

Speech by CE at Joint Business Community Luncheon (English only) (with photos)

Following is the speech by the Chief Executive, Mr John Lee, at the Joint Business Community Luncheon today (November 7):

Ms Agnes Chan (Chairman of the Hong Kong General Chamber of Commerce), Mr Jonathan Choi (Chairman of the Chinese General Chamber of Commerce, Hong Kong), Mr Anthony Lam (Executive Deputy Chairman of the Federation of Hong Kong Industries), Mr Lo Kam-wing (President of the Chinese Manufacturers' Association of Hong Kong), Mr Wang Haimin (Chairman of the Hong Kong Chinese Enterprises Association), Mr Alain Li on behalf of InterCham (President of the French Chamber of Commerce and Industry), consuls-general, distinguished guests from the business community, ladies and gentlemen,

Good afternoon. I'm delighted to be here for this annual gathering – the Joint Business Community Luncheon. My thanks to our local chambers – the Hong Kong General Chamber of Commerce, the Chinese General Chamber of Commerce, the Federation of Hong Kong Industries and the Chinese Manufacturers' Association of Hong Kong – as well as a host of international chambers of commerce, for once again bringing us together.

I understand there are more than 300 of you in attendance today, with another 300 or more tuning in online. I know that each and every one of you – business, government and institutional leaders, investors and innovators, educators, researchers and more – are believers. Believers in Hong Kong. In what we have, over the years, accomplished. In what we can surely accomplish in the years to come.

The annual Policy Address, of course, is the Government's blueprint for the flourishing future we want for Hong Kong. And I'm happy to tell you today more about the policies, programmes and plans we're working on to help us achieve a brighter tomorrow for all.

I'm also here to tell you that the Government cannot do it alone. No matter how determined, goal driven or innovative we are.

It's why I emphasised the need for "reform" in the Policy Address. The Hong Kong Special Administrative Region (HKSAR) Government is committed to reform, to change, and to society-wide transformation. But it cannot be realised in isolation. It is a collective responsibility.

Yes, to succeed, every bureau, department and individual in the Government, every sector, industry and business in our economy, and every civic institution, district and citizen in our community, must be united. We must seize opportunities together. Pursue development together. Build our

economy together.

When we understand that we all have a stake in Hong Kong – when 7.5 million people come together as one, work together, dream together – we can make wonderful things happen for our businesses and our families, for Hong Kong and our country.

Results-oriented economic growth is at the heart of the HKSAR Government's policy direction. It's through economic growth, inspired by innovative development and a systemic mindset, that the livelihood of the people of Hong Kong will improve.

Under the unique "one country, two systems" principle, Hong Kong thrives as a city that converges both the China advantage and the global advantage. Hong Kong is an international financial, shipping and trade centre. As I outlined in my Policy Address, we see far-reaching opportunity in integrating the three pillars of our economy: finance, trade and shipping, unifying their strengths to create an international commodity trading system. It will incorporate commodity trading, storage and delivery, logistics, risk management and more. We see it spanning gold, non-ferrous metals and green transportation prospects.

Hong Kong has clear advantages as a gold trading and storage centre. To start with, our security and stability is a precious commodity today. So, too, is our status as a financial hub for Mainland enterprises. And we have long been a major import and export market for gold by volume. Our Chinese Gold and Silver Exchange was founded in 1910.

The Airport Authority plans to expand its gold vault capacity from 150 tonnes to 1 000 tonnes, with space for further development. And we will boost commodity warehouse storage and trade volume in general.

There is much more to be done, of course, but I believe Hong Kong has what it takes to become an international gold trading centre offering everything from storage and trading, to logistics and insurance, along with a wide range of investment services.

Our maritime industry, which boasts one of the world's busiest and most efficient ports, fits seamlessly with our commodity trading plans. After all, commodities account for more than half the trade volume of global shipping.

We will develop green fuel-bunkering facilities, publishing an action plan on this before year's end. It's part of our drive to build a green maritime industry. And we are considering tax concessions and related measures to attract Mainland and overseas businesses to Hong Kong, to help us fast-track the development of commodity trading.

I'm pleased to note that an international commodity exchange has expressed its intention to set up accredited warehouses, in Hong Kong for a range of commodities, including non-ferrous metals.

Innovation and technology (I&T), and the high-quality economic development it promises, will drive our future success as an economy and a community, as my Policy Address initiatives make very clear.

We are establishing a \$10 billion Innovation and Technology Industry-Oriented Fund to invest in such strategic areas as artificial intelligence and robotics, life and health technology, advanced materials and new energy. We will also redeploy \$1.5 billion from our Innovation and Technology Venture Fund. The money will be invested, on a matching basis, in start-ups of strategic industries. In addition, the Government will initiate a new round of the Research Matching Grant Scheme, worth \$1.5 billion. The funds will be used to attract organisations to support institutional research projects.

We will also launch a \$180 million I&T Accelerator Pilot Scheme, attracting established start-up service providers to set up accelerator bases, stimulating the growth of start-ups in Hong Kong. Funding will be allocated at a one-to-two matching ratio between government and the service providers.

We see rising promise, too, in the low-altitude economy. My Policy Address announced the establishment of the Working Group on Developing Low-altitude Economy. Pilot projects will explore drone applications for surveys, aerial photography, performances, search and rescue, delivery and other possibilities. We will also put in place a regulatory framework for drones.

Our innovation mindset extends to health and medicine. My Policy Address outlined plans to develop Hong Kong into an international health and medical innovation hub. Priorities include reforming the approved mechanism for drugs and medical devices, extending the "1+" mechanism to all new drugs, including vaccines, as well as speeding up drug registration.

And we will set up a Guangdong-Hong Kong-Macao Greater Bay Area Clinical Trial Collaboration Platform in concert with Shenzhen. It will expedite clinical trials and expand our R&D (research and development) network. We are determined to accelerate innovative biomedical research results into clinical applications, bringing in innovative companies and research organisations to help us do so.

The Policy Address announced plans for a third medical school, together with an integrated teaching and research hospital, as well. A new task group will invite interested universities to submit proposals. The new medical school will bring in more doctors and medical specialists, and support our plans to rise as an international health and medical-innovation hub.

We are also building a third InnoHK research cluster. The first two are home to some 2 500 R&D specialists from Hong Kong and around the world. They focus on two broad areas: healthcare and related technology, and AI (artificial intelligence) and robotics. The third InnoHK research cluster will target advanced manufacturing, materials, energy and sustainable development. Top research institutes and universities will be invited to take part, with at least 50 research projects available in the research cluster's

first phase.

To realise these, and so many other policies and plans, Hong Kong needs a steady flow of high-quality, strategic talent. The good news is that, thanks to our various talent admission schemes, some 160 000 professionals have already settled in Hong Kong with their families over the past two years.

While that is encouraging, it is not sufficient to do all that we are determined to do. All that we are determined to accomplish.

In the Policy Address, I announced several measures to boost talent admission. We will expand the list of universities under the Top Talent Pass Scheme to 198, adding 13 Mainland and overseas universities.

We will also extend the validity period of high-income talent under the scheme from two to three years – for their first visa.

We are updating our Talent List as well. It will add the range of professionals needed for the "eight centres" our country supports us in developing regional and international expertise in, under the National 14th Five-Year Plan.

We want to make it as easy as possible for incoming talent to thrive in Hong Kong. It's why we established Hong Kong Talent Engage, which ensures that they get the one-stop, comprehensive support services they need to make Hong Kong their home.

We also want to make it easy for them to visit the Mainland, whether for business or for pleasure. The multiple-entry visas to the Mainland for the foreign staff of Hong Kong-registered companies have been extended to five years. Their applications, let me add, will receive priority processing.

The new visa follows the introduction, in July, of Mainland travel permits for Hong Kong's non-Chinese permanent residents. The new permit enables fast, and efficient, transit for non-Chinese citizens visiting the Mainland for business and pleasure, whatever their nationality, resident status or occupation.

If we want Hong Kong to rise as an international hub for talent, we must also boost our home-grown supply of talented professionals.

It's why I announced plans to develop Hong Kong into an international hub for post-secondary education. Measures include encouraging more Hong Kong students to pursue advanced studies. Beginning in the next school year, we will offer scholarships to up to 1 200 local students a year enrolling in designated postgraduate programmes.

We are also creating a global "Study in Hong Kong" campaign to attract overseas students to study in Hong Kong, especially those from Belt and Road and ASEAN (Association of Southeast Asian Nations) countries. Scholarships

and other incentives will be made available. And we will host more international education conferences and exhibitions to promote "Study in Hong Kong".

And let's not forget the Northern Metropolis University Town development. I have set aside more than 80 hectares of land in the Northern Metropolis for the University Town. And we will publish a development framework for it in the first half of 2026.

The Northern Metropolis is an innovative, urban-rural city in the making. The new engine of Hong Kong's economic future, the Northern Metropolis is too big, too far-reaching, for easy summary. But let me touch on a few Policy Address highlights.

San Tin Technopole, at the heart of the Northern Metropolis, counts more than 600 hectares, half of which will be reserved for I&T development. Infrastructure work at the Technopole will get going before year's end, and we expect to deliver some 20 hectares of new I&T sites, in phases, beginning in 2026, for the Hong Kong Science and Technology Parks' development.

Then there's the Shenzhen-Hong Kong Science and Technology Innovation Co-operation Zone, running along both sides of the Shenzhen River, with Shenzhen Park on one side, and Hong Kong Park in the Loop on the other. We will publish the development outline for Hong Kong Park later this year. It will detail policies and plans for wide-ranging co-operation between the two I&T parks. And isn't that what the Greater Bay Area is all about.

Hong Kong Park's first-phase development will offer a gross floor area of 1 million square metres. Construction is underway, and three buildings will be completed, in phases, from the end of this year. Next year, we'll welcome the first tenants – researchers and specialists from life and health technology, data science, AI and other strategic areas.

To fast track development of the Northern Metropolis, we will take a large-scale, land-disposal approach. That entails offering big tracts of commercial-value land for collective development by successful bidders. To date, we have identified three areas as pilot sites, each between 10 and 20 hectares in size.

This year's Policy Address also puts a needed spotlight on improving people's livelihood and building a caring and inclusive society, as well as on initiatives and plans to promote the integrated development of culture, sports and tourism.

For now, I believe it's time to hear from you. Your thoughts, your questions, on the Policy Address. On reform and the future of Hong Kong, as well.

Thank you.

