

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

Chief Executive Policy Address – 25 October 2023
Financial Secretary Budget Address 28 February 2024

Contents:

1. Policy & Budget Matching Exercise – British Chamber Policy Address Submission / Budget Submission

- Matching policy and budget proposals from the British Chamber's 31 July 2023 [Policy Address Submission](#) and 21 December 2023 [Budget Submission](#), with relevant announcements in the [Chief Executive's Policy Address](#) delivered on 25 October 2023. The content focuses on new initiatives proposed by the administration.
- Matching relevant announcements in the Financial Secretary's [Budget speech](#) delivered on 28 February 2024.

Please note throughout the document,

Items in column 'BritCham's suggestions' –

Text in black is taken from the Chamber's Policy Address and Budget Submission

Items in column 'Government's Policy Address / Budget Address' –

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 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/2023/en/index.html>

Additional information on the 2024/2025 Budget is available on the Budget website:

<https://www.budget.gov.hk/2024/eng/index.html>

5 March 2024

Short term			
	Category	BritCham's suggestions	Government's Policy Address / Budget Address
1	Provide More Housing, Fast	enhanced consulting engagement with local communities on transitional housing	
2		transitional housing to provide sufficient privacy and layout that support modern work mode	
3		Repurposing / relocating quarantine facilities	
4		Prioritise the use of modern construction techniques (e.g. DfMA + MiC)	(95 iv) optimise the Modular Integrated Construction (MiC) approach to enhance speed, efficiency and quality – HKHA will continue to apply innovative construction technologies, as well as testing and improving the techniques of the MiC approach, to enhance building quality and expedite construction. (189) "Meanwhile, to raise productivity of the construction industry, a cross-departmental steering committee under the DEVB will soon formulate various measures to enhance the application of Modular Integrated Construction (MiC). We will strengthen collaboration with the Guangdong Provincial Government to enhance the manufacturing, import/export facilitation, and exportability of MiC modules, with a view to developing MiC as one of the industries in the GBA that enjoy clear advantages. The Government of the HKSAR will also examine the feasibility of investing in the MiC supply chain. Moreover, the DEVB will set up the Building Testing and Research Institute within this year to promote innovative application in the industry."
1	Assembling resources to deliver Government's KPIs	<u>reinvent infrastructure delivery models</u> <ul style="list-style-type: none"> source of infrastructure funding: active engagement of private sector investors and lenders multi-project value-based framework contracts Integrated Delivery Partner models 	(37) "The Government will establish the Committee on the Financing of Major Development Projects , led by the Financial Secretary, and the Office for the Financing of Major Development Projects to advise on feasible investment and financing options, taking advantage of market capital and efficiency. The two bodies will assess the feasibility of bringing in private investors for these projects, and thoroughly evaluate their financial viability to ensure the Government's fiscal sustainability."
2		more transparent long-term pipeline of infrastructure projects to private sector, contractors, bidders and Chambers	
3		<ul style="list-style-type: none"> centralised pipeline of infrastructure or development opportunities reassigning responsibility for the oversight of infrastructure procurement or NDA development amongst Government bodies to a central development agency 	
4		Develop a pipeline of green and sustainable infrastructure projects (Green bond)	(78) "The Government has so far provided subsidies to eligible bond issuers and loan borrowers for the issuance of more than 340 green and sustainable debt instruments in Hong Kong through the Green and Sustainable Finance Grant Scheme which totalled US\$100 billion, enriching our green and sustainable finance ecosystem. We propose to extend the scheme, which is due to expire in mid-2024, to 2027, and expand the scope of subsidies to cover transition bonds and loans. This will encourage related industries in the region to make use of Hong Kong's transition financing platform as they move towards decarbonisation." (142-143) "As a long-standing leader in bond issuance in Asia, Hong Kong has ranked first in the region for seven consecutive years in terms of the volume of international bond issuance. In the last Budget, I proposed to expand the scope of the Government Green Bond Programme to cover sustainable finance projects and take forward the Infrastructure Bond Scheme to raise capital for infrastructure projects, thereby facilitating the early completion of projects for the good of the economy and people's livelihood. We will set a borrowing ceiling of a total of \$500 billion for these two programmes to allow more flexibility in quota re-allocation. The sums borrowed will be credited to the Capital Works Reserve Fund for investment in projects which are conducive to long-term development. These two programmes will gradually replace the existing Government Bond Programme. In 2024-25, we will issue \$120 billion worth of bond, of which \$70 billion will be retail tranche that includes \$50 billion worth of Silver Bond, and \$20 billion worth of green bonds and infrastructure bonds to achieve financial inclusiveness and enhance a "sense of participation" in infrastructure and sustainable development among the public." (147) "To bolster the competitiveness and advantages of the financial services industry in Hong Kong, the Government will earmark \$100 million to promote the sustainable development of financial services. This includes green and sustainable finance, fintech, asset and wealth management, headquarters business, and risk management etc." (240-242) "The issuance of Government bonds is conducive to the development of the bond market and allows the use of the capital raised from the market to drive green/sustainable and infrastructure projects. I emphasise that proceeds from bond issuance will not be used for funding government recurrent expenditure. The Committee on the Financing of Major Development Projects led by me has reviewed how to adopt an orderly and phased approach in developing the Northern Metropolis. We plan to issue bonds of about \$95 billion to \$135 billion per annum in the next five years to drive the development of the Northern Metropolis and other infrastructure projects. For the Kau Yi Chau Artificial Islands project, we will continue to conduct relevant studies, and in considering its concrete implementation timetable, we will take into account various factors including the public finance position. The Government will continue to adhere strictly to fiscal discipline and keep the government debt at a prudent level. It is expected that the ratio of Government debt to GDP will be in the range of about 9 to 13 per cent from 2024-25 to 2028-29, which is much lower than most of the other advanced economies."
5	Assembling resources to deliver Government's KPIs	Integrate affordable housing within private housing developments for social cohesion (PPP)	(128 ii) "launch a Pilot Programme on Community Living Room – While we will embark on a study to tackle the issue of SDUs in the long term, we also strive to improve the living and community environment of the SDU households. We will launch a Pilot Programme on Community Living Room (CLR) later this year. Under the pilot programme, the business sector will provide venues and the Community Care Fund (CCF) will provide the funding to commission NGOs to operate the CLRs . The CLRs will offer shared kitchens and dining rooms, as well as common spaces for doing homework, holding interest classes and group activities, providing SDU households with additional living space in their respective communities. To strengthen community support for the service targets, the pilot programme will also arrange information and talks, make referrals to other community services as appropriate, and approach the business sector and local organisations for in-kind donations, such as food or food vouchers, as well as providing volunteer services like homework guidance. The first CLR under the pilot programme will be rolled out at Fuk Wa Street of Sham Shui Po later this year, for a period of three years . The CLR is expected to serve at least 500 SDU households, with about 80 000 attendance a year. We will review the effectiveness one year after operation, and consider extending the pilot programme to other communities with more SDU households;"

1		<p><u>Goods</u></p> <ul style="list-style-type: none"> • collaborative waste solutions and allow high value recyclables to be transported to key recycling/ reuse facilities within the GBA (i.e. larger batteries) 	<p>(67) "the Government will formulate strategies and action measures to realise smart development, modernisation, green and sustainability, internationalisation and facilitation, with a view to promoting high-quality and development of the logistics industry. In the first phase, we will develop modern logistics clusters in Hung Shui Kiu/Ha Tsuen New Development Area (NDA), which will serve as a logistics gateway to the GBA. The Government will also promote the upgrading of the logistics industry by leveraging on the major trend in smart logistics, and develop an information platform to facilitate the interconnection of local logistics data and goods and information flow across the GBA."</p> <p>(188) "To further promote the connectivity of infrastructure within the GBA, the Government will continue to work with the Shenzhen authorities through the Task Force for Hong Kong-Shenzhen Co-operation on Cross-Boundary Railway Infrastructure. We will take forward two cross-boundary projects, namely the Hong Kong-Shenzhen Western Rail Link (Hung Shui Kiu – Qianhai) and the Northern Link Spur Line, to jointly develop the concept of "GBA on the Rail"."</p>
2	<p>Building momentum for businesses to enter/ grow in the GBA</p>	<p><u>People</u></p> <p><u>Visa:</u></p> <ul style="list-style-type: none"> • simplify China visa requirements for foreign nationals' business visits to GBA cities <p><u>Financially:</u></p> <ul style="list-style-type: none"> • enhanced financial and other support for Hong Kong talent working in the GBA/ for talent of other GBA cities working here • allow the payment of dependent parent and grandparent allowances even when individuals are residing in the GBA rather than in Hong Kong • further enhance existing China IIT treatment for Hong Kong people working in the GBA <p><u>Qualifications:</u></p> <ul style="list-style-type: none"> • enhancing recognition of Hong Kong qualifications (i.e. legal, construction and insurance sectors/ broaden out CEPA process) 	<p>(56) "Multiple-entry Visa" to the Mainland for Foreigners Working in Companies Registered in Hong Kong To attract more overseas companies to set up operations in Hong Kong and facilitate foreigners working in these companies to travel to the Mainland for business purposes, reinforcing our role to connect the Mainland with the world, foreign staff of companies registered in Hong Kong may, starting from tomorrow, apply with the Chinese Visa Application Service Centre in Hong Kong for "multiple-entry visas" valid for two or more years to the Mainland, enjoying priority processing.</p> <p>(44 iii) "introduce the Civil Service Staff Exchange Programme with the GBA – The HKSAR Government will introduce an exchange programme with civil servants from other GBA cities by the end of the year to dovetail with the development of the GBA."</p> <p>(57 i) "establish the physical office of the Hong Kong Talent Engage (HKTE) – Following the launch of the online platform for the HKTE last year, a physical office will be established by the end of this month. The office will provide support for incoming talents and follow up with their development and needs after arrival. In 2024, we will organise a "Global Talent Summit cum Guangdong-Hong Kong-Macao Greater Bay Area High-quality Talent Development Conference" to promote regional exchange and co-operation in talent attraction"</p> <p>(39-41) "... the Top Talent Pass Scheme (TPPS), to draw for talent. In the past year or so, more than 140 000 applications were approved under various talent admission schemes. About 100 000 of them have already arrived in Hong Kong. The Labour and Welfare Bureau will review the relevant arrangements in the middle of this year to ensure the competitiveness of these measures and their effectiveness in addressing our manpower demand. The median average age of successful applicants of the TPPS is 35. Over 60 per cent of them are married, and most of them have brought their families to Hong Kong. More than half of those who have been in Hong Kong for at least half a year are employed, and their median monthly income is about \$50,000. The Hong Kong Talent Engage (HKTE) is committed to attracting talent from the Mainland and overseas, providing one-stop support services to help them settle here. The HKTE will organise a Global Talent Summit and the Guangdong-Hong Kong-Macao Greater Bay Area High-quality Talent Development Conference in May. Their aim is to promote Hong Kong's advantages as an international talent hub, enabling the flow of talent among the cities of the GBA.</p> <p>(83 i) "providing travel convenience for R&D personnel by, for example, enabling those who have pre-registered to enjoy streamlined access between the two parks, and adopting technology to facilitate faster movement, such as the use of facial recognition technology to achieve contactless clearance;"</p>
3		<p><u>Capital</u></p> <ul style="list-style-type: none"> • develop tailored special localised GBA 'Connect' schemes to facilitate crossborder capital movement. • further alignment of tax rules and regulations to encourage Hong Kong businesses to invest and expand in the GBA. • lobby Mainland authorities to allow the set-up of branches of Hong Kong entities in the GBA with unified Hong Kong tax rate at 16.5% 	<p>(54) Develop "Headquarters Economy" - "We will develop "headquarters economy" to attract enterprises from outside Hong Kong to set up headquarters and/or corporate divisions in Hong Kong, bringing in quality enterprises to explore the immense opportunities brought about by the national and international dual circulation. We will facilitate foreign enterprises to tap into the Mainland market, and also assist Mainland enterprises in expanding abroad. The HKSAR Government will explore with the relevant central authorities feasible measures to facilitate Mainland enterprises in setting up headquarters and/or corporate divisions in Hong Kong, such as arrangements for investments relating to capital account."</p> <p>(61 iv) "We will also attract more renowned Mainland and overseas start-up services agencies to set up their operations in Hong Kong for providing incubation services and development guidance;"</p> <p>(31-32) "Our economy will develop better by drawing together a larger pool of companies, capital and talent. The Office for Attracting Strategic Enterprises (OASES), the Innovation, Technology and Industry Bureau (ITIB), Invest Hong Kong (InvestHK) and the Hong Kong Investment Corporation Limited (HKIC) actively reach out to enterprises from the Mainland and overseas, and proactively attract and assist high value-added technology industries and enterprises to establish a foothold in Hong Kong. Next month, 10-plus strategic enterprises will sign a partnership agreement with OASES. The companies have either confirmed setting up or expanding their businesses in Hong Kong, or they are planning to do so. Together with the 30 companies from the first batch, they are expected to bring about over \$40 billion in investment to Hong Kong, creating about 13 000 jobs over the next few years. Their presence in Hong Kong will attract upstream, midstream and downstream partners from their industry chains, promoting our Innovation and Technology (I&T) sector's vibrant development."</p> <p>(65 i) "explore business opportunities with Mainland enterprises – We will organise more outbound missions with Hong Kong and Mainland enterprises to promote business opportunities for our professional services together with Mainland partners. We will also organise visits to the GBA for overseas enterprises operating in Hong Kong;"</p> <p>(134-135) "This year, HKEX will host the 10th Anniversary of Mutual Access Forum to share our experience with the industry and explore how best to inject new impetus into the regime. We will stage a series of roadshows in the Mainland to promote mutual market access further. We are now in discussion with Mainland authorities over the introduction of block trading, the inclusion of RMB counters under the Southbound Trading of Stock Connect, and the expansion of the mutual-market access regime to cover REITs, bringing in more enterprises and capital to the Hong Kong market."</p>
3	<p>Building momentum for businesses to enter/ grow in the GBA</p>	<p><u>Capital</u></p> <ul style="list-style-type: none"> • develop tailored special localised GBA 'Connect' schemes to facilitate crossborder capital movement. • further alignment of tax rules and regulations to encourage Hong Kong businesses to invest and expand in the GBA. • lobby Mainland authorities to allow the set-up of branches of Hong Kong entities in the GBA with unified Hong Kong tax rate at 16.5% 	<p>(33-35) "Performing its role of channelling capital and leveraging market resources, the HKIC will attract more I&T companies to establish their presence in Hong Kong, accelerating the development of strategic industries. The first batch of direct investment and co-investment projects will be implemented in the first half of this year, covering areas such as life technology, green technology and finance, semi-conductors and chips, as well as the upgrading and transformation of manufacturing industries. The HKIC will also encourage enterprises in its investment portfolio to engage more actively in local, Mainland and overseas I&T networks, where they can explore more application and development opportunities, while identifying potential investors and their target clientele. To enhance Hong Kong's attractiveness to enterprises and capital, the HKIC will host a Roundtable for International Sovereign Wealth Funds. Sovereign wealth funds and financial leaders will be invited to explore investment opportunities and develop collaborative partnerships. A Summit on Start-up Investment and Development in Hong Kong will also be organised. It will bring together prominent figures in the start-up ecosystem, with a view to boosting collaboration among the investment, industry, academic and research sectors. That will help support I&T enterprise development at varying stages."</p> <p>(83 ii) "(ii) facilitating cross-boundary capital flow within the Hetao Co-operation Zone;"</p> <p>(72 ii) "deepen financial co-operation in the GBA – We will take advantage of the financial reform and innovation measures in the Qianhai Co-operation Zone to expand the businesses of Hong Kong financial institutions in Qianhai. Relevant measures include facilitating Hong Kong's limited partnership funds to be qualified under the Qianhai Qualified Foreign Limited Partnerships (QFLP) to participate in private equity investment in the Mainland; and co-establishing the Shenzhen-Hong Kong Financial Co-operation Committee with the Shenzhen authorities in the first half of 2024. The committee will advise and offer suggestions in respect of bolstering mutual access to the financial markets, co-operation on financial technologies (Fintech) and green finance, and exchange of financial talents;"</p> <p>(36) "We have already taken the first step by putting in place user-friendly fund re-domiciliation mechanisms for Open-ended Fund Companies and Limited Partnership Funds. These mechanisms attract existing foreign funds to establish and operate in Hong Kong. In the first half of 2024, we will submit a legislative proposal enabling companies domiciled overseas, especially enterprises with a business focus in the Asia-Pacific region, to re-domicile in Hong Kong."</p> <p>(95) "In addition, we will expand the scope of e-CNY pilot testing in Hong Kong. Members of the public may set up e-CNY wallets easily for use and for topping up funds by the Faster Payment System, thereby further enhancing the efficiency and user experience of</p>

			<p>cross-boundary payment services."</p> <p>(144-145) "The Cross-boundary Wealth Management Connect (WMC) Scheme in the GBA has seen continuous and steady development. "WMC 2.0" was officially launched earlier this week, introducing such enhancement measures as increasing the individual investor quota to RMB 3 million and lowering the threshold for participating in the Southbound Scheme. To help enterprises secure financing in the GBA more easily, the HKMA and Mainland regulatory authorities will continue to build a collaborative framework on cross-boundary credit referencing. Through such collaboration, the banks of both places, upon consent from corporate customers, will be allowed to access the credit data of relevant corporations, so that credit assessment can be conducted in a more secure and efficient manner."</p>
4	<p>Building momentum for businesses to enter/ grow in the GBA</p>	<p><u>Data</u></p> <ul style="list-style-type: none"> Secretary for Innovation, Technology and Industry to engage more with international business community to find pathway to navigate this increasingly complex environment "sandbox" schemes to pilot cross-boundary transfer of personal data in key industries 	<p>(42) "The HKSAR Government will collaborate with the Guangdong Provincial Government to develop the "<u>Digital Bay Area</u>". Efforts include promoting the "<u>Cross-boundary Public Services</u>" initiative, under which Hong Kong residents can log into the Guangdong Government Service Network with "iAM Smart", while Guangdong and Hong Kong residents can use the self-help kiosks rather than having to access government services in person."</p> <p>(61 vi) "promote cross-boundary data flow – We signed a memorandum of understanding with the Mainland in June to foster secure cross-boundary flow of Mainland data within the GBA. We are liaising with the Guangdong Province to adopt an "early and pilot implementation" approach in the GBA to streamline the compliance arrangements for the flow of personal data from the Mainland to Hong Kong. This will facilitate the provision of cross-boundary financial and medical services within the GBA; and"</p> <p>(83 iii-v) "(iii) facilitating exchanges on data and samples (including clinical biological samples) collected for research or trials; (v) taking forward frontier technological research and expediting pilot production and transformation in support of the development of the Hetao Co-operation Zone. An example is the establishment of a public R&D service platform for biomedicine to dovetail with the development of the Greater Bay Area International Clinical Trial Centre in Shenzhen Park.</p> <p>(96) "The ITIB and the Cyberspace Administration of China launched an early and pilot implementation arrangement for the "Standard Contract for the Cross-boundary Flow of Personal Information Within the Guangdong-Hong Kong-Macao Greater Bay Area (Mainland, Hong Kong)" last December. During the first phase of implementation, we have invited the banking, credit referencing and healthcare sectors to participate, and their responses have been very positive. Having regard to outcomes of the pilot implementation in the first phase, we will gradually extend the coverage of the facilitation measures so that various business sectors of both places may leverage cross-boundary data with a smoother flow, thereby providing more cross-boundary services for the convenience of the public and enterprises."</p> <p>(97) "To further facilitate access to the public services of Guangdong and Hong Kong by residents and enterprises in Hong Kong and the GBA, we collaborated with Guangdong Province to launch the Cross-boundary Public Services thematic website. We also connected iAM Smart with the Unified Identity Authentication Platform of Guangdong Province in November last year. Having set up iAM Smart registration service counters in Guangzhou as well as in Qianhai and Futian in Shenzhen, we have also introduced the first self-service kiosk for Hong Kong's Cross-boundary Public Services in Guangzhou. This will facilitate Hong Kong residents and enterprises in the GBA cities to access the Cross-boundary Public Services and register for iAM Smart."</p>
5		<p><u>Healthcare</u></p> <ul style="list-style-type: none"> extend tax incentives for purchasing private life and health insurance in GBA increase no. of healthcare institutions in GBA covered by HK policy Policies to cover more tier-three hospitals providing advanced or specialised care greater transparency in communication with GDMPA information sharing for GBA healthcare policies facilitate medical insurance to cover Hong Kong citizens residing in GBA clear code of practice and medical indemnity coverage for professionals practicing across the border expand use of Hong Kong drugs and medical devices in GBA with approved and transparent guidelines extend electronic health record sharing systems to cover hospitals in GBA to ensure continuity of care across border engage with private sector on development, refurbishment and outsourcing of healthcare projects in HK further explore value-based contracting in the refurbishment of hospitals, e.g. contracts to focus more on promoting innovation and improved outcomes for patients 	<p>(49) "The Government is discussing with the governments of other GBA cities on the provision of cross-boundary ambulance service so as to enable direct point-to-point hospital transfer of patients for better support."</p> <p>(139 iii) "establish the Greater Bay Area International Clinical Trial Institute – We will establish the Greater Bay Area International Clinical Trial Institute in the Hetao Shenzhen-Hong Kong Science and Technology Innovation Co-operation Zone next year to provide a one-stop clinical trial support platform for medical research institutions. The Institute will co-ordinate clinical trial resources in the public and private healthcare sectors in Hong Kong, including researchers, supporting services, data banks, sample banks, laboratories, etc. We will discuss with the Shenzhen Municipal Government regarding a cooperation framework, with a view to achieving coordinated development of the Hong Kong and Shenzhen Parks. We will also explore cooperation with the clinical trial networks in the Mainland, in particular the GBA, through the Institute, and co-ordinate clinical trial work between the two places to comply with national and international standards;"</p> <p>(115) "The Government will set up the Greater Bay Area International Clinical Trial Institute in the Hetao Shenzhen-Hong Kong Science and Technology Innovation Co-operation Zone this year. It will provide one-stop support to attract more local, Mainland and overseas pharmaceutical and medical device enterprises to conduct clinical trials in Hong Kong. We will also actively seek support from the National Medical Products Administration for record filing, so that such data can be used by these enterprises when applying for marketing authorisation of their products in the Mainland."</p> <p>(142) "The Government will roll out the eHealth+ to build a comprehensive healthcare information infrastructure over the next five years. We aim to develop a personalised eHealth account for every resident to deposit their digital health records in both public and private sectors, and to integrate the healthcare service processes. eHealth+ will allow users to check and carry electronic health records as well as scheduled appointments through mobile phones anytime. The new system will also support various healthcare policies and reforms more effectively, especially on cross-boundary medical collaboration within the GBA."</p> <p>(123) "We will set up the InnoLife Healthtech Hub in the HSITP to attract top-notch research teams and talent from around the world, with a focus on life and health disciplines, to conduct research. This will be conducive to the development of international I&T centre in the Loop and the GBA. We will allocate \$2 billion from the \$10 billion earmarked to support the InnoHK research clusters to establish presence in the Loop. We will also allocate \$200 million to provide assistance to start-ups engaging in life and health technology in the form of incubation and acceleration programmes, etc."</p> <p>(149) "We will strengthen medical collaboration with the Mainland, and contribute to the national strategy of "Healthy China". We will: (i) support the internationalisation of national hospital accreditation standards – The HA will resume the hospital accreditation programme to ensure its management and services attaining international standards, and support the Shenzhen Hospital Accreditation Research Centre to set up an office in Hong Kong in the future with a view to contributing to the internationalisation of the national hospital accreditation standards and improving the overall healthcare quality of the GBA; (ii) rolling out the "Elderly Health Care Voucher Greater Bay Area Pilot Scheme" – We will extend the coverage of the elderly health care vouchers initially to about five suitable medical institutions in the GBA as trial service points for provision of primary healthcare services. It will also cover individual designated medical institutions providing dental services at places near Hong Kong, e.g. Shenzhen; and (iii) making optimal use of healthcare services in the GBA – We will strategically procure healthcare services for the people of Hong Kong from suitable healthcare institutions in the GBA (including the University of Hong Kong – Shenzhen Hospital) so as to alleviate the pressure on service demand of our public hospital services and shorten the waiting time of our residents."</p>

1	<p>Getting the economy moving and cutting red tape</p>	<p>establishment of Maritime and Port Authority with power and resources to provide long-term strategies / talent on logistics</p>	<p>(74 i, iii) "action plan on maritime and port development strategy – The Transport and Logistics Bureau (TLB) will publish an action plan later this year to enhance high-end maritime services, facilitate transformation towards zero emission, promote smart initiatives and digitalisation in the maritime industry, and promote exchanges and collaboration among maritime industries in the GBA and around the world; iv. capitalise on Hong Kong's international position in maritime arbitration – Hong Kong is one of the four designated arbitration venues in the Baltic and International Maritime Council (BIMCO)'s global standard maritime contracts, and is among the leading cities in the world for maritime services. We will enhance our co-operation with various international maritime organisations, including deepening the operation of the BIMCO and the International Chamber of Shipping in Hong Kong, as well as strengthening our role as a gateway for international maritime enterprises and organisations to enter the Mainland market; and" (163-164) "One of the directions set out in the Action Plan is to develop high value-added maritime services. Over the past few years, the Government has introduced a series of tax concession measures for the maritime industry in the areas of ship leasing, marine insurance, ship agency, ship management, shipbroking and so forth, which have begun to yield results. We will commence studies on further enhancements within this year. In addition, Hong Kong's ship registration regime is widely recognised internationally. Hong Kong ranks fourth in the world in terms of gross tonnage, and excels in its high quality fleet. The port state control detention rate of Hong Kong registered ships is much lower than the global average. We plan to offer block registration incentive to attract shipowners to register ships in Hong Kong extensively. The Government will amend the relevant regulations regarding this incentive starting this year, and provide an outline of the incentive rules, eligibility criteria and so forth."</p> <p>(180) "The Government introduced the Professional Training on Smart and Green Logistics Scheme and the Logistics Promotion Funding Scheme under the Maritime and Aviation Training Fund (MATF) in January this year. These schemes aim to enhance promotion and talent development in the logistics sector in line with new developments in smart and green logistics. We also launched the Aviation Promotion Project Funding Scheme to fund activities organised by local aviation-related organisations and academic institutions, while promoting to different sectors of the community the development of our aviation industry and the opportunities available. The TLB will conduct a comprehensive review of the MATF this year, to gauge its effectiveness in attracting talent and promoting manpower development in the maritime and aviation sectors."</p>
2	<p>Getting the economy moving and cutting red tape</p>	<p><u>Data-driven solutions</u></p> <ul style="list-style-type: none"> fast-tracking citizen-centric smart city digital implementation innovations in transportation, healthcare and construction sectors Improvements on digital services (G2C and G2B) should be a priority pursue initiatives to make open data more accessible to businesses by improving on the measures of open data 	<p>(39-41) "We will press ahead with the digitalisation of government services, using artificial intelligence (AI) and opening up more government data to accelerate development of digital economy. The Digital Economy Development Committee, chaired by the Financial Secretary, is conducting studies on digital infrastructure, cross-boundary data flow, digital transformation of enterprises and human resources support. The Committee will put forward its recommendations early next year. The Government will set up the Digital Policy Office by merging the existing Office of the Government Chief Information Officer and the Efficiency Office. Led by the Commissioner for Digital Policy, the new office will be responsible for formulating policies on digital government, data governance and information technology. It will consolidate information technology-related resources within the Government, promote the opening up of data and co-ordinate with departments to offer more digital services. Before the end of this year, the Government will publish administrative guidelines to facilitate data flow and ensure data security to drive digital-based development. From 2024, we will launch over a hundred of digital government initiatives to promote digital government and the smart city. These projects include: issuing and verifying certain licences and certificates electronically by using blockchain technology; enhancing security in public cargo areas by employing AI technology; providing automated parking systems in newly completed government car parks and short-term tenancy car parks; providing electronic payment options for all government fees within one year; developing smart search-and-rescue mobile applications; and enhancing the 1823 enquiry service through AI chatbot.</p> <p>(69 iv) "utilise data to provide more efficient financing services for SMEs – The Commercial Data Interchange of the HKMA provides enterprises (especially SMEs) and banks with an exchange platform covering various commercial data for credit underwriting. By the end of this year, the Commercial Data Interchange will be connected to the Government's Consented Data Exchange Gateway. This will enable financial institutions to obtain more useful data for accelerating credit underwriting"</p> <p>(93 iii) "The HKHA will select 10 PRH estates as pilot sites next year for trial adoption of such innovative technologies as the Internet of Things sensors, AI and mobile devices. These will help daily estate management; and"</p> <p>(91-92) "As transformation of global digitalisation accelerates, the presence of a highly efficient data ecosystem has become one of the considerations for many enterprises to establish a foothold in Hong Kong. Building a mechanism that facilitates data trading is particularly important in the data ecosystem. Hong Kong is underpinned by its distinctive advantages under "One Country, Two Systems" and endowed with the characteristics of an international city. From supply and demand of data to application scenarios, we are equipped with a robust foundation and possess an abundance of favourable conditions for developing international data trading. We have commissioned an expert group to undertake an in-depth study on how to develop a robust data trading ecosystem in Hong Kong, the scope of which includes Hong Kong's role as a "super connector" in data trading as well as promoting the formulation of international data trading rules. The aim is to enable us to unleash the potential of data elements and facilitate its development into a new industry with an enormous growth momentum, hence empowering the upgrading and transformation of traditional industries."</p> <p>(94-95) "The HKMA completed Phase 1 of the e-HKD Pilot Programme last October, and has studied domestic retail use cases in various areas such as programmable payments, offline payments and tokenised deposits. Phase 2 of the pilot programme will soon commence to further explore new use cases. Project mBridge, another important initiative, has also achieved good progress. Phase 1 of its service, which is expected to be launched this year, will become one of the first projects around the world to settle cross-boundary transactions for corporates using central bank digital currencies. In addition, we will expand the scope of e-CNY pilot testing in Hong Kong. Members of the public may set up e-CNY wallets easily for use and for topping up funds by the Faster Payment System, thereby further enhancing the efficiency and user experience of cross-boundary payment services."</p> <p>(103) "The Government will set up a "digital identity of enterprises" platform, i.e. the business version of "iAM Smart", to enable authentication of identity and verification of signature of enterprises using electronic government services or conducting online business transactions in a secure, convenient and efficient manner without having to go through complicated procedures, thus saving time and reducing the risk of human error. The expenditure involved is estimated to be about \$300 million and our goal is to roll out the platform progressively from end-2026 onwards."</p>
3	<p>Getting the economy moving and cutting red tape</p>	<p>Government-subsidised Cyber Security Qualification for SMEs (approved vendors to perform audits, consultancy on cyber security)</p>	
1	<p>Hong Kong, where business gets done (and you can have fun!)</p>	<p>More sustained, longer-term perspective to redefine the marketing of Hong Kong globally (as tourist destination and place for business)</p>	<p>(85 i) "formulate the Development Blueprint for Hong Kong's Tourism Industry 2.0 – We will consult the trade in order to make enhancements in various aspects to complement tourism development. The Blueprint 2.0 will be published next year;"</p> <p>(85 iii) "enhance cruise tourism development – Through creating demand in source markets, developing cruise tourism products and improving support infrastructure in the vicinity of the Kai Tak Cruise Terminal, we strive to attract more cruise ships to Hong Kong and strengthen Hong Kong's competitiveness as Asia's cruise hub in the long run. An action plan on the development of cruise tourism economy will be announced in the first half of 2024;"</p> <p>(68-71) "The HKTb will launch a new Hong Kong tourism brand, and continue to target source markets and collaborate with GBA cities to jointly promote multi-destination tourism. Sincerity and hospitality will make Hong Kong even more popular. The HKTb will enhance the Quality Tourism Services Scheme and launch a new round of publicity activities, including reality shows and the commendation of outstanding frontline staff in the service industry. We want to promote Hong Kong as a hospitable, people-focused city in collaboration with various sectors. We will make every effort to promote mega-events and design in-depth thematic tours, enrich tourism resources and provide more novel products and experiences to cater to visitors of all types and sources. This will help stimulate retail, consumption, catering and transportation demand throughout Hong Kong. We will allocate additional funding, totalling \$1,095 million, to support the Tourism Commission and the HKTb in organising these and other Hong Kong events and activities."</p>

1		More sustained, longer-term perspective to redefine the marketing of Hong Kong globally (as tourist destination and place for business)	<p>(60-61) "Organising thematic conferences can help reinforce Hong Kong's branding. The Global Financial Leaders' Investment Summit and the Asian Financial Forum are two very successful illustrations of this. The Financial Mega Event Week will be launched in Hong Kong in March, featuring an array of major financial events, including the Wealth for Good in Hong Kong Summit, which brings together owners and managers of family offices, the Global Investors' Symposium by Milken Institute etc. There will also be a wealth of activities for enriching Hong Kong's branding, including a round-table conference to be organised by the HKIC. Apart from inviting visitors to our city, we will continue to go global, visiting regions and markets to tell the good stories of Hong Kong and expand our circle of friends. We will also launch a new Sponsored Overseas Speaking Engagement Programme. Renowned scholars and industry leaders will be sponsored to attend overseas events and give speeches to promote Hong Kong and its many advantages."</p> <p>(137-140) "To drive market development, the Government will extend the Grant Scheme for Open-ended Fund Companies and Real Estate Investment Trusts for three years, and set up a task force to discuss with the industry measures for further developing the asset and wealth management industry. Attracting global family offices and asset owners to Hong Kong will help bring in more capital and drive ancillary economic activities. We have implemented a number of measures, including providing tax concessions for qualifying transactions of family-owned investment holding vehicles managed by single family offices in Hong Kong, and streamlining the suitability assessment when dealing with sophisticated professional investors. The new Capital Investment Entrant Scheme (new CIES) will soon invite applications. Eligible investors who invest HK\$27 million or more in qualifying assets and place HK\$3 million into a new CIES Investment Portfolio may apply to reside in and pursue development in Hong Kong. The new CIES will help strengthen our advantages in developing the asset and wealth management industry and related professional service sectors in Hong Kong, while supporting the I&T sector's development. We are setting the stage for the second Wealth for Good in Hong Kong Summit in end-March in a bid to showcase Hong Kong's unique advantages to global family offices and asset owners. In addition, we will further enhance the preferential tax regimes for related funds, single family offices and carried interest, including reviewing the scope of the tax concession regimes, increasing the types of qualifying transactions and enhancing flexibility in handling incidental transactions, all to attract more funds and family offices with potential to establish a presence in Hong Kong."</p>
2		Further amplification on existing branding attributes: e.g. Food, Culture, Nightlife, Faster Career Development, Low Taxes, Fantastic Public Transport, Digital Connectivity, Travel Hub and The Great Outdoors	<p>(59) "The Government has set up a Mega Events Coordination Group to reach out proactively for more mega events to be staged in Hong Kong, while strengthening inter-departmental collaboration for such events to be successfully held. We have earmarked \$100 million to boost mega-event promotions over the next three years."</p> <p>(62-63) "Our magnificent Victoria Harbour, with its stunning harbourfront, is a natural beauty and popular leisure destination for tourists and the general public that creates memorable moments and positive impressions of Hong Kong. We will make good use of such valuable resources to offer many more enchanting moments and experiences for our people and visitors alike. The dazzling fireworks display above the night sky of Victoria Harbour, and last year's special waterfront pyrotechnic shows along the waterfronts of Wan Chai and the West Kowloon Cultural District, were well-received by the public. The Hong Kong Tourism Board (HKTB) will hold pyrotechnic and drone shows against the backdrop of the splendid night views of Victoria Harbour every month. The HKTB will also revamp its light-and-sound show, "A Symphony of Lights". The Development Bureau (DEVB) will also introduce commercial facilities such as food and beverages, retail and entertainment on a pilot basis at selected suitable harbourfront locations to bring convenience and better experience to visitors."</p> <p>(66-67) "In addition, the HKTB will promote immersive, in-depth tourism with themes like "Citywalk", and promote young-adult focused activities such as hiking, cycling, stand-up paddle-boarding, trail running and stargazing in the wilderness. It's all part of an energising effort to soft-sell Hong Kong. Our Temple Street Night Market promotion, last December, successfully drew tourists and locals alike to this street of distinctive character. The HKTB will offer more diversified activities and promotion to boost the flow of people in the district and create more business opportunities for its merchants."</p>
3	Hong Kong, where business gets done (and you can have fun!)		<p>(63) "The Government is actively promoting the cultural and creative industries. The Culture, Sports and Tourism Bureau (CSTB) will promulgate and implement the Blueprint for Arts and Culture and Creative Industries Development before the end of this year. We will also inject a total of \$4.3 billion to the Film Development Fund and the CreateSmart Initiative to provide incentives for attracting private sector capital and expanding new markets."(63 i-ii) "(i) establish the Cultural and Creative Industries Development Agency – Create Hong Kong will be restructured as the Cultural and Creative Industries Development Agency, which will proactively promote the development of arts, culture and creative sectors as industries under the industry-oriented principle; (ii) strengthen the efforts of Economic and Trade Offices on cultural promotion – Our Economic and Trade Offices in the Mainland and overseas will strengthen their promotion work on arts and culture, deepening cultural exchanges and promoting people-to-people bonds;"</p> <p>(57+64) "57. More than 80 mega-events in a variety of themes and genres will be staged in Hong Kong in the first half of this year. For "Art March" alone, a series of arts and cultural events will be presented, such as Art Basel, Art@Harbour and the Asian debut of the international pop-culture festival ComplexCon. 64. The HKTB will develop brand new seasonal, festival and event experiences of varying themes featuring Chinese and Western arts, popular cultures, wine-and-dine, outskirts explorations, active sports and more to cater to the interests of wide-ranging visitor segments. The HKTB will also encourage the industry to launch a more diversified portfolio of tourism products."</p> <p>(63 iv-v) "launch the Signature Performing Arts Programme Scheme – To nurture world-class performing arts productions and international cultural brands that are representative of Hong Kong, the Government will offer a subsidy capped at \$10 million and an additional \$5 million matching fund to match private sector funding. This will support representative and large-scale local signature performing arts productions to be staged as long-run performances, attracting more audiences from other places; (v) increase the provision for cultural exchanges – The existing annual provisions will be increased by 40%, from \$50 million to \$70 million, to support more local arts groups and artists to perform, or participate in exhibitions and other activities outside Hong Kong;"</p>
3		Arts capability should also be promoted (on performing/ cultural stage)	<p>(65) "We will continue to enhance local group-tour activities. The Tourism Commission will, over the next few years, continue to organise well-received signature creative arts and cultural tourism projects. That includes the Sai Kung Hoi Arts Festival, which features an integration of arts with the island, allowing visitors to experience its natural landscape, history, culture and heritage. Another example is the Design District Hong Kong (#ddHK), which takes visitors on a journey to discover the local culture and characteristics of Hong Kong."</p> <p>The Government will soon promulgate the Blueprint for Arts and Culture and Creative Industries Development, to outline the vision and specific initiatives for the work.</p> <p>Creative Arts Branding: The Government will inject about \$1.4 billion and \$2.9 billion into the Film Development Fund and the CreateSmart Initiative respectively in 2024/25, to support projects in various areas such as film, arts and design. Among them, the Government will organise the Hong Kong Fashion Design Week annually from 2024 onwards. It is our vision to turn the Hong Kong Fashion Design Week into an Asian fashion design mega event, thereby introducing Hong Kong's fashion design brands internationally.</p> <p>Signature Performing Arts Programmes: The Government has announced the launch of the Signature Performing Arts Programme Scheme. The scheme will support production of representative and large-scale local signature performing arts programmes to be staged as long-running performances and become another cultural icon of Hong Kong. Culture, Sports and Tourism Bureau will devise the key arrangements of the Signature Performing Arts Programme Scheme in the first half of 2024.</p> <p>Large-scale Arts Events: We will organise the first Hong Kong Performing Arts Expo (HKPAX) in October this year to provide a comprehensive platform for showcasing top-notch performing arts productions and enhancing exchanges to create business opportunities for these programmes and creative talents. We will also organise the 4th Guangdong-Hong Kong-Macao Greater Bay Area Culture and Arts Festival. With more than 100 arts and cultural activities taking place in Hong Kong and different cities of the GBA, the festival is expected to feature about 5 000 artists and draw a total of 140 000 visitors.</p>

Mid term		
Category	BritCham's suggestions	Government's Policy Address
1	<p>Reducing the Housing and Land Supply Deficit</p> <p><u>holistic streamlined approach to land supply</u></p> <ul style="list-style-type: none"> More clarity and speed in assessing land premia, lease modifications and submission of redevelopment plans to facilitate investment and development Faster timelines for processing applications expanding the current 'Standard Rate' land premium system integrate AI to facilitate initial land premium price range guidance within 4 weeks of application Performance pledges could be introduced by Government departments issuing licences 	<p>(92) "To keep track of our land production, the Government released, for the first time, a 10-year supply forecast of developable land (spade-ready sites) last year. Based on the latest data, the supply of spade-ready sites will reach 3 370 hectares in the next 10-year period (from 2024-25 to 2033-34), with an increase of 90 hectares compared to the 10-year supply forecast made last year. Land production is progressing on schedule, and all such supply is from Government-led projects including the Northern Metropolis. The development of the Northern Metropolis will span across 20 years, and our target is to release all the land use and development proposals in 2024, commence land resumption by 2027, and form 40% of the new development land and complete 40% of the new flats by 2032."</p> <p>(93 ii) "The HKHA is planning or undertaking 10 redevelopment projects to provide some 32 800 flats in total. It will also take the opportunity to provide additional local open space and recreational facilities in the redeveloped public housing estates;"</p> <p>(101 i) "streamline statutory and administrative procedures – Followed by the amendments to the relevant statutes, the Government will introduce more administrative measures to simplify procedures, for example, to complete straight-forward title-checking cases within 12 weeks to expedite disbursement of land resumption compensation; and to relax the gross floor area (GFA) exemption for aboveground carparks to speed up the development process;"</p> <p>(101 ii) "extend the arrangement for standardisation of land premium – We will, within this year, regularise the "standard rates" arrangement for the redevelopment of industrial buildings and extend the applicable scope to cover industrial buildings for special uses completed before 1987. The Government will also introduce a pilot scheme to extend the arrangement in phases to agricultural land in the New Territories. The first phase targets at private developments within the existing new towns of Yuen Long, North and Tuen Mun districts, as well as those in the vicinity of railway stations; and"</p> <p>(102) "(i) fully embrace the "planning-led" redevelopment approach – The URA is conducting planning studies for Tsuen Wan and Sham Shui Po, with the comprehensive urban renewal master plans and restructuring proposals expected to be ready by phases from the second half of 2024. We are also implementing the recommendations from the District Study for Yau Ma Tei and Mong Kok, permitting interchangeability between the domestic and non-domestic plot ratios of selected areas, removing the plot-ratio restriction of the commercial zone along Nathan Road, and rezoning certain character streets to increase incentives for redevelopment. In the coming five years, the URA will commence redevelopment projects of the "Nullah Road Urban Waterway" in Mong Kok East and the "Street Consolidation Areas" in Yau Ma Tei South; (ii) enhance URA's financial capability – To enable the URA to cope with future financing demand, the Government granted approval in mid-2023 for raising its borrowing limit from \$6 billion to \$25 billion. We will also provide suitable land for the URA at nominal land premium to enhance the viability of the concerned redevelopment projects and increase the usable resources available to URA; (iii) adopt a more target-oriented approach in lowering the compulsory sale application thresholds – Last year, we proposed to lower the compulsory sale application thresholds from 80% of ownership to 60% to 70% with reference to the building age. Taking into account stakeholders' views, the Government considers that apart from the building age, the need for redevelopment of the district should also be taken into account in determining the applicable threshold. As a general principle, lower thresholds should be adopted for older buildings in districts with more pressing need for redevelopment. The Development Bureau (DEVB) will elucidate the revised proposal and introduce an amendment bill by the end of this year; and (iv) explore a new mechanism for large-scale redevelopment projects – We will embark on a study this year to explore feasible policy measures to use part of the reclaimed land outside the Kau Yi Chau central business district to facilitate implementation of urban redevelopment projects by the public and private sectors.</p> <p>(183-184) "The 2024-25 Land Sale Programme will cover a total of eight residential sites. There will also be railway property developments, private development and redevelopment projects as well as projects undertaken by the Urban Renewal Authority. Taken together, the potential land supply for the whole year is expected to have a capacity for providing about 15 000 units, exceeding the annual demand of 13 200 units projected in the Long Term Housing Strategy by about 14 per cent. The Land Sale Programme will also include two commercial sites and one industrial site, capable of providing about 120 000 square metres of commercial floor area and 540 000 square metres of industrial floor area respectively. We will take into account the market situation when deciding on the quantity and types of land to be put up for sale as well as the pace of sale. We will make available land for the production of no less than 80 000 private housing units in the coming five years. Such land will be put to the market in a timely manner. Among them, about 60 per cent comes from New Development Areas/New Town Extensions, with another 40 per cent from government land sale and railway property development projects in other districts."</p>
2	<p><u>Upcycling of empty schools and other real estate</u></p> <ul style="list-style-type: none"> provide training centres for local and foreign workers to deal with labour supply shortage in hospitality encourage heritage, culture, arts and sports camps, driving youth and community engagement to activate and repurpose these spaces for the local needs utilization of brownfield sites without reclamation or taking over land from the periphery of country parks 	<p>(151) "On promoting elite sports and professionalism, the new building of the Hong Kong Sports Institute, to be completed in mid-2024, will provide more advanced training facilities for elite athletes. We will also allocate additional resources to enhance its Sports Medicine Centre. CSTB will continue to implement the 10-year Development Blueprint on Sports and Recreation Facilities, providing sports and recreation facilities such as sports centres, sports grounds and parks, amongst which include a swimming pool suitable for hosting international competitions, as well as an arena with fencing training and competition facilities. Furthermore, we will collaborate with the Sports Federation & Olympic Committee of Hong Kong, China (SF&OC) in mid-2024 to offer more professional training and internship opportunities to coaches. This will enhance the professional standards of our coaches and the quality of training for our athletes." 166. Last month, the HYAB launched the Youth Link to engage youth participants of various government youth activities and offer them opportunities to develop diverse talents and take part in public affairs. We will study the possibility of utilising suitable facilities to provide Youth Link participants with a platform for constant interaction, including multi-function areas, a youth culture and creativity bazaar, and small-scale performance spaces.</p>
3	<p><u>Land lease extension</u></p> <ul style="list-style-type: none"> Government can showcase proposed land lease extension (if approved) beyond 2047 to the wider international investment community to provide additional confidence further clarity of what constitutes "public interest" in terms of granting a lease renewal is required. 	

4	<p>Reducing the Housing and Land Supply Deficit</p>	<p><u>Improve affordability and supply in the residential sector</u></p> <ul style="list-style-type: none"> Stamp Duty measures should be enhanced to facilitate home buyers to upgrade. provide more clarity on longer term residential land supply with a 5-year horizon For upgrading for self-use, (1) Further Deferred Stamp Duty payment and/or; (2) Staged-Payment Stamp Duty mechanism, with a maximum timeframe of 24 months. If market conditions permit, reduction/ eventual removal of SSD & BSD should be facilitated in staged manner. 	<p>(100) "(i) shorten the applicable period of the Special Stamp Duty (SSD) from three years to two years. In other words, if a property owner disposes of his/her property two years after acquisition, he/she will no longer need to pay the SSD, which amounts to 10% of the property price; (ii) reduce the respective rates of the Buyer's Stamp Duty (BSD) and the New Residential Stamp Duty (NRSD) by half, from 15% to 7.5%. This arrangement will help alleviate the financial burden on Hong Kong Permanent Residents (HKPRs) who have already owned residential properties in their acquisition of another residential property, as well as reduce the costs of non-HKPRs in their acquisition of residential properties; and"</p> <p>(42-44) "Among them, the stamp duty suspension arrangement has been well-received, with over 500 applications approved. This is a testament to the appeal of Hong Kong for overseas talents... After prudent consideration of the overall current situation, we decide to cancel all demand-side management measures for residential properties with immediate effect, that is, no SSD, BSD or NRSD needs to be paid for any residential property transactions starting from today. We consider that the relevant measures are no longer necessary amidst the current economic and market conditions. The HKMA adjusted the countercyclical macroprudential measures for property mortgage loans in July last year. Taking into account the external and local economic situation, we consider that there is now room to make further adjustments to the relevant measures and other supervisory policies pertinent to property lending where appropriate, under the premise of maintaining the stability of the banking system. The HKMA will make announcements later today."</p> <p>(72) "Having regard to the economic pressure faced by some industries and the people, and the Government's financial position this year, we will introduce the following measures: (a) provide rates concession for domestic properties for the first quarter of 2024/25, subject to a ceiling of \$1,000 for each rateable property. This measure is estimated to involve 3.08 million domestic properties and reduce government revenue by \$2.6 billion; (b) provide rates concession for non-domestic properties for the first quarter of 2024/25, subject to a ceiling of \$1,000 for each rateable property. This measure is estimated to involve 430 000 non-domestic properties and reduce government revenue by \$370 million;"</p> <p>(100 iii) "introduce a stamp duty suspension arrangement for incoming talents' acquisition of residential properties. This is an enhancement of the stamp duty refund arrangement introduced last year for eligible incoming talents, whereby an incoming talent is required to pay the BSD and the NRSD at the time of property acquisition and will get a refund of the stamp duty paid when the talent concerned has resided in Hong Kong for seven years and become a HKPR. Under the suspension arrangement, the payment of stamp duty concerned is suspended at the time of property acquisition, but the talent is required to pay the relevant amount if he/she is subsequently unable to become a HKPR. This new arrangement applies to any sale and purchase agreement entered into from today onwards."</p> <p>(91) "The Housing Bureau will release the Long Term Housing Strategy (LTHS) Annual Progress Report in end-October. The public housing demand for the next 10 years (from 2024-25 to 2033-34) is 308 000 units. The Government has identified sufficient land for developing about 410 000 public housing units, i.e. about 100 000 units above the supply target. This will substantially shorten the waiting time for PRH. In the next five years (from 2024-25 to 2028-29), total public housing supply, including LPH, will reach 172 000 units. Compared with the five-year period at the beginning of the current-term Government (from 2022-23 to 2026-27), an additional of 67 000 households will be benefited."</p> <p>(90 iv) "the Private Subsidised Sale Flat – Pilot Scheme has been launched. Starting from 2023-24, three sites will be put up for tender for private developers to develop subsidised sale flats (SSFs), with the first two tender sites providing at least 2 000 units."</p> <p>(185-186) "On public housing supply, the Government has identified sufficient land for meeting the supply target of 308 000 public housing units over the next ten years (from 2024-25 to 2033-34). Among which, as at the end of last year, construction of about 105 000 units under the Hong Kong Housing Authority has commenced with satisfactory progress. In view of the fact that the Cash Allowance Trial Scheme is due to expire by mid-2024, the Government has decided to extend the scheme for one year until June 2025, to help grassroots families on the waiting list for public rental housing. The scheme will be subject to further review in due course. On private housing supply, we estimate that the completion of private residential units will average over 19 000 units annually in the five years from 2024, representing an increase of about 15 per cent over the annual average of the past five years. The potential supply of first hand private residential units for the next three to four years will be around 109 000 units."</p>
1	<p>Financing Growth</p>	<p><u>Reducing the costs to Government of a rapidly ageing society</u></p> <ul style="list-style-type: none"> further encourage residents to make voluntary occupational or personal pension contributions (Pillar III) Engages industry and professional expertise in establishing a retirement financing taskforce within the next 12 months to undertake a root and branch review of retirement protection in Hong Kong 	<p>(120) "The growing elderly population is emerging as a main consumer group, creating considerable demand for such products and services as medical and healthcare, leisure and recreation, and home and personal care catered for the elderly. These products and services enhance the quality of life for the elderly and spur industry growth and business opportunities. To tap into the business potential of the "silver economy", the CEDB will establish an Advisory Panel on Silver Economy comprising experts of different fields to conduct an in-depth research and offer recommendations. The HKTDC will also incorporate "silver economy" elements into more exhibitions to enhance the promotion of relevant products and services.</p> <p>(197) "The Government has regularised the Community Care Service Voucher (CCSV) Scheme for the Elderly since September 2023, and extended its scope to cover the rental of assistive technology products. The number of CCSVs will increase to 11 000 in 2024-25, involving an annual expenditure of about \$900 million. The Government also regularised the Residential Care Service Voucher (RCSV) Scheme for the Elderly since last April. From the second quarter of this year, the number of RCSVs will increase to 5 000 for the early benefit of more eligible elderly persons. The scheme will involve an annual expenditure of about \$1,440 million."</p>
2		<p>Building supply-side resources to meet Government's longer-term infrastructure development plans</p>	<p>(81) "We will leverage market forces to expedite the development of the Northern Metropolis. We will extend the "Enhanced Conventional New Town Approach" to all NDAs and improve its operational arrangements, such as applying the land exchange arrangements to designated sites for industries and private community/welfare facilities, and facilitating landowners owning 90% or above of private land within a development site to carry out consolidated development."</p>
3	<p>Financing Growth</p>	<p><u>Take an integrated approach to real estate development to align with an I&T blueprint in the Northern Metropolis</u></p> <p>more clarity and speed as to how private sector can participate</p>	<p>(79 ii) "I&T zone – Covering San Tin Technopole including the Hong Kong-Shenzhen Innovation and Technology Park in the Loop, it will create synergy with the Shenzhen Innovation and Technology Zone and serve as a hub for I&T development;"</p> <p>(122) "Hong Kong-Shenzhen Innovation and Technology Park (HSITP) in the Lok Ma Chau Loop (the Loop) enables Hong Kong to play an active part in GBA development, better integrate into overall national development and forge closer connections overseas. While the first batch of buildings in the HSITP will commence operation progressively by the end of this year, various tasks such as attracting enterprises, investment and talent are underway. We will continue to support the development of the HSITP, and are drafting the White Paper on the Development of the HSITP in the Loop targeting to be announced this year."</p> <p>(60-61) "set up the New Industrialisation Development Office – Established under the Innovation, Technology and Industry Bureau and led by the Commissioner for Industry, the office will adopt an industry-oriented approach to promote new industrialisation in Hong Kong, support strategic enterprises to develop their businesses in Hong Kong, assist the manufacturing sector in upgrading and transformation by making use of I&T, and provide support for start-ups; (ii) facilitate the research and development of microelectronics – We will establish the Hong Kong Microelectronics Research and Development Institute next year to lead and facilitate collaboration among universities, R&D centres and the industry, which will include exploring the third-generation semi-conductor core technology and leveraging the GBA's well-developed manufacturing supply chains and enormous market. The newly-built Microelectronics Centre will also be commissioned next year to provide advanced infrastructure and hardware facilities designated for microelectronics; (iii) expedite the establishment of a supercomputing centre to foster AI development – From next year onwards, Cyberport will establish an AI supercomputing centre in phases, with a view to supporting the huge demand for computing power from R&D and relevant sectors and promoting industry development; (iv) support transformation of R&D outcomes from start-ups – The Research, Academic and Industry Sectors One-plus Scheme seeks to promote the transformation and commercialisation of R&D outcomes from universities..."</p>

3	Financing Growth	<p><u>Take an integrated approach to real estate development to align with an I&T blueprint in the Northern Metropolis</u></p> <p>more clarity and speed as to how private sector can participate</p>	<p>(108-109) "The first phase facility is expected to start operating within this year at the earliest. By early 2026 at the soonest, the computing power of the supercomputing facility is expected to reach 3 000 petaFLOPS. The scale of such power is equivalent to the capacity of processing nearly 10 billion images in one hour. We will allocate \$3 billion to Cyberport for the launch of a three-year AI Subsidy Scheme to support local universities, research institutes and enterprises to leverage the Centre's computing power and achieve scientific breakthroughs. The subsidy will also be used to strengthen the cyber security and data protection of the Centre, and launch promotional and educational activities, etc. to encourage Mainland and overseas AI experts, enterprises and R&D projects to come to Hong Kong."</p> <p>(110-111) "With an increasing demand for semiconductors worldwide, the scale of related industries is expected to grow continuously and exceed US\$1 trillion by 2030. To capture a market with such huge potential, and dovetail with the national strategy for technological development, the Government is fostering R&D of microelectronics. We will establish the Hong Kong Microelectronics Research and Development Institute (HKMSRDI) this year. It will spearhead and facilitate research collaboration on the third-generation semiconductors among universities, R&D centres and the industry, and to realise R&D outcomes by making use of the comprehensive manufacturing industry chain in the Greater Bay Area (GBA)."</p> <p>(118-121) "Driven by information, new industrialisation leverages advanced technologies such as AI, data analytics and new materials to support enterprises in moving towards smart production and develop emerging industries with high value-adding potential and economic efficiency. We will launch a \$10 billion New Industrialisation Acceleration Scheme (NIAS) this year. Enterprises engaging in life and health technology, AI and data science, advanced manufacturing and new energy technology will each be provided with funding support of up to \$200 million on a matching basis of one (Government): two (enterprise). Applicant enterprises shall invest no less than \$200 million in Hong Kong. Apart from the above funding support on a matching basis, enterprises participating in the NIAS may receive subsidies to engage research talent under the Research Talent Hub. They may also, on a pilot basis, engage a small number of non-local technical personnel under the Technology Talent Admission Scheme to expedite the set-up and operation of advanced manufacturing facilities in Hong Kong. It is anticipated that the NIAS will attract 50 to 100 enterprises engaging in relevant industries to invest no less than \$20 billion in Hong Kong."</p> <p>(82) "Having reviewed the plan to build a public columbarium at Sandy Ridge in the North District, the Government will change the use of the two-hectares site for I&T and related purposes given the sufficient supply of public niches in the future."</p> <p>(84) "Out of the about 600 hectares of development land in the San Tin Technopole, half is for I&T use. We will ensure that policies on cross-boundary supporting infrastructure, land approval, public-private partnership, etc. are in active support of the relevant development to achieve synergy."</p> <p>(154 iii) "establish the Sam Po Shue Wetland Conservation Park – We will enhance the ecological quality and biodiversity of the Northern Metropolis, providing quality outdoor eco-education and recreation facilities for public enjoyment. Modernised aquaculture will also be introduced in the park. The relevant strategic feasibility study is expected to be completed in the first half of next year; and"</p> <p>(128) "Batch 1 of Stage 2 of the Science Park Expansion Programme, which will provide a gross floor area (GFA) of about 13 000 square metres mainly for wet laboratories, is expected to be completed in the first quarter of next year. The Cyberport 5 expansion project, which will provide a GFA of about 66 000 square metres for co-working spaces and offices, etc., is expected to be completed by the end of next year at the earliest. Together with the I&T sites in the Loop to be put into use progressively, there will be more room for the local I&T ecosystem to prosper."</p>
1	Broadening Tax Base	<ul style="list-style-type: none"> consider what is needed in terms of housing affordability, and what changes in land supply and/or land tax might mean for Government revenues undertake a broad-based strategic review of the tax system, considering a wide range of options and involving a wide range of stakeholders, not simply jumping to a VAT/ GST approach as a solution 	<p>(54) "We propose to introduce two enhancement measures for deduction of expenses under profits tax. Profits-tax payers will be granted tax deduction for expenses incurred in reinstating the condition of the leased premises to their original condition. As regards the allowances for industrial buildings and structures as well as commercial buildings and structures, the time limit for claiming the allowances will be removed. This will allow the new owner to claim allowances for the property after a change of ownership, subject to factors such as the construction cost of the property and the balancing charge of its previous owner. Both enhancement measures will take effect from the year of assessment 2024/25."</p>
1	PPP	<p>Further explorations on options for PPP models and financing options relating to the Northern Metropolis and other infrastructure projects</p>	<p>(78) "The Northern Metropolis is a new engine for Hong Kong's future growth. Upon full development, it will provide about 500 000 new housing units and create 500 000 new jobs. Adopting an "industry-driven and infrastructure-led" approach as its key planning axle, the Northern Metropolis will forge a major hub for Hong Kong to integrate into the overall development of our country."</p> <p>(81) "We will leverage market forces to expedite the development of the Northern Metropolis. We will extend the "Enhanced Conventional New Town Approach" to all NDAs and improve its operational arrangements, such as applying the land exchange arrangements to designated sites for industries and private community/welfare facilities, and facilitating landowners owning 90% or above of private land within a development site to carry out consolidated development."</p>
1	Decarbonisation: The Roadmap	<p><u>Encourage the sustainable revitalisation of Hong Kong's ageing building stock</u></p> <ul style="list-style-type: none"> subsidy for owners to perform "Life-cycle Assessment Study" on buildings to determine options of whether retrofit or redevelopment is the most sustainable (HKD50,000-100,000 per approved application) encourage investors to buy whole older residential buildings for sustainable retrofitting by removing Stamp Duty / removing Special Stamp Duty on resale 'green loan development facility' as a percentage of the retrofit costs for aged residential buildings, 	<p>(78) "The Northern Metropolis is a new engine for Hong Kong's future growth. Upon full development, it will provide about 500 000 new housing units and create 500 000 new jobs. Adopting an "industry-driven and infrastructure-led" approach as its key planning axle, the Northern Metropolis will forge a major hub for Hong Kong to integrate into the overall development of our country."</p> <p>(81) "We will leverage market forces to expedite the development of the Northern Metropolis. We will extend the "Enhanced Conventional New Town Approach" to all NDAs and improve its operational arrangements, such as applying the land exchange arrangements to designated sites for industries and private community/welfare facilities, and facilitating landowners owning 90% or above of private land within a development site to carry out consolidated development."</p>

1	<ul style="list-style-type: none"> ▪ Buildings Dept to certify older buildings retrofitted to an adequate standard giving them a new lease of life (a “green re-set date”) with increased land lease tenure ▪ Mortgage Loan-to-Value ratios for retrofitted residential buildings could be rebased on the “green re-set date” as opposed to the original occupation permit date ▪ expand fund initiatives and schemes for retrofitting, 	
2	<p>Decarbonisation: The Roadmap</p> <p><u>Retrofitting inefficient buildings</u></p> <ul style="list-style-type: none"> ▪ formulate a holistic policy framework by tasking the EEB to work with Buildings Dept and professional institutes to promote a retrofit certification scheme Mandatory Energy Audits should be compulsory every 5 years (currently 10) ▪ ensure best prospect energy management opportunities are implemented, e.g. by requiring work that would bring the building up to, say, the next quartile of overall Hong Kong Buildings performance for a specific attribute (e.g. lighting, lifts or HVAC) before the next mandatory audit is due. ▪ more disclosure for commercial buildings with a benchmark on the energy intensity ▪ provide funding or low-cost loans for small businesses and residents to facilitate investment in retrofitting buildings and replacing carbon-inefficient appliances ▪ PPP with enabling work from Government to support private green finance on large retrofits ▪ take the lead on enhancing the energy efficiency of public building management and operation by adopting retro-commissioning practices, applying carbon energy efficient end-use appliance technology, as well as introducing embodied Carbon control on the procurement of public buildings 	<p>(154 i) "enhance energy conservation and decarbonisation in buildings – We will consult the trade this year on the proposal of amending the Buildings Energy Efficiency Ordinance, including extending the scope of regulation to more types of buildings, mandating the disclosure of information in energy audit reports, and shortening the interval of energy audit. Our target is to commence the legislative exercise next year;"</p> <p>(85) "The Government has taken the lead in applying renewable energy (RE) in government buildings and facilities. We will launch a pilot scheme at the Electrical and Mechanical Services Department Headquarters to explore photovoltaic technology applications on the facades of government buildings. We will also support public and private organisations to use RE to help Hong Kong realise carbon neutrality."</p>
3	<p><u>Decarbonising road transport</u></p> <ul style="list-style-type: none"> ▪ follow the UK Government regulations to provide for a gross vehicle weight (GVW) limit increase of 2.0 tonnes for certain zero-emission vehicles (ZEV). ▪ encourage EV adoption in medium goods vehicle (“MGV”) and heavy goods vehicle (“HGV”) for climate and air quality co-benefits, such a payload concession should quickly be made for EV batteries. 	<p>(86 iii) "(iii) support green transformation of public land transport – Between the end of this year and next year, we will continue to test out more new energy vehicles, including electric public light buses, electric heavy goods vehicles, electric coaches, hydrogen double-deck buses and hydrogen street washing vehicles. We will earmark \$50 million to subsidise the trade to purchase wheelchair accessible electric taxis. In the first half of 2024, we will formulate a citywide green transformation roadmap and timetable for public buses and taxis, with a view to achieving zero vehicular emissions by 2050. Besides, we will provide support to realise our goal of introducing about 700 electric buses and about 3 000 electric taxis by end-2027;"</p> <p>(86-87) "Through its New Energy Transport Fund, the Government has been promoting trials of various new-energy public transport, including new-energy buses, while encouraging the industry to conduct trials on a variety of new-energy commercial transport, including electric-goods vehicles and electric coaches. The Government has been encouraging a wider use of electric vehicles. The first registration tax (FRT) concessions for electric vehicles, due to terminate at the end of March, will be extended for two years. Nevertheless, given the price reduction of electric vehicles and increasing availability of vehicle options, we will reduce the concessions by 40 per cent. Specifically, the maximum FRT concession for electric private cars (e-PCs), granted under the "One-for-One Replacement" Scheme, will be adjusted to \$172,500, whereas the concession ceiling for general e-PCs will be lowered to \$58,500. At the same time, e-PCs valued at over \$500,000 before tax will not be entitled to concessions under the "affordable users pay" principle. As for other types of electric vehicles, including electric commercial vehicles, electric motorcycles and electric motor tricycles, the FRT will continue to be waived in full over the next two years. The EEB will announce details in due course."</p>

4	Decarbonisation: The Roadmap	<p><u>Decarbonising the aviation sector</u></p> <ul style="list-style-type: none"> ▪ lead a task force to steward delivery of a Hong Kong aviation zero emissions and SAF roadmap ▪ work with partners in the GBA to develop a SAF supply chain, by providing funding to support the commercialisation of SAF plants and fuel testing, facilitating early-stage trials and introducing a SAF mandate equivalent to at least 10% of jet fuel to be made from sustainable sources by 2030, with incentives for early uptake. 	<p>(86 ii) "promote the supply of sustainable aviation fuel (SAF) – With the increasing use of SAF by airlines around the world, the AAHK will formulate an action plan to drive the use of SAF in Hong Kong."</p> <p>(84) "We are committed to developing Hong Kong International Airport (HKIA) into a green airport. The Airport Authority Hong Kong (AA) is working in collaboration with relevant government departments to simplify approval procedures for the transportation and storage of Sustainable Aviation Fuel (SAF), so as to encourage more airlines to use SAF in Hong Kong. In addition, the AA has begun a consultancy study on SAF development trends worldwide, which will also put forward recommendations on policy measures and infrastructure etc. The consultancy study is expected to be completed in the third quarter this year."</p>
1		<p><u>Reconfirming status and cultural independence of top-class schools in HK</u></p> <ul style="list-style-type: none"> ▪ status of Private and International schools to be set out in plans for Hong Kong's long term development and international global vision ▪ facilitation of cross-border travel for staff and pupils for sporting and cultural events in Guangdong ▪ Support for the continued use of English as the common language of inclusion for schools here to access and participate in educational, cultural, and sporting events across the city 	<p>(158 v) enhance learning and enrichment opportunities for international students – Starting from this November, full-time non-local postgraduate students will be temporarily exempted from the restrictions on taking up part-time jobs to enhance their experience and understanding of working in Hong Kong, and increase their incentive to stay for development after graduation. The arrangement will be implemented on a trial basis for two years, during which more than 35 000 students are expected to benefit;</p>
	Education & Talent	<p><u>Better meeting the needs of young people and disadvantaged students</u></p> <ul style="list-style-type: none"> ▪ more access to Government working groups and committees for young people ▪ devise and adopt new talent schemes for local graduates and young talent, e.g. internships, scholarships, subsidies, work placements, continuing education and development programmes, career planning and training sessions (help them adapt to the evolving new industry landscape and environment ▪ provide opportunities to disadvantaged young people and traditionally marginalised members of the community such as ethnic minorities and people with disabilities with best practice training and easily accessible information about potential career opportunities ▪ partner with organisations to provide training 	<p>(58-59) "Establish the Hong Kong International Legal Talents Training Academy - We will set up a dedicated office and an expert group within next year to take forward the establishment of the Hong Kong International Legal Talents Training Academy. Capitalising on Hong Kong's bilingual common law system and international status, the academy will regularly organise practical training courses, seminars, international exchange programmes, etc. to promote exchanges among talents in regions along the B&R. It will also provide training for talents in the practice of foreign-related legal affairs for the country, and nurture legal talents conversant with international law, common law, civil law and the country's legal system. Establish the Hong Kong International Academy Against Corruption - The Independent Commission Against Corruption will establish the Hong Kong International Academy Against Corruption in the first quarter of 2024. The academy will organise professional training for graft fighters worldwide, as well as local public and private sectors, to promote the exchange of anti-corruption experience among experts and scholars from Hong Kong, the Mainland and overseas, strengthening Hong Kong's international status in integrity building."</p> <p>(132 i) "enhance the Strive and Rise Programme – Through tripartite collaboration among the Government, the business sector and the community, focused support will be given to junior secondary students from underprivileged families, particularly those living in SDUs. The second round of the programme will begin at the end of this month, including such new elements as: increasing the number of mentees from 2 800 to 4 000, with an extension to cover Secondary Four students; enriching the variety of group activities with more Mainland study and exchange tours; introducing mentorship groups; and establishing an Alumni Club for mentees who have completed the programme to provide them with diversified social activities and internship opportunities. The total number of benefited mentees will increase to 6 800 in the 2023/24 school year, reaching 12 000 in the 2025/26 school year;"</p> <p>(132 ii-iii) "education – EDB will continue to encourage non-Chinese speaking (NCS) students to learn Chinese for integration into society. Our enhanced efforts include designing Online Chinese Language Self-learning Resources for NCS students to provide diversified learning materials; preparing for the offer of after-school Chinese language courses for lower primary NCS students on a trial basis using adapted learning materials for the Youth Chinese Test; expanding the Summer Bridging Programme to include NCS students progressing to primary 5 and primary 6 starting from the 2023/24 school year; and increasing the number of schools that provide school-based life planning services for NCS students, etc. (iii) employment – Government departments may design their own job-oriented language tests according to the requirements of individual grades to enable applicants to meet the appointment requirements of relevant grades in respect of language proficiency. Departments will also step up recruitment and outreaching efforts to invite job applications from EMs;"</p> <p>146. To alleviate the shortage of dentists and nurses, the Government will introduce amendment bills to the Dentists Registration Ordinance and the Nurses Registration Ordinance by mid-2024 to provide new pathways for admission of qualified non-locally trained dentists and nurses for serving in specified institutions under the premise that the professional standards and patients' welfare are maintained. Furthermore, we will, starting from the 2023/24 academic year, gradually increase the training places of ancillary dental workers and provide tuition sponsorship to attract more people to join the industry. The Government will also explore amending the Supplementary Medical Professions Ordinance to provide new pathways for admitting qualified non-locally trained supplementary medical professionals to serve in the HA and the Department of Health. 147. We will strengthen the two-way training and exchange of healthcare talents between Hong Kong and the Mainland, while continuing to take forward the "Hospital Authority Healthcare Talents Visiting Programme". Building upon the successful experience of the first phase of exchanges with the Guangdong Province recently, we will take forward talent exchanges with other Mainland regions/cities, such as Shanghai, to promote continuous mutual learning and clinical exchange between different clinical healthcare professionals from the two places, including doctors, nurses and Chinese medicine practitioners, etc.</p>

2		<p>opportunities, as well as funding for companies to offer internships or apprenticeships</p>	<p>(157-158) "157. Young people are Hong Kong's future. The Government will capitalise on our strength in education to help our young people prepare for their future, and build Hong Kong into an international hub for post-secondary education. On top of promoting traditional academic education, the Government will also enhance the status of vocational and professional education and training so as to develop Hong Kong as an education and talents hub for recognised high-quality technical professionals. 158. Hong Kong's post-secondary education is international and highly diversified. Hong Kong is acclaimed to be the only city with five universities in the world's top 100. We will develop Hong Kong into an international hub for post-secondary education. This would bring benefits to our local students and help widen their international perspectives. This would also inject professional vibrancy and growth impetus to our post-secondary education, enhancing Hong Kong's status as an international city and taking our post-secondary education to a higher level. To this end, we will:</p> <p>(i) increase the admission quota of non-local students to Government-funded post-secondary institutions—Starting from the 2024/25 academic year, the admission quota of non-local students to Government-funded post-secondary institutions will be doubled to 40%. The institutions may take into account their capacity to proceed, step by step, with admission of more non-local students, especially students from B&R countries and from the Mainland, and stand to expand capacity and enhance standard through their high-quality teaching and supporting facilities; (ii) expand scholarship schemes—In the last academic year, some 2 500 students from the B&R countries were recipients of the B&R Scholarship and various scholarship schemes of UGC-funded universities. We will inject \$1 billion into the Government Scholarship Fund such that starting from the 2024/25 academic year, the quota of the B&R Scholarship will increase by 50%, and the quota of the Hong Kong PhD Fellowship Scheme by one-third gradually, from 300 to 400 places per academic year. These will help attract more outstanding talents to study and conduct researches in Hong Kong. We will also continue with the Hong Kong Scholarship for Excellence Scheme, supporting annually around 100 outstanding local students to pursue their studies in world-renowned universities outside Hong Kong to broaden their global perspectives;</p> <p>(164-167) "164. We released the Youth Development Blueprint late last year with a vision to nurture a new generation of young people with an affection for our country and our city, global perspectives and positive thinking. We will continue to implement and enhance some 160 measures in the blueprint, and organise the Youth Development Summit in mid-2024 as the opening and highlight of the next Youth Festival.</p> <p>165. We will continue to implement various youth exchange and internship programmes in the Mainland and overseas. We will also establish the Alliance of Hong Kong Youth Innovation and Entrepreneurial Bases in the GBA within this year to provide a one-stop information, publicity and exchange platform. 166. Last month, the HYAB launched the Youth Link to engage youth participants of various government youth activities and offer them opportunities to develop diverse talents and take part in public affairs. We will study the possibility of utilising suitable facilities to provide Youth Link participants with a platform for constant interaction, including multi-function areas, a youth culture and creativity bazaar, and small-scale performance spaces. 167. We will also continue to implement the Security Bureau Youth Uniformed Group Leaders Forum and select distinguished members with great potential to participate in the Leaders Forum. Diverse learning opportunities, exchange activities with Mainland universities as well as study tours to the GBA and other Mainland or overseas cities will be organised. We will also encourage members to tender advice on youth development. Before the end of this year, we will establish the Leaders Forum Alumni Association for the outgoing alumni."</p> <p>(194) "Young people are Hong Kong's future. "Hong Kong will prosper only when its young people thrive." The Government is actively implementing the various actions and measures set out in the Youth Development Blueprint in phases. We will also open up more Mainland and overseas exchange and internship opportunities for young people. Our target is to benefit no less than 30 000 youths this year, enabling young people to learn about our country's major development trends and broaden their global exposure. The Government will also organise the Youth Development Summit in mid this year. Mainland and overseas youth organisations will be invited to exchange views on issues of concern to young people and to engage in mutual learning. It is anticipated that more than 1 000 people will participate in the Summit."</p>
3	Education & Talent	<p><u>Recruitment is a particular challenge for SMEs</u></p> <ul style="list-style-type: none"> ▪ reduce requirements for smallest SME companies to be seen as a "credible sponsor and employer", especially if the employee was of high calibre 	<p>(61 v) "set up a \$10 billion New Industrialisation Acceleration Scheme – To promote the downstream development of new industrialisation, we will provide financial assistance for enterprises in the fields of life and health technologies, AI and data science, advanced manufacturing, and new energy technologies. These include providing funding support for the set-up of new production facilities on a one (Government) to two (company) matching basis, subject to a funding ceiling of \$200 million. We will also explore the feasibility of allowing enterprises under the scheme to employ non-local technical personnel more flexibly, and relaxing the limitation of the number of subsidised research talents that can be employed;"</p>
4		<p><u>Increasing policies to support diversity in the workforce to attract and retain talent</u></p> <ul style="list-style-type: none"> ▪ public sector should do more to take the lead in pushing for high DEI standards ▪ Other steps to make HK more attractive from talent perspective include: better recognition of same sex marriage, creating equity around parental responsibility, equal pay for equal work and a supportive framework for flexible working requests from employees 	<p>116. The Government will also strengthen support for working families in childbearing and unleash their labour force. We will: (i) increase the Working Family Allowance – Starting from next April, the household and child allowances under the Working Family Allowance Scheme will increase by 15% to alleviate their burden; (ii) increase child care centre places and allowances—Over the next three years starting from 2024, 10 more aided standalone child care centres (CCCs) will be set up in phases, providing about 900 additional places for day child care services. Starting from next April, the Child Care Centre Parent Subsidy, which is applicable to all government-aided standalone CCCs and CCC attached to kindergartens, will be increased from a maximum of \$600 to \$1,000 per month. The Social Welfare Department (SWD) will also provide information and assistance to private organisations applying for registration to operate CCCs to encourage their provision of child care support for their employees; (iii) extend the After-School Care Programme for Pre-primary Children to cover all districts—Over the next three years starting from 2024, the After-School Care Programme for Pre-primary Children will be extended in phases to cover all districts in Hong Kong. The number of participating centres will be increased from 16 to 28, and the number of service places from about 670 to nearly 1 200; and (iv) strengthen the home-based child care service—To encourage more people to participate in the Neighbourhood Support Child Care Project, starting from next April, the incentive payment at the standard rate of \$25 per hour for home-based child carers of the Project will be increased. For carers of infants and young children aged 0-3 or children with special learning needs, the rate will be more than doubled to \$60 per hour. For carers of children aged 3-9, the rate will be increased by 60%, to \$40 per hour. From the fourth quarter of next year, the number of service places under the Project will be doubled to about 2 000, with the estimated number of beneficiaries to be doubled to 20 000.</p> <p>(72 e) "provide 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, while similar arrangements will apply to recipients of the Working Family Allowance, altogether involving an additional expenditure of about \$3 billion."</p> <p>(200) "Starting this year, the Government will set up 10 more aided, standalone child-care centres, in phases. The target is to provide nearly 900 additional places for child day-care services within three years. The Government will also extend the After School Care Programme for Pre-primary Children in phases, starting this year, to cover all districts in Hong Kong. The number of service places will increase to nearly 1 200 within three years."</p>

			<p>(128 iii) "operate the School-based After School Care Service Scheme – We will roll out a School-based After School Care Service Scheme in the 2023/24 school year to allow primary students in need to stay at school outside school hours for care and learning support. This will help their parents go to work and will also benefit single parent households. The scheme will be implemented on a trial basis in 50 primary schools in districts with more targeted students for one year, and will be reviewed. NGOs will be engaged to run the services at the participating schools, benefiting some 3 000 students"</p> <p>(121) "The Government will continue to strengthen the support in this regard, including the following measures: (i) provide subsidy to encourage employment – We will implement a three-year pilot scheme to provide an additional subsidy of \$500 per month to employed disabled recipients of CSSA as a means of encouraging their employment. This will benefit some 6 800 persons with disabilities;"</p> <p>(198) "The Government is committed to increasing the number of day rehabilitation, residential care and respite service places for persons with disabilities. As at end-2023, the total number of service places had been increased to 36 400. The Government will also allocate funding of about \$130 million from the Community Care Fund to implement a three-year pilot scheme starting from the third quarter of 2024 to provide an additional subsidy of \$500 per month for employed disabled recipients of CSSA as an incentive for employment. The scheme is expected to benefit some 6 800 persons."</p>
5	Education & Talent	<p><u>Growing Hong Kong's ESG talent pool a priority</u></p> <ul style="list-style-type: none"> ▪ Importing talent (particularly for middle and senior management functions) ▪ Further amendments to immigration rules e.g. prioritising ESG talent when allocating Category C top talent passes for recent graduates more limited experience, extending the scheme beyond the top 100 universities for ESG expertise and extending the definition of ESG on the talent list for the Quality Migrant Admission Scheme beyond specific finance-related roles ▪ ESG consultancies should also be encouraged to locate in HK ▪ In longer-term, strengthened local university curricula, subsidies and standards to ensure a robust future pipeline of ESG talent ▪ embed ESG training in Economics, Finance and Accountancy Courses and Continuing Professional Development ▪ expand existing subsidies to training recommended by associations such as ISSP and support development of professional qualification boards aligned with global standards 	
1	Promoting Hong Kong's Strategic Advantages	<p><u>Making Smart City Blueprint 2.0 a reality</u></p> <ul style="list-style-type: none"> ▪ create a City 'test-bed' of programmable, digital infrastructure to test and trial multiple communications technologies and enable smart city research, development and innovation, also allows startups, SMEs, Universities to develop, test, and operate new technologies related to communications 	<p>(52) "SMEs in the food and beverage industry and the retail industry will be invited to select suitable options among ready-to-use basic digital solutions and apply for subsidies on a matching basis early this year under the Digital Transformation Support Pilot Programme. The solutions will focus on three areas: digital payment and shopfront sales, online promotion and customer-management solutions. It is expected that at least 8 000 eligible SMEs will benefit from the pilot programme."</p>
2		<p><u>Projecting Soft Power as a cultural hub</u></p> <ul style="list-style-type: none"> ▪ expand current nine centrally funded arts groups to increase the number of high-quality performing arts groups and support them in overseas performances so they can become strong cultural ambassadors for Hong Kong 	

1		centralised electronic medical record platform which can connect all medical providers (clinics, diagnostic and imaging lab, private/ public hospitals) and payers (insurers) together	
2	A Healthier Healthcare Sector	<p><u>Mental health</u></p> <ul style="list-style-type: none"> offer help for companies operating in Hong Kong to have their own (or a partner) organisation with accessible/ anonymous mental help support centres for their staff “Care Teams” leverage expertise of and collaborate with existing NPOs more to enhance mental wellness of homeless individuals more effectively 	<p>(121) "To address the needs of persons with disabilities, the Government provides a variety of rehabilitation services catering to different types and levels of disability. These services include pre-school rehabilitation, vocational rehabilitation, centre-based or home-based community support services, as well as hostels for severely mentally handicapped persons, halfway houses and hostels for severely physically handicapped persons, etc... (ii) strengthen the services of residential care homes for persons with disabilities (RCHDs) and day training services – Given the ageing of users of RCHDs, the Government will increase nursing staff in RCHDs in the coming year to enhance care for their ageing residents. We will also increase service places of the Extended Care Programme in Day Activity Centres and the Work Extension Programme to enhance care for persons with disabilities using day training services who are ageing or have deteriorating health conditions; (iii) encourage developers to construct and operate RCHDs in their development projects – Drawing reference from the prevailing arrangements applicable to private RCHDs, the Government will launch the “Incentive Scheme to Encourage Provision of Residential Care Homes for Persons with Disabilities in New Private Developments” this year. Eligible RCHDs will be exempted from premium payment for lease modifications, land exchange or private treaty grants, and the relevant GFA of the RCHD will not be counted in the calculation of total permissible GFA for the entire project;</p>
2	A Healthier Healthcare Sector	<ul style="list-style-type: none"> More promotion on what programmes are in place to provide support mental health, how they can help, tactics to deal with pressures/ feelings further encourage policies that support those who are struggling with mental health - paid medical leave etc. allocate resources to care for patients with CMD, not just SMI expand the scope of specific groups to include homeless people as it currently covers low-income and ethnic minority families 	<p>(iv) optimise the establishment of resource teachers for aided special schools – Starting from the 2024/25 school year, we will strengthen the establishment of resource teachers for the primary and secondary sections of aided special schools, and extend the initiative to cover schools for social development, allowing them to provide additional learning and developmental support for students with autism spectrum disorder; and (v) increase the number of representatives of persons with disabilities and carers in the Rehabilitation Advisory Committee – The Government has completed the review of the Committee’s composition. There will be more representatives of persons with disabilities and their carers in the next term of the Committee to better gauge their needs."</p> <p>(123) "(i) mobilise Care Teams – The Government will pilot in Tsuen Wan and Southern Districts to engage the Care Teams to help, through visits or contacts, identify carers of elderly persons and carers of persons with disabilities requiring support, and refer cases to the relevant social welfare service units for follow-up. The Government will review the effectiveness of the implementation in the pilot districts, and consider extending the services to other districts. We will also assist households referred by the Care Teams to install emergency alarm systems as necessary; (ii) expand the network of respite services Carers of elderly persons or persons with disabilities may need to rely on community respite services for temporary relief when they need to take short breaks or attend to personal matters. We will request about 140 RCHDs under the Enhanced Bought Place Scheme, about 20 RCHDs under the Bought Place Scheme for Private RCHDs, and about 190 service units participating in the Community Care Service Voucher Scheme for the Elderly to provide residential and day respite services when there are vacant residential care places or service places for care-receiving individuals. Carers in need will also be matched with respite services through the social workers of the designated hotline for carer support; (iii) strengthen peer support services – In the coming two years, the SWD will set up four additional Parents/Relatives Resource Centres for carers of those in mental recovery to support people in mental recovery and their carers; (132 v) "emotional support and counselling – We will collaborate with NGOs to set up a service centre on a trial basis to provide emotional support and counselling services for EMs."</p> <p>(145) "The Government attaches great importance to mental health, and will continue to adopt an integrated approach to promote mental health, which covers prevention, early identification, as well as provision of timely intervention, treatment and rehabilitation for persons in need. We strive to implement the 10 enhanced measures announced in June for supporting persons in mental recovery and those with mental health needs, which include: (i) expedite case management – The HA will optimise the ratio of case manager to patients with severe mental illness to no higher than 1:40 under the Case Management Programme. For new cases triaged as Priority 1 (urgent) and Priority 2 (semi-urgent) at psychiatric specialist outpatient clinics, the median waiting time will be maintained at no longer than one week and four weeks respectively; (ii) enhance community support and training of social workers – The SWD will enhance the services of Integrated Community Centres for Mental Wellness next year, including strengthening early identification of persons with mental health needs and early intervention, and exploring to scale up the training of social workers in community mental health service units to raise their capacity in handling complicated cases; (iii) provide mental health assessment in the community – A pilot scheme will be launched in three District Health Centres next year in collaboration with community organisations to provide mental health assessment for those in need, and to provide early follow-up and referral for high-risk cases; (iv) strengthen training of Care Team members – Care Team members will be provided with mental health support training to assist in the early referral of persons in need in the local communities for support; and (v) launch a “Mental Health Literacy” resource kit – The EDB will launch a “Mental Health Literacy” resource kit suitable for upper primary and junior secondary levels in the 2023/24 school year, and prepare the same for lower primary and senior secondary levels, with a view to enhancing student awareness of mental health and assisting schools in promoting it."</p>
3	A Healthier Healthcare Sector	<p><u>Capacity needs boosting, resources better coordinating and reducing waiting times</u></p> <ul style="list-style-type: none"> More frequent outsourcing of surgical procedures to the private sector through PPP, encouraging higher levels of uptake of capacity by the HA offered from private hospitals, coupled with increased outsourcing of radiology to imaging centres through the existing PPP mechanism. increased public education to improve the awareness of outsourcing 	<p>(143) "The HA will continue its efforts to enhance public healthcare services including: (i) reducing the waiting time of stable new case bookings for two specialties, namely Ear, Nose and Throat, and Orthopaedics and Traumatology, by 10% in 2024-25; (ii) setting up Hong Kong’s first Chest Pain Centre in Queen Mary Hospital in 2025 in accordance with national accreditation standards, with a view to optimising patient journey for patients suffering from cardiovascular diseases, improving treatment outcome and increasing survival rate; and (iii) establishing a breastmilk bank and formulating the related mechanism for breastmilk donation in 2025 to provide breastmilk for infants and young children who cannot be breastfed by their biological mothers, and especially to minimise the chance of serious illness in premature or severely-ill babies.</p>

3		<ul style="list-style-type: none"> consider outsourcing some services within the GBA - e.g. waiting list for hip replacements in some areas of the GBA is significantly shorter than that in HK. The HKU Shenzhen hospital could be used to outsource services from Hong Kong to the GBA, directly reimbursing the work from this city's healthcare budget. 	
4		<p><u>Better primary care and drug availability</u></p> <ul style="list-style-type: none"> automatically list drugs approved for use in Hong Kong by the DoH on the Hong Kong drug formulary (even if it is for self-pay) while the Drug Advisory Committee continues to conduct evaluation and to create a faster track for approval of drugs on the self-pay list for reimbursement in the drug formulary. 	<p>(139 i) "set up a preparatory office for the Hong Kong Centre for Medical Products Regulation (CMPR) – A preparatory office will be set up to study the potential restructuring and strengthening of the current regulatory and approval regimes for medicine, medical devices and medical technology. The office will also put forward proposals and steps for the establishment of the CMPR which will be a step towards the transition to the "primary evaluation" approach in approving applications for registration of pharmaceutical products, and explore the upgrading of the CMPR as a standalone statutory body in the long run. This will help accelerate the launching of new drugs and medical devices to the market, and foster the development of R&D and testing of medical products and related industries;"</p> <p>(139 v) "establish the new "1+" mechanism to expedite the approval of new drugs – To accelerate patients' access to new chemical or biological entities (NCEs) and promote the development of clinical trials and research and development of drug in Hong Kong, we will enhance the existing drug regulatory regime by establishing the new "1+" mechanism this year. Under this mechanism, pharmaceutical products containing NCEs for life-threatening or severely-debilitating diseases with local clinical data will be allowed to register conditionally with only one certificate of pharmaceutical product (instead of two under the prevailing arrangement) issued by reference drug regulatory authorities (e.g. the National Medical Products Administration)."</p>
4	<p>A Healthier Healthcare Sector</p>	<p><u>Better primary care and drug availability</u></p> <ul style="list-style-type: none"> automatically list drugs approved for use in Hong Kong by the DoH on the Hong Kong drug formulary (even if it is for self-pay) while the Drug Advisory Committee continues to conduct evaluation and to create a faster track for approval of drugs on the self-pay list for reimbursement in the drug formulary. increase collaboration with the private sector through the Primary Care Office to assist in capacity utilization and increasing preventative care 	<p>(115-117) "The new mechanism for registering New Drugs ("1+" mechanism) came into effect on 1 November 2023. This allows for new drugs for life threatening or severely debilitating diseases to be registered in Hong Kong with the submission of only one certificate of pharmaceutical product issued by reference drug regulatory authorities, subject to the fulfilment of specific requirements. The Department of Health has approved two new drugs for registration under this mechanism, bringing new hope of treatment to patients. The "1+" mechanism is an important step in progressing towards a "primary evaluation" approach. This approach enables us to directly approve applications for registration of drugs and medical devices locally based on clinical data, without relying on other drug regulatory authorities. The Government is committed to establishing the Hong Kong Centre for Medical Products Regulation (CMPR). The preparatory office will be set up in the first half of this year to study the restructuring and strengthening of the current regulatory and approval regimes for drugs, medical devices and medical technologies. The objective is to establish a standalone statutory body that is internationally recognised, so as to accelerate clinical application of new drugs and medical devices. It will also drive the development of emerging industries engaging in the R&D and testing of drugs and medical devices."</p> <p>(190-191) "The Government attaches great importance to the well-being of members of the public, and is committed to maintaining Hong Kong's high-quality healthcare profession and its efficient healthcare system. We devote significant resources to the healthcare portfolio. The 2024-25 estimated recurrent expenditure for healthcare is \$109.5 billion, accounting for about 19 per cent of government recurrent expenditure. The Government will continue to pursue transformation with innovation, with a view to protecting the health of all citizens, further developing primary healthcare, enhancing the quality of medical services and promoting the development of the healthcare industry. The Government has been improving public healthcare services and enhancing the patient experience on various fronts with specific performance indicators. These include shortening the waiting time for specialist out-patient services and making wider use of telehealth services. The performance indicators of certain services, including medication delivery and electronic medical certificates, were met early last year."</p> <p>(140-141) "The Government released the Primary Healthcare Blueprint late last year, which sets out the development direction and strategies for coping with the challenges brought about by an ageing population and the increasing prevalence of chronic diseases. We are pressing ahead with our work on various fronts, which include: advocating the concept of "family doctor for all", with 3 400 family doctors enrolled in the Primary Care Directory (representing an increase of around 20%); providing subsidised hypertension and diabetes mellitus screening and management service for persons aged 45 or above starting from this November; enhancing the Elderly Health Care Voucher Scheme to include audiologists, dietitians, clinical psychologists, speech therapists; and allowing the shared use of elderly health care vouchers between spouses and rolling out a new reward scheme. The Government will continue to work with the healthcare sector and NGOs to implement the blueprint.141. While Hong Kong has successfully combatted the COVID-19 pandemic, we must possess a sense of crisis for better preparation of emerging communicable diseases. The Government will enhance the local capacity in surveillance, early warning and prevention and control; strengthen the joint disease prevention and control as well as manpower training with the Mainland authorities; and promote, through local university, international cooperation in scientific research in areas such as vaccines. To that end, the Hong Kong Jockey Club will provide funding of \$3 billion to support related efforts."</p> <p>(179) "The Government attaches importance to training local healthcare professionals. The Health Bureau will continue to enhance healthcare-related teaching facilities, while increasing the number of local training places as appropriate. Since last April, we have also started to subsidise the relevant institutions in respect of the clinical practicum training fees for their specified healthcare-related programmes. On another front, since the announcement of an additional injection of \$500 million into the Chinese Medicine Development Fund in last year's Budget, a number of capacity building initiatives for the industry have been taken forward under the fund, such as the Hong Kong Chinese Medicine Talent Short-term Training Programme co-organised with the National Administration of Traditional Chinese Medicine in support of building an excellent pool of Chinese medicine (CM) talent."</p>

Other relevance in this year's PA to our previous submissions (including Policy Address Submissions)	
Climate change adaptation	<p>(45-47) Scale up Capability in Coping with Extreme Weather - "... (ii) exploring ways to use big data, AI and other technology to improve our risk assessment capabilities on aspects of more uncertainties, such as meteorological forecast and alerts, flooding and landslide hazards, transport and traffic, etc.; (iii) conducting systematic investigations and studies on major landslide incidents triggered by extreme rainstorms and devising focused measures of landslide mitigation for more natural slopes; and (iv) taking forward expeditiously the \$8 billion drainage improvement works projects, covering Wong Tai Sin, Hong Kong Island East and other areas hit by severe floods in the past. The Drainage Services Department will complete its "Strategic Planning Study on Flood Management against Sea Level Rise and Extreme Rainfall" next year and develop a forward-looking strategy."</p>
Digital Economy	<p>(90) "The Digital Economy Development Committee (DEDC), chaired by me, has undertaken in-depth studies on promoting the development of digital economy over the past two years. The DEDC's report covers recommendations on many areas, including promotion of digital policies, initiatives for enhancing digital infrastructure, facilitation of the safe and orderly flow and usage of data, acceleration of enterprise digital transformation and talent development. Some of these recommendations have been implemented, including making preparations for the establishment of the Digital Policy Office."</p>

<p>Economic trade network expansion (B&R, ASEAN, Middle East, RCEP, CEPA)</p>	<p>(65 ii-iii) "(ii) set up additional offices for business and trade along the B&R – We will strengthen our trade promotional efforts in these emerging countries; and (iii) strengthen regional co-operation – The Government will continue to consolidate business co-operation and connections with the markets of ASEAN and the Middle East, etc. and strive for Hong Kong's early accession to RCEP. We will sign an investment agreement with Türkiye soon, and are negotiating a free trade agreement with Peru, plus investment agreements with Bahrain, Bangladesh and Saudi Arabia respectively. These would provide Hong Kong enterprises with legal protection and better market access."</p> <p>(66) "Since the signing of CEPA in 2003, the Mainland has fully or partially opened up 153 (or 96%) service sectors to Hong Kong's service industries, and Hong Kong products meeting the CEPA rules of origin enjoy zero tariff preference on entering the Mainland market. We are actively seeking to enrich the contents of CEPA by striving for further liberalisation, aiming especially at those sectors that Hong Kong enjoys competitive advantages (such as financial services), for the GBA as well as the entire Mainland, with a view to facilitating Hong Kong enterprises to tap the nation-wide domestic consumption market."</p> <p>(155-156) "To strengthen our economic and trade relations with the Middle East, the Government is conducting negotiations with Saudi Arabia on an Investment Promotion and Protection Agreement (IPPA) and considering establishing an Economic and Trade Office (ETO) in Riyadh, Saudi Arabia. Two consultant offices will also be set up in Turkey and Egypt this year to bring in foreign capital and enterprises. Meanwhile, Hong Kong has concluded the IPPA negotiations with Bahrain and will soon sign a Comprehensive Double Taxation Agreement with it. ASEAN is another priority strategic partner with whom we seek to enhance our engagement. The Government is considering establishing an ETO in Kuala Lumpur, Malaysia. As for other markets, we are negotiating a Free Trade Agreement with Peru and an IPPA with Bangladesh. Furthermore, the HKTDC will set up two consultant offices along the B&R to enhance trade promotion in emerging countries."</p> <p>(157-158) "The B&R Initiative promulgated by our country has entered its second golden decade. Hong Kong will continue to give full play to its role as a functional platform for the B&R. To this end, we will actively participate in and contribute to fostering high-quality development, especially in green development as well as innovation and technology. Apart from continuing to host the annual Belt and Road Summit in September, a new Belt and Road Festival will be launched. The festival will promote collaboration with B&R countries in a wide range of areas including trade and investment, technology, arts and culture and talent exchange. Hong Kong will also host the Conference of Belt and Road Initiative Tax Administration Cooperation Forum, which will be attended by representatives of the governments, international organisations, academic institutions and strategic enterprises of B&R regions. It will provide a platform for attendees to establish connections and exchange ideas, thereby promoting tax administration co-operation and capacity building. Besides, more outbound missions will be organised, including visits to the Mainland for enterprises of B&R countries which are operating in Hong Kong to explore business opportunities."</p>
<p>Promote Convention and exhibition industry in HK</p>	<p>(68) "The Government continues to promote the development of the convention and exhibition (C&E) industry, and will expand our C&E facilities, including the AsiaWorld-Expo and construction of new C&E facilities in Wan Chai North, raising our C&E space by 40% to 220 000 square metres in total."</p>
<p>Support Small and Medium Enterprises</p>	<p>(69 i, iii-v) "(i) tap into electronic commerce (e-commerce) – In view of the rapid growth of e-commerce business worldwide, the CEDB will establish the inter-departmental E-commerce Development Task Force to implement policies assisting Hong Kong's SMEs in developing e-commerce business on the Mainland, including organising Hong Kong Shopping Festivals on e-commerce platforms to promote awareness of Hong Kong brands for developing the nation-wide domestic consumption market; launching "E-commerce Easy" under the Dedicated Fund on Branding, Upgrading and Domestic Sales to enable enterprises to make use of \$1 million for the implementation of e-commerce projects within the cumulative funding ceiling of \$7 million; and expediting the rollout of the Single E-lock Scheme and the Trade Single Window, etc. to enhance efficiency in customs clearance and e-commerce delivery; (iii) address the financing needs of SMEs – The application period of the principal moratorium arrangement under the SME Financing Guarantee Scheme ended in September, and some SMEs have already resumed normal repayment, with the principal moratorium arrangement of the remaining loans expiring gradually by the end of next year. Having regard to the cash flow situations of different enterprises, the Government will provide more flexible repayment options so that enterprises may choose to repay only 10%, 20% or 50% of the original principal amount payable each month during the specified period, enabling them to have more time to gradually switch to normal repayment; (iv) utilise data to provide more efficient financing services for SMEs – The Commercial Data Interchange of the HKMA provides enterprises (especially SMEs) and banks with an exchange platform covering various commercial data for credit underwriting. By the end of this year, the Commercial Data Interchange will be connected to the Government's Consented Data Exchange Gateway. This will enable financial institutions to obtain more useful data for accelerating credit underwriting; and (v) support digital transformation of SMEs – Cyberport will launch the Digital Transformation Support Pilot Programme by the end of this year to subsidise SMEs in the retail and food and beverage sectors in applying for electronic payment and other digital packages."</p> <p>(50-51) "To assist SMEs in tackling their capital-flow problems, I will extend the application period for the 80% and 90% Guarantee Products under the SME Financing Guarantee Scheme for two years to the end of March 2026. The total guaranteed commitment under the Scheme will increase further by \$10 billion. In addition, I have instructed the HKMA to maintain close communication with banks and the commercial sectors, adopt an accommodating manner to help enterprises tide over their liquidity needs, and refrain from demanding repayment of loans due to a fall in collateral value."</p> <p>(53) "We have been making continuous enhancements to the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund). They include raising the cumulative funding ceiling per enterprise and streamlining application procedures. I propose to inject \$500 million more into the fund to help SMEs boost their competitiveness and tap into Mainland and overseas markets. This includes the launch of "E-commerce Easy" under the fund. It will provide support of up to \$1 million per enterprise for implementing e-commerce projects in the Mainland."</p> <p>(124-125) "In the Global Startup Ecosystem Report 2023, Hong Kong ranked second in the world and first in Asia in the Emerging Startup Ecosystems category. The number of start-ups rose to nearly 4 300 last year, about a fourfold increase compared to 2014. Over the same period, the number of people employed by related start-ups increased by about seven times to over 16 000. Since its inception, the Corporate Venture Fund under the Hong Kong Science and Technology Parks Corporation (HKSTPC) has invested a total of nearly \$400 million in 31 start-ups and attracted private investment of about \$12.6 billion. The HKSTPC will soon launch the Co-acceleration Programme to pool the efforts of the I&T industry and provide value-added support services to I&T start-ups with high potential and to nurture them as regional or global enterprises."</p>
<p>IP rights</p>	<p>(73 i) "enhance the IP legal regime – The latest amendments to the Copyright Ordinance came into force in May to strengthen copyright protection in the digital environment. We will conduct consultation next year to explore further enhancement of the Ordinance regarding protection for AI technology development";</p> <p>(159-161) "The effective protection and efficient transaction of IP is important to promote industries such as R&D, cultural and creative industries, design services, and brand licensing industries in Hong Kong. In fact, for the past three years, the Intellectual Property Department (IPD) granted an average of more than 10 000 standard patent registrations each year, which is a clear indication of the enormous potential of the IP trading market in Hong Kong. The Government will introduce into the Legislative Council (LegCo) in the first half of 2024 a proposal to amend the Inland Revenue Ordinance with a view to implementing the "patent box" tax incentive, which will reduce substantially the tax rate for profits derived from qualifying IP to five per cent. This incentive aims to encourage enterprises to devote more resources to R&D and conduct commercialisation transactions making use of patents and other IP protections. We are planning for the establishment of a WIPO Technology and Innovation Support Centre (TISC) in Hong Kong to enable our integration into the country's TISC network. The TISC will focus on providing specialised services such as patent search and analysis for the protection of scientific research results and enhanced support to the I&T sector, while promoting IP trading at the same time. The TISC also helps nurture local I&T talent well versed in patent knowledge. In this regard, I have set aside \$45 million to support the Hong Kong Productivity Council in establishing and operating the TISC. It is anticipated that the TISC will commence operation by 2025 the earliest."</p>
<p>Patent box tax incentive</p>	<p>(73 ii) "implement the "patent box" tax incentive – We will introduce a bill into the LegCo in the first half of next year to reduce the tax rate for qualifying profits derived from patents from the existing 16.5% to 5%, with a view to encouraging more R&D activities, as well as transformation and commercialisation of patented inventions;"</p>

<p>Patent agent services and boost trading of local original works</p>	<p>(73 iii-iv) "plan for regulatory arrangements on patent agent services – The Government will take the lead in discussing with stakeholders to plan for the introduction of regulatory arrangements for local patent agent services, covering professional qualification requirements and registration, as well as the regulatory model and framework, with the aim of enhancing service quality and nurturing talents; and iv. boost trading of local original works – The Hong Kong Trade Development Council (HKTDC) will enrich the Hong Kong International Film and TV Market, Hong Kong International Licensing Show and Hong Kong Book Fair, as well as its Asia IP Exchange portal, with more trading elements, such as including more business-matching activities and providing additional market information on IP trading and professional support services (such as legal, mediation and arbitration, accounting, valuation, etc.), so as to strengthen support for local original works to exploit the Mainland and international markets."</p> <p>(181) "The Government will allocate an additional funding of about \$12 million in total to the IPD over the next three years, to prepare for the introduction of regulatory arrangements for local patent agent services. Our aim is to enhance the professionalism and support the development of the original grant patent system. The Government will also continue to strengthen and enlarge its patent examiner team and enhance its substantive examination capability, with a view to acquiring institutional autonomy in conducting substantive patent examination in 2030."</p>
<p>Maritime</p>	<p>(73 iii) expand the local maritime network – We have introduced tax concessionary measures for various maritime business services. Shipping commercial principals and overseas shipping companies have responded positively to the idea of establishing and expanding their businesses in Hong Kong. InvestHK will step up its recruitment efforts; (74 v) "strengthen collaboration in the GBA – We will prepare for the next Greater Bay International Maritime Conference so as to promote the comprehensive strength of the GBA port cluster, and continue to enhance logistics co-operation with other GBA cities, such as those in the west bank of the Pearl River, so as to facilitate cargo transshipment via Hong Kong using the Hong Kong-Zhuhai-Macao Bridge (HZMB). We will also work with the GBA port cluster to jointly enhance teacher exchanges and provide multi-location training programmes to strengthen the training of maritime talents."</p> <p>(83) "Given maritime industry's vast market potential for green transformation, the Marine Department is planning to provide incentives for Hong Kong-registered ships that have attained high ratings under the international standards on decarbonisation formulated by the International Maritime Organization. This will involve about \$65 million in funding. And the Transport and Logistics Bureau (TLB), in collaboration with the Environment and Ecology Bureau (EEB) and other relevant departments, is conducting a feasibility study to provide green-methanol bunkering for local and ocean-going vessels. We expect to publish an action plan for Hong Kong's development into a green maritime fuel-bunkering centre this year."</p>
<p>arbitration and mediation</p>	<p>(77) "extend the adoption of Hong Kong law and usage of Hong Kong's dispute resolution services by Mainland enterprises – We will strive for the extension of the measures of "allowing Hong Kong-invested enterprises to adopt Hong Kong law" and "allowing Hong Kong-invested enterprises to choose for arbitration to be seated in Hong Kong" from Qianhai, Shenzhen and Pilot Free Trade Zones in the Mainland to the whole GBA. We will also strive for state-owned enterprises' prioritisation of adopting Hong Kong law as the applicable law for their contracts, or choosing to use Hong Kong's dispute resolution services for resolving contractual disputes; (ii) step up efforts in establishing interface with the Mainland – We will work with the Supreme People's Court on the establishment of a standing interfacing platform next year to take forward the research and practical work on judicial and legal matters relating to the GBA so as to address issues arising from the differences in the legal systems, including further enhancing the arrangement for cross-boundary service of judicial documents, studying the mechanism for mutual assistance in corporate bankruptcy proceedings, as well as matters relating to cross-boundary dispute resolution; and (iii) deepen the mediation culture – Mediation is generally more affordable than commencing legal proceedings. The Government will enhance the mediation system by, for instance, strengthening the regulatory system on the accreditation and disciplinary matters of the mediation profession, incorporating standard mediation clauses in government contracts, and encouraging private organisations to incorporate similar clauses in their contracts."</p> <p>(170-172) "As the only common law jurisdiction in China, Hong Kong enjoys a robust legal system and a pool of elite legal talent, which are cornerstones of Hong Kong's premier business environment and provide us with new opportunities for development. With the staunch support from the Central Government, the International Organization for Mediation (IOMed), upon establishment, will have its headquarters hosted in Hong Kong. IOMed, specialising in resolving international disputes by means of mediation, will be the first international inter-governmental organisation to set up headquarters in Hong Kong. This will attract dispute parties, mediators and legal professionals to conduct mediation in Hong Kong, which will in turn boost other related economic activities. Furthermore, the Department of Justice (DoJ) will continue to promote Hong Kong's legal and dispute resolution services by organising international conferences and exchange activities, as well as leading delegations of legal professionals to visit the Mainland, the Middle East, ASEAN member states, etc."</p> <p>(182) "In order to nurture legal talent with an international perspective and good knowledge of different legal systems, the DoJ will set up a dedicated office and an expert group this year to take forward the establishment of the Hong Kong International Legal Talents Training Academy."</p>
<p>Northern Metropolis</p>	<p>(79) "The Government will shortly publish the Action Agenda for the Northern Metropolis. It will integrate deeply with the planning of Shenzhen and other GBA cities. From the west to the east, the Northern Metropolis will be divided into the following four major zones: (i) high-end professional services and logistics hub – Covering Hung Shui Kiu and the surrounding area, and connecting with the Qianhai Shenzhen-Hong Kong Modern Service Industry Co-operation Zone, the hub will provide financial and professional services, on top of capitalising on the locational advantages of the boundary control points (BCPs) for developing the modern logistics industry; (ii) I&T zone – Covering San Tin Technopole including the Hong Kong-Shenzhen Innovation and Technology Park in the Loop, it will create synergy with the Shenzhen Innovation and Technology Zone and serve as a hub for I&T development; (iii) boundary commerce and industry zone – Occupying the largest stretch of land, this zone enjoys the geographic advantages of the BCPs at Lo Wu, Man Kam To and Heung Yuen Wai. Apart from driving the development of industries such as advanced construction, green environment industries, health care, food technology and modern logistics, this zone will promote cross-boundary business services and entertainment spending, giving full play to its powerful function as a BCP commercial zone; and (iv) blue and green recreation, tourism and conservation circle – Comprising areas endowed with rich cultural heritage and natural resources, such as Robin's Nest, Sha Tau Kok and Yan Tong Chau, this circle will promote recreation and tourism development.</p>
<p>Modern Logistics Development</p>	<p>165. The Government seeks to assist the logistics industry in better capitalising on the latest developments and business opportunities in smart logistics and e-commerce. To encourage the logistics industry to enhance productivity through technology application, the Government launched a \$300 million Pilot Subsidy Scheme for Third-party Logistics Service Providers in 2020 to provide subsidies to eligible logistics service providers. So far, the scheme has benefited over 190 enterprises, involving a total of about \$137 million. The scheme was enhanced in February this year, with the funding ceiling for each applicant enterprise increased from \$1 million to \$2 million and the scope of funding extended to cover services related to the application of ESG technology solutions.</p>

Strengthen Transport Network	<p>(108) Publish Major Transport Infrastructure Development Blueprint;</p> <p>(109-110) Construct Smart and Green Mass Transit 109. Taking into consideration of “SkyShuttle”, “Autonomous Rail Rapid Transit” and “Bus Rapid Transit”, I have decided to implement smart and green mass transit in the following areas: (i) East Kowloon – Connecting Kwun Tong uphill areas, including Choi Wan, Shun Lee, Shun On, Sau Mau Ping, Po Tat and Ma Yau Tong, to facilitate access to the MTR Choi Hung Station and Yau Tong Station, improving the overall transportation of East Kowloon and unleashing development potential; (ii) Kai Tak – Connecting the Kai Tak runway area to the MTR Kai Tak Station to strengthen connections among the residential and commercial developments, including facilities focused on tourism, culture and recreation, sports and the community in general; and (iii) Hung Shui Kiu/Ha Tsuen – Running through Hung Shui Kiu/Ha Tsuen NDA and Yuen Long South Development to provide connections to the Tuen Ma Line, the Light Rail, and major public transport interchanges. 110. The Government will commence the preparatory work, including planning, investigation and design work, for the above projects and invite suppliers and operators to submit expressions of interest for the projects in East Kowloon and Kai Tak next year so as to finalise the details, including tender conditions.</p> <p>(187) "It is the Government's vision to build a liveable, competitive and sustainable Hong Kong by adopting the planning principles of "infrastructure led" and "capacity creating". We are taking forward in an orderly manner the railway and major road projects set out in the Hong Kong Major Transport Infrastructure Development Blueprint, to bolster connectivity between districts and unleash their development potential. At the same time, the Government plans to put in place smart and green mass transit systems in East Kowloon, Kai Tak and Hung Shui Kiu/Ha Tsuen. We will invite within the year the relevant suppliers and operators to submit expressions of interest."</p>
New Energy Transport	<p>(86 i) "develop a green maritime fuel bunkering centre – We will study the feasibility of providing green methanol bunkering for both local and ocean-going vessels, and promulgate next year an action plan for the construction of bunkering facilities and development of supply chains. We will also take forward the preparatory work, including technical studies and installations, on providing liquefied natural gas (LNG) bunkering for ocean-going vessels;"</p>
Electric Cars	<p>(86 iv) "promote the use of electric private cars – The first registration tax concession arrangements for electric vehicles have borne fruit. Over 60% of newly registered private cars in the first half of this year were electric. The growth rate is among the fastest in the world. The Government strives to expand the network of charging facilities, and aims to increase the number of public and private parking spaces with charging infrastructure to about 200 000 by mid-2027. To expedite the expansion of the private charging network, the Government will, from the end of this year, marketise the free charging services currently provided in government carparks. The Government will also refine the land lease conditions for petrol-filling stations with a view to offering incentives to retrofit electric vehicle charging facilities in the stations, and convert them into green energy refuel stations in the longer run. To this end, the Government will invite tender in the first quarter of next year for the conversion of two vacant petrol-filling station sites to charging stations; and"</p>
Hydrogen	<p>(86 v) "(v) formulate the Strategy of Hydrogen Development in Hong Kong – Hydrogen fuel can be used in the fields of transport, power generation and energy storage, as well as construction site equipment. In the field of transport, it is particularly relevant to the green transformation of commercial and heavy goods vehicles. We will formulate the Strategy of Hydrogen Development in Hong Kong in the first half of next year, and commence the preparatory work for the necessary legislative amendments pertaining to the production, storage, transportation and application of hydrogen fuel with a view to introducing a bill into the LegCo in 2025."</p>
public housing	<p>(90 iii) "The supply of PRH in the second five-year period will increase significantly as a result of the Government's efforts to speed up and expand housing production, shortening the waiting time substantially; and"</p> <p>(93 i) "extend the mortgage default guarantee period for SSFs in the second-hand market – The Hong Kong Housing Authority (HKHA) will relax the arrangements on mortgage default guarantee for SSFs, including extending the current maximum mortgage default guarantee period of the second-hand market from 30 years to 50 years to allow purchasers to have mortgage loans of longer tenor and help the circulation of flats;"</p>
subdivided units	<p>96. I will establish a Task Force on Tackling the Issue of Subdivided Units, led by the Deputy Financial Secretary, with the Secretary for Housing as deputy. I will assign the task force to study the issue in detail, presenting recommendations along the following directions in 10 months' time: (i) set the minimum standards of living conditions for SDUs in terms of their building safety, fire safety and hygiene requirements, living space, etc.; (ii) suggest measures to eradicate substandard SDUs; (iii) prevent the resurgence of substandard SDUs; and (iv) put forward solutions to address the problem in an orderly manner, covering necessary administrative and legislative proposals.</p>
Bim (expedite approval of building plans)	<p>(101) "(iii) expedite the approval of building plans – Building Information Modelling (BIM) helps improve building design and speed up construction. The Government will promulgate this year a roadmap for full adoption of BIM in the preparation and approval of building plans for private development projects. We will ask the Hong Kong Housing Society, the Urban Renewal Authority (URA) and the MTRCL to act as pioneers from the second quarter of next year by adopting BIM in preparing building plans of residential projects."</p>
development potential exploration	<p>Release Development Potential 103. We will also optimise the use of existing land to unleash development potential. We will: (i) revitalise Hung Hom Station and nearby sites – We will invite the MTRCL to conduct a preliminary study and submit proposals next year to re-plan and develop a total land area of about 10 hectares covering the Hung Hom Station and the railway facility sites in the vicinity, as well as the waterfront and pier facility sites to the south of the Hong Kong Coliseum so as to upgrade the facilities of the Hung Hom Station, release commercial and residential floor area, and create a vibrant harbourfront. The Government will also explore ways to enhance pedestrian connectivity between Hung Hom and Tsim Sha Tsui East, and improve the waiting areas of the bus stops near the Cross Harbour Tunnel; (ii) develop the ex-Lamma Quarry site – The Government will complete the study to map out the development direction of the 20-hectare site next year, with consideration given to developing the site for accommodation facilities with lower traffic demand, such as senior citizen residential units, residential buildings for talents, and accommodation for personnel involved in recreational training. We will also optimise the use of the quarry site and shoreline to provide leisure and recreational facilities for island tourism; (iii) optimise the use of “Green Belt” areas – More than half of the approximately 16 000-hectare “Green Belt” areas are subject to clear development constraints. Of the remaining 8 000 hectares, 1 200 hectares are included in various development projects; and the feasibility of housing development of another 255 hectares is being assessed, as announced last year. Developing the rest of the “Green Belt” areas, which include many slopes, has been considered highly challenging. As we have already identified enough land for housing, industry and other developments for the coming 30 years, the Government has no plan for the time being to further use the “Green Belt” areas for large-scale development. Nonetheless, we will consider using some of the sites for recreational and tourism purposes. For example, South Lantau offers rich eco-recreational resources, and could be developed for eco-tourism or recreational uses, including eco-recreational facilities at Cheung Sha, Shui Hau, Shek Pik and Pui O. The DEVB will gauge public views in the first half of next year; and</p>

Building safety	<p>104. The Government is concerned about the dilapidation of aged buildings, including the spalling of concrete or renderings from building facades in recent months. We will continue to collaborate with the URA to provide owners with technical and financial support for building repairs. In addition, the Buildings Department (BD) will, starting from this quarter, initiate prosecution against owners' corporations (OCs) or owners who have not complied with notices served under the Mandatory Building Inspection Scheme (MBIS) and where there is a lack of progress. Moreover, we will comprehensively review the policy in the following three directions. First, adopt a more precise approach in selecting target buildings for issuance of the MBIS notices. Second, proactively identify higher-risk buildings, and enhance the capabilities of the BD to inspect such buildings and carry out emergency repair works through outsourcing. Third, review the workflow of various stages of Operation Building Bright 2.0 to provide practical assistance and urge owners or OCs who have applied for the subsidy to expedite actions, such as streamlining the procedures for engaging professionals to speed up building inspections and commencement of the works concerned. The DEVB will put forth specific recommendations along the above directions in the first quarter of next year. 105. The Government will put forth proposals next year to amend the Buildings Ordinance, with a view to increasing its deterrent effect. We will explore streamlining prosecution procedures and lowering the prosecution threshold, as well as raising the penalties against non-compliance with notices served under the MBIS and the Mandatory Window Inspection Scheme, repair and investigation orders, unauthorised building works and other illegal building works. The Government will also strengthen the registration and disciplinary systems of contractors to enhance professionalism and ensure the quality and safety of works. 106. To promote good building management, the Government will introduce a bill into the LegCo later this year to amend the Building Management Ordinance to strengthen the regulation of OCs in respect of large-scale maintenance projects, minutes of meetings, financial statements, etc. The Fire Services Department will also establish a support centre by the end of this year to provide support in complying with requirements of the relevant legislation on enhancing fire safety of old buildings.</p>
Kau Yi Chau Artificial Islands	<p>107. The Kau Yi Chau Artificial Islands will provide 1 000 hectares of land, creating a new central district with liveable, smart, green and resilient development strategies. The Kau Yi Chau Artificial Islands will also connect the Hong Kong Island, Lantau Island, the airport, New Territories West and even Qianhai of Shenzhen. The Government will commence the environmental impact assessment process this year. The newly established Committee on the Financing of Major Development Projects will put forward proposals on the financing arrangements for the reclamation of the Kau Yi Chau Artificial Islands, associated infrastructure and strategic transport infrastructure development. We also plan to set up a gallery to showcase our major construction projects including the Northern Metropolis and the Kau Yi Chau Artificial Islands.</p>
Elderly Services	<p>(119) (i) provide more choices for cross-boundary elderly care – The Government earlier relaxed the eligibility of the Residential Care Services Scheme in Guangdong to allow Hong Kong private organisations with experience and a good track record in providing subsidised residential care services for the elderly to join the scheme. We will explore extending the scheme to include specific RCHes operated by Mainland organisations next year so that elderly persons retiring in the Mainland cities of the GBA will have more choices. Based on the experience gained, we will also explore subsidising elderly recipients of the Comprehensive Social Security Assistance (CSSA) who opt to stay in RCHes under the Residential Care Services Scheme in Guangdong to better support elderly persons who choose to retire in the GBA; (ii) expand the Residential Care Service Voucher Scheme for the Elderly – Starting from the second quarter of next year, we will extend the coverage of the voucher from care-and-attention places to nursing home places, and provide 1 000 more vouchers, so that more eligible elderly persons can be admitted to participating RCHes without waiting; (iii) improve quality of life through technology – In 2024-25, the Government will inject an additional \$1 billion into the Innovation and Technology Fund for Application in Elderly and Rehabilitation Care to enhance the subsidies for eligible elderly and rehabilitation service units to procure, rent and trial technology products, such as ultra-low beds for medical and nursing care and intelligent anti-wandering systems, with a view to improving the quality of life of the elderly and persons with disabilities and reducing the pressure of carers; (iv) promote elderly-friendly building design – The Deputy Financial Secretary will co-ordinate with the relevant bureaux to put forward proposals next year for incorporating universal design concepts (i.e. enabling use by the widest range of persons as far as possible) and accessibility (i.e. facilitating mobility) into the BD's building design manual; and (v) inject funding into the lifelong learning fund for the elderly – In 2024-25, the Government will inject an additional \$80 million into the Elder Academy Development Foundation to encourage lifelong learning and integration into the community among the elderly.</p> <p>(104) "Moreover, we strive to reduce digital exclusion and promote the wider use of information technology by various community groups, including elderly persons. The Government will allocate \$100 million under the Social Innovation and Entrepreneurship Development Fund to provide, in the next three years, elderly people aged 60 or above with digital training courses and technical support, so that they can integrate into the digital era more easily and enjoy the benefits that digital technology brings. The first group of projects is expected to commence in the fourth quarter of 2024 at the earliest and benefit at least 50 000 elderly persons."</p>
Retraining / Re-employment	<p>(134-136) "To encourage the latent labour force to enter the labour market, we will complete the legislative amendments early next year regarding increasing the maximum monthly retraining allowance by nearly 40% from \$5,800 to \$8,000 early next year. Furthermore, the Employees Retraining Board (ERB) will roll out awo-year pilot scheme in the first quarter of next year, allowing employers to arrange enterprise-based pre-employment training, with the provision of retraining allowance. The first phase of the pilot scheme will target trades facing severe manpower shortage, such as healthcare, catering, retail and hotel hospitality services. Upon completion of training, trainees will be offered employment contracts by the participating enterprises, lasting for no less than one year and with salary above the prevailing market wage. The ERB will also offer the trainees six-month placement follow-up services and skill training. 135. The ERB will review its service scope, training strategies and operation mode, etc. to better meet the needs of Hong Kong's economic development and manpower training, and promote continuous learning and skills development for all. It will submit recommendations in the third quarter of next year. 136. The Government will launch a three-year Re-employment Allowance Pilot Scheme, targeting at elderly and middle-aged persons aged 40 or above who have not been in paid employment for three consecutive months or more. To encourage these persons to rejoin the workforce, those who have worked for six consecutive months will be provided with a maximum allowance of \$10,000, while those who have worked for 12 consecutive months will be given an additional maximum allowance of \$10,000. Some 6 000 persons are expected to be benefitted."</p>
Women's development	<p>(130) "Following the allocation of additional funding to establish the Women Empowerment Fund last year, the Government will set up under the Home and Youth Affairs Bureau (HYAB) a dedicated Women Affairs Team and designate the post of Commissioner for Women Affairs to steer work related to women's affairs. Key initiatives for the coming year include launching a one-stop family and women information portal; organising the first Family and Women Development Summit to collect views for formulating more focused measures; and introducing a maintenance mediation pilot scheme through CCF to assist the parties concerned, including women who are victims of maintenance arrears, to resolve disputes through mediation."</p> <p>(199) "The Government attaches great importance to women's development, setting aside \$100 million last year to strengthen support for the relevant work. The Women Empowerment Fund, established in June 2023, has so far provided funding support to women's organisations and non-governmental organisations for launching over 140 projects for purposes such as helping women assume different roles in the job market and providing them with training on child and elderly care."</p>
Employees' rights	<p>(137-138) "The Minimum Wage Commission will submit a report by the end of this month on how to enhance the review mechanism of the Statutory Minimum Wage. The Government will consider and follow up on the recommendations made by the Commission, and decide on the way forward of the review mechanism in six months' time. The Labour Advisory Board (LAB) is discussing how to revise the "continuous contract" requirement (commonly referred to as the "418" requirement). Under this requirement, an employee is entitled to comprehensive employment benefits only if he/she is employed by the same employer for four weeks or more and has worked for 18 hours or more each week. The LAB has agreed in principle to revise the requirement by using the aggregate working hours of four weeks as the basis of calculation, and is deliberating on the working hour threshold. The Government will amend the Employment Ordinance as soon as possible after the LAB has reached a consensus."</p>

Sports encouragement	<p>(153) "On promoting sports for all, we will collaborate with the SF&OC to organise Festival of Sport events on the Sport For All Day so that more people of Hong Kong may participate. The LCSD will also consider opening its sports facilities for free admission on specific festive occasions every year, where thematic sports days will be held for public participation. From next year onwards, the LCSD will set up self-test fitness corners at its sports centres, and introduce smart fitness equipment to its outdoor recreation venues. This will allow users to store or retrieve data of their physical activities and access information on sports and health via mobile applications. In addition, we will encourage and assist community organisations to arrange various sports activities and competitions."</p> <p>(58) "Hong Kong, Guangdong Province and Macao will co-host the 15th National Games in 2025. Members of the public can cheer the athletes on home ground or visit nearby GBA cities to watch the games."</p>
Importance of "One Country, Two Systems" message to businesses and people overseas	<p>(156) "We will unite patriots with affection for the country and our city to actively promote, in the local and the international arenas, the success story of "One Country, Two Systems", presenting the openness and cultural vibrancy in Hong Kong and our distinctive advantage as a conduit between our motherland and the world. We will also be telling our local and international audiences the true and good stories of our city."</p>
STEAM education	<p>(159-160) "159. The Government will facilitate the establishment of universities of applied sciences (UASs), and strive to raise the status of vocational and professional education and training to attain qualifications at university degree level, providing an alternative path to success for young people who aspire to pursue a career in the technical professions. UASs will closely collaborate with technical professions and offer programmes with more internship and practical learning opportunities. These will help students hone their practical skills in the fields. 160. The Government together with the Hong Kong Council for Accreditation of Academic and Vocational Qualifications will make reference to international experience and work to prescribe the standards to be qualified as UAS, covering such aspects as the admission, curriculum, accreditation, career articulation, collaboration with the industry sector. We will offer financial assistance and other ancillary support, and will give priority consideration to include eligible UAS programmes in the Study Subsidy Scheme for Designated Professions/ Sectors. To support suitable existing self-financing institutions to develop into UASs, we will provide additional subsidies to encourage institutions to offer more applied degree programmes related to the technical professions and provide more incentives for enrolment. We will also set aside a start-up fund to support potential post-secondary institutions to form an Alliance of Universities in Applied Sciences to undertake joint promotional activities to instill in students, parents and the community better appreciation of the importance of vocational and professional education and training.</p> <p>(162) "We will further strengthen the promotion of STEAM (Science, Technology, Engineering, the Arts and Mathematics) education in primary and secondary schools, including the introduction of Science subject in primary schools, with the curriculum framework to be announced in the 2023/24 school year for implementation from the 2025/26 school year. We will also launch programme in support of the Mathematics curriculum in the 2023/24 school year to strengthen students' capability in the applications of Mathematics, and take further steps to identify and nurture local STEAM elites.</p> <p>(126-127) "We will launch a Frontier Technology Research Infrastructure Support Scheme to assist the eight University Grants Committee (UGC)-funded universities, on a matching basis, in procuring facilities and conducting research projects which cover various fields such as AI, quantum information, integrated circuit, clinical medicine and health, and gene and biotechnology. To this end, we will allocate \$3 billion from the sum earmarked in the past. To enable universities to strengthen technology transfer and marketing services, we will provide subsidies of no more than \$16 million to the Technology Transfer Office of each of the eight UGC-funded universities from 2024-25 onwards."</p> <p>163. The Government will continue to cater for the needs of teachers and students. These include strengthening co-operation with Mainland authorities and institutions to organise professional training, sharing and collaboration programmes on a regular basis; introducing new awards under the Chief Executive's Award for Teaching Excellence to recognise teachers who are bold at innovation; and regularising the Relocation Grant for Kindergartens from the 2024/25 school year to encourage and help kindergartens apply for relocation to government-owned premises."</p> <p>(178) "Apart from supporting various talent training programmes under new industrialisation development, we have also implemented the STEM Internship Scheme to encourage university students to participate in I&T-related work. Besides, to better prepare for integration into the knowledge-based economy and development of a digital society, the Government has launched a "Knowing More About IT" Programme to enhance primary school students' interests in information technology and its applications. In this connection, I propose to allocate an additional funding of \$134 million for the provision of subsidies of up to \$300,000 for each publicly-funded primary school in the next two academic years."</p>
Vocational talent training	<p>(161) "We actively support vocational training to nurture local talents by enhancing capacity-building and value-addition, and offering them with a clear pathway for progression. We will: (i) establish the Hong Kong Institute of Information Technology – The VTC will focus on pre-employment and on-the-job training for the IT sector. It will introduce programmes in the 2024/25 academic year to strengthen the capacity of the IT sector in Hong Kong; (ii) increase allowance of the Apprenticeship Scheme – The VTC will, for a period of three years starting from the 2024/25 academic year, provide each registered apprentice with additional monthly training allowance, and subsidise graduated apprentices in undertaking upskilling courses of relevant trades. The two subsidy arrangements will each last for 36 months; and (iii) enhance cross-boundary mutual recognition of qualifications – We will work with the relevant Mainland authorities on the arrangements for mutual recognition of sub-degree level qualifications, including higher diploma qualifications, and will put the arrangement on trial for selected pilot areas."</p> <p>(195-196) "The Government will continue to foster industry-institution collaboration and diversified development to enhance vocational and professional education and training (VPET). The Government has set aside some \$680 million to support the Vocational Training Council's efforts. Initiatives include extending the Pilot Incentive Scheme to Employers and the Pilot Subsidy Scheme for Students of Professional Part-time Programmes for five years, as well as stepping up support for student-exchange activities, strengthening assistance to students with special educational needs and encouraging employers to provide workplace learning opportunities etc. Furthermore, the Government has also set aside a start-up fund of \$100 million to support self-financing, post-secondary institutions in forming an Alliance of Universities in Applied Sciences for joint publicity and promotion of VPET, and raise the status of VPET among parents, students and society in general."</p>
Offshore RMB business	<p>(72 i) "strengthen the offshore RMB business – The Government will continue to press ahead with the inclusion of RMB counters under the Southbound Trading of Stock Connect to facilitate the trading of Hong Kong stocks in RMB. We will take forward the introduction of offshore Mainland government bond futures and enrich the variety of RMB investment products, with a view to strengthening Hong Kong's position as an offshore RMB centre;"</p> <p>(131-132) "As the world's largest offshore RMB business hub, Hong Kong processes about 75 per cent of global offshore RMB settlement. We also have the world's largest offshore RMB liquidity pool, at over RMB 1 trillion. To capitalise on this enormous opportunity, we will press ahead with the development of an offshore RMB ecosystem to promote the internationalisation of the RMB in a steady and prudent manner. We are taking forward relevant work on various fronts. It includes making continuous efforts to deepen mutual-market access schemes that facilitate RMB cross-boundary investment and two-way fund flows to enhance offshore RMB liquidity. It also includes encouraging financial institutions to provide more offshore RMB products and risk-management tools, and carrying out RMB financing in Hong Kong. We will also develop the Central Moneymarkets Unit (CMU) into Asia's major international central securities depository platform. It will provide better support for RMB businesses such as cross-border clearing, settlement and custodian services etc."</p>
GEM Reform	<p>(71 iv) "reform GEM – The HKEX has put forward its recommendations on GEM (formerly known as the Growth Enterprise Market) reform and commenced consultation. It has proposed to streamline the transfer mechanism to the Main Board and add a new listing route for R&D-focused companies, among other proposals. After considering public views, the HKEX plans to implement the revised Listing Rules in the first quarter of next year; and "</p> <p>(46) "We are actively implementing measures proposed, last October, by the Task Force on Enhancing Stock Market Liquidity. They include reforming the Growth Enterprise Market (GEM). The HKEX has consulted the market on such initiatives as introducing a treasury share buy-back regime and maintaining trading operations under severe weather. Both are targeted for implementation in the middle of the year."</p>

Green finance promotion	<p>(72 iv) "promote the development of green and sustainable finance in Hong Kong – Drawing on the successful experience in the implementation of the Fintech Proof-of-Concept Subsidy Scheme over the past two years, we will launch a dedicated proof-of-concept subsidy scheme for green Fintech in the first half of 2024. The new scheme will promote the development of technological solutions and provide early-stage funding support for pre-commercialised green Fintech, conducive to expanding the green Fintech ecosystem and developing Hong Kong into a green Fintech hub."</p> <p>(79) "Accurate information is essential to the promotion of sustainable financing. It is also the priority of international organisations and government agencies in the next few years. To deepen Hong Kong's green and sustainable finance development, enterprises must align their practices in sustainability disclosure with international standards. Financial Services and the Treasury Bureau and the SFC will formulate a roadmap and vision statement to assist companies and financial institutions in sustainability reporting and the analysis of relevant data, elucidating our vision of promoting green and sustainable finance."</p> <p>(82) "We will launch the Green and Sustainable Fintech Proof-of-Concept Subsidy Scheme in the first half of this year. It will provide early-stage funding support for green fintech, facilitating commercialisation and fostering the development of new green fintech initiatives."</p> <p>(77) "The Government is hosting "Hong Kong Green Week" this week, comprising events covering technology, finance and other fields. It has brought together industry leaders from the Asia-Pacific region to examine issues such as green development and climate finance. This autumn, the HKMA will co-host a Joint Climate Finance Conference in Hong Kong with the Dubai Financial Services Authority. The Conference will explore transition financing opportunities and challenges for the Middle East and Asia."</p>
Life and Health Technology	<p>(113) "In the previous Budget, I earmarked \$10 billion to promote the development of life and health technology. Of this, \$6 billion will be used to provide subsidies for local universities to collaborate with Mainland and overseas organisations to set up life and health technology research institutes. The purpose is to facilitate relevant R&D activities and transformation of R&D outcomes, and to attract leading I&T talent and research teams around the world to Hong Kong."</p>

Hackathon Whitepaper 2023 (below are points listed in this year's PA and occurred in our Talent Whitepaper but not in our Policy Address Submission)	
expand coverage of universities	(57 ii) " expand the coverage of universities under the Top Talent Pass Scheme – To expand the network for attracting global talents, we will add eight top-notch institutions from the Mainland and overseas to the list of eligible universities under the scheme, making a total of 184 institutions, with effect from November;"
relaxing visa requirements	(57 iii) " relax visa requirements – Starting from today, we will relax the visa policy in respect of employment for Vietnamese talents and the criteria for Vietnamese applying for "multiple-entry visas" for business and travel. We will also relax the visa policy for Laotian and Nepalese talents for employment, training and study in University Grants Committee (UGC)-funded institutions. "
extension of stay	(57 v) " the Vocational Professionals Admission Scheme – To alleviate the manpower shortage in skilled trades, starting from the 2024/25 admission cohort, non-local students of designated full-time professional Higher Diploma programmes of the Vocational Training Council (VTC) will be allowed to stay in Hong Kong for one year after graduation to seek jobs relevant to their disciplines. This pilot arrangement will be reviewed after two years."
film development	(63 iii) develop the film market – The Government will launch the Filming Financing Scheme for Mainland Market to support Hong Kong and Mainland cultural enterprises to invest in the productions of Hong Kong directors for release in the Mainland market. We will also launch the Hong Kong-Europe-Asian Film Collaboration Funding Scheme to sponsor film projects co-produced by Hong Kong filmmakers and their Asian and European counterparts in order to enhance international exchanges and nurture talent;
fashion design	(63 vi) " organise Hong Kong Fashion Design Week – as a flagship initiative, it will feature prominent events on local fashion design for developing Hong Kong's fashion and textile design brands, as well as promoting Hong Kong as a prime destination for hosting major cultural and creative events; and"
Smart tourism	<p>(85 iv) "promote smart tourism – An inter-departmental Working Group on Smart Tourism will be set up under CSTB to formulate and implement initiatives to promote smart tourism, including launching a new round of Information Technology Development Matching Fund Scheme for Travel Agents, adopting technologies to enhance visitors' experience (such as augmented reality), driving tourist attractions to provide multilingual virtual guides, and making use of smart technologies to strengthen management of inbound tour groups; and"</p> <p>(63) "The dazzling fireworks display above the night sky of Victoria Harbour, and last year's special waterfront pyrotechnic shows along the waterfronts of Wan Chai and the West Kowloon Cultural District, were well-received by the public. The Hong Kong Tourism Board (HKTB) will hold pyrotechnic and drone shows against the backdrop of the splendid night views of Victoria Harbour every month. The HKTB will also revamp its light-and-sound show, "A Symphony of Lights". The Development Bureau (DEVB) will also introduce commercial facilities such as food and beverages, retail and entertainment on a pilot basis at selected suitable harbourfront locations to bring convenience and better experience to visitors."</p>
sports promotion	<p>(152) "On maintaining Hong Kong as a centre for major international sports events and developing sports as an industry, over 15 major international sports events supported by the "M" Mark system will be held in Hong Kong this year, the highest number ever. These events have attracted elite athletes and visitors around the world to visit Hong Kong. The supported events include the FIA World Rallycross Championship, the Aramco Team Series Hong Kong, as well as the Hong Kong Tennis Open, which will be staged in Hong Kong for the very first time. Being the largest sports infrastructure built in Hong Kong, the Kai Tak Sports Park, to be completed by the end of next year for opening in 2025, will be a premier venue for major events, such as international football and rugby matches as well as concerts. This will boost our soft power as a sports hub and foster the development of the related industries."</p> <p>(57) "More than 80 mega-events in a variety of themes and genres will be staged in Hong Kong in the first half of this year. For "Art March" alone, a series of arts and cultural events will be presented, such as Art Basel, Art@Harbour and the Asian debut of the international pop-culture festival ComplexCon. For sports events, LIV Golf, an international golf tournament also featuring musical entertainment and other activities, will be staged for the first time in Hong Kong."</p>
Education / talent training	<p>158. Hong Kong's post-secondary education is international and highly diversified. Hong Kong is acclaimed to be the only city with five universities in the world's top 100. We will develop Hong Kong into an international hub for post-secondary education. This would bring benefits to our local students and help widen their international perspectives. This would also inject professional vibrancy and growth impetus to our post-secondary education, enhancing Hong Kong's status as an international city and taking our post-secondary education to a higher level. To this end, we will: (i) increase the admission quota of non-local students to Government-funded post-secondary institutions – Starting from the 2024/25 academic year, the admission quota of non-local students to Government-funded post-secondary institutions will be doubled to 40%. The institutions may take into account their capacity to proceed, step by step, with admission of more non-local students, especially students from B&R countries and from the Mainland, and stand to expand capacity and enhance standard through their high-quality teaching and supporting facilities; (ii) expand scholarship schemes – In the last academic year, some 2 500 students from the B&R countries were recipients of the B&R Scholarship and various scholarship schemes of UGC-funded universities. We will inject \$1 billion into the Government Scholarship Fund such that starting from the 2024/25 academic year, the quota of the B&R Scholarship will increase by 50%, and the quota of the Hong Kong PhD Fellowship Scheme by one-third gradually, from 300 to 400 places per academic year. These will help attract more outstanding talents to study and conduct researches in Hong Kong. We will also continue with the Hong Kong Scholarship for Excellence Scheme, supporting annually around 100 outstanding local students to pursue their studies in world-renowned universities outside Hong Kong to broaden their global perspectives;</p>

(iii) **increase hostel places**—UGC-funded universities will take forward a number of hostel projects, which will cumulatively provide about 13 500 additional hostel places by 2027 to cater for the needs of students, including those arising from the additional intake; (iv) **support self-financing post-secondary institutions in enhancing their campuses**—In 2024, we will launch a new round of the Land Grant Scheme and Start-up Loan Scheme in a bid to support self-financing post-secondary institutions in developing and enhancing their campuses for supporting more teaching and learning activities; ... (vi) **promote multi-cultural learning experiences**—Starting from the 2023/24 academic year, the UGC will inject \$100 million into the Funding Scheme for Mainland and Global Engagement and Student Learning Experience. This will encourage universities to offer students with more exchange and learning opportunities outside Hong Kong, and promote a diversified and inclusive international learning environment; and (vii) **take forward the development of post-secondary education in the Northern Metropolis**—We will strive to develop the Northern Metropolis University Town where post-secondary institutions are encouraged to strengthen co-operation with renowned Mainland and overseas institutions, and create synergy by sharing resources and enhancing collaboration with the industry sector.

Web 3.0

(99-102) "At present, there are over 220 enterprises specialising in related technologies in Cyberport, including three unicorns. Last year, Cyberport organised a number of promotional and educational activities, attracting more than 29 000 participants. It also rolled out a subsidy scheme to encourage enterprises to conduct proof-of-concept testing, with a view to accelerating market application of the relevant technologies. Having successfully issued the first batch of inaugural tokenised green bonds in February 2023, we issued the **second batch of tokenised green bonds in early February this year, worth a total of \$6 billion and denominated in Hong Kong dollar, Renminbi (RMB), US dollar and Euro**. This is the **world's first-ever multi-currency tokenised bond issuance**, and has attracted overwhelming subscription by global institutional investors, including asset managers, insurance companies, private banks and non-financial corporates. Apart from the many technological innovations, we have also achieved breakthroughs in this issuance in areas such as broadening investor participation and streamlining the issuance process. In keeping abreast of the latest international trends and market development, we consulted the public on a **legislative proposal to develop a regulatory regime for stablecoin issuers in end-2023**, with the aim of putting in place a regulatory regime that safeguards financial stability without compromising innovation. **The HKMA will soon roll out a "sandbox" for entities interested in issuing stablecoins to conduct trials, under manageable conditions, on the issuance process, business models, investor protection and risk management system.**

The "sandbox" will also facilitate communication on future regulatory requirements. Cybersecurity alongside investor and customer protection are matters of utmost importance in Web3.0 development. Embracing the principle of "same activity, same risks, same regulation", the SFC has implemented a licensing regime for virtual asset (VA) trading platforms since last June. This regime enables investors to conduct trading on licensed trading platforms in compliance with the relevant international standards and in a protected environment, thereby enabling Hong Kong to surpass many major jurisdictions in the regulation of VA trading. To strengthen investor and customer protection, we have launched a consultation on the regulation of over-the-counter trading of VA. We will continue to promote the development of Hong Kong's VA market in a stable and responsible manner through a multi-pronged approach, which includes timely dissemination of information, holistic public education and enhanced enforcement."

Other plans not included in our previous submissions in 2021-2023

export credit insurance

(ii) **strengthen export credit insurance**—We will raise the statutory cap on the contingent liability of the Hong Kong Export Credit Insurance Corporation from \$55 billion to \$80 billion to enhance its underwriting capacity. The corporation will upgrade its free credit check services for policyholders regarding buyers from the 10 ASEAN member states, giving exporters more confidence in accepting overseas orders;

Multinational Supply Chain Management

(149-153) "In line with the trend of Mainland manufacturing enterprises extending their production supply chains abroad, our goal is to **develop Hong Kong into a multinational supply chain management centre**. As a premier financial and commercial centre in the region, Hong Kong has the capacity to offer full-fledged and comprehensive professional support services to enterprises to meet their overseas business needs. These services are of utmost importance to enterprises seeking to go global, particularly those with less overseas experience. **Consulting services:** The Hong Kong Trade Development Council (HKTDC) has been providing various services through different schemes covering business operations, production and supply chain solutions, market information and other consulting services. All this helps to support Mainland enterprises based in Hong Kong to establish a foothold in the Belt and Road (B&R) Initiative countries. **Trade financing:** Mainland enterprises with operations in Hong Kong can also utilise various services provided by the Hong Kong Export Credit Insurance Corporation, including export credit insurance, surveys on buyers, and sharing of market updates to meet their business operation needs. The Commercial Data Interchange launched earlier by the HKMA and its Project mBridge allow enterprises to apply trade financing and cross-border settlement services at a lower cost and with higher efficiency. **Corporate training:** Hong Kong's business sector possesses rich knowledge and profound experience in managing multinational supply chains as well as handling compliance, labour protection, environmental protection and other requirements of overseas markets. We will **facilitate collaboration between different organisations and industry stakeholders to provide environmental, social and corporate governance (ESG) training** etc. to Mainland enterprises seeking to expand their reach to overseas markets. This will help them build goodwill with business partners and expand their markets. In order to enhance our work on this front, **Commerce and Economic Development Bureau, in coordination with "Team Hong Kong" organisations, will work together to study relevant details, including the establishment of a trade single window to provide one-stop services for enterprises.** Invest Hong Kong will also step up efforts to attract Mainland manufacturing enterprises to set up offices in Hong Kong, to serve as headquarters for managing their offshore trading.

71. A vibrant stock market is vital for upholding Hong Kong's status as an international financial centre and maintaining our competitiveness. The Task Force on Enhancing Stock Market Liquidity has submitted its report. I have accepted the Task Force's recommendations, and will implement the following: (i) **reduce stamp duty on stock transfer**—We will reduce the rate of Stamp Duty on Stock Transfer from the current 0.13% to 0.1% of the consideration or value of each transaction payable by buyers and sellers respectively. The target is to complete the legislative procedures by the end of November; (ii) **review stock trading spread**—The HKEX and the financial regulators will review and explore reducing the minimum trading spreads to facilitate the market prices of those liquid but spread-constrained stocks to better reflect market circumstances and reduce bid-ask spreads. The HKEX will consult the market on the specific measures in the second quarter of next year; (iii) **reduce market data fees**—The HKEX will provide fixed fee enterprise data packages, and review the fee structure of its real-time data services so as to facilitate investors obtaining real-time market data and reduce relevant costs. The new fee structure will be implemented later this year;... (v) **continue to promote stock market development**—As for the other recommendations from the Task Force for enhancing the competitiveness of the stock market and promoting its sustainable development, including promoting the listing of overseas issuers, facilitating share repurchase by issuers, maintaining trading under severe weather, improving transaction mechanism, strengthening market promotion etc., as well as those on future directions for continuous market enhancement, I have asked the Securities and Futures Commission to work with the HKEX closely to comprehensively examine how to implement the recommendations.

<p>Strengthen the Competitiveness of the Stock Market</p>	<p>(37 + 45) "37. Alongside our longstanding efforts to reinforce Hong Kong's appeal to traditional European and American capital, we are striving to open up new capital sources, including those from the Middle East. At the end of last year, the Asia-Pacific region's first Exchange Traded Fund (ETF), which tracks stocks in Saudi Arabia, was listed in Hong Kong, a milestone in enhanced mutual access between our two markets. The Hong Kong Monetary Authority (HKMA) is also working with a number of financial institutions on the listing of an ETF in the Middle East that tracks Hong Kong stock indices. 45. During the past year, we have made good progress in developing the stock market. We joined hands with regulators and HKEX in implementing a number of measures, including establishing the listing regime for specialist technology companies and the Hong Kong Dollar – Renminbi Dual Counter securities model. Regarding attracting overseas enterprises to be listed in Hong Kong, HKEX has included the Saudi Arabia and Indonesia stock exchanges in its list of Recognised Stock Exchanges last year, which facilitates enterprises primary listed on the main market of these exchanges to seek secondary listing in Hong Kong."</p> <p>(47) "The Securities and Futures Commission of Hong Kong (SFC) and the HKEX are considering an array of measures to boost market efficiency and liquidity, including: (a) enhancing the listing regime: explore enhancing the process of price discovery in the initial public offering of shares and reviewing requirements for the public float of shares of listed companies to boost market efficiency. Listing requirements and arrangements for structured products will also be enhanced, while the listing costs of the products will be lowered; (b) improving the transaction mechanism: explore reducing the minimum trading spread to narrow bid-ask spreads, with the proposal to be submitted in the second quarter; enhancing stock-trading units adopted in the cash market as the next step; and making further adjustments to the position limits and margin requirements of derivative products to better meet risk-management needs; (c) boosting investor services: explore refining real-time, market-data services, to provide investors with targeted services at a reasonable price; and (d) stepping up market promotion: the HKEX will strengthen the promotion of Hong Kong's securities market through its overseas offices and deepen connectivity with the Middle East and ASEAN countries, to attract more issuers and capital."</p> <p>(48) "To further enhance market competitiveness, stamp duties payable on the transfer of real estate investment trust (REIT) units and the jobbing business of option market-makers will be waived. It is estimated that this will reduce government revenue by about \$1 billion annually."</p>
<p>Specialty Insurance Market</p>	<p>(146) "As an international risk-management centre, Hong Kong provides diversified risk-management channels, including professional insurance services. We have been making dedicated efforts to invite Mainland and overseas enterprises to establish captive insurers in Hong Kong, enhancing their corporate risk-management capabilities. We are also promoting the development of insurance-linked securities (ILS) by establishing a dedicated regulatory regime and launching a pilot grant scheme. To date, we have facilitated the issuance of four catastrophe bonds in Hong Kong, one of which marked the inaugural listing of its type of ILS. We will continue to attract more issuing institutes to Hong Kong, while nurturing talent and propelling the industry's development."</p>
<p>International Aviation Hub</p>	<p>(76) "(i) open up opportunities for cargo transport – Operating on a pilot basis, the HKIA Logistics Park set up by the AAHK in Dongguan allows export cargo from the Mainland to go through security screening, palletisation and cargo acceptance in advance in Dongguan before being transported by sea to HKIA for export by air, without the need to repeat screening procedures and thereby achieving savings in time and operating cost. The operation has been smooth to date, and the AAHK plans to complete the first-phase construction of a permanent facility for the logistics park by end-2025 so that the cargo handling capacity will reach one million tonnes per annum. Furthermore, new facilities are being completed for the development of the international aviation hub, including the express cargo terminal of DHL Express at the HKIA, scheduled for opening next month, and the premium logistics centre recently completed by a joint venture led by Cainiao Network; (ii) introduce autonomous transportation system – The AAHK will introduce an autonomous transportation system to carry passengers along the Airport City Link connecting SKYCITY and the Hong Kong Port Island of the HZMB from 2025 onwards, and it plans to extend the system to Tung Chung Town Centre in 2028; (iii) enhance intermodal passenger service – Actively leveraging the complementarity with the Zhuhai Airport's aviation network in the Mainland, the HKIA will introduce the "Fly-Via-Zhuhai-Hong Kong" passenger service so that Mainland and international passengers can enjoy seamless travel between the Mainland and other places in the world via Zhuhai and Hong Kong in an "air-land-air" mode using the HZMB. In future, the new service will be promoted to more Mainland passengers; and (iv) streamline screening of carry-on luggage – The AAHK will gradually introduce "Smartlane", beginning next year, so that passengers will not need to take out such items as liquids and electronic devices from their carry-on luggage during aviation security screening, making the screening process faster and more convenient.</p> <p>(167-169) "The AA is working full steam ahead with the HKIA three-runway system (3RS) project as scheduled, with the target of commissioning at the end of this year. Leveraging the opportunities brought by the 3RS and our country's support of the "Air Silk Road," we will focus on current major routes and routes along the B&R with potential, thus strengthening aviation services between Hong Kong and related countries and, in doing so, expand our aviation network. The AA will make comprehensive use of HKIA's advantages in handling high-value, temperature-controlled air cargo. We are taking forward the development of a sea-air intermodal cargo-transshipment mode in collaboration with Dongguan. Its handling capacity will gradually reach one million tonnes per annum, better fulfilling the GBA's international cargo demand, with first-phase construction of the permanent facility of the HKIA Logistics Park, which is scheduled for completion by the end of next year. The AA will actively expand air cargo services, including handling cold-chain cargo at its logistics park in Dongguan and collaborating with Zhuhai to develop its international cargo business. It will also attract international cargo forwarders and major global retailers to set up their Asian aviation logistics base in Hong Kong."</p>
<p>Sustainable development of agriculture and fisheries industries</p>	<p>Promote the Sustainable Development of Agriculture and Fisheries Industries 87. In collaboration with the trade, the Environment and Ecology Bureau will publish the Blueprint for the Sustainable Development of Agriculture and Fisheries by the end of this year. Priority measures include: introducing a public-private partnership model for designated sites under the Agricultural Park Phase 2 in Kwu Tung South; setting aside a plot within the Ma On Shan Sai Sha Road Garden for launching a pilot project on modern urban farming; introducing the concept of "harvest-to-sale" and setting up modern hydroponic farms and stalls on suitable rooftops of public markets, with the first project to be set up in the Tin Shui Wai Public Market under construction; exploring the feasibility of allowing farms engaged in commercial agricultural production to offer leisure farming activities as ancillary businesses; offering government sites in Sheung Shui area to livestock farms affected by government development projects with the provision of technical and financial assistance; and providing new deep-sea cages in four new fish culture zones for rental by the fisheries industry in stages. (88) The EEB promulgated its Blueprint for the Sustainable Development of Agriculture and Fisheries in December last year. For agriculture, we expect to enable the establishment of a modernised Techno-Agricultural Park of approximately 11 hectares as part of the Agricultural Park's Phase 2 this year. It will help accelerate the modernisation of agriculture through public-private partnership. We will launch a pilot project on modern urban farming in Ma On Shan this year. As for fisheries, four new fish culture zones, with a total area of up to 590 hectares, will begin operation in phases starting this year. Local mariculture production is expected to increase considerably.</p>
<p>Food Business licensing</p>	<p>Streamline the Licensing Regime of Food Businesses 88. The Food and Environmental Hygiene Department will streamline the licensing regime of food businesses from the first quarter next year. The measures include: expanding the scope of the Professional Certification System, which adopts a "licence first, inspection later" approach, to cover general restaurants; introducing a "composite permit" that covers multiple restricted food items to obviate the need for separate applications; setting more lenient licence terms for farms engaged in commercial agricultural production to facilitate the sale of their cooked produce; issuing e-licences for all food business applications and providing applicants with information on the application status online; and enhancing guidelines on licence application to help reduce start-up costs of micro, small and medium-sized enterprises.</p>

Promote fertility	<p>(114) "(i) Newborn Baby Bonus – We will provide a one-off cash bonus of \$20,000 for each baby born today or after in Hong Kong to a parent who is a HKPR. This measure will last for three years and will be reviewed then; (ii) raise the accommodation-related tax deduction ceiling – Starting from the year of assessment 2024/25, we will raise the deduction ceiling for home loan interest or domestic rents from the current \$100,000 to \$120,000, an increase of 20%, for taxpayers who live with his/her first child born today or after until the child reaches the age of 18; (iii) priority arrangement for SSFs – The HKHA will introduce the “Families with Newborns Flat Selection Priority Scheme” to raise the chances for families with newborns to purchase SSFs. Starting from the HOS sale exercise next year, a quota of flats will be reserved for balloting and priority flat selection by family applicants with babies born today or after until the children reach the age of three. In each of the HOS or GSH sale exercise, an additional 10% of the total number of flats will be reserved for the purpose of selection priority; and (iv) priority arrangement for PRH allocation – The HKHA will introduce the “Families with Newborns Allocation Priority Scheme” to advance the allocation of PRH flats for families with newborns. Under this scheme, applications of families that have babies born today or after will have their waiting time for PRH flats reduced by one year. This arrangement will take effect from next April.</p> <p>115. Noting that some couples may need assisted reproductive technology to conceive a baby, the Government will enhance support in this regard. We will: (i) Increase the public service quota for assisted reproductive services – Over the next five years from 2024-25 to 2028-29, the Hospital Authority (HA) will gradually increase the assisted reproductive service quota for in-vitro fertilisation (IVF) treatment by more than 60%, from 1 100 treatment cycles per year to 1 800 treatment cycles per year. The HA will also enhance the training for the related professional personnel; and (ii) provide tax deduction for assisted reproductive services – Starting from the year of assessment 2024/25, the Government will provide a deduction for expenses on assisted reproductive services under salaries tax and personal assessment, subject to a ceiling of \$100,000 a year.</p>
Promote Family Education	<p>117. Nurturing children present new challenges for parents, including issues surrounding children’s education and maintaining marital relationship. The Government will launch a five-year Funding Scheme on the Promotion of Family Education in the latter half of next year to support community projects promoting family education. The new Scheme will consolidate existing initiatives, with the annual amount of funding increased to \$8 million.</p>
carers	<p>(123 iv -vi) "promote publicity on caring for the carers – This three-year campaign encourages people from all walks of life to show their empathy, support and care for carers. In the first year, under the theme of “Helping Carers Help Themselves”, publicity will focus on encouraging carers to help themselves. In the second year, under the theme of “Walk with Carers”, publicity will emphasise standing by carers. In the third year, under the theme of “Fostering a Carer-Friendly Community”, publicity will focus on creating a community environment that supports carers; (v) support special school leavers and their carers – Designated teams will be set up in the second quarter of next year to proactively contact carers of special school leavers six months before graduation to provide training on caring and interaction skills, arrange post-school care plans and link with community support services; and (vi) utilise technology to reduce the burden and pressure of carers – We will expand the scope of the Innovation and Technology Fund for Application in Elderly and Rehabilitation Care to cover gerontechnology products suitable for household use. Eligible elderly and rehabilitation service units can procure suitable technology products for lending to elderly persons, persons with disabilities and their carers for use at home. This will improve the quality of life of the care recipients and relieve the pressure of the carers.</p>
children care	<p>(124-126) "Protect Children 124. The LegCo is scrutinising the Mandatory Reporting of Child Abuse Bill. We look forward to the early passage of the bill and the implementation of the mandatory reporting regime for early identification and intervention into child abuse cases. The Government will provide training for mandated reporters and draw up guidelines. We will also increase the number of emergency places for residential child care service. 125. The Committee on Review of Residential Child Care and Related Services, formed last year, has completed its review. The Government will follow up on and progressively implement the relevant recommendations, including stepping up inspections and unannounced visits, increasing the number of residential child care service places, strengthening the support and training for foster families, etc. 126. To encourage more willing individuals to become foster families, the Government will substantially increase the incentive payment for foster families starting from next April. For foster care service, the payment will be more than doubled from around \$5,000 to about \$11,000 per month. For emergency foster care service, it will be doubled from around \$6,600 to about \$13,000 per month. Additional support will be provided to foster families taking care of children with special learning or care needs, including arranging early assessment and appropriate professional rehabilitation therapy and training."</p>
Support welfare services organisations	<p>(127) "The Government will set up a dedicated fund of \$500 million to help NGOs operating subvented welfare services meet their development needs for staff training and system enhancement, particularly in enhancing professional knowledge of their staff and strengthening awareness of inter-disciplinary collaboration, as well as encouraging and promoting the application of information technology, etc."</p>
accession to the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH)	<p>(139 ii) "accession to the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH) – We will pursue Hong Kong, China’s accession to ICH as an observer to familiarise with and promote the latest development of drug regulation, and to pave the way for developing Hong Kong into an internationally recognised regulatory authority for drugs and medical devices in the long run;"</p>
promote clinical trials	<p>(139 iv) "promote clinical research and trials under the HA – The HA will establish the Cluster Clinical Research Support Office in 2024-25. The office will provide advisory and support services for frontline staff, introduce additional measures to encourage medical teams to participate in clinical researches and trials, expedite the process of ethics review of clinical research, and strengthen the systems and mechanisms for supporting clinical research and data sharing; and</p> <p>(114) "The Government will set up the Greater Bay Area International Clinical Trial Institute in the Hetao Shenzhen-Hong Kong Science and Technology Innovation Co-operation Zone this year. It will provide one-stop support to attract more local, Mainland and overseas pharmaceutical and medical device enterprises to conduct clinical trials in Hong Kong. We will also actively seek support from the National Medical Products Administration for record filing, so that such data can be used by these enterprises when applying for marketing authorisation of their products in the Mainland."</p>
oral health	<p>(144) "In the light of the views of the Working Group on Oral Health and Dental Care, established last year, the Government will accord priority to enhancing the oral health of the community. In the coming two years, we will: (i) launch the Primary Dental Co-care Pilot Scheme for Adolescents to promote preventive dental care among adolescents through the provision of partial subsidies for private dental check-up services for adolescents aged between 13 and 17; (ii) collaborate with NGOs to enhance emergency and special care dental services to the under-privileged, vulnerable groups with special needs, and persons with disabilities; and (iii) enhance the Elderly Dental Assistance Programme to allow more eligible elderly persons to receive dental treatment services such as dental check-ups, scaling and polishing, fillings and extractions."</p>

Chinese medicine	<p>(148) "The Government will actively promote the development of Chinese medicine in Hong Kong. We will: (i) promote testing of and scientific research on Chinese medicine – Leveraging on the platform of the Government Chinese Medicines Testing Institute, we will accelerate the promotion of Chinese medicine informatisation and digitalisation, and facilitate the sharing of information. For instance, a Digitalised Chinese Medicines Information Platform will be launched early next year for Chinese medicine identification and educational purposes; (ii) formulate the Chinese Medicine Development Blueprint – The recruitment exercise for the post of Commissioner for Chinese Medicine Development is at its final stage. It is anticipated that the Commissioner can assume office early next year, who will co-ordinate the professional and policy development of Chinese medicine, and liaise with the Chinese medicine sector to formulate a comprehensive Chinese Medicine Development Blueprint for release in 2025; (iii) strengthen integrated Chinese-Western medicine services– Starting from 2023-24, Chinese medicine rehabilitation will be incorporated to the clinical framework for "stroke care", and a new pilot project on "cancer care" will be launched at day chemotherapy centres. We will continue to explore the extension of integrated Chinese-Western medicine services to cover more disease areas, such as elderly degenerative diseases; and (iv) take forward the preparatory work for Hong Kong's first Chinese Medicine Hospital (CMH) – The first CMH in Hong Kong is expected to commence service in phases starting from the end of 2025. It will establish a co-operation mechanism with another CMH in the Mainland to support its continuing development.</p> <p>(192) "We are pressing ahead with the construction of the Chinese Medicine Hospital and the Government Chinese Medicines Testing Institute. The two institutions are expected to begin service, in phases, starting from end of 2025."</p>
Recycling	<p>(154 ii) "extend the recovery and recycling schemes to more products – We will introduce a bill next year to establish a common legislative framework applicable to different products and make relevant subsidiary legislation. Our target is to gradually extend, starting from 2025, the producer responsibility schemes to five types of products: plastic beverage containers, beverage cartons, electric vehicle batteries, vehicle tyres and lead-acid batteries;"</p>
Biodiversity	<p>(154 iv) "protect Hong Kong's ecosystems – We will update and implement the Hong Kong Biodiversity Strategy and Action Plan based on the Kunming-Montreal Global Biodiversity Framework, endorsed at the 15th meeting of the Conference of the Parties to the Convention on Biological Diversity, and having regard to the actual situation of Hong Kong."</p>
District Environment	<p>(155) "The Government will launch the "Shining City Project" to enhance the beautification work of our city. The project will focus on developing the Shing Mun River and Yuen Long Nullah into flower viewing hotspots, implementing landscaping improvement works at the central dividers and roundabouts of major roads during major festivals, and injecting art and design elements in suitable pitches/courts, as well as the external walls of sports venues and washrooms. The Deputy Chief Secretary for Administration will be in charge of co-ordinating these efforts."</p>
Fund distribution	<p>(72 iii) "establish a new platform to expand fund distribution – We will establish a new integrated fund platform within next year to expand Hong Kong's fund distribution network, enhance market efficiency and lower transaction costs; and"</p>
Supporting People and Enterprises / salaries tax	<p>(72c-d) "reduce salaries tax and tax under personal assessment for the year of assessment 2023/24 by 100 per cent, subject to a ceiling of \$3,000. The reduction will be reflected in the final tax payable for the year of assessment 2023/24. This measure will benefit 2.06 million taxpayers and reduce government revenue by \$5.1 billion; reduce profits tax for the year of assessment 2023/24 by 100 per cent, subject to a ceiling of \$3,000. The reduction will be reflected in the final tax payable for the year of assessment 2023/24. This measure will benefit 160 000 businesses and reduce government revenue by \$430 million"</p>
Tobacco Control Policies	<p>(193) "Increasing the tobacco duty is recognised internationally as the most effective means of reducing tobacco use. The Government now proposes to increase the duty on cigarettes by 80 cents per stick, with immediate effect. Duties on other tobacco products will be increased by the same proportion. The rate of increase is similar to that of last year. We expect that the proportion of tobacco duty in the retail price of cigarettes will rise to about 70 per cent, gradually approaching the 75 per cent level recommended by the World Health Organization. This will provide a greater incentive for the public to quit smoking, safeguarding public health. We will continue to step up enforcement against illicit cigarette trading and strengthen smoking cessation services, publicity and education."</p>

Fiscal Consolidation Programme	
contain growth of operating expenditure	<p>(225) (a) continuing to maintain zero growth in the civil service establishment, with the aim of containing the establishment at a level not exceeding that as at end-March 2021; and</p> <p>(b) implementing the Productivity Enhancement Programme as announced earlier under which recurrent government expenditure will be cut by one per cent for two consecutive years. The resources thus saved will be re-allocated internally for enhancing existing or introducing new public services. To further contain the pace of expenditure growth, on the premise that such schemes as the Comprehensive Social Security Assistance Scheme and the Social Security Allowance Scheme will not be affected, all government departments need to cut recurrent government expenditure by another one per cent in 2026-27.</p> <p>(227) "Moreover, I have requested the relevant bureaux to review the mode of operation of the following two transport subsidy schemes that incur higher expenditure with a rapid expenditure growth rate. We have to emphasise that the Government has no intention to cancel these schemes. The review aims to enable the continued provision of subsidies of the schemes in a financially sustainable manner. We anticipate that the above review will be completed within this year:</p> <p>(a) Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities (i.e. "the \$2 Scheme"): the annual expenditure of the scheme has increased by over 200% from \$1.3 billion in 2019-20 to about \$4 billion in 2023-24; and</p> <p>(b) Public Transport Fare Subsidy Scheme: the annual expenditure of the scheme has doubled from \$1.7 billion in 2019-20 to the revised estimate of about \$3.5 billion in 2023-24."</p>
Review and Re-prioritisation of Capital Works	<p>(229-231) "Implementation of infrastructure projects is not only an investment for the future, it can also promote Hong Kong's economic development and enhance people's livelihood. In recent years, the Government has made all-out effort to press ahead with the land and housing supply projects, including new development areas and new towns, and also proposed a number of other works projects for improving the environment and people's livelihood, such as Kai Tak Sports Park and Hospital Development Plan etc. It is estimated that expenditure on capital works will start reaching its peak in the next three years. The Government needs to contain its expenditure on infrastructure works at a sustainable level. To this end, relevant bureaux and departments have reviewed the cost-effectiveness of works projects and give due regard to priority and urgency to adjust the implementation schedule. For some works projects which are at a comparatively mature stage of planning, they will continue to be taken forward by the relevant bureaux and departments as planned. They include the site formation and infrastructure works for the Northern Metropolis. As for some works projects that are currently at the preliminary planning or conceptual stage, the implementation schedule will be adjusted in light of their importance, etc. In the MRF, capital works expenditure could be contained at about \$90 billion per annum on average. This figure still represents an increase of about 17 per cent over the average annual expenditure of \$76 billion in the last five years, which demonstrates the Government's continued allocation of resources for capital works expenditure."</p>

<p>Increase Revenue</p>	<p>(232-234) "The key to boosting public revenue lies in sustained high-quality economic development. Only through growing the "economic pie" and enabling the economy to grow in a more robust and diversified manner can we increase our revenue to support the building of social infrastructure and people's livelihood. When considering measures for increasing revenue, we have to take Hong Kong's actual situation into account and avoid taking any hasty actions that may affect local economic recovery and people's livelihood while at the same time maintaining the competitive edge of the simple and low tax regime. Having considered the above factors and based on the "affordable users pay" principle, we will implement adjustments to the following individual tax items. We propose to implement a two-tiered standard rates regime for salaries tax and tax under personal assessment starting from the year of assessment 2024/25. In calculating the amount of tax for taxpayers whose net income exceeds \$5 million and whose salaries tax or tax under personal assessment is to be charged at a standard rate, the first \$5 million of their net income will continue to be subject to the standard rate of 15 per cent, while the portion of their net income exceeding \$5 million will be subject to the standard rate of 16 per cent. It is expected that about 12 000 taxpayers will be affected, accounting for 0.6 per cent of the total number of taxpayers chargeable to salaries tax and tax under personal assessment. The government revenue will increase by about \$910 million each year. Even with the two-tiered standard rates regime above in place, the new tax rates will still be lower than those of other advanced economies."</p> <p>(235-237) "The Government will introduce legislative amendments in the first half of this year to implement the progressive rating system for domestic properties, with the aim to bring the system into effect from the fourth quarter of 2024-25 onwards. The new system will only affect domestic properties with rateable value over \$550,000, which account for about 1.9 per cent of the relevant properties. It is estimated that the system will contribute to an increase of about \$840 million in government revenue annually. The Government will review various fees and charges in a timely manner. Besides adhering to the "user pays" principle, the affordability of the general public and businesses will also be taken into account. Business registration fees will increase by \$200 to \$2,200 per annum with effect from 1 April 2024. The last adjustment to business registration fees was in 1994. We estimate that government revenue will increase by about \$295 million per annum. To relieve the relevant impact, the business registration levy of \$150 payable to the Protection of Wages on Insolvency Fund will be waived for two years. We propose to resume the collection of the Hotel Accommodation Tax (HAT) at a rate of three per cent. It is anticipated that government revenue will increase by about \$1.1 billion per annum. This will take effect from 1 January 2025 in order to allow the hotel and tourism industries more time for preparation. The HAT to be collected is estimated to only account for less than one per cent of the total spending of overnight visitors in Hong Kong. In the coming year, the Government plans to allocate over \$1 billion for upgrading tourism infrastructure and services to attract more high-spending overnight visitors from different visitor source markets to Hong Kong."</p>
<p>Developments in International Taxation</p>	<p>(238) "We will continue to take forward the implementation of the global minimum tax proposal drawn up by the Organisation for Economic Co-operation and Development to address base erosion and profit shifting. We aim to apply the global minimum tax rate of 15 per cent on large multinational enterprise groups with an annual consolidated group revenue of at least EUR 750 million and impose the Hong Kong minimum top-up tax starting from 2025. We are now conducting consultation on the implementation of the above proposals and expect to submit a legislative proposal to LegCo in the second half of this year. It is estimated that these proposals will bring in tax revenue of about \$15 billion for the Government annually starting from 2027-28. Hong Kong maintains an edge over other tax jurisdictions in terms of tax competitiveness after the implementation of the proposals."</p>
<p>Investment Return of the Future Fund</p>	<p>(239) "As announced in the 2021-22 Budget, the accumulated investment return of the Future Fund would be progressively reflected in the Operating Account. The Government will submit a resolution for passage by LegCo next month to complete the transfer arrangements."</p>
<p>Bond Issuance</p>	<p>mentioned above.</p>