

## Chief Executive's Annual Policy Address “Treasure Hong Kong: Our Home” (16 October 2019)

The Chief Executive of the Hong Kong Special Administrative Region (Hong Kong SAR), **Mrs Carrie Lam**, released her Policy Address on Wednesday 16 October.

Titled “**Treasure Hong Kong: Our Home**”, the 2019 Policy Address has put forward over 220 new initiatives covering a range of community concerns. The focus on housing and land supply, improvement of people's livelihood and economic development underlines the Hong Kong SAR Government's determination to bring benefits to our economy and people, especially at a time when Hong Kong is facing difficulties of an unprecedented degree.

### Highlights

The highlights below may mean **business opportunities** to European companies specialized in engineering, railroad infrastructure, environmental management solutions and those which would like to locate R&D activities in Hong Kong.

1. The Mass Transit Railway Corporation will **commence detailed planning and design for three railways** - the Tung Chung Line Extension, Tuen Mun South Extension and Northern Link
2. To go ahead with the Lantau Tomorrow Vision project which involves massive scale of **reclamation** in different phases in future
3. To extend the **Cleaner Production Partnership Programme** to March 2025 with extra funding of HK\$300 million (EUR 34.64 million) for factories to reduce pollution
4. More comprehensive support to **technology companies conducting R&D in Hong Kong**

In addition, the Hong Kong SAR Government will continue the **scholarship for elite Hong Kong students to study in renowned universities overseas**. European universities may wish to enhance their visibility to Hong Kong students.

### Details

Referring to the current social unrest, the Chief Executive 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 Yet in just a few months, the areas affected by the social conflict arising from opposition to the non-withdrawn Government's amendment of the Fugitive Offenders Ordinance have become more extensive."

Apart from curbing illegal acts, supporting law enforcement by the Hong Kong Police Force and ensuring that government departments and public organisations will make full effort to reduce the impact on citizens, the Hong Kong SAR Government strives to pursue other courses of action with a view to getting out of this impasse together with the community. More than a month ago, the Chief Executive announced the introduction of four actions, which included launching a diversified dialogue platform with a view to finding a way out for Hong Kong. Later, the Chief Executive will invite community leaders, experts and academics to conduct an in depth and independent examination of the social conflicts in Hong Kong and the deep seated problems that must be addressed.

The Chief Executive set out following 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. 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."

## Housing and Land

In her 2019 Policy Address, the Chief Executive has identified **housing and land supply** as top priorities. The Hong Kong SAR Government is determined to increase the supply of land for housing development in a persistent manner and with a multi-pronged strategy. Key initiatives announced in the 2019 Policy Address include –

- Invite the Hong Kong Housing Authority to explore the feasibility of redeveloping its factory estates for public housing use
- Raise the mortgage cap under the Mortgage Insurance Programme of the HKMC Insurance Limited for first-time home buyers with the value of property eligible for 90% loan-to-value ratio doubled to HK\$8 million (EUR 0.92 million). For 80% loan-to-value ratio the cap on value will be raised from HK\$6 million (EUR 0.69 million) to HK\$10 million (EUR 1.16 million)
- Expedite planning work and invoke the Lands Resumption Ordinance to resume about 400 hectares of private land in the next five years (which is significantly

more than the 20 hectares resumed in the past five years) from the following three types of private land for developing public housing and starters home:

- Privately-owned brownfield sites in the New Territories that may have development potential;
  - private land which has been zoned for high-density housing development in statutory outline zoning plans, but without any development plans yet; and
  - the urban private land located in Chai Kwo Ling Village, Ngau Chi Wan Village and Chuk Yuen United Village
- Announce a proposed framework for the Land Sharing Pilot Scheme with the target of accepting applications in early 2020
  - Establish a platform for professionals and young people to take part in the development of the Kau Yi Chau Artificial Islands under the Lantau Tomorrow Vision, and to explore how to link up the housing development plans on the artificial islands with the housing needs of Hong Kong people
  - Re-plan the coastal development of Tuen Mun West, including exploring the feasibility of developing the coastal areas which also cover the River Trade Terminal into residential areas

## **Diversified Economy**

The Hong Kong SAR Government is determined to boost the development of new and emerging industries in addition to the traditional industries, and considers that both innovation and technology and the creative industries have a competitive edge and much potential. They will not only promote a diversified economy, but also create more quality employment opportunities for our young people. Key initiatives to promote diversified economy include -

### ***Innovation and Technology***

- Extend the coverage of the Technology Talent Admission Scheme to companies outside the Hong Kong Science and Technology Parks Corporation and Cyberport and to cover new technology areas
- Extend the coverage of the Researcher Programme, Postdoctoral Hub and Public Sector Trial Scheme to all technology companies conducting research and development activities
- Inject HK\$500 million (EUR 57.75 million) into the Social Innovation and Entrepreneurship Development Fund to further promote social innovation

### ***Transportation and Logistics***

- Provide tax concession for ship lessors and leasing managers to develop ship leasing business; and plan to introduce tax concessionary measures to

encourage more commercial principals of the maritime industry to establish a presence in Hong Kong

### ***Trade and Investment***

- Inject HK\$1 billion (EUR 0.12 billion) into the Dedicated Fund on Branding, Upgrading and Domestic Sales and significantly increase the funding ceiling per enterprise under its Mainland Programme and Free Trade Agreement Programme to HK\$2 million (EUR 0.23 billion)
- Inject HK\$1 billion (EUR 0.12 billion) into the Export Marketing and Trade and Industrial Organisation Support Fund to double the cumulative funding ceiling for each enterprise under the SME Export Marketing Fund to HK\$800,000 (EUR 92,400)
- Provide a 90% guarantee under the SME Financing Guarantee Scheme for approved loans
- Extend the application period of the special concessionary measures under the SME Financing Guarantee Scheme and the validity period of the three enhancement measures to 30 June 2022
- Introduce a relief measure under the SME Financing Guarantee Scheme and the SME Loan Guarantee Scheme where enterprises may apply for principal moratorium of up to 6 months, during which only interest repayments have to be made

### **Liveable City**

Although small and densely-populated, Hong Kong has developed into a liveable city with our continuous effort in improving public transport services and facilities. To create a liveable city, the Hong Kong SAR Government will also strive to develop a convenient transport network, a sustainable environment, a heritage with historical significance, as well as quality cultural, arts, recreational and sports activities and good social order, so that people will be keen to stay in Hong Kong and make it their home. Key initiatives announced in the 2019 Policy Address include –

### ***Transport***

- Commence detailed planning and design for the Tung Chung Line Extension, Tuen Mun South Extension and Northern Link in order to commence construction early
- Subsidise 14 outlying island ferry routes to reduce the pressure on fare increase; and provide subsidy to replace the fleets of 11 ferry routes and introduce greener vessels
- Increase the subsidy rate under the Public Transport Fare Subsidy Scheme from one-fourth to one-third of the monthly public transport expenses in excess of

HK\$400 (EUR 46) , and raise the subsidy cap from HK\$300 (EUR 35) to HK\$400 (EUR 46) per month

- Upon commissioning of the Tuen Mun-Chek Lap Kok Link Subsea Tunnel and the Tseung Kwan O–Lam Tin Tunnel, waive the tolls of Lantau Link, Tseung Kwan O Tunnel and the two new tunnels

### ***Environment and Nature Conservation***

- Prepare for a HK\$2 billion (EUR 0.23 billion) pilot subsidy scheme to promote installation of electric vehicle charging-enabling infrastructure in car parks of existing private residential buildings
- Extend the Cleaner Production Partnership Programme to March 2025 with funding of HK\$300 million (EUR 34.64 million) to encourage factories to improve regional environmental quality

### ***City Management***

- Inject an additional HK\$3 billion (EUR 0.35 billion) into “Operation Building Bright 2.0” to assist more needy owners in inspecting and repairing their buildings
- Inject an additional HK\$2 billion (EUR 0.23 billion) to enhance the existing Building Maintenance Grant Scheme for Elderly Owners, including extending the scheme to cover needy non-elderly owner-occupiers, raising the subsidy ceiling and relaxing the asset limit
- Inject an additional HK\$2 billion (EUR 0.23 billion) into the Lift Modernisation Subsidy Scheme to expand the coverage to 8 000 lifts
- Inject an additional HK\$3.5 billion (EUR 0.40 billion) into the Fire Safety Improvement Works Subsidy Scheme to subsidise more owners of old composite buildings to undertake fire safety enhancement measures

### ***Nurturing Talent***

The Hong Kong SAR Government is committed to nurture talent as talent is the most important element in Hong Kong’s continued development, and education is the key to nurturing talent. Among others, the Hong Kong Scholarship for Excellence Scheme provides support up to 100 outstanding students per cohort to study at world renowned universities outside Hong Kong with scholarship of up to HK\$300,000 (EUR 34,700) per year. To strengthen education collaboration with Belt and Road countries, Belt and Road Scholarships have been offered to students coming from designated counties along the Belt and Road regions. The 2019 Policy Address has announced additional initiatives to nurture talent, which include -

- Provide fellowships/scholarships for local students admitted to designated taught postgraduate programmes that meet Hong Kong’s development needs

- Introduce an Enhancement and Start-up Grant Scheme for Self-financing Post-secondary Education to support self-financing institutions in offering designated sub-degree or undergraduate programmes that meet market needs
- Enhance the support for students with autism spectrum disorders by assisting public sector ordinary primary and secondary schools to deploy a 3-tier intervention model in phases, which is expected to benefit about 10 000 students

### **Improving People's Livelihood**

Care for children, family support, patient care, poverty alleviation and elderly care are essential for building a compassionate and inclusive society. The Chief Executive has also announced in the 2019 Policy Address that to enable more effective and efficient use of public resources, she has advocated cross-sector and cross-profession collaboration as well as public-private partnership, adhering to the principles of pro-child, pro-family, pro-work, respecting the choices of beneficiaries and embracing public health.

In sum, the Chief Executive expressed confidence that Hong Kong would overcome its current social and economic challenges. She believes that 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.

#### **Policy Address website**

<https://www.policyaddress.gov.hk/2019/eng/supplement.html>