

Mr John KC Lee, GBM, SBS, PDSM, PMSM  
Chief Executive's Office, Tamar  
Hong Kong

8 September 2023

Dear Chief Executive,

Further to our Policy Address Submission on 31 July, I am really pleased to present to you a White Paper generated from the ideas and suggestions from over 50 of Hong Kong's youngest, brightest minds at our Impact Hackathon held on the 7 June: **'Mission Possible – Re-launching Hong Kong's Future with Great Minds'**.

The event was jointly run by the Chamber's Future Leaders Committee (FLC) and Bryan Cave Leighton Paisner LLP (BCLP) and covered two key issues: how to rebrand Hong Kong positively locally and internationally; and how to attract and retain talent in Hong Kong. A summary of the findings is below, and the full report is attached for your consideration.

<b>Rebranding Hong Kong</b> (Locally and internationally)	<b>Attracting and retaining talent</b>
<ol style="list-style-type: none"><li>1. Skillful use of Influencers;</li><li>2. Proposed one-year event calendar;</li><li>3. Promoting Hong Kong's unique topography and improving access with Mainland China;</li><li>4. A "Home" Kong Campaign; and</li><li>5. Digital transformation.</li></ol>	<ol style="list-style-type: none"><li>1. Improving housing affordability in short and medium-long term;</li><li>2. More international student exchanges and reciprocal recognition of qualifications;</li><li>3. Bonded Scholarships;</li><li>4. Diversification of Top Talent Pass Scheme;</li><li>5. Increasing statutory annual leave entitlements; and</li><li>6. Encouraging project-based funding grants/ more private sponsored prestigious arts competitions.</li></ol>

The team that worked on the report were delighted to meet with Mr Dane Cheng, Executive Director of Hong Kong Tourism Board (HKTB), recently and to learn that many of the ideas and suggestions on branding are aligned with HKTB future plans. This is encouraging and clearly shows opportunities for further collaboration with HKTB and with the Task Force on Promoting and Branding Hong Kong, Chaired by the Financial Secretary.

I am sure your team are busy developing this year's Policy Address and hope that the proposals in our report can be considered and are helpful. We would welcome the opportunity to discuss the submission at your convenience or your Administration's if anything needed to be explored or clarified.

Yours faithfully,



**Ir Dr Anne Kerr**

Chair  
The British Chamber of Commerce in Hong Kong

## Mission Possible – Re-launching Hong Kong’s Future with Great Minds

*An impact Hackathon seeking solutions to Hong Kong’s big issues*

### Background

On 7 June 2023, the British Chamber of Commerce in Hong Kong (“**BritCham**”) Future Leaders Committee jointly hosted, with Bryan Cave Leighton Paisner LLP (“**BCLP**”), the Impact Hackathon 2023.

Titled “*Mission Possible – Re-launching Hong Kong’s future with great minds*”, the aim of the event was to brainstorm ideas in response to the Chief Executive’s 2022 Policy Address which, in part, focussed on talent trawling. The Policy Address and recent Budget Speech convey the commitment of the Hong Kong Government (“**the Government**”) to retaining and recruiting talent, accompanied by initiatives such as the Top Talent Pass Scheme, Hong Kong Talent Engage and a new Capital Investment Entrant Scheme to attract talent in key sectors.

In line with the Policy Address, the Impact Hackathon event was designed to brainstorm ways in which Hong Kong can nurture outside and local talent. Over 50 young professionals attended, across a multitude of industries including financial services, construction, education, performing arts, legal services, recruitment, all aged between 25 and 35 years old. Participants had diverse backgrounds which contributed valuably to discussions on what can be done to attract and retain talent in Hong Kong, and the re-branding of Hong Kong on local and international scales. The event aimed to harness the power of collaborative synthesis among young professionals all working towards the same goal of starting this new chapter together.

The recently appointed Executive Director of BritCham (Paul McComb) opened the evening with BCLP’s Head of Asia (Andrew MacGeoch) introducing the purpose and objectives of the event. The Chair of BritCham’s Future Leaders Committee (Benjamin Stott) presented the results of the pre-event survey and moderated the panel session with panellists representing an array of sectors and industries (outlined below), who each shared their personal experiences living, working in Hong Kong and discussed the many competitive, overriding advantages and incredible opportunities Hong Kong offers, and how Hong Kong can capitalise on these going forward. The panellists included:

Name of Panellist	Title	Company	Industry
<b>Anna Chan</b>	Professor, Dean of School of Dance	The Hong Kong Academy for Performing Arts	Arts
<b>Charles Caldwell</b>	Human Resources Director	English Schools Foundation	Education
<b>Jen Flowers</b> 杜敏	Group and ASP Head of Customer Intelligence and Partnerships, Wealth and Personal Banking	HSBC	Technology

---

<b>Jeremy Sheldon</b>	Head of Office Leasing Advisory, Asia Pacific	JLL	Real Estate
<b>Kirsten Mundy</b>	Director, Government and Infrastructure	KPMG China	Human Resources

The participants were split into small groups of 6 to 8 people, delving into discussions on two main issues outlined in the Policy Address:

1. How to re-brand Hong Kong locally and internationally? (“**Question 1**”); and
2. How to attract and retain talent in Hong Kong? (“**Question 2**”).

## **Executive Summary**

Following an eventful night of discussion and sharing from over 50 young ‘talented minds’, participants of the Hackathon event came up with many ideas in response to the key questions raised, namely (1) how to rebrand Hong Kong locally and internationally and (2) how to attract and retain talent in Hong Kong. The BCLP team and BritCham’s Future Leaders Committee have picked a few ideas to submit to the Government as listed below:

### **1) How to rebrand Hong Kong (locally and internationally)**

In addition to the current campaigns by the Government and private sector:

1. Skilful use of Influencers;
2. Creation of a 12-month calendar for “wow” events including concerts, international sporting events and promoting certain special cultural events;
3. Promoting Hong Kong’s unique topography and improving access between Hong Kong and Mainland China;
4. A “Home” Kong Campaign; and
5. Digital transformation.

### **2) How to attract and retain talent**

1. Improving housing affordability (attract + retain);
  - a) Short term solution to reduce pressure on high rentals – increase income tax free thresholds for certain types of employees (e.g. R&D, healthcare, tech, hospitality, education, professional qualification trainees for a fixed period of time, e.g. 3-5 years)
  - b) Medium/ long term solutions, in addition to increasing land supply:
    - (i) develop more co-living type accommodation;
    - (ii) develop more Build to Rent type accommodation; and
    - (iii) fast-track permission for more conversions e.g. hotel to co-living/ office to residential.
2. More international student exchanges and reciprocal recognition of qualifications (attract);
3. Bonded Scholarships (attract + nurture);
4. Diversification of Top Talent Pass Scheme (attract + nurture);
5. Increasing statutory annual leave entitlements to achieve work life balance (attract + retain); and
6. Encouraging project-based funding grants/ more private sponsored prestigious arts competitions (nurture + retain).

## 1. Question 1: How to re-brand Hong Kong locally and internationally?

### 1.1 Skilful use of Influencers

With the launch of the “Hello Hong Kong” and “Happy Hong Kong” campaigns, it is clear that Hong Kong is ready to promote itself once again on the world stage. Apart from traditional executive level-led efforts, for example chamber-led “door knocks” and governmental exchanges at global forums, a key tool in marketing Hong Kong will be through internet influencers and media celebrities, whether through travel bloggers promoting tourism in Hong Kong, or through niche knowledge-based YouTubers promoting specific sectors in Hong Kong. Local influencers such as Sammi Cheng/ Hins Cheung/ Anson Lo/ Elva Ni/ Grace Chan etc. could also be options to garner successful attention for Hong Kong. This “soft power” approach is especially useful in promoting Hong Kong to younger generations of overseas talent.

Not only should the Government consider employing local artists or Youtubers, some renowned influencers overseas should also be engaged to assist if possible. Examples of lifestyle influencers could include: Zoe Sugg, Lauren Conrad, Jack Morris. Potential travel influencers could include: Alex Strohl, Lauren Bullen; Fashion/ beauty influencers could include: Chiara Ferragni, Aimee Song, Caroline Daur; Sports influencers like David Beckham, James Rodriguez etc. or famous Rugby 7’s players such as Waisale Serevi from Fiji, Perry Baker from the USA, Portia Woodman from New Zealand. After COVID-19, different tourism departments have tried to sponsor some overseas influencers at their tour in their countries. As mentioned in BritCham’s Policy Address Submission this year, Singapore announced that they have secured Blackpink, Taylor Swift and Coldplay. These performers are highly influential and so extra effort should be made to engage with high calibre international influencers and performers (once the new Kai Tak Sports Park is open).

### 1.2 12-month calendar for “wow” events

Events bring people together, and bring visitors to Hong Kong. To re-brand Hong Kong on the international stage in particular, encouraging foreigners to visit, experience and see the ‘real’ Hong Kong is crucial. During the summer months, Hong Kong has few events to attract tourists and entertain locals. There will always be the school summer vacation exodus from June to August. The “remainers” may prefer the slower pace but may also want to generate some mid-summer specials to appeal to those who can stay, mix and create a new summer vibe. Taking reference from Hong Kong’s event pipeline for this year, we have proposed an event for each month of the year to be hosted to promote Hong Kong as ‘the’ destination to be in, or visit, all year round (of course for future years not for 2023).

Hong Kong Events Calendar [2023]	
Month	Events (current and proposed)
January	<ul style="list-style-type: none"> <li>- Various dates in January – Eason Chan’s Concert</li> <li>- 12 January to 17 February – Lunar New Year Lantern Displays</li> </ul>
February	<ul style="list-style-type: none"> <li>- 12 February – The Hong Kong Marathon</li> <li>- 17 February to 18 March – The 51<sup>st</sup> Hong Kong Arts Festival</li> <li>- <b>Hong Kong’s Sai Kung Music Festival (Camping)</b></li> </ul>

March	<ul style="list-style-type: none"> <li>- 10 March to 10 April – The 47<sup>th</sup> Hong Kong International Film Festival</li> <li>- 23 to 25 March – Art Basel Hong Kong</li> <li>- 31 March to 2 April – Cathay/HSBC Hong Kong Rugby Sevens 2023</li> <li>- <b>Return of Hong Kong MasterChef (Invite Gordon Ramsay)</b></li> </ul>
April	<ul style="list-style-type: none"> <li>- 15 April – The 41<sup>st</sup> Hong Kong Film Awards</li> <li>- 3 – 16 April Fairbreak Invitational T20 Women’s International Cricket</li> <li>- 30 April – The Lamma International Dragon Boat Festival</li> <li>- <b>Hong Kong’s Glastonbury (Camping and concerts)</b></li> </ul>
May	<ul style="list-style-type: none"> <li>- Various time in May – Jay Chou Concert 2023</li> <li>- 26 May – The Cheung Chau Bun Festival</li> <li>- 26 May – The Birthday of Lord Buddha</li> <li>- <b>Formula E – night races – consider more dynamic track venue on harbour front etc. and organise supporting concerts / additional entertainment events (e.g. with K-pop bands such as Blackpink, BTS and Seventeen)</b></li> <li>- <b>Host these events at venues such as the new Kai Tak Sports Park once opened</b></li> </ul>
June	<ul style="list-style-type: none"> <li>- 9 June to 23 July – SummerFest</li> <li>- 16 June – Chinese Opera Festival</li> <li>- 22 June – The Hong Kong Dragon Boat Festival</li> <li>- 24 to 25 June – Hong Kong International Dragon Boat Races in Victoria Harbour</li> <li>- <b>Olympic E-sports events</b></li> </ul>
July	<ul style="list-style-type: none"> <li>- 19 to 25 July – Hong Kong Book Fair <b>and International literary arts competition</b></li> <li>- 29 to 30 July – The NextWave (Hong Kong’s first beach carnival)</li> <li>- 28 July to 1 August – Anime Con</li> <li>- Late July – inviting teams from top football leagues (e.g. EPL, Ligue 1, La Liga etc.) for friendly preseason matches against Hong Kong/ Chinese Super League teams</li> </ul>
August	<ul style="list-style-type: none"> <li>- <b>1 August – Start of ‘Home’ Kong Campaign</b></li> <li>- 5 to 6 August – S2O Hong Kong Songkran Music Festival</li> <li>- 17 to 21 August – Food Expo</li> </ul>
September	<ul style="list-style-type: none"> <li>- 29 September – Mid-Autumn Festival (the Victoria Park Lantern Display and the Tai Hang Fire Dragon Dance)</li> <li>- <b>Late September – Friendly basketball matches against Hong Kong NBA team (including inviting CBA teams to play)</b></li> </ul>
October	<ul style="list-style-type: none"> <li>- 4 October – Charlie Puth Concert</li> <li>- 6 October – Sam Smith Gloria The Tour</li> <li>- 7 October – One Ok Rock Luxury Disease Asia Tour</li> <li>- Oktoberfest</li> <li>- 7 – 15 October – Prudential Hong Kong Tennis Open</li> <li>- 26 to 29 October – Wine &amp; Dine Festival</li> <li>- <b>International fireworks competition</b></li> </ul>
November	<ul style="list-style-type: none"> <li>- 3 to 11 November – Gay Games 11</li> <li>- 19 November Hong Kong-Zhuhai-Macau Bridge Half Marathon</li> <li>- <b>Mid-November – Hiking CAMPAign – guided hikes and camping excursions for locals and tourists to take advantage of the cooler weather</b></li> </ul>
December	<ul style="list-style-type: none"> <li>- 1 to 3 December – Clockenflap</li> <li>- <b>First week of December – Local Fine Foods and Beverage Expo – showcasing locally produced food and beverage that are suitable for gifting (e.g. Two Moons Distillery and Perfume Trees Gin) in preparation for the upcoming holiday season</b></li> </ul>

### 1.2.1 Music

In an age where artists such as Taylor Swift are single-handedly boosting economies with their world tours, spiking tourism and boosting hotel revenues for the first time since the COVID-19 pandemic, aligned with BritCham’s Policy Address Submission 2023, it is paramount that Hong Kong becomes a “must do” territory in which the world’s most influential music artists perform. The Government can explore the opportunities to collaborate with Macau and Singapore when inviting the international super stars as they may want to do multiple venues in APAC. There are many benefits to long-term partnerships, rather than one-off events, as seen with the return of international music festivals Clockenflap and Creamfields to Hong Kong. Music events such as these are significant for both locals and foreigners. However, the event would need to be more spectacular to attract the long-haul visitors.

To encourage the global recognition of Hong Kong as a destination for music festivals and concerts, the unique scenery can be capitalised to host camping music festivals. In Spain, music festivals such as Primavera Sound are great opportunities for emerging artists to make themselves known in their particular field. The economic impact is noteworthy as Primavera Sound reportedly represents approximately 6% of the musical GDP of Catalonia. Hong Kong is home to incredible beaches, country parks and rich greenery, which can be utilised to cater for festivals where attendees camp for 2-3 days. The success of Fuji Rock festival or Summer Sonics in Japan, where artists from Asia and across the globe perform to cross-continental spectators, can certainly be replicated in Hong Kong.

The majority of international visitors who attend such festivals go on to travel around the host country. This provides a significant tourism opportunity which will unveil the rich beauty of Hong Kong to many foreigners who would not otherwise have been exposed to this ‘side’ of Hong Kong. With large-scale festivals comes the need for attendees to enjoy a holistic experience, creating employment opportunities in the stewarding, music (sound, lighting, and performance), food and beverage, creative and arts sectors. The exact size and scale of the camping (or other) music festivals which Hong Kong could host is open for debate and depends on logistical operations and weather conditions. However, the propensity for Hong Kong to re-brand itself as a prominent and influential music festival destination by hosting Asia’s answer to Glastonbury can be harnessed. Bringing people together in this way reinvigorates community, culture and the buzz of Hong Kong that many residents adore.

### 1.2.2 Sports

Mega events such as the Rugby 7s weekend tournament hosted in Hong Kong puts Hong Kong on the map as a “global tourist destination”. Hong Kong’s success in this field should be expanded to other sports to re-brand Hong Kong as a destination for prestigious sporting events. Government funding for top athletes has increased tremendously over the past 10 years, amongst other things, to improve the competitiveness of local athletes in international tournaments.

With the Kai Tak Sports Park scheduled to open by the end of next year, there has never been a better time to rebrand Hong Kong through the promotion of the sports industry and to place greater emphasis on Hong Kong athletes. This may be as simple as widespread governmental public endorsements of Hong Kong teams, to refocus and reprioritise policies around recreation and sporting infrastructure over other sectors. Epitomised in the restarting of the women's Hong Kong Tennis Open this year, mega sport events are central to enabling Hong Kong to regain vibrancy and establish itself as a global sports hub.

Becoming a fan of a team instantly creates a community and fosters a sense of belonging as supporters gather behind the team/ individual with a common goal of winning. International sporting events such as the Rugby 7s and Formula E and E-sports bring nations together. Furthermore, the Olympic Games was a great example of bringing people of Hong Kong together, the fundamental principles of non-discrimination and teamwork in sports allow Olympic Games to promote peace and understanding among all people, and brings a new look and perception of Hong Kong. The Government can consider providing Hong Kong sports teams with more support and opportunities to participate in international competitions or matches. It has been suggested the Hong Kong football/ basketball team may host more friendly matches against world-renowned NBA teams e.g. Los Angeles Lakers, Miami Heat, or Premier League football teams such as Manchester United, Arsenal etc. This would help draw more positive media attention to Hong Kong.

### **1.3 Promoting Hong Kong's topography and improving access to the Mainland**

The efficiency and cost-effectiveness of transport in Hong Kong is second to none and through active promotion, access to the rural, remote, cultural-hot-spots Hong Kong offers can be improved. To re-brand Hong Kong internationally, tourists firstly need to be made aware of how accessible everything is; there are very few destinations in the world where visitors can visit beautiful beaches, busy cities, incredible hikes and enjoy local food and celebrate Hong Kong's cultural heritage, all in one day. Hong Kong offers just that as one can hike up Lion's Rock in the morning, have lunch in Kowloon, an afternoon in Ocean Park and visit Deep Water Bay in the evening. This fundamental difference to its Asian counterparts should be capitalised to re-brand Hong Kong as a prime vacation destination. Numerous online blog posts attempt to detail hiking routes and ways to reach certain cultural areas. Collating, synthesising and localising the information into one application, for example the 'Travel Hong Kong App', would mean more international visitors will be enabled to visit these regions with easier access. This App can also be used to include features of new cultural events, entertainment and activities and allow advertisements of smaller events that may otherwise have gone under the radar.

To effectively implement 'One Country, Two Systems', it is proposed that the Government eases entry for tourists between Hong Kong and the Mainland, particularly from Shenzhen and the GBA region generally. For many who wish to visit the Mainland for one day in Hong Kong, and vice versa, the process is arduous and time consuming. Introduction of a 24-72 hour visa pass between Hong Kong and Shenzhen would be a popular solution to enable foreigners to experience both cities in a short timeframe.



## 1.4 'Home' Kong Campaign

According to the survey completed by the Hackathon attendees, one of the factors amongst many that initially attached them to Hong Kong was the dynamic juxtaposition of nature and the city. Its natural beauty, fabulous food, popular culture, music and vibrancy are but a few things that are unique to Hong Kong. However, living in this fast-paced city, these are often overlooked and 'forgotten' by locals. The Government can consider a 'Reconnect' campaign that put an emphasis on how Hong Kong is not just 'Home' but a 'Great Home'. This campaign can cover topics from music, culture, culinary art, nature e.g. hiking, camping, water sports etc. To boost publicity and participation, the Government can invite well-known local celebrities e.g. Andy Lau, Jackson Wang etc. to launch the campaign.

Furthermore, a big part of rebranding is making visitors and locals alike feel 'At Home'. This means fostering a sense of belonging, welcoming people from different backgrounds, race and religion, to the community. Indeed, 41.18% of attendees cited implementing more engaging community and cultural activities as one way in which Hong Kong can be an even more attractive place to live. With this in mind, it is also suggested that the Government further encourage community services and volunteering to help 'community building', which in turn allows for a more socially integrated city. This can be in the form of more financial support to volunteering organisations or non-profit organisations such as Christian Action, Hope of the City or further promotion to encourage more locals to participate in 'giving' – be it financially or physically. The Government can also encourage locals to form groups at various levels of communities such as from within a district, to a street or block to participate in these events. It is hoped that such activities would put a more positive spin on Hong Kong, and reshape how the rest of the world views Hong Kong.

## 1.5 Digitising society

Think Tech. Hong Kong needs a digital transformation on many levels. From the immigration experience on arrival, to a cashless experience in society e.g. in taxis, an online check-in at the hotel, shopping with home-based credit or debit card etc. and for the locals, DocuSign, a digital writ, smart tax returns and licensing and so the list goes on.

A mobile phone is the only gadget one needs to travel around the Mainland. The most visited cities around the world are now almost 'cashless' and 'paperless' certainly in terms of payment transactions, populating and submitting declaration forms, the advanced cities are constantly moving to an entirely digital society. The Hong Kong Identity Card is a salient example of Hong Kong harnessing and embracing technological advances, ahead of other regions. Other examples include Hong Kong created one of the world's first stored credit cards (octopus card), Hong Kong was an early adopter of the internet (Hong Kong SuperNet created by teams at HKUST) supported by fibre optics developed by Sir Charles Kao.

By gradually transforming into a digitally orientated 'Smart City', Hong Kong should be re-branded as a tech-hub on a par with Singapore, London and many Mainland cities. This can be achieved through a variety of short-term 'quick fix' solutions. Hong Kong taxis are currently still heavily reliant on cash which annoys locals and foreigner alike. The Government can legislate to change this, for example, making it mandatory for taxis to offer electronic payment options at the time when a taxi license needs to be

renewed. This way tourists avoid the hassle of exchanging local currency and/ or realising they do not have enough cash. Another ‘quick fix’ solution could be gradually retiring the use of hard copy Arrival Cards at immigration to facilitate the entry process and make this more efficient by requiring passengers to complete electronic cards ahead of arrival. It is accepted that electronic means are more useful for others and some (for example the elderly) can find it daunting and difficult to navigate. Ideally, however, digital methods should be the default option as with many other advanced cities. During the COVID-19 pandemic, it only took one month for the Government to propose and implement e-Health Declaration forms. The same electronic forms should also be used for Arrival Cards.

Furthermore in contrast to countries like the United Kingdom, Hong Kong does not accept electronic signatures for the execution of documents. This is particularly notable in the legal and financial services sector. It is imperative that Hong Kong recognises the legal validity of electronic signatures in order to preserve the status as a technologically adept and forward-thinking city, the Government should instigate constructive dialogue with the Hong Kong Law Society to explore ways in which this can be achieved to avoid Hong Kong falling behind. The prolific use of programs such as DocuSign in the United Kingdom, European Union and elsewhere makes business easier to conduct, particularly in respect of cross-border transactions. Hong Kong can and should embrace the internet and become a “smart territory” with a stronger and more-widespread implementation of technology into everyday life. This will not only encourage foreign businesses to explore opportunities in Hong Kong, but also contribute to the overarching re-branding of Hong Kong as an innovation hub.

## 2. Question 2: How to attract and retain talent in Hong Kong?

### 2.1 High rent and housing shortage

Both local and overseas junior employees face the issue of unaffordable housing, notably for the middle-income “sandwich” class. Demand keeps property prices high in Hong Kong where less than 45% of people live in public rental and subsidised home ownership housing. By contrast, 80% of Singaporeans live in public housing which they own. People from the Mainland may only stay and work for a few years despite higher average salaries in Hong Kong because of the affordability of housing. While the Government has introduced targeted policies e.g. light public housing, housing prices continues to put off overseas talents due to perceived and actual realities around cost of living in Hong Kong.

#### (a) Proposed solution – Short term

##### **Increase tax-free thresholds**

In our pre-event survey, up to 65% of participants felt that Hong Kong’s low tax rates is what keeps them living and working here. Maintaining and enhancing Hong Kong’s current tax system is key to retaining the workforce in Hong Kong. However, the issue of unaffordable housing is also a big push-factor – 85% of participants hoped that the Government can tackle the problem of high costs of living, including high rental and high property costs. We note that the Government has

been making efforts in improving the burden of high rents by allowing tax deductions of up to HKD 100,000 per annum but more could possibly be done for those on lower incomes at earlier stages of their careers, for example, for a period of time of about 2-3 years.

Increasing land supply which exceeds demand is the most obvious method of reducing such costs. However, that will take some time to impact the market. To specifically address the issue of high rental costs, the Government can consider a 3-5 year tax holiday or reducing income tax in salaries tax rates for specific types of workers in key sectors such as R&D, healthcare, tech and professional qualification trainees. Taking the Netherlands as an example, expatriates working in specific “in-demand” sectors such as medical and tech can have up to 30% of their gross employment income as a tax-free allowance. Hong Kong can adopt a similar sector-specific tax treatment to enable ‘needed’ talent to enjoy lower tax rates. An alternative is to introduce lower rate tax bands. For example, instead of paying 14% on taxable income in the HKD 150,001 – 200,000 range, consideration can be made on whether these workers can pay just 10%. This can encourage workers in these sectors to remain in Hong Kong while also attracting junior overseas talent in these fields.

#### (b) Co-living style accommodation – Medium/ long term

A medium/ long term solution is not just to increase the housing supply but also the type of housing supply. The Government can consider increasing housing supply by developing purpose built “co-living/built to rent accommodation”, possibly cooperating with the private sector to convert some existing hotels into residential accommodation. An alternative is to consider if surplus office space or some less popular hotels could be repurposed. There is also the reuse of the rapidly constructed quarantine facilities which could be moved and allocated to certain areas where this type of accommodation would be well used by the young “single/ newly-wed” groups who need affordable housing for a period of time to meet their legitimate concern to live with some additional privacy and independence.

## 2.2 More international student exchanges and reciprocal recognition of qualifications to attract right talent

Travel broadens the mind. Hong Kong universities have seen the benefits of offering international exchanges for many of its students. Current figures show that the University of Hong Kong has mutual arrangements with over 230 partner institutions in 37 countries. Many will have seen the valuable improvements in the skillsets demonstrated by local students who have also spent time studying overseas. However, more Hong Kong students travel overseas for these exchanges than those who come to Hong Kong as part of this exchange programme. Nevertheless, the Government is taking valuable steps to encourage more to come to Hong Kong through schemes such as the ‘Immigration Arrangements for Non-local Graduates’ (“IANG”) scheme for non-local graduates to remain in Hong Kong upon graduation. This certainly helps to attract and then retain some of that talent at least for a couple of

years. It is proposed that graduates enrolled onto the IANG scheme, and other similar schemes, are permitted to stay in Hong Kong post-graduation for a longer period e.g. up to 5 years. This encourages the retention of overseas talent in Hong Kong during graduates' pivotal years when career decisions are usually made.

Another measure to consider is implementing reciprocal arrangements to ease the conversion of certain qualifications and licences for sectors in which the Government is particularly keen to attract international talent from overseas, such as innovation & technology, healthcare, construction, maritime services and environmental related expertise, much has already been done in the Financial Services and Legal sectors.

### 2.3 Bonded scholarships

Talent attraction should not be limited to the working population. University students hold great potential in contributing to Hong Kong's future workforce. We understand that there is already scholarship support for local students to pursue studies at universities outside Hong Kong (Hong Kong Scholarship for Excellence Scheme), the Government can indeed consider providing "bonded" scholarships to university students from overseas – they will receive partial to full scholarships on a merit basis, in exchange for working in Hong Kong for a specific number of years upon graduation. Singapore offers something similar to both local and international students, for example, under the Service Obligation Scheme, international students undertaking postgraduate programmes at Nanyang Technological University and National University of Singapore receive tuition grants with a contractual obligation "bonded" to work in a Singaporean entity for 3 years upon graduation. The Government can take an industry-specific approach to bonded scholarships by limiting it to students studying subjects "in-high demand" such as nursing, caregiving services and technology. This will ensure a steady supply of locally trained members of the workforce in these in-high demand sectors in the years to come, which has the added benefit that these students have already lived in Hong Kong for at least 4 years before employment and would thus be more adapted to the local culture already. The Government can also consider introducing a rental-subsidy element in these bonded scholarships by providing housing subsidies to these overseas students when they work in Hong Kong upon graduation, in order to make the scheme more enticing to overseas applicants.

### 2.4 Diversification of Top Talent Pass Scheme ("TTPS")

TTPS is a fantastic scheme attracting high quality talent. The number of reported applications shows there is still potential to attract people to live and work in Hong Kong. The Government recently reported that, as of February 2023, 95% of approved applications under the TTPS are from the Mainland. While this is welcomed, there is little diversity in the nationality being attracted. It is therefore proposed that, to encourage a more diverse range of applications under TTPS, the Government introduces a quota for approved applications per continent. For example more marketing should be done overseas to raise awareness of these talent campaigns in Hong Kong, with an aim to expand the overseas talent pool and remain as 'global' and 'international'; thereby expanding the overseas talent pool even wider and attracting overseas talent from a broad range of regions and backgrounds.

## 2.5 Improving work life balance

Hong Kong people often top the charts for being the hardest workers in the world. According to Kisi's Global Work-Life Balance Index 2021, the research shows Hong Kong is the most overworked city in the world, followed by Singapore and Bangkok. Considerations can be made around implementing legislative amendments which encourage corporates to place greater emphasis on achieving a work life balance for employees. Attendees at the Hackathon cited the general lack of flexible working hours, statutory maternity and paternity packages and the absence of adoption leave as the most important changes that employees want to see in their respective industries. Clearly these are fundamental areas in which the Government could legislate to retain and attract talent to Hong Kong. Employees want to be safe in the knowledge that their employer will support them having a family, should they wish to, and offer satisfactory leave entitlements to cater for major life transition.

A study by Randstad Hong Kong in 2022 revealed that for the first time since its inception ten years ago, an acceptable work-life balance trumped salary and benefits as the most attractive factor for employees in the city, highlighting its pertinence particularly when encouraging talented local professionals to remain in Hong Kong, and enticing talent pools from afar.

According to the Employment Ordinance, Hong Kong's annual leave entitlement of 7-14 days is relatively low compared to other international cities. For example, most employees in the United Kingdom working five days a week are entitled to at least 28 days of paid annual leave from their employer. In Hong Kong's legal industry in particular, some local firms permit only 11 days annual leave for trainees, which is a stark comparison to international law firm employers who offer over 20 days of annual leave.

We welcome the Government's initiative to add the requirement for more holidays for employees from 2024 (14 days from 2024, 15 days from 2026, 16 days from 2028 and 17 days from 2030). In order to retain and attract talent from key industry sectors it is proposed that the Government accelerates the process by adding an extra 1 day per year for certain industries; namely healthcare, technology and education, thereby making it mandatory for employers to increase such entitlement to relevant employees. Furthermore, it is proposed that companies can also adopt flexible holiday arrangements so that employees are more autonomous in their work-life balance decision. Take the legal industry as an example, some international firms, allow its employees to swap public holidays for annual leave for up to 3 days, allowing for more flexible holiday arrangements.

## 2.6 Encouraging project-based funding grants/ more private sponsored prestigious arts competitions

Improvements in career opportunities was cited as a principal change that Hackathon attendees wanted to see from their employers, across industries. Many individuals who work in the arts sector in Hong Kong are self-employed. Generating a living in this sector is challenging and access to funding is limited. It is hard for larger organisations such as museums and other cultural groups to employ staff at reasonable rates and they rely heavily on public funding. The art scene in Hong Kong is unique and should be adopted as a key aspect of Hong Kong life and therefore included in the various schemes mentioned in

section 2.4 above to attract and retain talented people to work and reside in Hong Kong as part of the artistic and cultural space. This is a rich aspect of Hong Kong culture and identity. The M+ museum and international events such as the hosting of Art Basel 2023 are prime examples of where investment into large exhibitions garners attention from attendees on a global scale. However the weight of resources goes to big companies and investment in smaller, local arts-based schemes is lacking.

In the United Kingdom, the Government supports performing arts primarily through the National Lottery scheme. This is also the case with the EuroMillions lottery which funds culture across the European continent.

We encourage the Government to consider the following:

### (a) Projects based funding

A dedicated arts sector grant scheme between HKD 10,000 to HKD 300,000 for individuals and companies (to be granted in tiers for different age groups and/or years of experience) to apply for a creative arts project. One way in which this could be funded is by allocating a portion of the current Hong Kong Lotteries Fund to fund the arts and such grants.

It is recognised that providing such funding schemes tailored to artists at different categories will be particularly important to encourage the development of young and emerging artists as the current funding system is not very accessible to them. Funding is required for many aspects of any production. In a post-event follow-up survey, it was suggested that the Government could consider providing HKD 30,000 to HKD 50,000 for research projects and HKD 80,000 to HKD 120,000 for local production projects. While the grant would require applicants to detail a particular 'project' that needs support (i.e. the scale, duration and breakdown of expenses of such 'project'), this can also include work such as developing skills, marketing, research and development, provided that specific eligibility requirements are met.

Examples of the eligibility criteria to apply for such fund from the scheme would include the following:

- i. The requirement for the applicant to have at least 5 years of residency in Hong Kong, or, if a company, to be an entity incorporated in Hong Kong;
- ii. The requirement for the proposed funding to focus on specific disciplines supported, such as dance, combined arts, libraries, literature, music, museums and theatre;
- iii. Applicants will be required to detail the use of the funding in their application including the life span of the project, for example no more than 3 to 4 years, any risks associated with the project and how the budget will be applied to achieve the goal; and
- iv. Where a company is applying for a grant, there should be a limit on the maximum number of employees, for example under 50 to ensure the funding reaches smaller organisations.

When considering eligible applicants, relevant authorities should conduct interviews (rather than solely relying on written applications) and should evaluate the artists' creativity rather than just project-centred production descriptions to allow artist(s) freedom to create and grow as the project matures.

### (b) Privately sponsored prestigious art competitions

In order to retain the talent of independent and creative practitioners in Hong Kong, a shift towards a focus on the arts sector as a career, rather than a hobby, is required. Central to this is promoting access to the arts and hosting respective competitions to increase publicity and sponsorship from private investment. One solution is the inauguration of the private sector sponsored annual 'Hong Kong Arts Award', which invites individuals and groups to compete for prestige and a monetary reward. The event would be split into, and judged based on: (i) age groups, (ii) years of experience in the arts industry, (iii) sectors such as visual arts, drama, Chinese opera, literary arts, music, dance, film and media arts, and cross/ multi-disciplinary arts and (iv) addressing environmental issues (optional). The finalists' work would be showcased for the public to pay to see, and potentially vote on (thereby also connecting the community).

We note that the Harilela family, for example, offers a significant prize (HKD 100,000) for artists and self-taught artists within the first 10 years of their art career. In addition to the cash prize, an ability to exhibit their work, they also have the opportunity to be an artist in residence. Growing awareness of these talents may also create job opportunities and more stable income for young and emerging artists.

While the private sector can and should be encouraged to promote more of these awards, the Government can also promote some other prestigious awards for the creative industries around Art Basel or other similar events, and equivalent awards and grants should also be offered to those in the performing arts.

Nurturing creative talents brings such great diversity and vibrancy to this great territory.