

# Policy Address: Reform for Enhancing Development and Building Our Future Together

The Chief Executive, Mr John Lee, today (October 16) announced his third Policy Address entitled "Reform for Enhancing Development and Building Our Future Together", setting out a range of initiatives to create new impetus for economic development, improve people's livelihood and enhance their quality of life.

Mr Lee said, "In this Policy Address, I will continue to follow through the 'four proposals' put forward by President Xi Jinping in his important speech delivered on July 1, 2022. I will also outline our vision and objectives for reforms and changes, as well as the related key measures and key performance indicators.

"Reform is a continuous process. Over the past two years, my team and I have focused on economic growth and on improving people's livelihood through development, with the well-being of the people of Hong Kong close to our hearts. This Policy Address will deepen our reforms and explore new growth areas."

Consolidate and enhance Hong Kong's status as an international financial, shipping and trade centre

Hong Kong has established strengths as an international centre for finance, shipping and trade, which are closely intertwined and can be developed in a synergistic and complementary manner.

On the financial front, the Policy Address sets out the strategic development of Hong Kong as an international financial centre on all fronts. It strives to reinforce Hong Kong's status as the world's largest offshore Renminbi business hub, enhance the asset and securities markets, and develop Hong Kong into an international gold trading market through measures such as building world-class gold storage facilities and strengthening the trading mechanism and regulatory framework. This will in turn drive demand for related services such as collateral and loan businesses, opening up new growth areas of the financial sector.

On the shipping side, the existing Hong Kong Maritime and Port Board will be reconstituted into the Hong Kong Maritime and Port Development Board. Additional funding will be provided to enhance its research capabilities, strengthen its Mainland and overseas promotional work and step up manpower training, encouraging more Mainland and overseas maritime service enterprises to establish presence in Hong Kong, promoting the sustainable development of Hong Kong's maritime industry. The Government will advance the development of Hong Kong into a green maritime centre, while at the same time exploring the introduction of tax concessions and facilitate international commodity

exchanges to set up accredited warehouses in Hong Kong, so as to establish a commodity trading ecosystem, especially for the storage and delivery of non-ferrous metal products, further promoting the development of Hong Kong's maritime and trading services.

In respect of the trade sector, the Government will establish a high-value-added supply chain service centre. Through measures such as enriching a high value-added supply chain services mechanism and enhancing export credit services, as well as making good use of the new opportunities brought about by the Second Agreement Concerning Amendment to the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) Agreement on Trade in Services, the Government will seek to attract Mainland and overseas enterprises to set up their headquarters or corporate divisions in Hong Kong. The Government will continue to vigorously expand Hong Kong's global economic and trade networks, with particular emphasis on strengthening Hong Kong's economic and trade ties with and marketing efforts in emerging markets, so as to enable Hong Kong to exert a greater role in the country's opening up to the world. Moreover, the Government will reduce the import duty on liquor, fostering trading of liquor and boosting development of high value-added industries.

Develop new quality productive forces tailored to local conditions

The core element of new quality productive forces is to achieve high quality economic development through technological empowerment. The Government is striving to expedite Hong Kong's development into an international innovation and technology (I&T) centre. On top of the additional investment put in over the past two years, a \$10 billion I&T Industry-Oriented Fund will be set up to guide more market capital to invest in specified emerging and future industries of strategic importance, including life and health technology and artificial intelligence. The Government will also launch the I&T Accelerator Pilot Scheme to attract professional start-up service providers to set up accelerator bases in Hong Kong, fostering the robust growth of start-ups.

The Policy Address also proposed the establishment of the Working Group on Developing Low-altitude Economy. Starting with projects on low-altitude applications, the working group will designate specific venues for such purposes, draw up regulations and design the institutional set-up, study and map out plans to develop the required infrastructure and networks, and promote interface with the Mainland, pushing forward development of the low-altitude economy.

At the same time, the Government is committed to promoting new energy development, such as green maritime fuel, sustainable aviation fuel and hydrogen energy. The Government will also expedite the reform of the approval mechanism for drugs and medical devices, establish the Real-World Study and Application Centre, and join hands with Shenzhen to establish the GBA Clinical Trial Collaboration Platform to enhance Hong Kong's clinical trial capability and accelerate registration of new drugs, developing Hong Kong into an international health and medical innovation hub.

## Build Hong Kong into an international hub for high-calibre talents

To boost synergy and effectiveness of policies, the Policy Address introduced the establishment of the Committee on Education, Technology and Talents to co-ordinate and drive the integrated development of education, technology and talents. In addition to reforming various aspects of the talent admission regime to build a quality talent pool for long-term development, the Government will endeavour to create the "Study in Hong Kong" brand to attract overseas students, launch a pilot scheme to support the market to flexibly increase the supply of self-financed and private student hostels, and map out the development plan of the Northern Metropolis University Town. These measures aim to expedite the development of Hong Kong into an international hub for post-secondary education, bringing in more global high-calibre talents.

## Promote integrated development of culture, sports and tourism and foster economic diversification

Promoting integrated development of culture, sports and tourism is the objective of this term of Government in setting up the Culture, Sports and Tourism Bureau. The Government will reinforce the development of the West Kowloon Cultural District to take a leading role in establishing an industry chain for the arts and culture and creative industries of Hong Kong. The Government will also strive to develop the Kai Tak Sports Park into a sports and mega event landmark, building an international sports mega event hub. The Government will publish the Development Blueprint for Hong Kong's Tourism Industry 2.0, putting emphasis on promoting areas including culture, sports, ecology and mega events, with a view to revitalising Hong Kong's tourism industry. A Working Group on Developing Tourist Hotspots will be set up to strengthen cross-departmental co-ordination, and to identify and develop tourist hotspots of high popularity and with strong appeal in various districts.

Hong Kong is facing economic restructuring. To assist small and medium enterprises (SMEs) to cope with the prevailing challenges, the Government will put in place a range of support initiatives. Key measures include: relaunching the principal moratorium to offer SMEs flexibility in managing cash flows; injecting \$1 billion into the BUD Fund (Dedicated Fund on Branding, Upgrading and Domestic Sales) to facilitate upgrading of enterprises; expanding the scope of the Digital Transformation Support Pilot Programme to cover the industries of tourism and personal services; and launching the Incentive Scheme for Recurrent Exhibitions 2.0. In addition, a Working Group on Promoting Silver Economy will be set up to implement measures in five areas, namely consumption, industry, quality assurance, financial and security arrangements, and productivity, meeting the growing needs of the elderly and help the industry to seize business opportunities.

## Take forward the Northern Metropolis as growth engine and deepen GBA collaboration

To take forward the development of the Northern Metropolis, it was announced in the Policy Address to explore the establishment of a pilot

industrial park in the Northern Metropolis by granting it to a company established and led by the Government. The company will, in accordance with the Government's industrial policies, be responsible for formulating the park's development and operation strategies. To expedite the development, the Government will adopt, on a pilot basis, a large-scale land-disposal approach, for collective development by successful bidders. In addition, the Steering Committee on the Hong Kong Shenzhen I&T Park in the Loop, chaired by the Chief Executive, will formulate the overall strategy, planning and layout for the development of the Hong Kong Park. The Development Outline for the Hong Kong Park of the Hetao Shenzhen Hong Kong Science and Technology Innovation Co-operation Zone will be published later this year.

Improve people's livelihood in pursuit of happiness

This year, the Policy Address outlined a number of new measures on different livelihood areas, including land creation and housing construction and healthcare, making Hong Kong a better place to live and enjoy life.

On housing, a system on the renting of subdivided units (SDUs) in residential buildings will be devised, through legislation, to tackle the long-standing problem of SDUs at its roots in an orderly manner. The Government will also enhance the housing ladder to allow more people to realise their aspiration for home ownership.

Regarding healthcare, as noted in the Policy Address, the Government will deepen the reform of the healthcare system, strengthen public and primary healthcare services and promote the development of primary healthcare on all fronts, and boost healthy fertility. The Government also supports the plan, by local universities, to establish a third medical school. The Government will set aside sites in Ngau Tam Mei to build a new campus and an integrated medical teaching and research hospital.

To improve people's livelihood, the Government will continue to take forward and enhance various measures for targeted poverty alleviation and focusing on different needs of the underprivileged. Meanwhile, the Government will regularise the funding provision for Care Teams and increase funding in the next term of service to strengthen support for their work. The Policy Address also proposed to reform the roles of the Employees Retraining Board to devise skills-based training programmes and strategies for the entire workforce, and lift the restriction on educational attainment of trainees.

Mr Lee concluded, "This Policy Address deepens the reforms that I have introduced since I became Chief Executive. It presents enhanced measures to boost the economy and improve people's livelihood. It seeks to address the prevailing needs of our people, while mapping our vision and long-term goals for building a brighter future for Hong Kong. I am confident that Hong Kong will continue to go from strength to strength and attain new heights. Through our united efforts to reform and innovate, our economy will go even stronger and our people will lead a better life, making Hong Kong a shining city."

A Supplement offering more backgrounds and details of various policy measures has been compiled with this year's Policy Address. For related

information and key initiatives of the Policy Address, please visit [www.policyaddress.gov.hk](http://www.policyaddress.gov.hk).