

## CE's speech in delivering "The Chief Executive's 2018 Policy Address" to LegCo (3)

32. In the first half of this year, the Hong Kong economy grew strongly by 4% in real terms over the previous year, riding on the broadly positive global economic environment. Initial public offering (IPO) activities have been gaining momentum. Up to September, the total IPO funds raised in Hong Kong reached \$238 billion, the highest among our counterparts over the world so far. According to the latest annual survey jointly conducted by Invest Hong Kong and the Census and Statistics Department, there are over 8 700 business operations in Hong Kong with parent companies situated overseas or in the Mainland. Among them, 1 530 have their regional headquarters situated in Hong Kong, representing an increase of 8.3% as compared with the same period last year.

33. However, uncertainties in the global economy have increased markedly. As the trade friction between China and the United States is escalating, international trade, financial markets and investment activities might be affected. We will closely monitor changes in the economic environment so that we may respond swiftly and suitably, including providing support for affected enterprises. To this end, the Secretary of Commerce and Economic Development has met with trade associations several times and has just announced a host of supporting measures.

34. Meanwhile, Hong Kong is full of development opportunities. The HKSAR Government will act proactively, strengthen our roles in serving as "facilitator" and "promoter", and seize the opportunities brought by the Belt and Road (B&R) Initiative and the Greater Bay Area development, with a view to generating new impetus for our economy. The initiatives on the maritime industry, insurance industry, film industry, Chinese medicine sector etc. I propose in this Policy Address will be conducive to the development of the industries and sector. We also step up our efforts to promote I&T. Further to the \$50 billion earmarked in this year's Budget, we will allocate an additional \$28 billion for university research, re-industrialisation, application of technology in public services and fostering of an enabling environment for I&T etc.

35. Education is another area which also warrants the devotion of resources. Since the 2017/18 school year, the Government has expended a recurrent expenditure of \$3.6 billion to implement a series of measures in accordance with my belief and vision of education, thereby a stable and caring teaching and learning environment is gradually taking shape. Taking into account the recommendations and initial views from various professional-led task forces, I announce in my Policy Address a number of specific measures involving an additional recurrent expenditure of \$4.7 billion to further enhance the quality of education and respond to the aspirations of teachers, principals and parents. Such measures include providing to schools

a recurrent Life-wide Learning Grant, implementing in one go the all-graduate teaching force policy in public sector primary and secondary schools, earmarking funding to improve the manpower at the middle-management level in primary schools, strengthening the administrative support for schools, enhancing home-school co-operation, improving vocational education and training, increasing further the opportunities and subsidies for students to pursue post-secondary education, as well as enhancing support for students with special educational needs.

36. The commitment for the new initiatives has exceeded the \$3.4 billion additional recurrent provision earmarked earlier. However, given the determination of the current-term Government to promote quality education, we would not haggle over the resources needed, nor would we trim our measures due to resource constraints. I believe that the new resources for education would not be expended for no purpose and I look forward to working hand in hand with the education sector in nurturing quality future generations for Hong Kong.

37. Care for children, family support, patient care, poverty alleviation and elderly care are essential for building a compassionate and inclusive society. In addition, this Policy Address proposes a series of initiatives to strengthen support for ethnic minorities and the work on youth advocated by the new Youth Development Commission. We have earmarked \$500 million and \$1 billion in this year's Budget for these two initiatives respectively.

38. Hong Kong people use mainly public transport for passenger trips. Further to the non-means tested Public Transport Fare Subsidy Scheme proposed in last year's Policy Address, we propose this year waiving the tolls charged on franchised buses for using government tunnels and roads to ease fare increase pressure, thereby alleviating the burden of public transport expenses on citizens. The Government has reached an in-principle agreement with the franchisee of the Western Harbour Crossing (WHC) for the Government to pay for franchised buses the tolls for using the WHC. Our discussions with the franchisee of the WHC also include the adjustment of tunnel tolls for private cars, taxis and motorcycles to achieve re-distribution of traffic among the three tunnels so as to effectively alleviate cross-harbour traffic congestion.

39. Reducing traffic congestion also helps improve roadside air quality. To further bring down roadside air pollutant levels, we will, following the successful phasing out of pre-Euro IV diesel commercial vehicles, progressively phase out Euro IV diesel commercial vehicles by the end of 2023 and implement other measures to encourage green transport.

40. Our vision is to develop Hong Kong into an international cultural metropolis grounded in Chinese traditions and enriched by different cultures. In recent years, the development of museums has been particularly flourishing. The West Kowloon Cultural District will boast two world-class museums, namely M+ and the Hong Kong Palace Museum. Moreover, the Hong Kong Museum of Art has just received donations of precious paintings and calligraphy from Chih Lo Lou and the family of WU Guanzhong, and these two batches of art treasures will be displayed as permanent exhibits upon the re-

opening of the museum in end-2019. By then, these three museums with distinct identities will stand as novel landmarks for culture, arts and tourism on the waterfront of the Victoria Harbour.

41. In the Asian Games held in Indonesia last August, Hong Kong athletes impressed the world with their outstanding achievements. Having gone through years of tough training, our athletes demonstrated perseverance and remarkable sportsmanship in the games. I believe, like me, everyone in Hong Kong takes pride in their remarkable performance. I would like to thank all our athletes, their coaches, sports professionals and relevant organisations for their efforts. By providing athletes with greater support in training, sports science, sports medicine etc., and by proactively looking into ways to enhance facilities in the Hong Kong Sports Institute, the Government will continue to support the development of elite sports and assist our athletes in scaling new heights in the Tokyo 2020 Olympics and in other major international sports competitions in the future.

42. Over the past year or so, my governing team and I, while focusing on the economy and improving people's livelihood, have upheld the "One Country" principle. In face of the complex situations and new conflicts emerged in the Hong Kong society in recent years, the HKSAR Government and I will not tolerate any acts that advocate Hong Kong's independence and threatens the country's sovereignty, security and development interests. We will fearlessly take actions against such acts according to the law in order to safeguard the interests of the country and Hong Kong. To nip the problem in the bud, we have also reinforced among all sectors understanding of the Constitution, the Basic Law and national security and fostered an awareness of "One Country" in the community.

43. The HKSAR Government has the constitutional responsibility to legislate for Article 23 of the Basic Law in order to safeguard national security. I have stated publicly for a number of times that the Government will carefully consider all relevant factors, act prudently and continue its efforts to create a favourable social environment for the legislative work. Yet, it does not suggest that we will turn a blind eye to the acts of violating the Constitution and the Basic Law, attempting to secede from the country and endangering national security; or our existing laws will be put aside and never be applied to deal with certain acts that should be prohibited. The fact that the Secretary for Security took actions last month by applying the Societies Ordinance bears a strong testimony to the above. This issue has aroused extensive public concern and intense discussion on the legislation for Article 23. I will listen to these views earnestly and explore ways to enable the Hong Kong society to respond positively to this constitutional requirement on the HKSAR.

44. The work of the Chief Executive is taxing and not easy at all. I need to remain composed and resilient under pressure, while taking care of the internal and external environment and unite all sectors of the community. Nevertheless, people's aspirations for a happy life and good governance are the driving force to keep me striving forward.

45. As the first female Chief Executive of the HKSAR, I have an extra

responsibility to devote efforts in promoting women's development. Although more women receive higher education than men do nowadays, the female labour force participation rate is much lower than that of male, and the ratio of women assuming managerial role is still relatively low. In this regard, I propose in this Policy Address a series of measures, including the following:

(i) we propose to extend the statutory maternity leave from the current 10 weeks to 14 weeks, so that mothers will have more time to spend with and take care of their newborn babies. Employers may apply to the Government for reimbursement of the additional four weeks' statutory maternity leave pay, which will be capped at \$36,822. That is to say for employees with monthly income of \$50,000 or below, the additional four weeks' statutory maternity leave pay will be borne by the Government in full. To set an example of a good employer, the Government will extend the maternity leave for all female employees of the Government to 14 weeks with immediate effect. Officers whose actual or expected date of confinement falls on or after today will all benefit from this initiative;

(ii) we will strengthen child care services provided by child care centres and home-based child carers and enhance the Neighbourhood Support Child Care Project, so as to enable women with young children to take up or stay in employment;

(iii) the Government will include in future sale conditions of land a requirement for the provision of baby care facilities and lactation rooms by developers to encourage and support breastfeeding. Such facilities will also be provided in new government premises;

(iv) we will introduce in the 2019/20 school year free cervical cancer vaccination for school girls of particular age groups for the prevention of cervical cancer. Upon completion of the study conducted by a local university on the risk of breast cancer among local women, the Government will review our strategies on prevention of breast cancer;

(v) as for unfortunate women that have suffered miscarriage, the Food and Environmental Hygiene Department and the Hospital Authority have already implemented various administrative measures to facilitate the handling of abortuses. The Government is examining proposals to further improve such arrangements in a holistic manner, including provision of facilities; and

(vi) the Government will continue to monitor the proportion of female members in statutory bodies and advisory committees, as the current percentage of 33% is not far from the target of 35%. Now that the Hong Kong Exchanges and Clearing Limited has its first-ever Chairlady Mrs Laura CHA, we call on all listed companies to appoint more females as their board members.

46. Mr President, Honourable Members and fellow citizens, at the Inaugural Ceremony of the Fifth-term Government of the HKSAR, I said that "hope propels a society forward, and confidence is the foundation of hope." In the past year or so since I assumed office as the Chief Executive, I made nearly 30 outbound visits, called on ministries and commissions of the Central Government in Beijing and met with leaders of provincial, municipal and

autonomous region governments. I have also received many visiting international organisations and senior officials, and attended countless gatherings with the business community, academia and professional sectors. By listening attentively and observing carefully, I have come to the conclusion that Hong Kong's intrinsic strengths are ever increasing, Hong Kong people remain outstanding, our can-do spirit is alive and well, and that Hong Kong is still highly regarded and envied by many.

47. I believe that the HKSAR Government and myself are capable of building a better Hong Kong. I believe that all sectors in the community will leverage on their own strengths and seize the opportunities presented by the B&R Initiative and the Greater Bay Area development in exploring new areas of economic growth. I believe that our country will continue to provide staunch support for Hong Kong, help us rise to challenges and continue to inject new impetus to facilitate Hong Kong's development. Holding on to these three beliefs of believing in ourselves, believing in Hong Kong and believing in our country, we will certainly see hope.

48. Let us strive ahead to rekindle hope for Hong Kong! Thank you.