

CE sets out principles for restoring calm, boosting the economy in Policy Address

The Chief Executive, Mrs Carrie Lam, in the third Policy Address of her tenure today (October 16), set out core principles and strategies for overcoming the social and economic challenges facing Hong Kong.

Mrs Lam unveiled initiatives in the Policy Address themed "Treasure Hong Kong: Our Home" to help local businesses to overcome hurdles during the economic downturn and target the unresolved disputes and ongoing violence with a view to restoring calm in society and embarking on the road to reconciliation.

This year's Policy Address puts forward over 220 new initiatives, including some in the form of policy directions and possible options, the Chief Executive said.

Referring to the current social unrest, Mrs Lam said, "Hong Kong has always been one of the safest cities in the world, and being civilised, law-abiding, free, pluralistic and inclusive, and paying mutual respect are the characteristics that this Asia's world city takes pride in. Yet in just a few months, the areas affected by the social conflict arising from opposition to the Government's amendment of the Fugitive Offenders Ordinance have become more extensive."

The Chief Executive set out three principles for handling the current crisis and discharging governance responsibilities.

"First, we will adhere to 'One Country, Two Systems' and safeguard the rights and freedoms protected by the Basic Law," Mrs Lam said, adding that in the 22 years since Hong Kong returned to the Motherland, the "One Country, Two Systems" principle has proven to be the best system for ensuring the long-term prosperity and stability of Hong Kong.

"Second, the rule of law, which is the cornerstone of our success, is a core value of paramount importance to Hong Kong.

"Third, Hong Kong's institutional strengths are built up over time by different bodies and organisations including the executive authorities, the legislature, the judiciary, the civil service, law enforcement and regulatory agencies, public service bodies, media organisations, etc. Each and every one of us has the responsibility to protect these strengths and prevent them from being eroded."

Noting that Hong Kong's economy was being severely buffeted by external forces, including the trade tension between the Mainland and the United States, as well as the impact of months of local disturbances, Mrs Lam said

the Government considers that the local economy has slipped into a technical recession since the third quarter of this year.

A number of initiatives announced in the Policy Address aim to safeguard jobs and support enterprises to withstand the economic downturn. They include:

- * a \$2 billion injection into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund);
- * doubling the funding ceiling of the BUD Fund to \$2 million per enterprise under its Mainland Programme and FTA Programme; and
- * injecting another \$1 billion into the SME Export Marketing Fund.

"We are very concerned about the pressure borne by small and medium-sized enterprises and members of the public amid an economic downturn," Mrs Lam said.

"Apart from implementing the package of support measures announced in the past two months as soon as possible, we will keep in view of the situation and, when necessary, introduce other measures to help enterprises and the public tide over difficult times."

Mrs Lam pointed out that the Government had been actively expanding overseas markets over the past two years, doubling the number of free trade agreements signed with other economies and opening a new Economic and Trade Office in Bangkok, Thailand.

The Government's efforts to attract foreign investment have also been substantial, Mrs Lam said, noting that the latest official statistics showed the number of business operations in Hong Kong with parent companies overseas or in Mainland China has increased to more than 9 000, a 9.1 per cent increase over 2017's figure. Also over the past two years, the number of start-ups in Hong Kong has risen by 42.8 per cent to 3 184.

"While the Hong Kong economy is facing both external and internal challenges, I believe our efforts in the past two years will help us brave the difficulties ahead," Mrs Lam said.

"While maintaining a free market economy, the Government proactively plays the role of 'facilitator' and 'promoter', making every effort to increase land supply, invest in nurturing talent, promote external affairs, improve the business environment and implement tax concession measures with a view to enhancing the competitiveness of Hong Kong."

Mrs Lam expressed confidence that Hong Kong would overcome its current social and economic challenges.

"So long as we have unwavering confidence, adhere to the 'One Country, Two Systems' principle, stop violence in accordance with the law and restore social order as early as possible, Hong Kong will soon be able to emerge from the storm and embrace the rainbow," Mrs Lam said.

In a break from tradition, the Chief Executive presented a more focused Policy Address this year, with full details available in a separate document, the Policy Address Supplement.