



**The Canadian  
Chamber of Commerce  
in Hong Kong**

9<sup>th</sup> September 2022

The Honourable John LEE Ka-chiu, GBM, SBS, PDSM, PMSM  
Chief Executive, Hong Kong Special Administrative Region  
Policy Address Team  
26/F, West Wing, Central Government Offices  
2 Tim Mei Avenue, Tamar  
Hong Kong

Email: [policyaddress@cso.gov.hk](mailto:policyaddress@cso.gov.hk)  
Faxline: 2537 9083

Dear Chief Executive,

The Canadian Chamber of Commerce in Hong Kong (the “Chamber”) is pleased to share our views and recommendations in response to the 2022 Policy Address Public Consultation. Canada is a part of the deep and broad fabric of Hong Kong, which makes the views from our members very relevant and important to the city. There are 300,000 Canadians in Hong Kong and many Hong Kong citizens who are studying, living or working in Canada and maintain close ties to Hong Kong. The recommendations below reflect the collective viewpoints of the Chamber constituents, representing 2,200+ members and are derived from the work of our nine committees. Our Chamber community includes large and medium sized enterprises across all industries. We represent Canadian alumni associations, international schools, leading Canadian banks, insurance companies, pension funds and more.

Reconnecting with the world by opening international travels is a top priority in the short-term for Hong Kong. We welcome and support the Government’s recent measures to ease quarantine rules for inbound travellers. With the global bankers’ summit and Rugby Sevens in November being a great opportunity for Hong Kong to showcase its hub status to the world, we strongly encourage the Government to consider lifting inbound quarantine restrictions between now and November. Emerging from restrictive and costly anti-epidemic measures towards reopening to the world is critical not only for reinstating Hong Kong’s competitiveness as an international business hub, but also in demonstrating to mainland China and the region a viable path for coming out of the pandemic with controlled risks. We strongly encourage the Government to provide a timeline as to when all travel restrictions will end.

This year, our recommendations are grouped under the following headings:

1. Restoring Hong Kong’s Economy and Brand
2. A Coordinated and Orderly Pathway to Decarbonization
3. Helping Entrepreneurs and Small Businesses Succeed and Sustain
4. Advancing Gender Equality and Diversity in the Workplace
5. Embracing Technology and Innovation as Hong Kong’s New Growth Frontier
6. Accelerating Hong Kong’s development of a Digital Economy



7. Establish a Northern Metropolis Channel for Potential Investors and Interest Parties

Hong Kong has weathered unprecedented challenges over the past few years, which have resulted in loss of talent and business. The Chamber firmly believes that Hong Kong is endowed with many opportunities and these opportunities should be best leveraged through effective and inclusive policy measures, clear and consistent communication, and continuous engagement between the Government and the business community.

We thank you for taking our recommendations into consideration and welcome the opportunity to further engage with you and your Administration. When appropriate, we would encourage you to call an International Business Committee (IBC) meeting with us and the other chambers at your earliest convenience.

Best Regards,

Amélie Dionne-Charest  
Chair  
The Canadian Chamber of Commerce in Hong Kong

Encl.

Cc: Mr Paul CHAN, GBM, GBS, MH, JP, Financial Secretary  
Mr TSE Chin-wan, BBS, JP, Secretary for Environment and Ecology  
Mr Algernon YAU, JP, Secretary for Commerce and Economic Development  
Ms Bernadette LINN, JP, Secretary for Development  
Professor SUN Dong, JP, Secretary for Innovation, Technology and Industry



## **1. Restoring Hong Kong's Economy and Brand**

Over the past two years, Hong Kong has weathered the COVID-19 pandemic. In 2021, Hong Kong was a beacon of stability where people could live normally without the serious fear of infection. This is an achievement of the hard work of frontline staff at hospitals and policies aimed at preventing community spread.

Despite the success in maintaining low COVID numbers prior to the fifth wave, a series of government policies has severely damaged the image of Hong Kong. Hong Kong has been a great place to do business due to its ease of travel and convenience. However as a result of COVID travel restrictions, this advantage has no longer exists and in fact has become a disadvantage benefitting other regional financial centres. Across most of the world, travel restrictions have been lifted and tourism is recovering. This contrast negatively affects Hong Kong's overall attractiveness. Indeed, the restrictions have triggered significant exits by Hong Kong residents over the last two years, thereby putting a strain on businesses looking to attract and retain qualified staff and management to the city. The latest relaxation of quarantine requirements with the '3+4' policy is an encouraging step forward and more policies of this nature would be highly welcomed.

At 95% vaccination rate and with the less fatal omicron strain, Hong Kong should make the transition now to integrate with the rest of the world. Without this policy change, Hong Kong will risk diminishing prominence as a financial centre. Increasingly, firms are moving resources outside Hong Kong, and regional headquarters are no longer required in Hong Kong. These changes may be irreversible.

We strongly encourage the Government to provide a timeline as to when all travel restrictions will end, in a manner similar to much as the rest of the world. Hong Kong is a great city and excellent place to do business. The longer these restrictions stay in place, the more difficult it will be to assist in rebuilding its reputation as a great place to live and work.

### *Re-launch Campaign to Promote Hong Kong*

As we transition to post-COVID environment, the Government should also consider re-launching the "Think Asia, Think Hong Kong" campaign or launching a new campaign with a new vision and slogan to highlight Hong Kong's pivotal role in connecting Asia's expanding markets to the rest of the world.

The Chamber and its members have had the pleasure of working with various departments and agencies of the Government in the past, including HKTDC, InvestHK and the Hong Kong Stock Exchange, in promoting Hong Kong as the premier business hub in Asia. We see the value of having a genuine and proactive engagement strategy with the international business community from the Government. For example, refreshing the InvestHK booklet of "Success Stories from Canada" and making roadshow presentations to the business community in Canada are excellent ways to reintroduce the potential that Hong Kong has to offer.



## **2. A Coordinated and Orderly Pathway to Decarbonization**

Hong Kong's status as a world-class business centre is underpinned by its ability to develop sustainably and enhance the general welfare of its population. Hong Kong's Carbon Neutrality 2050 ambition has provided impetus and clarity for businesses and the community to work together towards this goal. However, this undertaking is both ambitious and challenging as we have approximately 30 years to achieve carbon neutrality. The complexity, coordination, commitment and resources required cannot be underestimated.

If Hong Kong is to achieve an orderly and impactful transition to net zero by 2050, the business community needs strong policy coordination and clarity in several areas:

### *Electricity Generation*

Electricity generation accounts for two-thirds<sup>1</sup> of our carbon emissions and only a transition towards low and zero carbon energy can allow us to envisage Hong Kong achieving its net-zero target. A decarbonized energy supply system entails fundamental changes in the way that energy is produced, transported and consumed.

Hong Kong is progressively phasing out coal-fired generation and moving towards greater use of natural gas, nuclear and renewable energy in its electricity fuel mix. However, Hong Kong's dense urban environment, scarce land and limited local renewable energy resources require that we keep our options open to collaborate with other regions including the Greater Bay Area (GBA) for the sourcing of low- and zero-carbon energy. Just as importantly, Hong Kong's decarbonization options for its energy future should also prioritize maintaining its enviable record in the power utility sector on service reliability and affordability.

### *Energy Efficiency*

Since buildings account for most of the electricity and gas use in Hong Kong, we should direct our efforts to both existing and new buildings by addressing both their operational energy efficiency during their useful lifetime as well as the embodied carbon in the choice of building materials and in the construction process. In addition, we should explore smarter application of innovation and technology for monitoring and analyzing the energy performance of buildings, given the data-driven nature of pinpointing energy efficiency opportunities.

### *Transport*

While decarbonization of the electricity generation sector will directly see benefits in the buildings since they account for 90%<sup>1</sup> of all electricity consumed in Hong Kong, we can further leverage decarbonization to other sectors such as transport, logistics and other end uses of fuel to amplify the benefits and to accelerate progress towards decarbonization on a cross-sector basis.

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<sup>1</sup> Chapter 4, [Decarbonization Strategies, Targets, Actions](#). Hong Kong Climate Action Plan 2050.



Road transport accounts for 18%<sup>1</sup> of our city's carbon emissions with the vehicle growth rate being higher than the population growth rate in the city.

The Chamber has previously submitted its views and support for various road transport related initiatives such as: the Pilot Scheme Electronic Road Pricing Pilot Scheme, the facilitation of our city's transition to electric vehicles, the ex-gratia Payment Scheme for Phasing Out Euro IV Diesel Commercial Vehicles and the Review of the Pilot Green Transport Fund (now renamed to New Energy Transport Fund). We fully endorse the vision outlined in the Roadmap for the Popularization of Electric Vehicles as well as recent policy support to encourage and subsidize the installation of electric vehicle charging infrastructure in residential carparks.

One of the biggest challenges for deploying electric vehicle charging infrastructure for commercial and public use is the lack of suitable space. Further coordination between government departments to identify and plan for an integrated/holistic approach to charging infrastructure for buses, mini-vans, light goods vehicles and taxis would accelerate this transition to low carbon transport.

#### *Air Quality*

We are encouraged by the updated Clean Air Plan for Hong Kong 2035, which we believe will further improve local air quality. We think it would also be important for the Government to prioritize marine and roadside NOx emissions. Policy direction to encourage marine vessels to switch to cleaner fuels while at berth in Hong Kong and an incentive scheme to phase out old commercial diesel vehicles are both sensible and should be pursued. We also suggest Hong Kong accelerate planning for LNG Bunkering (noted in the Clean Air Plan) and the electrification of public transport, as discussed in the above section, in order to not only reduce carbon emissions but also improve both marine and roadside emissions.

#### *Waste*

The Chamber is supportive of the Waste Blueprint for Hong Kong 2035. It also supports a mandatory producer responsibility scheme (PRS) and municipal solid waste (MSW) charging scheme that are properly designed, implemented, managed and monitored.

However, waste continues to be a complex and difficult long-term issue, which has been aggravated by the ongoing COVID-19 situation due to the increased usage of disposable plastic, test kits and masks. We strongly encourage the Government to further explore and develop a sustainable local industry ecosystem to help reduce and reuse waste, particularly plastic waste. The Chamber supports the proposed expansion of ECOPark in Tuen Mun to recycle local waste paper which shall be turned into high-strength corrugated paper to be sold locally and regionally.

Additionally, the Chamber is supportive of the Government's first large scale integrated waste management facility, currently under construction, which shall provide superior waste combustion and energy recovery. The Chamber views the IWMF Phase 1 as the first step to reducing waste economically while providing greater energy security to Hong Kong.



### *Canadian Cleantech Solutions*

Committed to transitioning to a low-emission economy, Canada is a key player of clean technology and climate solutions. Canadian companies have developed climate-related solutions in the areas such as waste management, renewable energy, energy storage, sustainable water and wastewater treatment, green building, energy efficiency, smart and micro-grids, and remediation consultancy as well as hydrogen and fuel cell technologies. We look forward to working with the Government in bringing these Canadian cleantech solutions to market in Hong Kong and the region.

### *Developing Green Finance*

Hong Kong has an opportunity to harmonize its environmental, social and governance (“ESG”) criteria and standards for green financial products to mobilize the market. The Government should also play a proactive role in encouraging businesses to build ESG capacity, including ESG skills training to bridge the talent gap. The Government should consider developing a clear taxonomy to be implemented on green and sustainable finance that comply with international standards. Hong Kong also has a tremendous opportunity to play a key role in advancing sustainable banking and green finance in the region, given its strategic location within greater China and access to international capital.

Through the development of the expanded Hung Shui Kiu/Ha Tsuen New Development Area, the proposed Regional Modern Services Centre has the potential to become an attractive value chain to provide premier green financing products and services for the entire Northern Metropolis, especially for the “hard” technology R&D and prototyping activities in the proposed San Tin Technopole. Additionally, the Chamber understands that the HKMA is currently exploring the possibility of developing a carbon trading market in Hong Kong where it is in our view that Hong Kong is in a unique position to provide the platform in the Hung Shui Kiu / Ha Tsuen New Development Area to allow local, multi-national and Chinese corporations to trade VCMs and achieve carbon neutrality.

### **3. Helping Entrepreneurs and Small Businesses Succeed and Sustain**

According to recent research studies conducted territory-wide, Hong Kong has continued to make progress as a dynamic and vibrant entrepreneurial and start-up hub during the disruptions of the COVID-19 pandemic<sup>2</sup>. Entrepreneurs and small and medium size enterprises (SMEs) have become more flexible and agile in responding to changes and adapting their products and services to emerging opportunities.

#### *Tax Incentives*

To continue supporting a start-up friendly environment, start-ups should be exempted from tax filing for the first three years of inception or until their revenue exceeds HKD 250,000. To encourage a vibrant investor ecosystem, the Government could consider a tax incentive for investing in SMEs, similar to charity donations to reduce investors’

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<sup>2</sup> [Transforming Hong Kong Through Entrepreneurship](#), 3<sup>rd</sup> Edition, KPMG.



taxable income. We also recommend that the Government recognize qualified investments into local SMEs as a tax deductible expense, up to an annual ceiling of HKD 100,000.

#### *Funding Support*

We urge the Government to extend a broad range of funding support for entrepreneurs, start-ups and SMEs:

a) Commercial Data Interchange

SMEs play an indispensable role in the real economy of Hong Kong, but they may encounter liquidity problems from time to time. The Government should ensure that the Hong Kong Monetary Authority's Commercial Data Interchange can facilitate the local banking system to serve SMEs more efficiently by making use of their own data to gain access to more convenient financing services.

b) "New Impetus to the Economy" in the 2021 Policy Address

The new administration should continue its efforts to ensure Hong Kong continues to be an important financial hub for start-ups with venture capitalists, private equities and family offices as sources of funding for entrepreneurs.

InvestHK, the Science and Technology Park and Cyberport should provide Hong Kong's innovative entrepreneurs with connections to major international investors and companies. The Government could also take a more proactive approach to attract international talent.

c) Branding, Upgrading and Domestic Sales (BUD) and Export Marketing Funding (EMF)

To build on the Government's continual support to SMEs, BUD and EMF should be monitored closely to ensure sustainability. We encourage the Government to inject HKD 3.5 billion to the BUD Fund and HKD 2 billion to EMF as well as implementing measures to expand the funding scope and increase funding limits for each enterprise.

## **4. Advancing Gender Equality and Diversity in the Workplace**

### *Support for Female Workers*

According to research studies, closing the gender gap could add \$28 trillion to global GDP. Workplace gender equality can:

- Improve national economic growth and productivity
- Reduce the number of people living in poverty
- Attract and retain top talent



In the 2021 Policy Address<sup>3</sup>, the following areas were addressed:

- a) Extending statutory maternity leave to 14 weeks;
- b) Strengthening child care services;
- c) Providing more mothers rooms in government premises;
- d) Amending legislation to make discrimination against and harassment of breastfeeding illegal; and
- e) Affirming 35% female participation in advisory and statutory bodies (ASBs) as of June 2021

To continue the momentum of advancing gender equality in the workplace, the Government should encourage companies to enhance office infrastructure to better support working mothers (such as mothers' rooms); create more subsidy programs for child care services for low-income families and continue to consult with businesses to introduce shared parental leave.

To encourage female entrepreneurship and innovation, the Government should encourage female start-ups by providing them with greater access to becoming founders of businesses (especially FemTech). This can be accomplished through founding and lending support to a network of female entrepreneurs and innovators to create a global community.

#### *Board Diversity*

Board diversity is paramount for the Benefit of Hong Kong's Economy and Corporate Governance. As of July 2021, females only represented 14.3% of the 559 Hang Seng Index boards<sup>4</sup>. The Hong Kong Exchanges and Clearing (HKEX) completed its consultation on the Review of the Corporate Governance Code covering a range of important issues including board gender diversity. Since July 2022, the Hong Kong exchange requires any company seeking to list in Hong Kong to have at least one director of a different gender to the board majority<sup>5</sup>. This will create 1,300 board seats for women which is a great step towards achieving diversity. We encourage the Government to support the HKEX to continue enhancing the Corporate Governance Code by:

- a) Increasing female representation on all listed companies to 25% by 2025 and to 30% within six years.
- b) Require diversity policies to apply throughout the entire organizational structure and not solely applied to boards.
- c) Require diversity policies to include measurable objectives and create accountability through transparent reporting to HKEX.

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<sup>3</sup> [Women Affairs](#). The Chief Executive's 2021 Policy Address.

<sup>4</sup> [Percentage of Women on Hang Seng Index \(HSD\) 2009 -2021](#). Boards Community Business.

<sup>5</sup> [New Hong Kong Rules Will Create 1,300 Board Seats for Women](#). Bloomberg, July 24, 2022.





## **5. Embracing Technology and Innovation as Hong Kong's New Growth Frontier**

The Outline of the 14th Five-Year Plan for National Economic and Social Development of the People's Republic of China and the Long-Range Objectives Through the Year 2035 ("14th Five-Year Plan") has clearly set out the role and positioning of Hong Kong in the overall development of the country. In particular, supporting Hong Kong to become an international innovation and technology centre is among the top priorities in the agenda.

With reference to the Chief Executive's Policy Address in 2021, Hong Kong has invested over HK\$130 billion in innovation and technology over the past four years.

The city's domestic spending on technology research and development as a percentage of GDP has also seen a 50% increase to 0.99% in 2020. From expanding the Science Park and Cyberport to launching Innovation Hong Kong (InnoHK), we are thrilled to see that the Government is continuing to place strong emphasis on innovation.

To fully unlock the potentials of the Government's investment in research and development (R&D), attracting world-class academic and engineering minds is vital. Equally important are the abilities to build an impact-focused educational framework, formulate and execute effective strategies to promote commercialisation and entrepreneurship, and strengthen synergistic partnerships with global industry players.

To that end, the Chamber would like to highlight the following policy finetuning opportunities for the Government to consider.

### *Attracting and retaining overseas talents*

While the Chamber recognizes various admission and funding schemes that are already in place to attract talent, professionals, and entrepreneurs to Hong Kong, we would like to recommend the following measures to further improve their effectiveness:

a) Increase supply of short-term accommodation and/or housing subsidies

The lack of affordable housing is a particular problem for companies who are looking to hire recent graduates from Mainland and overseas universities leveraging the Research Talent Hub (RTH) funding scheme offered by the Innovation and Technology Commission (ITC). As the RTH funding scheme that many technology start-ups rely on provides a relatively low salary, it often becomes cost prohibitive for prospective candidates to consider otherwise attractive R&D opportunities in Hong Kong. It is therefore recommended that more support be offered to alleviate the burden. Short-term accommodation facilities similar to the InnoCell at the Science Park offered at subsidized rates, as well as incentivization measures such as income tax reduction, housing allowance, etc. should be considered.

b) Enhance competitiveness of the RTH funding schemes

Technology companies in Hong Kong have been facing fierce competitions for talents from companies based in the Mainland and in other overseas markets. Current monthly allowance for Master's and PhD level candidates funded under



the RTH program are, in general, found to be 25% to 40% below market rates. To successfully compete, employers often need to bridge the gap which in turn increases their costs of research activities. More funding resources are therefore recommended to be allocated to enhance the overall attractiveness of the RTH program.

c) Relax restrictions for working holiday visa holders

Working holiday visa holders can only work for the same employer for 3 months. It is recommended that the Government relax the restriction from 3 months to up to 1 year or the full duration of the working holiday.

d) Relax travel restrictions

Adopt a more flexible, risk-based approach to ease international travel restrictions and quarantine requirements as early as possible to promote people and business flows at manageable risks.

e) GBA flow of talent

To increase Hong Kong's attractiveness to foreign businesses and overseas talent in taking on opportunities in the GBA, the Government should continue to work on concrete proposals to the Central Government to allow non-Chinese Hong Kong residents to travel to Mainland cities of the GBA for business development, research exchanges and visits. Measures should include fast-track procedures for business visa application for non-Chinese Hong Kong residents as well as two-way quarantine exempt business travel corridor between Hong Kong and the Guangdong Province for all Hong Kong residents.

f) Transform Hong Kong into a Regional Intellectual Property Hub

In order to attract foreign talent, corporations and funding, the Government should continue to ensure Hong Kong has its existing robust framework for the protection of all forms of intellectual property. The Government should also continue to ensure Hong Kong's rule of law and its well-established legal system remains impartial in order to strong legal protection for, amongst others, intellectual property. The Chamber strongly believes that a well-established and robust intellectual property protection framework is an essential component to allowing Hong Kong become an international Innovation and Technology Hub.

*A more holistic approach to incubate local talents of the future*

The quality of education in Hong Kong has long been well regarded by communities worldwide. As China's international innovation and technology hub, Hong Kong should aim to become the centre of excellence in entrepreneurship in the Greater Bay Area. To that end, it is recommended that entrepreneurship be more holistically adopted as part of talent development in Hong Kong. Below are some examples of the measures that we think should be adopted:



a) Introduce entrepreneurship curriculum

Introduce credit-based curriculums, with junior level courses to focus on developing students' soft skills including creativity, innovation and risk-taking, as well as the abilities to translate ideas into action plans and manage projects to achieve objectives. Senior level courses should cover skills in business and management, operations, finance, marketing, as well as electives on domain specific topics. Comprehensive guidelines should be prepared for teaching staff and faculties so they can employ the appropriate methodologies specific to learning objectives.

b) Introduce industry-centric intrapreneurial program

Complementing taught courses, introduce industry immersion programs to give students the opportunities to spend a gap year at sizeable organizations and lead innovation projects to solve specific pain points of the operation. Students are expected to gain first-hand experience as a "contract researcher", paving the way to create more demand-driven innovations down the road.

c) Expand Hong Kong x global cross-pollination

Set mandated targets for students to complete entrepreneurial electives or gap year experience with partner schools, research organizations, enterprises or mature start-ups in the GBA and globally, promoting cross-pollination, networking and career advancement opportunities.

d) Pathways of opportunity

Create more pathways of opportunity for young people in focus sectors, within and beyond the GBA, broadening what it means to be successful in education and employment.

e) Learning and cultural exchanges

Provide more funding and platforms for learning and cultural exchanges for students in secondary and in tertiary education. Increased capacity and awareness of employability schemes like YES, engaging directly with secondary and tertiary educators to connect with students should be further expanded.

f) Centralized internship platforms

Develop centralized internship platforms by the Government to engage public and private sectors, with incentives for creating work opportunities for young people.

*Becoming China's international innovation and technology hub*

The Hong Kong Smart City Blueprint 2.0 (Blueprint 2.0) published in 2020 put forth over 130 initiatives which continue to enhance and expand existing city management measures and services. On the other hand, the city's continuous advancement in its



global rankings<sup>6</sup> in digital competitiveness has also been very encouraging for businesses choosing to grow via the city.

For businesses and industry players in the innovation and technology ecosystem to gain a more holistic view of the city's roadmap and implementation plan in achieving its goal as the nation's international innovation and technology hub, the following measures are recommended:

a) Enhance longer-term vision and roadmap

Blueprint 2.0 published in 2020 has set a good foundation for Hong Kong to continue enhance its overall digital readiness. It is recommended that long-term innovation and technology roadmaps as they apply across smart city domains, including smart economy and industries, digital health and smart living, creative media and performing arts, sustainability and environment, as well as cybersecurity, be also refined with greater details.

b) Tighten ecosystem collaboration

For local and foreign businesses choosing Hong Kong as a base to grow their businesses, the city's advantages as a launching pad into, among others, the Mainland market and the ASEAN markets are clear. To facilitate better matching of needs in this region with expertise offered by global technology players, it is recommended that a collaboration framework be defined to clarify the positioning of Hong Kong in relation to its partners in the GBA and the rest of China across different domains. Based upon that framework, more coordinated one-stop service in bridging overseas expertise with local needs would also be beneficial to facilitate synergistic collaboration.

c) Accelerate investments in technology R&D

Countries around the world have been stepping up domestic spendings on R&D in the past 30 years. Most notably, South Korea has grown its domestic spending on R&D as a percentage of GDP by 1.8-fold since 1991, reaching 4.81%<sup>7</sup> in 2020. In the same period, the country recorded a 378% growth in its GDP per capita, reaching US\$45,000. It is apparent that economies that put more emphasis in R&D are in general rewarded with higher GDP growths, and they are also among the world's most digitally competitive economies. It is imperative that Hong Kong continues to accelerate its investment in R&D as a percentage of GDP towards the 1.5% within the next 5 years. The Chamber also believes that, given Hong Kong's ambition to become an international innovation and technology hub, it would be imperative for Hong Kong to reach 3.5% of R&D expenditure as a percentage of Hong Kong's total GDP in order to leverage the proposed integrated cooperation with Shenzhen through the Northern Metropolis.

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<sup>6</sup> [World Digital Competitiveness Ranking](#). IMD.

<sup>7</sup> [Gross Domestic Spending on R&D](#). OECD.



d) Strengthen focus on generating impact from R&D outcomes

Generating the best possible impact in economic, environmental and/or societal terms from technology R&D outcomes is the ultimate goal of any governments. Enriching R&D activities in a tightly knotted ecosystem requires a balance between speed and governance. It is recommended that a Hong Kong-specific impact measurement framework be set up as a governing tool to measure IP flow-through, impact generation and prioritize initiatives that are in-line with the Government's vision.

*Innovation is not a zero-sum game*

The Chamber joins innovation communities around the world in celebrating the recent launch of the InnoHK program, which marked a great start for the city in systematically promoting impactful collaboration among research organizations in Hong Kong, Mainland and overseas. The Chamber would like to see similar collaborations continue to be encouraged in the longer term.

Specifically, joint R&D efforts, including cross-pollination of R&D personnel between Hong Kong based organizations and foreign entities should be encouraged to fight common challenges like climate change, and to advance common agenda such as cross-border green finance. This approach is expected to help strengthen Hong Kong's leadership role as an international innovation and technology centre.

Storytelling work on newspaper and online media to highlight young people working in these areas as success stories for them to aim at building legitimacy of these paths of study and career would also attract technologies talent.

## **6. Accelerating Hong Kong's development of a Digital Economy**

*Defining Hong Kong's Digital Economy*

With the rapid adoption of digital technologies, OECD countries and the People's Republic of China have developed economic frameworks to measure the size of their respective digital economies in terms of gross value added to its GDP. The Chamber supports the recent establishment of the Digital Economy Development Committee as it signals the Government's commitment in promoting and driving Hong Kong's digital economy developments. The Chamber recommends that the Government takes reference to the OECD's measurement framework when sizing Hong Kong's existing digital economy to provide industry stakeholders with an understanding of the size of Hong Kong's digital economy and future market opportunities to help attract foreign investment into Hong Kong's innovation and technology sector and peripheral industries.

*Enhance Hong Kong's Digital Infrastructure*

Hong Kong has amongst the best network connectivity in the world, which has facilitated the city becoming an important data hub internationally with more than 100,000 gateways located in Hong Kong's data center cluster. The Chamber



understands that Hong Kong does not have 100% network coverage, in forms of fixed broadband and mobile connection, where we recommend that, in order to transform Hong Kong into a viable and competitive digital economy, the Government should take on a more proactive role in achieving 100% network connectivity in Hong Kong.

Furthermore, the Chamber believes that the development of robust, comprehensive digital infrastructure in Hong Kong would unlock many opportunities down the road for Hong Kong such as transforming Hong Kong as a smart city and international Innovation and Technology Hub.

## **7. Establish a Northern Metropolis Channel for Potential Investors and Interest Parties**

With the Government pushing forward with its Northern Metropolis Development Strategy, the Chamber has received a number enquires from various industry stakeholders regarding the direction and opportunities in the Northern Metropolis; in particular, the San Tin Technopole, New Territories North and the expanded Hung Shui Kiu / Ha Tsuen New Development Area. In particular, there are many questions surrounding the potential methods of participation in the form of direct investment into Northern Metropolis whether through private development, leasing of R&D floor space or investment vehicles.

It is understood that, at this moment, there is not an established mechanism to address the questions regarding the Northern Metropolis Development. The Chamber recommends that the Government establish an official channel to provide education and updates on the latest developments surrounding the Northern Metropolis to address the questions from potential investors and established I&T corporations. It is important that such a channel helps facilitate these stakeholders, gaining a robust understanding on the methods of participation and related supporting policies to ease and assist market entry into the GBA market.