175.5 billion within the next five years, having regard to the market situation...We also plan to issue retail green bonds for the participation of the general public.

<ul style="list-style-type: none"> <li>• Clear definitions for what counts as "green" or "sustainable" finance so that everyone is working towards the same goal.</li> <li>• Government and regulators can consider performing an annual review of the distribution of ESG ratings of listed companies.</li> </ul>	<p><b>P75)</b> We will consolidate the two schemes into a Green and Sustainable Finance Grant Scheme to provide subsidy for eligible bond issuers and loan borrowers to cover their expenses on bond issuance and external review services.</p>
<p><b>Restoring Revenues for the Government – Reviewing the Tax Base</b></p> <ul style="list-style-type: none"> <li>• A strategic review to look at widening our tax base to tackle the long-term structural issues this dependence on land revenues creates.</li> </ul>	<p><b>P176)</b> ... we have decided to introduce a bill to raise the rate of Stamp Duty on Stock Transfers, from the current 0.1 per cent to 0.13 per cent of the consideration or value of each transaction payable by buyers and sellers respectively.</p>
<p><b>Refreshing the Healthcare System and Planning for a Rapidly Ageing Society</b></p> <ul style="list-style-type: none"> <li>• Using the new ways of working developed during COVID-19 to reframe how health services could be delivered to a more flexible and modern approach, leveraging new digital technologies and ways of working.</li> <li>• Introducing much greater healthcare data openness, to support a data-driven resource prioritisation model across the entire patient journey with consideration of the overall impact to society.</li> <li>• Developing a more rapid shift from hospital care to primary care, thus reducing pressure on hospitals and reducing long waiting times; and stepping up preventative oncology health-screening programmes more rapidly than is currently the case.</li> <li>• Adopting an inclusive approach that involves all parts of the community including retaining the ageing/retired population in work that keeps them active.</li> <li>• Adopting systems and partnerships that can scale rapidly during epidemics</li> </ul>	<p><b>P29)</b> Review the design of hospital projects under the two 10-year Hospital Development Plans taking into account the experience in combating COVID-19 and incorporate required provisions for general wards in individual hospitals to be readily converted into Tier-2 isolation wards for use in epidemic situation. (FHB)</p> <p><b>P120)</b> Enhanced cancer diagnosis and treatment services. Specific measures included recruiting 14 additional Cancer Case Managers (CCM) and expanding the CCM programme from currently covering colorectal cancer and breast cancer patients to gynaecological cancer and haematological cancer patients, serving additional 1 270 patients; providing additional 4 000 attendances for radiography services; increasing around 1 700 quotas for Specialist Outpatient Clinic and Nurse Clinic attendances in oncology; and recruiting additional Medical Social Workers to offer psychosocial support to around 5 600 additional attendances, etc., in 2020–21. (FHB)</p> <p><b>P158)</b> The Government will award the service deed for the Chinese Medicine Hospital in Tseung Kwan O in the middle of this year.</p>
<p><b>Strengthening the Logistics Sector</b></p>	<p><b>P57)</b> Launched a \$345 million pilot subsidy scheme to provide financial incentive to qualified third-party</p>

<ul style="list-style-type: none"> <li>Facilitating industry harmonisation of digital trade transactions and fostering the implementation of common IT platforms.</li> <li>Proceeding with full implementation of the Trade Single Window to streamline trade and handling processes and facilitate standardised information exchanges right across the sector</li> <li>Promoting better logistics harmonisation across the GBA, including aviation, container shipping, distribution and cross-border freight.</li> <li>Addressing road congestion issues by improving traffic management through Smart Road Toll (ERP) systems, with automatic charging.</li> <li>Addressing shortages of labour resources by timely deployment of a limited and targeted labour importation scheme on an appropriate scale to address the specific needs of the logistics sector.</li> <li>Providing an adequate supply of land for modern logistics facilities at key locations.</li> </ul>	<p>logistics service providers for adopting technology to enhance productivity. (THB)</p> <p><b>P47)</b> The Airport Authority Hong Kong (AAHK) will commission the third runway in 2022 and the entire Three-Runway System in 2024 as planned. It is expected that the premium logistics centre will be completed in 2023 and the SKYCITY development projects will be completed in phases between 2021 and 2027.</p> <p><b>P49)</b> to reserve part of the land parcels on the HKBCF Island for the development of air cargo logistics and related supporting facilities for the airport community.</p> <p><b>P116)</b> We will submit a funding application to the LegCo within this year to redevelop the Air Mail Centre at the HKIA, with a view to bringing the centre into operation by end 2027 the earliest. We will continue to work with the AA and other postal authorities on maximising the use of the centre's transit handling capacity, in order to support the long-term development of the postal industry in the GBA.</p> <p><b>P60)</b> The HKTDC will also use its physical network in the Mainland to provide business support for Hong Kong enterprises in handling operational issues such as import declaration, logistics and settlement of payment.</p> <p><b>P55)</b> Commenced preparatory work for the \$1 billion Smart Traffic Fund, which will accept applications from the first quarter of 2021 onwards. (THB)</p> <p><b>P145)</b> The Transport Department will also continue the studies on "Congestion Charging" and the Electronic Road Pricing Pilot Scheme in Central with the aim of optimising the use of road space and relieving traffic congestion.</p>
<p><b>Repositioning Hong Kong</b></p>	
<p><b>8. British Chamber Ask / Proposal</b></p>	<p><b>9. Corresponding Proposal in the Policy Address</b></p>
<p><b>Setting Out a Clear and Compelling Vision for Hong Kong's Future</b></p> <ul style="list-style-type: none"> <li>Drawing on the best of private sector expertise, Government needs to draw up and develop a focussed and strategic vision for Hong Kong's competitive place in the world, not just on Hong Kong being an international</li> </ul>	<p><b>P46)</b> InvestHK will set up a dedicated team to step up promotion of our advantages in local and other major markets and offer one-stop support services to family offices which are interested in establishing a presence here.</p> <p><b>P89)</b> InvestHK and regulators will offer one-stop support services to family offices interested in</p>

<p>financial centre and business hub, but also position Hong Kong as an attractive place to live, work, play and visit.</p> <ul style="list-style-type: none"> <li>Developing Hong Kong as a dynamic Spirits auction hub and considering reform of the Spirits Taxation and the unusual requirement for a Dangerous Goods Licence for storage of spirits.</li> </ul>	<p>establishing a presence in Hong Kong. We will also review the relevant tax arrangements.</p> <p><b>P69)</b> We will set aside \$50 million under the Professional Services Advancement Support Scheme to subsidise major professional bodies to participate in relevant activities organised by the HKSAR Government, the HKTDC and overseas Economic and Trade Offices (ETOs).</p> <p><b>P65)</b> Pursue the expansion of the overseas ETO network to foster closer economic and trade relations with our trading partners, thereby bringing about more business opportunities for Hong Kong. The Dubai ETO, our first ETO in the Middle East region and the 14th ETO, is expected to commence operation in early 2021. (CEDB)</p> <p><b>P52)</b> Once the pandemic further subsides, the Government will launch a large-scale publicity and promotional campaign at home and abroad, showcasing to the world the image of Hong Kong as a highly open international city in the GBA from various perspectives such as finance, I&amp;T, culture and creativity and tourism, as well as our unique advantages under "One Country, Two Systems".</p>
<p><b>Establishing a Smart, Digital and Lower Carbon City</b></p> <ul style="list-style-type: none"> <li>Ensure the roll-out of 5G remains on track and support the provision of fibre optic internet provision territory-wide, with intervention by Government as necessary to ensure remote learning and remote working is accessible to all.</li> <li>Pick up the pace in digitalising Government services to increase efficiency and ease of use, including making significant progress in the largely analogue Lands, Planning, Construction, Legal and Dispute Resolution processes.</li> <li>Consider carefully the GBA cross-border transference of personal data and the establishment of an industry-led working group to develop a series of proposals.</li> <li>Consider rapid implementation of remote or e-prescriptions. Provide support on enabling measures that can help residents with AI and PLC data insights, home working, home education, digital prescriptions, online</li> </ul>	<p><b>P72)</b> We plan to release more 5G spectrum in different frequency bands in 2021 to meet the needs of various 5G applications in terms of speed, capacity and coverage. In addition, we have been discussing with the two satellite operators the relocation of their telemetry, tracking and control stations in Tai Po to Chung Hom Kok Teleport. The relocation and installation of the relevant facilities are expected to be completed in four years.</p> <p><b>P99)</b> Continue to support the development of 5G networks and applications; release more 5G spectrum in different frequency bands; facilitate the setting up of radio base stations by operators at suitable government venues and public facilities; assist in the relocation of the Tai Po satellite earth stations; and provide land at Chung Hom Kok Teleport for the development of infrastructure to connect with external telecommunications facilities.</p> <p><b>P70)</b> Encourage the early deployment and adoption of 5G by the public and private sectors with a view to enhancing Hong Kong's competitiveness. The Government has launched the Subsidy Scheme for Encouraging Early Deployment of 5G under the second round of AEF. Depending on the final response, we will</p>

booking for medical appointments, telemedicine and securely enabled patient access to their own digital health records.

- Develop a framework for the further development of Hong Kong as a resilient and low carbon city, ensuring that it is contributing to meeting the global challenge of climate change and that we can withstand its local impact on infrastructure, food, water, energy and other daily essentials and set a challenging yet achievable target to decarbonise our city by 2050.

consider extending the Scheme to further promote the use of 5G. (CEDB)

**P52)** We will set out more than 130 smart city initiatives in the Smart City Blueprint for Hong Kong 2.0 to be released next month, aiming to help people perceive how a smart city and the use of I&T can benefit their daily lives.

**P53)** To further promote Smart Government and the digital transformation of the whole society, we will launch the “iAM Smart” in December this year. It will offer over 20 frequently used public services initially, including online application for vehicle licence renewal and electronic submission of tax returns. We will invite other public utilities to provide services on the platform.

**P43)** By mid-2022, unless there are legal or operational constraints, all government forms and licence applications can be submitted electronically.

**P45)** This year, the Government will actively explore the development of the Hong Kong Legal Cloud, in order to sharpen Hong Kong’s edge and raise our status in the provision of professional legal services.

**P40)** Subsequently allocated an additional funding of \$1 billion for the continuation of the Distance Business Programme under the AEF and further enhancement

#### Telemedicine

**P28)** Continue to change HA’s service model where practicable and provide services for patients using video conferencing technologies. (FHB)

**P29)** Promote the wider use of new technologies in public hospitals, including piloting the use of location-based services and navigation technology in selected public hospitals, the Bed Booking System for Convalescent/Rehabilitation Beds and the Blood Taking Scheduling System in selected Specialist Out-patient Clinics starting from March 2021. (FHB, ITB)

#### Decarbonisation

**P126)** I now announce that the HKSAR will strive to achieve carbon neutrality before 2050. To this end, the Government will update the “Hong Kong’s Climate Action Plan” in the middle of next year to set out more proactive strategies and measures to reduce carbon emissions.

**P127)** We will examine various means to reduce carbon emissions, which include exploring different types of zero-carbon energy and decarbonisation technology,

	<p>enhancing the energy efficiency of both new and existing buildings, promoting zero-carbon vehicles and green transportation, and building large-scale waste-to-energy facilities. To lower the cost of achieving carbon-neutrality, we need to reduce the demand for energy through ways such as introducing more stringent energy efficiency standards. We also need to enlist the full support of various sectors in society to adopt low-carbon lifestyles and economic transformation.</p> <p><b>P93)</b> Tender for the development of a modern pulping facility in EcoPark by 2024 to transform waste into resources and diversify outlets for local waste paper. (ENB)</p> <p>Formulate a long-term strategy blueprint on waste management to set forth long-term policy objectives and plans to promote waste reduction and recycling, with a view to achieving transformation of waste into resources and supporting circular economy. (ENB)</p> <p>Set aside an extra of about \$200 million under relevant environment related funds, which is approximately equivalent to one year allocation under the Environment and Conservation Fund, to launch more green projects. In addition to creating more employment opportunities, the projects will also help step up the promotion of community participation in low-carbon living and environmental protection covering sustainable development areas such as energy, air quality, waste reduction, conservation, water quality, and cleaning up of the shoreline. (ENB)</p> <p><b>P143)</b> The Environment Bureau will announce next month Hong Kong's first roadmap on the popularisation of EVs, setting out long-term policy objectives and plans on the use of EVs and their associated supporting facilities.</p> <p><b>P146)</b> I will also set aside \$150 million to conduct energy audits and install energy-saving appliances, free of charge, for NGOs subvented by the Social Welfare Department.</p>
<p><b>Making Hong Kong into a World-Leading Educational Hub</b></p> <ul style="list-style-type: none"> <li>• Develop accreditation and other protocols for service providers, as well as support appropriate pilot communication, technology and market investments.</li> <li>• Consider setting up a task force to address the imbalance in schools in online teaching while conduct an in-</li> </ul>	<p><b>P156)</b> The EDB will set aside \$2 billion in the Quality Education Fund to launch a three-year programme. This will, on the one hand, support the provision of ancillary facilities for e-learning, such as setting up a platform for sharing learning and teaching resources as well as encouraging the sharing of quality teaching materials by teachers and, on the other, ensure that all students will have equal opportunities in accessing e-learning, including through subsidising schools to purchase mobile computer devices for loan to needy students and to provide Wi-Fi routers and mobile data</p>

<p>depth survey of all schools in Hong Kong to gain an accurate factual understanding of the current situation, identifying development areas with regard to both teacher and student needs.</p> <ul style="list-style-type: none"> <li>• Study, with input from the private and public sector, what enabling measures would be necessary to build a stronger world-class core capability in on-line learning.</li> <li>• Continue to place a real focus on STEM education, and encourage STEM subjects to start at primary school and participation and attainment levels of females in STEM subjects with adequate funding.</li> <li>• Introduce a targeted campaign to encourage female teachers to take up teaching positions in STEM subjects at all levels of the school system.</li> </ul>	<p>cards for students who do not have access to appropriate internet services because of their living environment. To cater for the immediate needs of students from disadvantaged families, the EDB also provided a one-off Top-up Grant for Supporting Online Learning of Financially Needy Students to public sector schools early this month.</p> <p><b>P31)</b> ... the Government plans to expand the scope of the Continuing Education Fund to include online courses to provide learners with more diversified ways of continuing learning. At the same time, we will ensure effective supervision over the quality of courses and teaching. The Government will consult the sector with a view to implementing the measure upon commencement of the new school term in September.</p> <p><b>P93)</b> Regularise a pilot scheme, under which subsidies are provided for students who study science and technology in local universities to enrol in short-term I&amp;T related internships.</p> <p><b>P55)</b> I propose launching a Global STEM Professorship Scheme for a period of five years at an estimated cost of \$2 billion.</p> <p><b>P29)</b> Work with the Hong Kong Education City in the 2020/21 school year to explore and build a more comprehensive and user-friendly teaching resources sharing platform to facilitate gainful use of the learning and teaching resources in the Education Bureau's website and in the Hong Kong Education City, as well as to encourage teachers to share quality learning resources. (EDB)</p>
<p><b>Building a More Inclusive Society</b></p> <ul style="list-style-type: none"> <li>• Take rapid action to create more employment opportunities for young people at this difficult time, right across the educational spectrum and to develop new placement programmes, include Government-paid short to medium term work experience and internships, as well as increased financial support for traditional vocational training and apprenticeships.</li> <li>• Encourage the development of opportunities for continued learning and activity-based personal development for those not in work.</li> </ul>	<p><b>P93)</b> The Government will implement a pilot scheme to subsidise NGOs to rent suitable rooms in hotels and guesthouses with relatively low occupancy rates for use as transitional housing.</p> <p><b>P136)</b> ... Immediately after the completion of the second tranche of the Love Upgrading Special Scheme at the end of this year, the ERB will launch the third tranche of the scheme in January next year, which will last for six months until mid-2021. The new tranche will double the 10 000 training places under the second tranche, enabling 20 000 trainees to receive retraining and an allowance during the training period. The scheme does not impose any academic qualification requirements on trainees and encourages them to participate in cross-industry training, with the</p>

<ul style="list-style-type: none"> <li>• Significantly step up retraining and other options for those employees who have suffered most in the hard-hit sectors (tourism, F &amp; B, and creative industry segments in particular).</li> <li>• Introduce equalised maternity/paternity leave (or at least start by raising the five days paternity leave; introduce shared paid parental leave to be taken by parents irrespective of their gender and whether or not they gave birth or adopted their child</li> <li>• Legislate to provide all employees with the legal right to request flexible working.</li> <li>• Revamp Government provision for special educational needs students right across the board, to ensure that financial support and training is available for both school and independent therapists to provide specialist support services.</li> <li>• Allocate resource to support the mental health of employees affected by the virus and develop more culturally-specific training programmes in mental health to ensure all facets of Hong Kong's population have appropriate mental health care and support.</li> <li>• Consider adopting a PPP approach to shorten waiting time for children for their first mental health consultation.</li> </ul>	<p>aim of assisting them to re-join the employment market as early as possible.</p> <p><b>P30)</b> The Government will ask the ERB to launch the fourth tranche of the Love Upgrading Special Scheme in July, which will last for six months until the end of this year, benefiting 20 000 trainees.</p> <p><b>P158)</b> The On-site Pre-school Rehabilitation Services (OPRS), ... aim to support students with special educational needs to help them grow up healthily by "Early Identification and Immediate Intervention".... In the current school year, the service places have been increased substantially from 3 000 to 8 000, and will be further increased to 10 000 in the 2022/23 school year with the aim of achieving zero-waiting time. To provide earlier support to children awaiting assessments by the Child Assessment Centres under the Department of Health and those assessed as having only mild developmental problems, we have launched a 20-month pilot scheme for kindergartens participating in the OPRS in this school year.</p> <p><b>P159)</b> The Government will provide additional recurrent funding of around \$147 million to enhance child and adolescent psychiatric, community psychiatric and psychogeriatric services of the HA, and support the enhanced service of Kwai Chung Hospital upon its redevelopment.</p> <p><b>P144)</b> The Government has decided to provide additional resources of \$300 million under the Beat Drugs Fund to better support the needy in the community and raise public awareness of mental health.</p>
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## 2. Additional Points of Interest from Chief Executive November 2020 Policy Address

*NB: This list does not fully capture all proposals from the Policy Address, rather it is a snapshot of business policy related announcements which may be of relevance and interest to Chamber members and its Committees.*

### Economic Development

**P22)** Being a highly market-oriented and an international economy underpinned by the rule of law, Hong Kong's development opportunities under our country's new development pattern are evident. Given the advantages under "One Country, Two Systems", Hong Kong can further strengthen its "intermediary" role in international circulation. Besides, we can focus on the business opportunities in the Mainland market, better integrate into the overall development of our country, take the GBA development as an entry point, and proactively become a "participant" in domestic circulation and a



“facilitator” in international circulation. Playing the dual role well will bring continuous impetus to Hong Kong’s economy

## **GBA**

### *Cross-boundary Wealth Management*

**P24)** From expediting the implementation of the cross-boundary wealth management connect scheme in the GBA, the Central Government has, during my visit to Beijing, agreed to include pre-profit biotechnology companies listed in Hong Kong under the new listing regime and stocks listed on the Mainland Sci-Tech Innovation Board meeting certain prescribed criteria into the stock universe of the mutual market access programmes. This initiative will add a bright spot to the mutual access of the financial markets of the two places.

### *Access to Information*

**P60)** The HKTDC will launch a one-stop “GoGBA” platform in collaboration with the Guangdong Province and related chambers of commerce to provide multi-faceted support for Hong Kong enterprises, including market information on the GBA and related government policies, enquiry service and training, as well as 32 business promotion, development and matching services. In addition, the HKTDC will help Hong Kong enterprises gain access to the large-scale e-commerce platforms in the Mainland through the provision of training and the operation of the “Online Design Gallery”, as well as promoting the awareness and image of Hong Kong products on these platforms.

### *Healthcare*

**P7)** Further measures to be introduced shortly include permitting the use of Hong Kong-registered drugs and common medical devices in designated Hong Kong-owned healthcare institutions in the Mainland cities of the GBA, relaxing the limitation on exporting Mainland human genetic resources to Hong Kong for research purposes

### *Education*

**P35)** Supporting and assisting various universities in Hong Kong in their plans to provide education services in the GBA.

### *Professional Services*

**P64)** Established a new registration system in collaboration with the Mainland Authorities that enables architectural and engineering related consultant firms on the HKSAR Government’s approved lists and related registered professionals to provide professional services for development projects in the GBA. (DEVB)

### *Insurance*

**P64)** Supporting Hong Kong’s insurance industry in establishing after-sales service centres in the Mainland cities of the GBA under the framework of the CEPA to provide Hong Kong, Macao and Mainland residents, who are holders of Hong Kong policies, with comprehensive support in different areas including enquiries, claims and renewal of policies.

## **Belt and Road Initiative**

**P61)** We will further consolidate Hong Kong’s position as the prime platform and a key link for the B&R Initiative, and strengthen the co-operation with B&R related countries and regions so as to open up a larger market for various sectors. The HKSAR Government is seeking to organise jointly a high-level roundtable with the State-owned Assets Supervision and Administration Commission of the State Council to explore enhancements of modern corporate governance and to strengthen R&D application by leveraging the international experience and professional strengths of Hong Kong, thereby enhancing the competitiveness to “go global” through mutual collaboration. We will also launch a Mainland Enterprises Partnership Exchange and Interface Programme in the coming year to facilitate exchanges and networking that foster co-operation between Hong Kong’s professional services sector and Mainland enterprises, strengthen the capacity building of both sides, and enhance the international outlook, market orientation and professional standards of various projects

## **Abolishing Doubled Ad Valorem Stamp Duty on Non-residential Property Transactions**

**P71)** The Government considers now the right time to abolish the DSD imposed on non-residential properties. To allow relevant property owners to benefit immediately from the proposal, the Executive Council approved this morning the introduction of the relevant amendments to the Stamp Duty Ordinance.

### **Creative Industries, and Arts and Culture**

**P75)** The global film industry has been hard hit by the pandemic and related economic activities have almost come to a halt. The Commerce and Economic Development Bureau (CEDB) announced in mid-July this year that around \$260 million will be earmarked under the Film Development Fund to implement various measures to address the needs of the industry at different levels, help retain talents and inject fresh impetus into the sector.

#### *CreateSmart*

**P76)** Our pledge and determination to vigorously promote the development of the creative industries remain unchanged. I propose to inject an additional \$1 billion into the CreateSmart Initiative to further promote the development of the creative industries in Hong Kong and provide support for them to adapt to the impact arising from the "new normal" under the epidemic.

#### *Performing Arts Education*

**P159)** The Government supports the provision of new teaching facilities and a student hostel for the HKAPA in the Eastern District on Hong Kong Island to enrich teaching and learning infrastructure and experience, and to foster the healthy development of tertiary education in the performing arts.

### **3. Additional Points of Interest from Financial Secretary's February 2021/22 Budget Address**

*This list does not fully capture all proposals from the Budget Address, rather it is a snapshot of business policy related announcements which may be of relevance and interest to Chamber members and its Committees.*

*N.B. the numbers at the beginning of each paragraph relate to the paragraph number in the Budget Address Document*

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#### **Economic Situation in 2020**

**7)** Total exports of goods decreased 0.3 per cent for the year as a whole.

**8)** Exports of travel services fell drastically by 90.5 per cent for the year as a whole. Exports of financial services saw a moderate growth, but total exports of services still registered a record decline of 36.8 per cent for the year as a whole.

**9)** Private consumption expenditure dropped significantly by 10.1 per cent for the year, investment expenditure fell by 11.5 per cent.

**10)** Hong Kong's overall economy contracted by 6.1 per cent.

**11)** The seasonally adjusted unemployment rate went up to 7 per cent in the latest period. In particular, the unemployment rate of the food and beverage services sector reached a high level of 14.7 per cent. The unemployment rate of the construction sector also reached a double-digit level.

**12)** The underlying inflation rate was 1.3 per cent for last year as a whole, down 1.7 percentage point from the year before.

**13)** As for the property market, the residential property market was generally stable last year. Prices of commercial and industrial properties fell visibly from their peak in 2019, and transaction volume dropped to a record low.

## Economic Outlook for 2021 and Medium-term Outlook

**P18)** Forecast Hong Kong economy will grow by 3.5 per cent to 5.5 per cent in real terms this year.

**P19)** Forecast inflation rate and the underlying inflation rate will be 1.6 per cent and one per cent respectively this year.

### *Medium-term Outlook*

**P20)** Forecast that Hong Kong's economy will grow by an average of 3.3 per cent per annum in real terms from 2022 to 2025, while the underlying inflation rate will average two per cent.

### *Deficit*

**P166)** I expect that the fiscal deficit will be \$101.6 billion, accounting for 3.6 per cent of GDP, due to the counter-cyclical fiscal measures and the continued increase in recurrent expenditure.

## Support for Businesses

### **P27)**

- Reducing profits tax for the year of assessment 2020/21 by 100 per cent, subject to a ceiling of \$10,000.
- Providing rates concession for non-domestic properties for four quarters of 2021-22, subject to a ceiling of \$5,000 per quarter in the first two quarters and a ceiling of \$2,000 per quarter in the remaining two quarters for each rateable property.
- Waiving the business registration fees for 2021-22.
- Continuing to waive 75 per cent of water and sewage charges payable by non-domestic households for eight months starting from April 2021, subject to a monthly ceiling of \$20,000 and \$12,500 respectively per household.
- Continuing to grant the 75 per cent rental or fee concession currently applicable to eligible tenants of government properties and eligible short-term tenancies and waivers under the Lands Department for six months starting from April 2021.

**P47)** Inject \$1.5 billion into the Dedicated Fund on Branding, Upgrading and Domestic Sales, and substantially extend in phases its geographical coverage from 20 to 37 economies to include all those with which Hong Kong has entered into Investment Promotion and Protection Agreements (IPPAs). The funding ceiling for each enterprise will be increased from \$4 million to \$6 million.

## Support for Individual

### **P33)**

- Reducing salaries tax and tax under personal assessment for the year of assessment 2020/21 by 100 per cent, subject to a ceiling of \$10,000.
- Providing rates concession for domestic properties for four quarters of 2021-22, subject to a ceiling of \$1,500 per quarter in the first two quarters and a ceiling of \$1,000 per quarter in the remaining two quarters for each rateable property.
- Granting each residential electricity account a subsidy of \$1,000.
- Providing an allowance to eligible social security recipients, equal to one half of a month of the standard rate Comprehensive Social Security Assistance (CSSA) payments, Old Age Allowance, Old Age Living Allowance or Disability Allowance.
- Paying the examination fees for school candidates sitting for the 2022 Hong Kong Diploma of Secondary Education Examination.

**P35)** The Government proposes to relax the working hour requirements under the Working Family Allowance Scheme... The measure will be implemented in June at the earliest subject to FC approval.

**P36)** Suggest setting up a Special 100% Loan Guarantee for Individuals Scheme as a supplementary measure. The Government will offer a guarantee for loans provided under the scheme. The maximum loan amount per applicant is set at six times of his/her average monthly income during employment, subject to a ceiling of \$80,000.

**P37)** Earmark \$1 billion to provide subsidies for owners of more than 3 000 old buildings with relatively low rateable values to carry out drainage repair or enhancement works.

## **Financial Service**

### *Retail Bond Market*

**P79)** Continue to issue no less than \$24 billion of Silver Bond and no less than \$15 billion of iBond this year. We propose to raise the borrowing limit of the Government Bond Programme from \$200 billion to \$300 billion to allow sufficient room for bond issuances, so as to achieve the objective of promoting the sustainable development of Hong Kong's bond market. The eligible age for subscribing Silver Bond will be lowered from 65 to 60.

### *Securities Market*

**P82)** The HKEX will review the overall secondary listing regime, including whether Greater China companies with non-weighted voting rights structures have to be companies in the field of I&T in order to seek secondary listing in Hong Kong through the new concessionary route, as well as their corresponding market capitalisation requirements.

### *Insurance*

**P84)** Propose launching a two-year Pilot Insurance-linked Securities Grant Scheme to attract insurance enterprises or organisations to issue ILS in Hong Kong.

### *International Tax Co-operation*

**P179)** The Organisation for Economic Co-operation and Development (OECD) is drawing up new proposals to address base erosion and profit shifting (BEPS 2.0), which include the introduction of a global minimum tax rate and a digital tax. ... I would like to outline the direction of the Government's response measures so that the business sector can have a better grasp of the issue and make early preparation. First, as an international financial and business centre, Hong Kong will actively implement the BEPS 2.0 proposals according to international consensus. Second, as most of the rules under BEPS 2.0 are only applicable to large multinational corporations, we will minimise the impact on local SMEs where possible when drawing up the response measures and strive to maintain the simplicity, certainty and fairness of our tax regime, which are our key advantages. Third, while safeguarding Hong Kong's taxing rights, we will at the same time minimise the compliance burden on affected corporations. Fourth, we will keep up our efforts in improving Hong Kong's business environment and enhancing our competitiveness, with a view to attracting multinational corporations to invest and operate in Hong Kong. Once the OECD has finalised the proposal, the Advisory Panel will put forth its recommendations on the specific response measures in its report to me.

## **Innovation and Technology**

**P98)** We are also pressing ahead with the development of the Hong Kong-Shenzhen Innovation and Technology Park (the Park) in the Lok Ma Chau Loop. A provision of about \$32.5 billion has been approved for the project.

**P104)** I will inject \$4,750 million per year to the Innovation and Technology Fund two years in a row to sustain its 17 funding schemes as well as the work of over 50 R&D laboratories in the next three years.

**P103)** "InnoHK Research Clusters"... The first batch of about 20 R&D laboratories will commence operation progressively in the first quarter of this year.

### *Technology Start-up*

**P107)** The HKSTPC and Cyberport will inject \$350 million and \$200 million into the Corporate Venture Fund and Cyber Macro Fund respectively and extend their scope to cover Series B and later stage investments.

### **Cultural and Creative Industries**

#### *CreateSmart*

**P117)** I will inject an additional \$1 billion into the CreateSmart Initiative in 2021-22 to continuously drive the development of the creative industries.

**P119)** We plan to seek funding approval in the current legislative session for taking forward the renovation of Tsuen Wan Public Library, the facility upgrading of Tai Po Civic Centre as well as the renovation and improvement of Sai Wan Ho Civic Centre.

### **Infrastructure Investment and Construction Industry**

#### *Train Talent*

**P123)** The Government earmarked \$6 million for provision of systematic training to the Development Bureau (DEVB) in the next three years, with a view to ensuring more effective use of public resources.

#### *Land Supply*

**P134)** We plan to conduct later this year district consultations on two "single site, multiple use" projects, namely the redevelopment of Tuen Mun Clinic and the joint-user building for community facilities at Shan Mei Street in Shatin; we will apply funding from the LegCo as soon as possible for three other projects...In addition, we are reviewing about 40 "Government, Institution or Community" sites with joint use potential.

### **Livable City**

**P144)** The Government will finish updating the Clean Air Plan for Hong Kong by the middle of this year to set out long-term goals and devise measures to further improve air quality.

**P147)** The Government will inject an additional funding of \$1 billion to the Recycling Fund and extend the application period to 2027 so as to render continuous support to the trade, particularly the SMEs, in enhancing its operational capabilities and efficiency as well as coping with the latest needs of both the local and non-local markets

**P153)** I have earlier earmarked a total of \$6.5 billion for harbourfront enhancement.