HONG KONG FILES



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The Chief Executive releases 2018 Policy Address



The Chief Executive, Mrs Carrie Lam, releases "The Chief Executive's 2018 Policy Address" at the Legislative Council on October 10, 2018.

Briefing on Policy Address in Singapore

The Hong Kong Economic and Trade Office (HKETO) in Singapore held a luncheon briefing on Mrs Lam's policy blueprint in Singapore on November 9, 2018.

More than 60 representatives from the Hong Kong Singapore Business Association, Kowloon Club, Hong Kong alumni associations and the local Hong Kong community attended the briefing. The Director of the HKETO in Singapore, Mr Bruno Luk, briefed the guests on the Policy Address highlights. He also updated them on the economic situation of Hong Kong, as well as the opening of the Hong Kong-Zhuhai-Macao Bridge and the Hong Kong Section of Guangzhou-Shenzhen-Hong Kong Express Rail Link.

Participants were excited about the latest developments in Hong Kong and the business opportunities posed to them in the Policy Address.

The Chief Executive, Mrs Carrie Lam, presented the second Policy Address in her term of office to the Legislative Council on October 10, 2018. The Policy Address comprehensively covered areas such as good governance, housing and land, diversified economy, nurturing talent, improving people's livelihood, liveable city and connecting with young people. A total of more than 240 new initiatives have been drawn up in the Policy Agenda.





POLICY ADDRESS

Major Budget Initiatives (* All currency quoted in Hong Kong dollar)

Diversified Economy

- Enhance the status of Hong Kong as an international commerce and trading centre by signing more bilateral and multilateral agreements
- Fully participate in and contribute to the Belt and Road Initiative to generate new impetus for economic development
- Establish a Steering Committee for the Development of the Guangdong-Hong Kong-Macao Greater Bay Area for the overall co-ordination of participation in the development of the Greater Bay Area and identify opportunities for Hong Kong
- Closely monitor the impacts of the trade friction between China and the United States on Hong Kong and introduce supportive initiatives for various sectors in a timely manner

Innovation and Technology

- Inject \$20 billion into the Research Endowment Fund of the Research Grants Council; launch a \$3 billion Research Matching Grant Scheme; and introduce fellowship schemes for outstanding academics to strengthen the pool of talent in research and innovation and technology in Hong Kong
- Expedite re-industrialisation by establishing a \$2 billion re-industrialisation funding scheme to subsidise manufacturers to set up smart production lines in Hong Kong and allocating \$2 billion for building manufacturing facilities required by the advanced manufacturing sector in industrial estates

- Promote technology transfer by increasing the funding support to the Technology Transfer Offices of universities, the Technology Start-up Support Scheme for Universities, as well as the State Key Laboratories and Hong Kong branches of the Chinese National Engineering Research Centre
- Announce annual plans to open up data by government departments
- Launch pro-innovation government procurement policies

Transportation Services and Logistics

 Formulate tax measures to foster ship leasing business; provide tax concessions for the marine insurance sector; support Hong Kong to provide dispute resolution services to the global maritime industry; and inject \$200 million into the Maritime and Aviation Training Fund

Financial Services

 Issue the first batch of virtual banking licences by the end of 2018 or early 2019

Telecommunications

 Proactively open up appropriate government premises for the installation of 5G base stations by mobile service operators

Creative Industry

 Inject \$1 billion into the Film Development Fund to nurture talent, enhance local film production, expand markets and build up audiences



Land And Housing

Housing

- Continue to implement the new initiatives in housing policy, including delinking the selling prices of subsidised sale flats from the market prices
- Increase the public-private housing ratio and allocate more land for public housing development
- Review the public-private housing ratio under the Long Term Housing Strategy
- The Hong Kong Housing Authority will consider allowing owners of its subsidised sale flats with premium unpaid to sublet their flats to families in need; introduce an initiative whereby under-occupied public rental housing households may enjoy rent exemption upon transfer
- Accept the recommendation of the Hong Kong Housing Society (HKHS) to introduce the "Flat for Flat Pilot Scheme for Elderly Owners"
- Allocate land to support the HKHS in redeveloping its aged housing estates with a view to increasing the supply of housing units
- Invite the Urban Renewal Authority to explore redevelopment of the sites under the Civil Servants' Co-operative Building Society Scheme

Land Supply

- Develop land resources in a persistent manner and allocate 70% of housing units on newly developed land to public housing development
- Launch the "Lantau Tomorrow Vision", commence a study on the reclamation for artificial islands to increase land supply in Hong Kong, drive economic development and improve people's living quality
- Complete two studies on brownfield operations within this year with a view to formulating policy and implementation measures
- Introduce the "Land Sharing Pilot Scheme" for meeting the short to medium-term housing demand
- Reactivate the revitalisation scheme for industrial buildings to provide incentives to owners to convert old industrial buildings, and allow the provision of transitional housing within revitalised industrial buildings





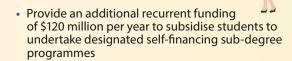


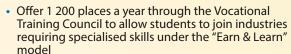
POLICY ADDRESS

Nurturing Talent

- Implement the all-graduate teaching force policy in public sector primary and secondary schools, involving an additional recurrent funding of about \$1.5 billion per year
- Provide a Life-wide Learning Grant for public sector schools and schools under the Direct Subsidy Scheme through an annual provision of \$900 million
- Provide public sector schools and schools under the Direct Subsidy Scheme with additional recurrent resources of \$570 million to strengthen the administrative support for schools and their management committees
 - Provide an additional provision of \$800 million per year to strengthen support for students with special educational needs on various fronts, including enhancing the educational psychologist to school ratio and creating school-based speech therapist posts in public sector ordinary schools









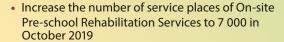
Labour & Welfare

- Secure the passage of the enabling legislation to abolish the "offsetting" arrangement under the Mandatory Provident Fund Scheme within the current term of the Government, and implement the abolition two years after the legislative amendments. The Government will enhance the support for employers and assist the micro, small and medium-sized enterprises in making preparation for the change
- Extend the statutory maternity leave to 14 weeks, where
 the employers can apply for reimbursement of the
 additional expenditure on four weeks' statutory
 maternity leave from the Government; and extend the
 maternity leave for all female employees of the
 Government to 14 weeks with immediate effect
- Increase the statutory paternity leave from three days to five days as early as possible
- Study new measures for protecting employees injured at work and occupational disease sufferers, including enhanced treatment and rehabilitation services, speeding up processing of work injury cases and stepping up investigation and prosecution efforts against non-compliance
- Strengthen the protection of the employment terms and conditions as well as the labour rights of non-skilled workers employed by government service contractors
- Allocate additional resources for the Commission on Children for implementing measures in safeguarding the interests and well-being of children, including enhancing child care services, early identification of and provision of assistance to pre-school children and their families with welfare needs and strengthening support for divorced or separated families









- Formulate a new Hong Kong Rehabilitation
 Programme Plan and strengthen community
 support services for families of persons with
 disabilities, including setting up District Support
 Centres and enhancing home-based care services
- Provide 2 000 additional places under the Enhanced Home and Community Care Services and 1 000 additional vouchers under the Second Phase of the Pilot Scheme on Community Care Service Voucher for the Elderly
- Extend the Old Age Living Allowance to Guangdong and Fujian Provinces so as to further facilitate Hong Kong elderly persons who choose to reside in these two provinces
- Allocate more than \$500 million to strengthen support for ethnic minorities and promote inclusiveness





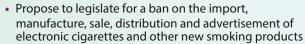




POLICY ADDRESS

Healthcare

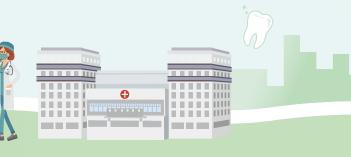
- Strengthen primary healthcare services by setting up the first District Health Centre in Kwai Tsing, and extending this model to other districts
- Recognise the positioning of Chinese medicine services in the healthcare system in Hong Kong; provide subsidised in-patient and out-patient services through the Chinese medicine hospital under planning and the 18 Chinese Medicine Centres for Training and Research; and set up a \$500 million dedicated fund to promote applied research and specialisation of Chinese medicine
- Continue to implement the first 10-year Hospital Development Plan and prepare for the second 10-year Hospital Development Plan with a view to providing more than 9 000 hospital beds in the future







- Introduce free cervical cancer vaccination for school girls of specific age group
- Launch a pilot scheme to provide free outreach seasonal influenza vaccination services for primary students at schools; increase the subsidy under the Vaccination Subsidy Scheme and expand its eligible groups to cover people aged between 50 and 64
- Expand the target beneficiaries of the Community Care Fund Elderly Dental Assistance Programme to cover elderly persons receiving Old Age Living Allowance aged 65 or above



Liveable City

Transport

- Waive or pay for the tolls charged on franchised buses for using government or franchised tunnels/roads to ease fare increase pressure
- Rationalise the tolls payable by private cars, taxis and motorcycles for using the three harbour crossings/tunnels to re-distribute cross-harbour traffic
- Launch a consultation next year on specific proposals for the Electronic Road Pricing Pilot Scheme in Central and its adjacent areas
- Provide at least 1 500 public car parking spaces in government facilities and public open space projects over the next five years
- Revive the "Central-Hung Hom" ferry route; launch a pilot "water taxi" service plying between Kai Tak, Hung Hom, Tsim Sha Tsui East, West Kowloon and Central

Environmental Protection

 Tighten the emission standards for newly registered motorcycles in 2020, phase out Euro IV diesel commercial vehicles by the end of 2023, conduct consultation on ceasing the first registration of diesel private cars

- Legislate for the implementation of municipal solid waste charging and provide additional resources for the implementation of waste reduction and recycling; take the lead to avoid using disposable plastic tableware and study the feasibility of regulatory control on the use of such tableware
- Develop renewable energy with the Government taking the lead and provide support to individuals and non-governmental organisations to install renewable energy installations

Building Safety

 Launch a \$2.5 billion Lift Modernisation Subsidy Scheme to subsidise the needy owners in modernising aged lifts

Animal Welfare

- Amend the relevant legislation to protect animal welfare
- Implement the Animal Watchers Scheme by the Police



Financial Secretary visits Vietnam

The Financial Secretary (FS), Mr Paul Chan, visited Ho Chi Minh City, Vietnam on September 20 and 21, 2018. He officiated and spoke at the opening session of the Symposium and the Gala Dinner of the "In Style • Hong Kong" organised by the Hong Kong Trade Development Council (HKTDC). Mr Chan promoted the strengths of Hong Kong, including its excellent business environment and renowned professional services from financial services and cross-border logistics to creative design. He also highlighted that Hong Kong was well positioned to help Vietnamese enterprises expand their businesses in the markets of the Mainland and the Asian region.

Mr Chan called on Mr Lê Hoài Trung, Deputy Minister of Foreign Affairs of Vietnam, and Mr Nguyen Thanh Phong, Chairman of the Ho Chi Minh City People's Committee to renew bilateral ties. He expressed the wish to strengthen cooperation with Vietnam on all fronts to seize the opportunities brought about by the Guangdong-Hong Kong-Macao Greater Bay Area's development. The FS also updated them on the latest development of innovation and technology as well as financial services in Hong Kong.

Mr Chan called on the Chinese Consul-General in Ho Chi Minh City, Mr Wu Jun, to thank him for supporting the Hong Kong Special Administrative Region Government in forging co-operation with ASEAN. The FS also met with representatives of Vietnamese business sector during his visit.



The Financial Secretary, Mr Paul Chan (fourth left), is pictured with the Deputy Minister of Foreign Affairs of Vietnam, Mr Lê Hoài Trung (third left); the Consul-General of the People's Republic of China in Ho Chi Minh City, Mr Wu Jun (second left); the Chairman of the HKTDC, Mr Vincent Lo (fourth right); and other guests at HKTDC's "In Style · Hong Kong" Symposium in Ho Chi Minh City, Vietnam



Mr Chan speaks at the HKTDC's "In Style-Hong Kong" Symposium in Ho Chi Minh City, Vietnam.



Mr Chan (first right) visits one of the booths in the trade exhibition of HKTDC's "In Style · Hong Kong" promotional event.



Mr Chan (left) meets with the Chairman of the Ho Chi Minh City People's Committee, Mr Nguyen Thanh Phong (right).



Mr Chan (left) meets with the Consul-General of the People's Republic of China in Ho Chi Minh City, Mr Wu Jun (right), in Vietnam.



Mr Chan (centre) meets with the Deputy Minister of Foreign Affairs of Vietnam, Mr Lê Hoài Trung (right), in Ho Chi Minh City, Vietnam. Also present is the Director of the HKETO in Singapore, Mr Bruno Luk (left).

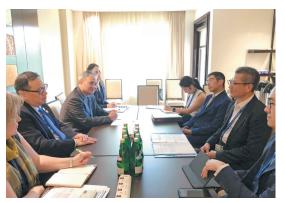
Financial Secretary visits Indonesia

The Financial Secretary, Mr Paul Chan, visited Bali, Indonesia from October 10 to 13, 2018. Mr Chan attended the Caixin Roundtable meeting themed "Financial Opening-up: The Engine of New Reformation", and elaborated on how Hong Kong could contribute to the opening up of the Mainland's financial market and assist enterprises to grasp the development opportunities in the Mainland. He attended the Annual Meetings of the International Monetary Fund (IMF) and the World Bank Group as a member of the Chinese delegation. During his visit, Mr Chan also met with other economic leaders in the world to exchange views on matters of mutual interest.





Left photo shows Mr Chan meeting with the Chairman of the Board of Governors of the US Federal Reserve System, Mr Jerome Powell (right), before the Caixin Roundtable meeting.





Mr Chan has separate meetings with the Managing Director and Chief Administrative Officer of the World Bank Group, Mr Yang Shaolin (second left in left photo), and the Deputy Managing Director of the IMF, Mr Zhang Tao (left in right photo). Topics such as infrastructure financing and the global economic outlook were discussed.



Mr Chan (second right) calls on the Director of the Asia and Pacific Department of the IMF, Mr Changyong Rhee (second left), to update him on the latest economic situation in Hong Kong.



The Financial Secretary, Mr Paul Chan (left), and the Governor of the People's Bank of China, Mr Yi Gang (right), exchanges views on a wide range of issues, including the latest developments of Hong Kong's financial and property markets, and support measures for enterprises.



Mr Chan (left) calls on the Chief Executive of the self-regulatory International Capital Market Association, Mr Martin Scheck (first right), to exchange views on the development of green investment and green finance in Hong Kong.

At the margins of the conference, Professor Chan (left) meets with the Minister for Health of Singapore, Mr Gan Kim Yong (right), to share with him the latest developments in Hong Kong's healthcare policies.



Professor Chan (right) also meets with the Assistant Director-General for Non-communicable Diseases and Mental Health at the World Health Organization, Dr Svetlane Akselrod (left), at the conference.



Professor Chan (left) visits the SingHealth Polyclinics - Outram in Singapore to understand primary healthcare services provided in the country.

Secretary for Food and Health visits Singapore

The Secretary for Food and Health (SFH), Professor Sophia Chan, at the invitation of the Minister for Health of Singapore, led a delegation to Singapore to attend the Ministerial Conference on Diabetes on November 26 and 27, 2018, and to exchange views with other health officials regarding effective ways to combat diabetes.



The Secretary for Food and Health, Professor Sophia Chan (centre), addresses a panel session at the Ministerial Conference on Diabetes in Singapore.



Professor Chan (first right) delivers a speech at the Ministerial Roundtable meeting of the Ministerial Conference on Diabetes.





Director-General of Investment Promotion visits Indonesia

The Director-General of Investment Promotion, Mr Stephen Phillips, visited Jakarta, Indonesia from December 4 to 7, 2018. Mr Phillips, joined by the Director-General of the HKETO in Jakarta, Mr Kin-wai Law, met with the local business communities to promote the opportunities under the Guangdong-Hong Kong-Macao Greater Bay Area development and the Belt and Road Initiative. Roundtable discussions with Indonesian Employer's Association, Indonesian Chamber of Commerce and Industry, and Indonesia Chinese Entrepreneur Association were conducted. Mr Philips also introduced to various Indonesian companies about raising fund through the capital market in Hong Kong and making use of Hong Kong to expand their businesses in the East Asian region.











The Director-General of Investment Promotion, Mr Stephen Phillips (third right in left photo above), and the Director-General of the HKETO in Jakarta, Mr Kin-wai Law (right photo above), promote closer economic and trade relations between Hong Kong and Indonesia.

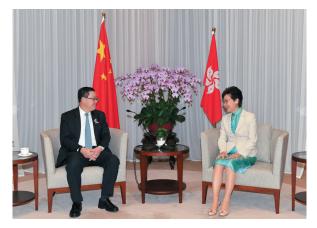
Finance Minister of Malaysia in Hong Kong

On September 13, 2018, the Chief Executive of the Hong Kong Special Administrative Region (HKSAR), Mrs Carrie Lam, met with the Finance Minister of Malaysia, Mr Lim Guan Eng, at the Chief Executive's Office in Hong Kong. Mrs Lam noted that Malaysia is an important member of the Association of Southeast Asian Nations (ASEAN), which is Hong

Kong's second largest trading partner. With the ASEAN - Hong Kong Free Trade Agreement and the related Investment Agreement, cooperation between the two sides will be further enhanced.

Mrs Lam said Hong Kong and Malaysia can explore more collaboration and exchanges in various areas, including education and finance. The Hong Kong Scholarship for "Belt and Road" Students (Malaysia) launched by the HKSAR Government has attracted 20 outstanding Malaysian students at the end of 2016 to pursue undergraduate studies in the city. Mrs Lam also welcomed enterprises from different countries or regions, including Malaysia, to list in Hong Kong so as to leverage on Hong Kong's position as an international financial centre to develop their businesses.

Mrs Lam invited Mr Lim to participate in large-scale international conferences held in Hong Kong including the Asian Financial Forum and the Belt and Road Summit.



The Chief Executive, Mrs Carrie Lam (right), meets with the Finance Minister of Malaysia, Mr Lim Guan Eng (left), at the Chief Executive's Office.

Deputy Foreign Minister of Indonesia in Hong Kong



Secretary for Labour and Welfare, Dr Law Chi-kwong, met with Deputy Foreign Minister of Indonesia, Mr AM Fachir, in Hong Kong on September 3, 2018. They discussed various matters related to the Indonesian migrant workers in Hong Kong, including wage, training as caregivers for the elderly and settlement of debts incurred by the workers.

Mr AM Fachir (right) meets with Dr Law Chi-Kwong (left) in Hong Kong, to follow up on the results of the meeting between the Indonesian President, Mr Joko Widodo and the Chief Executive of HKSAR, Mrs Carrie Lam, in April 2018.

Other ASEAN officials' visits to Hong Kong

The National Security Advisor, Union Minister for the Ministry of the office of the Union Government and Chairman of the Myanmar Investment Commission, U Thaung Tun, visited Hong Kong in October 2018. During his visit, he met with the Chief Executive of the HKSAR, Mrs Carrie Lam, to exchange views on issues of mutual interests.

Senior Minister of State for Trade & Industry and Education of Singapore, Mr Chee Hong Tat, visited Hong Kong from December 2 to 5, 2018. Mr Chee met with the Secretary for Commerce and Economic Development, Mr Edward Yau, and the Secretary for Constitutional and Mainland Affairs, Mr Patrick Nip, to discuss the latest developments and opportunities in the region.

Managing Director of the Singapore Economic Development Board, Mr Chng Kai Fong, visited Hong Kong from November 20 to 22, 2018 with a view to gaining a better understanding about the developments in the Guangdong-Hong Kong-Macao Greater Bay Area. He met with the Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism), Miss Eliza Lee Man-ching, to exchange views on issues of mutual concern.

EVENTS GALLERY



Indonesia

World Conference on Creative Economy

From November 6 to 8, 2018, the HKETO in Jakarta participated in the World Conference on Creative Economy, which was organised by the Indonesian Agency for Creative Economy in Bali, Indonesia. An exhibition booth was staged to showcase various sectors of Hong Kong's vibrant creative industries, including advertising, architecture, design, digital entertainment, film production, printing and publishing, as well as television and music. Representatives from the HKETO in Jakarta also briefed audience about the latest development of creative industries in Hong Kong, and encouraged foreign investment and other collaboration on the creative front.









Visitors learn about the vibrant creative industries in Hong Kong and exchange ideas with representatives from the HKETO in Jakarta.



Malaysia

Platinum Business Awards 2018



Representatives from the HKETO in Jakarta visited Kuala Lumpur, Malaysia from November 22 to 24, 2018 to promote closer trade relationship between Hong Kong and Malaysia. They attended the Platinum Business Awards 2018 Gala Dinner and Presentation Ceremony, which was organised by the SME Association of Malaysia and sponsored by the HKETO in Jakarta. The Awards spurred small and medium-sized enterprises to grow on innovation, and recognised participants from ASEAN countries for their outstanding achievements in their respective fields.





Representatives from the HKETO in Jakarta refresh ties with counterparts and attend Platinum Business Awards 2018 Gala Dinner and Presentation Ceremony during their visit to Kuala Lumpur, Malaysia.

EVENTS GALLERY



Malaysia

City Contemporary Dance Company's performance



The HKETO in Jakarta sponsored the performance by Hong Kong's City Contemporary Dance Company (CCDC) at Istana Budaya concert hall in Kuala Lumpur, Malaysia from September 8 to 9, 2018. The programme, Amidst the Wind, was a feast of exhilarating dance excerpts by CCDC and Malaysia's Dua Space Dance Theatre over the past two decades. It showcased a rich and varied dance culture in Hong Kong and Malaysia, and a joint finale "The Comedy of K" by both dance troupes.









The performance featured a total of 11 excerpts, including six from the repertoire of CCDC and another five from the Dua Space Dance Theatre. It brought together 24 dancers from the two dance troupes for a truly international event showcasing world-class artistry and exhilarating physicality.

(Photo credits: Lum Heng and Leong Weng Hong)



Singapore

HKETO Gathering in Singapore

On December 14, 2018, the Hong Kong Economic and Trade Office (HKETO) in Singapore hosted a networking gathering at the historical landmark of the Clifford Pier at the Fullerton Bay Hotel. About 200 guests from the diplomatic, business, academic and cultural circles as well as the local Hong Kong community enjoyed a blissful evening at the reception.

The Director of the HKETO in Singapore, Mr Bruno Luk, in his welcoming remarks reviewed Hong Kong's various economic achievements in 2018 amid an uncertain external environment. He also introduced two major infrastructure projects recently completed which have greatly enhanced the city's physical connectivity, namely the Hong Kong-Zhuhai-Macao Bridge and the Hong Kong section of Guangzhou-Shenzhen-Hong Kong Express Rail Link. They would create further growth opportunities for various industries such as tourism, trade and financial services in the Guangdong-Hong Kong-Macao Greater Bay Area.



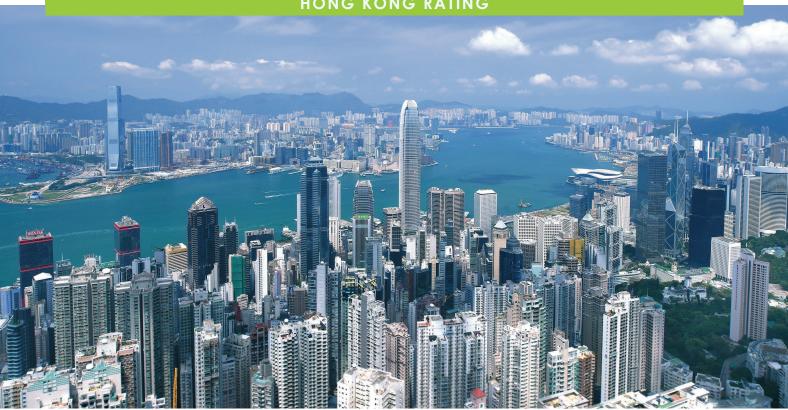
The Director of HKETO, Mr Bruno Luk (centre); the Minister Counsellor of the Embassy of the People's Republic of China in Singapore, Ms Zhong Manying (second right); the Chairman of the Hong Kong Singapore Business Association, Mr Dennis Chiu (first right); the Director of Singapore, Hong Kong Trade Development Council, Ms Vivienne Chee (first left); and the President of the Hong Kong Singapore Business Association, Mr Philip Chan (second left), propose a toast at the reception.







HONG KONG RATING



HK again ranked freest economy in the world

The Fraser Institute once again ranked Hong Kong as the freest economy in the world in the Economic Freedom of the World 2018 Annual Report. Among the five areas of assessment, Hong Kong was ranked top in "Freedom to Trade Internationally" and "Regulation".

In a statement, the Government welcomed the Fraser Institute's recognition and said the hard-earned results vividly reflect Hong Kong's steadfast commitment to building a free economy with a level playing field.

The Government added it will continue to build a robust institutional framework, uphold the fine tradition of rule of law and maintain an efficient government to provide a level playing field and a favourable environment for the economy to thrive. It emphasised that judicial independence is the bedrock of Hong Kong's economic freedoms and is protected by the Basic Law of the HKSAR.



COMMENTS / SUGGESTIONS

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