

The Honourable Mrs Carrie Lam Cheng Yuet-Ngor  
Chief Executive of the Hong Kong SAR  
Chief Executive's Office  
2 Tim Mei Avenue, Tamar  
Hong Kong

7<sup>th</sup> August 2020

Dear Chief Executive,

2020 Policy Address Submission

I am pleased to enclose the British Chamber of Commerce's 2020 Policy Address Submission for your and your Government's consideration.

As you are aware, the Chamber is one of Hong Kong's largest international business chambers; our membership includes many of the major companies, investors and employers in Hong Kong. We are a strong supporter of One Country Two Systems and the benefits that it brings to Hong Kong. Our role, on behalf of our members, is to be a leading advocate for Hong Kong as the place to do business in the region.

Like many major trading centres in the world, in the twelve months since our last submission, Hong Kong has faced a perfect storm with the global pandemic and trade tensions causing a deep recession, together with different views within society on the best route forward for our city's future. COVID-19 has brought financial difficulties to many of our members and I would like to thank you for the quick action that your Government has taken to alleviate some of those difficulties through the provision of financial support and for your overall handling of the pandemic. Regrettably, these challenges seem likely to be with us for some time, so, in our view, ongoing strong financial and other support to help businesses weather the storm needs to remain in place well into 2021 if the worst social and economic consequences of recession are to be avoided, including the possibility of large-scale unemployment. A fresh challenge has arisen with the introduction of the National Security Law (NSL) which has thrust Hong Kong into the international spotlight. In that regard, we welcome the opportunity for ongoing dialogue between the business sector and Government, focusing on areas where greater clarification would greatly assist the international business community in fully understanding the practical implications of the Law, including a consideration of the issue of guidance notes for businesses.

Our submission adopts the themes of "Recovery, Rebuilding and Repositioning" as Hong Kong moves forward. We have sought to make specific recommendations where appropriate. In terms of "Recovery", this is about learning the lessons from COVID-19; finding an appropriate methodology to keep businesses going until we can open up the economy again and reduce current travel/quarantine restrictions; and regaining community trust in the way forward for our city. In terms of "Rebuilding", we have focused on the need for a major programme of infrastructure

investment; rebuilding the SME economic base in Hong Kong; continuing to grow our financial markets; refreshing and enhancing the healthcare system; as well as strengthening the logistics sector. In terms of "Repositioning", we see the need to rebuild and refresh Hong Kong's international competitiveness and international reputation; and also for a longer term focus on digitalisation, a more liveable city and education. We also see the need to take steps to reduce social and gender inequality.

We have written to you separately in relation to GBA and look forward to meeting you in mid-September. We see this as the single biggest business opportunity for our members and an initiative on which we are very keen to engage with Government. We have already begun working with our other British Chambers in the GBA to better co-ordinate our activities in this regard and would see this increasing over time.

I would raise one final point. With the rapid rise in quick succession of difficult challenges facing businesses recently, we have found the dialogue with a number of individual Government departments of great value during the last 12 months, both at the Secretary level and at the working level. The Chamber stands ready to help with its expertise and experience as we work to tackle these challenges together and we will seek to strengthen our relationships with more departmental teams in the coming months. We would be most grateful for your support at the highest level to facilitate within Government this process of stronger engagement, so that we may work together to help the recovery, rebuilding and repositioning of Hong Kong.

We would of course be happy to discuss the attached paper, or any particular aspects of it, with your respective Ministers at their convenience.

Yours sincerely,



Peter Burnett  
Chairman  
The British Chamber of Commerce in Hong Kong

Cc: Mr Paul Chan Mo-po, GBM, GBS, MH, JP, Financial Secretary  
Mr Michael Wong Wai-lun, JP, Secretary for Development  
Mr Edward Yau Tang-wah, GBS, JP, Secretary for Commerce and Economic Development  
Mrs Betty Fung Ching Suk-ye, JP, Head of Policy Innovation and Co-ordination Office

## **Recovery, Rebuilding and Repositioning: The British Chamber of Commerce in Hong Kong's 2020 Policy Address Submission**

### **Recovery: Emerging from the Crisis**

#### **Ongoing Impact of COVID-19**

Looking at the impact of COVID-19 around the world over the last eight months, Hong Kong has enhanced its international reputation for quick and comprehensive action in dealing with this rapidly emerging crisis. This is a considerable positive. Nevertheless many jurisdictions, including our own city, are now seeing further waves of infection emerge as the virus and the situation changes month by month. Regrettably, COVID-19 seems set to be with us for many months to come and measures will need to be put in place to support businesses and society as a whole for the long haul. Government should maintain its vigilance against continuing outbreaks, proactively engage the population on what needs to be done to increase both preparedness and resilience, as well as ensuring contingency measures and adequate supplies are in place. Additional funding will clearly need to be provided to the health sector on a long-term basis.

At the same time, Government needs to continue to review and assess the basis on which borders can be opened to international travel, consistent with its focus on managing the pandemic with appropriate mitigation. In this regard, we would request Government to engage with the international business community to discuss the options and priorities for border openings.

Hong Kong's Emergency Preparedness Response and Resilience Plan are critical to ensure practical planning for long term widespread testing, track and trace, quarantine, staffing, hospital beds and, hopefully, vaccination. Government should ensure that other health services remain operational - whether this be in the treatment of chronic illness or elective surgery - through the expanded use of the private sector or designated hospitals. In particular, we suggest:

- Flexibility in the allocation of enough staff, hospital beds and ICU places/equipment to deal with further waves of infection, with the use of AsiaWorld-Expo and flexible 'Nightingale' facilities
- Immediately putting in place specialist medical support for aged care homes, which are emerging as centres of high mortality, together with a strategic review of the best way of providing aged care in the longer term
- Ensuring sufficient strategic centralised local stocks of PPE and other vital medical equipment are in place
- Creating an efficient and effective local ecosystem for testing, monitoring, tracking and tracing infection, and at the same time working with other jurisdictions internationally to share best practice learning on both treatment and infection prevention, and methodology to open international borders
- Assessing the opportunity for Hong Kong to participate in coronavirus vaccine solutions and determine whether Hong Kong could be an early adopter location for testing or roll-out
- In the medium term, assessing whether the Hospital Authority building projects can be procured and delivered faster and more efficiently
- Playing our part in the longer-term prevention of future pandemics and introducing a ban on all wildlife trading in or through Hong Kong, given that a number of coronaviruses seem to have originated from this trade

#### **Further Stimulus Measures to Shorten Recession**

We are pleased that Government's economic relief package is providing much needed support to hard-pressed Hong Kong businesses, particularly to SMEs that are struggling amid the pandemic. However,

it is clear that these measures will now need to be continued for some time, with further stimulus needed to reinvigorate key sectors of the economy such as the hard-hit SME, F&B and tourism sectors, to shorten the recession. In this regard, we believe Government should continue to adopt a combination of general support measures and highly targeted measures for particularly badly impacted segments of the economy.

Specifically, we believe the Government should consider:

- Continuing support measures through the remainder of the current year and into 2021
- Creating Government-business task force at the highest level (as has been done in other countries) that will coordinate advice to Government on actions to anticipate and mitigate the economic and social effects of the pandemic, ensuring the Government receives the most comprehensive advice to meet the challenges ahead to cushion the economic impact of the coronavirus and help build a bridge to recovery. We would encourage Government to include representatives of the international business community on this Task Force
- 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; extending the bank loan guarantee scheme
- Providing a significant tax rebate to landlords which is required to be passed back to non-affiliated tenants
- Taking over MPF payments for small businesses until the economy improves when small businesses are capable of taking ownership of these payments again with good cash flow
- Repositioning and relaunching Hong Kong's tourism visitor offer, in the shorter term focussed on the opportunity for outside dining / waterside and seafront outlets similar to those found along waterways in other countries, as well as home 'staycations', and in the longer term with a more strategic approach to high value-added tourism rather than just relying on a vast number of short-stay Mainland visitors
- Updating the insolvency laws in Hong Kong (as has been done in a number of jurisdictions in Europe) to provide relief from the effects of COVID-19

### **NGO Support**

Hong Kong's NGOs deliver an incredibly valuable support network and life-line across many different areas of our society, all of which have been significantly impacted by COVID-19. These include supplies of essentials, mental and physical wellness, unemployment support, education kits, technology and home-based solutions. Many have suffered an unprecedented fall in funding during a period in which their services are in more demand than ever. Many only have financial reserves for less than 6 months of operating expenses, so more funding support and collaboration across the public, private and institutional sectors is urgently needed. The smaller NGOs, which target specific needs in communities, are unfortunately the most at risk. As a first step, 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.

### **Youth Employment Support**

The young people of Hong Kong now entering the job market face particular challenges: the understandable business caution created by the economic recession; the uncertainty of how businesses will be impacted longer term by changes in work habits as a result of COVID-19; the untested nature of the NSL which is causing some businesses to pause growth and investment plans as they look for greater clarity. We believe Government needs to 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. As mentioned on page 9 of this Submission under



“Building a More Inclusive Society”, the Chamber is willing to work with Government on youth employment support programmes.

## **Regaining and Maintaining Community Trust and Our International Reputation**

Although overshadowed by COVID-19, the issues underlying the social discontent from last year have clearly not gone away; some domestic repositioning is much needed by Government, starting with re-opening channels for genuine dialogue and tackling some of the underlying causes of social tension. It is critical for Government to re-engage in a proactive and constructive dialogue and look at meaningful measures to build bridges with all sectors of the community. Internationally, since this time last year, Hong Kong has been on the receiving end of considerable negative publicity from the international community as a result of the protests and, more recently, the new NSL. Internationally, this has largely buried news of the many positives that Hong Kong has to offer businesses, including the development of the GBA. Actions therefore need to be taken to address the international perception of the erosion of the One Country Two Systems structure and what that could mean for international businesses; we touch on this in more detail later in this Submission. Businesses also need significantly more guidance on how the NSL will work in practical terms and reassurance that the new law will really only affect a very small section of the community as has been stated on a number of occasions by Government and others.

## **Rebuilding the Economy**

### **Committing To and Executing a Major Programme of Infrastructure Spending. Setting Out a Roadmap For the Next Five Years**

The construction and infrastructure industry is vital to the Hong Kong economy but is now facing major financial stability and sustainability challenges. Government should commit to and 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. The Chamber has already submitted its suggested projects to you on the 14<sup>th</sup> May and has a meeting lined up with Government in mid-August. There must be a focus on resolving planning and building approvals congestion in the short-term and start moving some of the development and building process to a digitalised framework whilst incentivising sustainability, liveability and innovation. There is a key role for the construction industry to work with Government to identify and deliver accelerated works across Government’s development portfolio; as well as providing revenue for businesses and employment. It will be important to align, de-risk and improve the delivery of the critical projects. In particular, we suggest:

- Establishing a Private Sector-Government Partnership (PPP) taskforce that can work together to prioritise and accelerate projects and to develop ways to unlock financial arrangements to pay for this investment and ensure fair and value-for-money procurement. Major infrastructure projects (e.g. rail) should be brought forward, and alternative funding models for public works projects, for example private and debt financing, should be initiated. A greater focus on PPP initiatives would be one quick means to bring forward the earlier delivery of Government infrastructure projects
- The construction industry has been significantly impacted by an on-off funding pipeline over the last few years due to a lack of continuous infrastructure development. Without intervention, there is a continued high risk that the industry will lose significant capacity and capability. A move away from the "project-by-project" approval process and towards a yearly project pipeline budget approval for both strategic projects and business as usual public works departmental projects should be introduced
- When this programme of construction and infrastructure development work does get started, it should be done in an environmentally-friendly way, using more modern techniques in





construction to reduce waste and air pollution. 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 would be a positive step for the industry and would herald an acceleration in the wider adoption of modern methods of construction using off-site manufactured components. A broadening of the definition of Modular Integrated Construction (MiC) should be encouraged, to allow incentives such as Gross Floor Area (GFA) concessions to be applied to a broader range of Design for Manufacture and Assembly (DfMA) methods including “kits-of-parts” using off-site manufactured components

### **Rebuilding Existing Businesses and Creating New SMEs**

SMEs are the lifeblood of the Hong Kong economy and represent a real opportunity for social and economic progression by the younger generation. Whilst financial support for the current generation of SMEs will need to continue for some time, Government should already be turning its attention to the next generation of SME businesses, which could benefit from changes in new ways of working and the waves of digitalisation that COVID-19 looks set to bring. 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.

For existing businesses, Government should consider:

- Forming a working group of business and SME leaders from the community to meet with Government on a regular basis to act as a think tank and sounding board for Government initiatives to ensure that what is proposed will be met positively by the market and will have a tangible impact
- Enhancing the international promotion of Hong Kong and the opportunities of the GBA more specifically
- Providing more education so SMEs know how to get on Government's approved supplier procurement lists
- Taking advantage of digital communications technology and progress in virtual trade missions that would allow trade development to continue despite the lack of ability to travel
- Significantly reducing visa processing times to allow the speedy recruitment of Mainland or overseas talent essential to organisational start-up, development and growth
- Streamlining the grant application process for all Government grants by introducing an integrated application process for multiple grants with a single KYC process to speed up the application, remove road blocks and provide greater transparency on the status of the application. This is an issue that repeatedly comes up within the Chamber and other business Chambers alike – in general the application process for many of the Government assistance funds is often complex, and un-necessarily bureaucratic. Delays in approval of 12 months or more are said to be commonplace and we suggest that the Chief Secretary should be asked to set up a working group to immediately address these issues.

### **Continuing to Grow our Financial Markets**

Global trading and business relationships are changing and this presents us with both challenges and opportunities. There is a clear need to develop an enhanced suite of next generation financial market/service offerings including green finance, fintech and digital assets. There is a real opportunity to develop a strategic approach to capitalise on the opportunities presented by the GBA, with more 'connect' schemes and the opportunity to market Hong Kong's financial expertise within the Mainland. We should also 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.

In particular, we would suggest to Government for consideration:

- Initiatives that encourage the formation and development of Hong Kong as a regional booking hub for assets and liabilities rather than remote booking to offshore entities
- 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. Currently such permission is only granted when such institutions are under duress although this may be an attractive funding route

We welcome the establishment of the HKMA and the SFC Cross-agency Steering Group on green and sustainable finance. We hope to see concrete proposals soon for both early progress and to foster a unique role for Hong Kong both internationally and in the GBA. We suggest including some initial steps for the Steering Committee to consider, as follows:

- Given the numerous and diverse tasks of the Steering Group, providing adequate status and funding, and the technical working groups should be set up quickly. Members should have proven track records in promoting green finance and be financial services professionals
- There should be clear definitions for what counts as "green" or "sustainable" finance so that everyone is working towards the same goal, with any description or labelling of these products aligning with these definitions, with further incentives for the issuance of qualifying bonds and other sustainable finance products in Hong Kong both locally and by Mainland and overseas issuers
- ESG ratings are given to listed entities by rating agencies such as MSCI, S&P and Sustainalytics, amongst others. Government and regulators can consider performing an annual review of the distribution of ESG ratings of listed companies in Hong Kong with an aim of measuring and improving the quality of the ESG performance of the Hong Kong market

The Government is also recommended to consider rebuilding public and private finances and introducing fiscal incentives for business to develop a stronger capital market in Hong Kong, with more bond issuances by Government to raise long term finance for, as an example, infrastructure projects.

### **Restoring Revenues for the Government – Reviewing the Tax Base**

Over half of Government revenues are currently dependent on land and property, including those sourced from rates, stamp duty and land premium. This creates a number of issues across society – from business paying very high property costs for space compared to other jurisdictions to the younger generation struggling to get on the housing ladder. Alone amongst our G20 peers, Hong Kong has no GST, dividend, or capital gains taxes whilst income tax is paid by a relatively narrow band of residents. A strategic review should be undertaken to look at widening our tax base to tackle the long-term structural issues this dependence on land revenues creates. The Chamber has international experience and expertise on such issues amongst its membership and would be happy to contribute to this process.

### **Refreshing the Healthcare System and Planning for a Rapidly Ageing Society**

The healthcare system has learned many valuable lessons while battling COVID-19, strengthening its planning for the future. During the pandemic, elective medical procedures in the public healthcare sector have been greatly reduced, and regular outpatient follow-ups were deferred to conserve resources to combat the virus, resulting in very long waiting times for care. Since the virus is now expected to be



with us for some time, steps should be taken to both help resolve the backlog and to reduce the build-up of waiting times in future. We suggest that Government should consider:

- 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. Central to this is the further development of PPP programmes, with the diversion of more elective surgery cases, outpatient follow-up and chronic disease management to the private sector, whilst ensuring patients' voices are heard and their choices are respected
- Adopting better and more efficient resource utilisation; 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; and enhancing healthcare system efficiency to give better patient outcomes through technology adoption and simplify administration, such as the drug enlistment procedure
- 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, with faster access to specialist treatment for suspected cancer cases and a significant improvement in drug access aligned with international standards, using a range of new partnership approaches to provide faster and better outcomes for patients, while mitigating the impact on costs
- Adopting an inclusive approach that involves all parts of the community including retaining the ageing/retired population in work that keeps them active. As an example, many retired Singaporeans are employed in Government or the private sector in roles that give them an opportunity for continued workforce participation with the benefits of daily social interaction
- Adopting systems and partnerships that can scale rapidly during epidemics, coupled with an integrated epidemic-prevention agenda and greater investment in infectious disease R&D

### **Strengthening the Logistics Sector**

The pandemic has further accelerated the surge in e-commerce. Shenzhen-based businesses are amongst the best in the world in this new way of doing business and there is much that we could learn and adopt in Hong Kong. In particular, we would greatly benefit from capitalising on the growth of consumption in home delivery and e-commerce by digitising transport and logistics ecosystems and addressing critical shortages of land and labour resources. We suggest that Government consider:

- Facilitating industry harmonisation of digital trade transactions and fostering the implementation of common IT platforms. Ensuring that the policy and regulatory framework, as well as the supporting digital platform and associated systems, are versatile and adaptive enough to accommodate future requirements such as enhanced security screening and distributed ledger technologies such as blockchain
- Proceeding with full implementation of the Trade Single Window to streamline trade handling processes and facilitate standardised information exchanges right across the sector
- Promoting better logistics harmonisation across the GBA, including aviation, container shipping, distribution and cross-border freight
- Increasing the efficiency and competitiveness of local distribution by effectively addressing road congestion issues. Improving traffic management through Smart Road Toll (ERP) systems, with automatic charging depending on the route and the time of day, considering timed restrictions on vehicle access or volumes on certain routes and the harmonisation of the cross-harbour tunnel tolls network
- Addressing shortages of labour resources that are reducing the competitiveness of Hong Kong's trade and logistics sector through retraining schemes or by timely deployment of a limited and targeted labour importation scheme on an appropriate scale to address the specific needs of the logistics sector, with the premise that local workers' priority for employment will be safeguarded





- Providing an adequate supply of land for modern logistics facilities at key locations. In line with the demand projections from Transport and Housing Bureau's (THB) study on land requirements for modern logistics and port back-up facilities, THB's 'Proposals for Enhancing the Use of Port Back-up Land in Kwai Tsing' should be implemented, considering the latest developments from the Hong Kong Seaport Alliance

## Repositioning Hong Kong

### Setting Out a Clear and Compelling Vision for Hong Kong's Future

The historical BrandHK exercise launched 'Asia's World City' internationally in 2001 and, whilst we note Government's recent appointment of an international public relations agency to refresh Hong Kong's image in the international community, we feel that a more fundamental long-term review is needed. 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, in the 2020s and beyond, seeking input from business Chambers and other community organisations. This should focus not just on Hong Kong being an international financial centre and business hub, but also position Hong Kong as an attractive place to live, work, play and visit.

We see the GBA as presenting the major strategic opportunity for Hong Kong to further develop its economic and business role; to leverage its distinctive strengths and characteristics under One Country Two Systems, including its separate legal system, financial expertise and unparalleled international business connectivity; and to make a central contribution to the success of the overall GBA strategy. Furthermore, we see the GBA as an opportunity to re-set the view of Hong Kong and confidently demonstrate a vision for its future role with Mainland China, Asia and internationally.

With a clear sense of where our city's future lies, and most importantly backed up by strong Government policy support to consistently deliver that value proposition, a clear and compelling brand should be developed and widely communicated internationally.

In addition, there is an opportunity to develop Hong Kong as a dynamic Spirits auction hub whilst strengthening its premium tourism / business travel platform through building the gastronomy, hospitality and retail sectors. Government should therefore consider reform of the Spirits Taxation and the unusual requirement for a Dangerous Goods Licence for storage of spirits.

### Establishing a Smart, Digital and Lower Carbon City

Since the launch of Government's Smart City Blueprint in 2017, progress across the six focus areas appears somewhat mixed. Other world cities, not least our near neighbour across the border, seem to be pulling ahead. A renewed emphasis is needed on new thinking, the latest technology and a reappraisal of the degree of ambition, as well as clear public reporting on the actual progress achieved on the development plans put forward three years ago.

COVID-19 has clearly spurred a significant growth in all things digital in the last six months. Although Hong Kong is now at No. 8 in the 2019 world digital competitiveness ranking compiled by the International Institute for Management Development, we suggest that Government should:

- 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, especially to the most disadvantaged in society
- Pick up the pace in digitalising its own services to increase efficiency and ease of use in the 'new normal' created by the pandemic, including making significant progress in the largely analogue Lands, Planning, Construction, Legal and Dispute Resolution processes



- Consider carefully the cross-border transference of personal data. This is currently a significant impediment for the integration of GBA systems and services. We recommend the establishment of an industry-led working group to develop a series of proposals to tackle these challenges head on and remove roadblocks to future success
- Note that our health system looks different from the health system of six months ago. All aspects of the system - primary care, mental health and other services - have embraced new ways of working because of social distancing. Health professionals have taken on new roles, services have pivoted from waiting for people to make appointments to reaching out to patients, and many face-to-face consultations have been replaced with phone or video consultations. However, the required follow-up on remote drug dispensing remains an issue in Hong Kong under current regulations and the rapid implementation of remote or e-prescriptions is now a compelling priority
- Provide support on enabling measures that can help residents with AI and PLC data insights, home working, home education, digital prescriptions, online booking for medical appointments, telemedicine and securely enabled patient access to their own digital health records. Leverage this expertise to promote these services city-wide and potentially world-wide

Government should seek to 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. We expect Government to set a challenging yet achievable target to decarbonise our city by 2050, across all sectors of the economy, at a pace the community is comfortable with and feels it can support, following last year's public engagement exercise by the Council for Sustainable Development. Whilst maintaining our city's world class reliability, the GBA provides an excellent opportunity for Hong Kong's power companies to leverage Regional Cooperation by sourcing much more zero carbon energy for our city.

### **Making Hong Kong into a World-Leading Educational Hub**

Building on the rapid growth in digital teaching and learning in recent months, Government is recommended to:

- Develop accreditation and other protocols for service providers, as well as support appropriate pilot communication, technology and market investments
- Consider setting up a task force to address the imbalance in our schools in online teaching. The EDB should immediately conduct an in-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
- 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, with a view to developing this as a new growth sector for the economy, capable of accepting students world-wide
- Continue to place a real focus on STEM education, which is critical to ensure future generations can succeed in a technology-driven society. Hong Kong can leverage the growing technology and innovation start-up hubs in the GBA, which should become the Asian competitor to Silicon Valley. Schools cannot do this alone and need the support and partnership of Government, academia and the private sector. The Chamber believes that the focus on STEM subjects needs to start at primary school and that there is a need to increase the participation and attainment levels of females in STEM subjects with adequate funding
- Introduce a targeted campaign to encourage female teachers to take up teaching positions in STEM subjects at all levels of the school system, to provide role models for female participation in these subjects

## **Building a More Inclusive Society**

As we have noted elsewhere, bold actions are needed to tackle the land shortage for housing supply and to address the growing inequalities in Hong Kong society. Our focussed recommendations at this time are that Government should:

- Note that an economic recession of this depth and likely duration is the worst in a generation and that our younger people are likely to be severely affected
- Take rapid action to create more employment opportunities for young people at this difficult time, right across the educational spectrum. There is a need to develop and introduce new placement programmes, with a very significant number of places, as have been seen overseas at times of economic recession
- Include Government-paid short to medium term work experience and internships, as well as increased financial support for traditional vocational training and apprenticeships, all undertaken in a way that integrates the business community with schools and colleges. The Chamber is willing to engage its members to assist in such placements
- Encourage the development of opportunities for continued learning and activity-based personal development for those not in work
- Significantly step up retraining and other options for those employees who have suffered most in the hard-hit tourism, F & B, and creative industry segments in particular
- Introduce equalised maternity/paternity leave (or at least start by raising the five days paternity leave). The difference between the fourteen weeks maternity and five days paternity leave exacerbates the gender gap. 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
- Legislate to provide all employees with the legal right to request flexible working, subject to the employer's right of rejection on statutory grounds, similar to the UK's and Australia's flexible working laws
- Revamp Government provision for special educational needs students right across the board, both in the public and private sectors, to ensure that financial support and training is available for both school and independent therapists to provide specialist support services. Special needs and health-screening programmes should be significantly stepped up and brought back on schedule
- COVID-19 and the economic recession have together highlighted the importance of mental health issues. Resources must be allocated to support the mental health of employees affected by the virus as well as more broadly and properly to recognize, detect and treat mental health conditions in society
- Develop more culturally-specific training programmes in mental health to ensure all facets of Hong Kong's population, particularly those most vulnerable, are provided with timely, adequate and appropriate mental health care and support
- Children's mental health should be incorporated as an integral part of Government's mental health focus. The current waiting time for children for the first consultation in the public sector is far too long to be acceptable. Government must offer a rapid solution, and consider adopting a PPP approach to enable the private sector to provide support to minimize delays in diagnosis and treatment, given such delays have a particularly detrimental impact on outcomes for children

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**August 2020**