



The Canadian
Chamber of Commerce
in Hong Kong

The Honourable John LEE Ka-Chiu, GBM, SBS, PDSM, PMSM
Chief Executive, Hong Kong Special Administrative Region
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Subject: 2025 Policy Address Public Consultation

Dear Chief Executive:

The Canadian Chamber of Commerce in Hong Kong (CanCham) is pleased to share our views and recommendations for the 2025 Policy Address Public Consultation.

Founded in 1977, CanCham is a proactive, non-government body that provides an extensive networking platform for members with business interests in Hong Kong, Canada, Mainland China and the broader Asia-Pacific region. There are over 300,000 Canadians and over 180,000 Canadian Universities' alumni in Hong Kong and many Hong Kong citizens who are studying, living, or working in Canada and maintaining close ties to Hong Kong – this affinity and connectivity between Hong Kong and Canada is unparalleled.

The recommendations below reflect the collective viewpoints of CanCham's constituents, representing 3,000 members through special consultation exercises with our 11 committees. The CanCham community includes small, medium and large enterprises and institutions across various industries such as banking, insurance, finance, technology, education, trading, logistics, manufacturing, and services.

Hong Kong has faced challenges in recent years to its status as a premier international business and financial hub. While recent signs of recovery in Hong Kong are encouraging, we believe continued collective efforts are needed to reinforce the city's position as a leading international business and financial centre. To this end, we respectfully suggest that Hong Kong further highlight its unique strengths—such as the free flow of information, people, and capital; robust data privacy and protection frameworks; and a strong common law legal system. These attributes, along with the city's distinctive and well recognized and proven governance and administrative model, contribute to its global competitiveness and appeal.

CanCham remains committed to supporting Hong Kong's role as a strategic international gateway and financial centre—not only to and for Mainland China, but also to/from and for all of Asia Pacific. We believe the city is well-positioned to serve as a 'super connector' in the region, and we are keen to collaborate with the Hong Kong SAR Government to promote the city's unique advantages to the international business community.



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CanCham is happy to work with the Hong Kong Government to leverage our connections with Canada and the international business community to showcase Hong Kong's unique advantages.

In alignment with Hong Kong's aspirations for sustainable economic and environmental development, we see significant potential for strategic partnerships between Hong Kong and Canada, particularly in the following areas:

1. Talent Diversity/Attraction/Retention and Education
2. Entrepreneurship and Micro, Small and Medium Enterprises
3. Wealth Management and Investment
4. Innovation and Technology
5. Global Branding and Creative Economy
6. Sustainable Housing and Urban Development
7. Biodiversity and Sustainable Fuels
8. Trade, Tourism and Logistics
9. Gender Equity and Family Support
10. Public-Private Partnerships for Public Programs and Developments

We believe that through inclusive policy measures, effective communication, and ongoing constructive engagement between the Government and the business community, Hong Kong can continue to thrive and evolve as a global centre of excellence.

We appreciate your consideration of our recommendations and would be pleased to engage further with you and your Administration.

Best regards,

Alex KC Tam
Chairman
The Canadian Chamber of Commerce in Hong Kong

CC:

Mr. Paul CHAN, GBM, GBS, MH, JP, Financial Secretary
Mr. Christopher HUI, GBS, JP, Secretary for Financial Services and the Treasury
Mr. TSE Chin-wan, BBS, JP, Secretary for Environment and Ecology
Mr. Algernon YAU, JP, Secretary for Commerce and Economic Development
Ms. Bernadette Hon-ho LINN, JP, Secretary for Development
Dr. CHOI Yuk-lin, JP, Secretary for Education
Professor SUN Dong, JP, Secretary for Innovation, Technology and Industry
Mr. Chris SUN, JP, Secretary for Labour & Welfare



Summary of our Recommendations: “*The Time to Act Is Now*”

Canada and Hong Kong share deep-rooted bilateral ties—spanning commercial, political, and cultural—that have long fuelled mutual prosperity. As Canada deepens its engagement in Asia, strengthening economic collaboration with Hong Kong presents a timely and strategic opportunity to unlock growth, innovation, and shared success.

CanCham fully supports the Hong Kong Government’s mission to reinforce the city’s unique value proposition as:

Asia’s Premier International Business Hub
Unmatched connectivity, rule of law, and financial breadth and depth.
The Ultimate “Super Connector”
Bridging Mainland China and global markets with agility and trust.

Our recommendations focus on:

- Delivering tangible wins and benchmarking global best practices.
- **Accelerating pro-business reforms:** Simplify regulations, enhancing talent visas, and incentivizing research and development (R&D).
- **Showcasing Hong Kong’s strengths:** Highlight its number one rule of law ranking in Asia, thriving IPO market, and world-class infrastructure.
- **Resetting the global narrative with data-driven storytelling:** Emphasize stability, diversity, and opportunity.
- **Amplifying success stories:** Promote Hong Kong’s innovation ecosystem, east-meets-west dynamism, and ESG leadership through targeted global campaigns.

The recommendations in this report are actionable, measurable, and critical to future proofing Hong Kong’s economy. CanCham is ready to work hand-in-hand with the Hong Kong Government and private sector to turn these priorities into progress—because when Hong Kong thrives, we all benefit.



1. TALENT DIVERSITY/ATTRACTION/RETENTION AND EDUCATION

Opportunities for Enhancement:

- **Talent Retention:** Broadening career development pathways and fostering inclusive cultural experiences can further strengthen Hong Kong's appeal to global diverse talent.
 - **International Talent Diversity:** Enhancing the diversity of international professionals would reinforce Hong Kong's attractiveness to international and broad Asia Pacific focused businesses.
- **Young Professional Engagement:** By improving affordability, career mobility, and long-term professional prospects, Hong Kong can continue to attract and retain emerging talent.
- **Workforce Development:** As the workforce evolves, there is an opportunity to enrich digital capabilities and broaden access to training programs for SMEs.
- **Youth Employment and Vocational Training:** Strengthening vocational education and apprenticeship pathways can better align youth development with future industry needs and future economic trends.

Recommendation: Enhance the Research Talent Hub (RTH)

Proposal: Shift from a top-100 university ranking system to a holistic, individual-focused assessment model to attract global talent.

Models:

- **Canada's Points-Based System (CRS):** Evaluates skills, experience, and adaptability, fuelled Canada's tech boom (32,115 tech workers in 2022–23).
- **UK's Expert Endorsement Model:** Independent experts assess applicants—66% of visa holders plan to settle long-term.

Key Suggested Actions:

- Relax the current top-100 university criteria and adopt a more holistic, individual-focused assessment model.
- Adopt Educational Credential Assessment (ECA) for qualification verification.
- Prioritize skills and achievements over institutional rankings.

Recommendation: Residency Status for International Athletes and Creative Industries Talent

We propose expanding Hong Kong's talent attraction scheme to specifically target international professionals in the sports and creative industry. By positioning Hong Kong as a preferred base for training, development, recover, residency, and creative production, Hong Kong would be able foster a dynamic ecosystem for athletes, artists, and their support teams, enhancing Hong Kong's appeal as a destination for innovation, excellence, and cultural exchange. – offering a vibrant, globally connected environment for athletes, artists, and their support ecosystem.



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Models:

- **Dubai and Monaco/Monte Carlo:** HK can replicate and surpass advantages offered by Dubai and Monaco/Monte Carlo, which have become off-season and training residences for frequently travelling athletes in various sports in tennis, football, snooker, and cricket.
- **New York, Paris, Seoul, and London:** Strong ecosystem supporting creative industry talent and service providers in fashion, entertainment, social media, and music.

Key Suggested Actions:

- Expand talent attraction scheme to creative industries and sports, without income requirements (many artists and creative talent, and emerging sporting talent) are not already/or initially high income generating.
- Coordinate various industry and community promotions to focus on business services, hospitality, and training and recuperation, and physiotherapy facilities.
- For example, provide funding, incentives and/or recognition to recreation and sports facilities, cultural industries and related services including:
 - leisure and sporting clubs such as Country Clubs to offer facilities to international athletes;
 - food and medical services to cater to international athletes;
 - service apartments to offer accommodation to athletic teams; and
 - financial and professional services, including travel agencies and family offices, to cater to business and professional requirements of frequently traveling sporting athletes and creative industry professionals.
- Provide community facilities and encourage via subsidies and incentives the development of creative industries in fashion, entertainment, theatre, music and film.

Recommendation: Introduce a Skills Levy for Workforce Development

Models:

- **UK Apprenticeship Levy:** Employers (payroll >£3M) contribute 0.5% for training—unused funds expire, incentivizing upskilling.
- **Singapore's Skills Development Levy (SDL):** 0.25% wage contribution funds broad-based training (capped at S\$11.25/employee).

Recommendation: Build Foundational Career Skills in Secondary Education

HK Opportunities for Enhancement: Hong Kong's career education focuses on academics; practical skills and employer connections are less readily available.

International Best Practices:

- **Canada (Ontario):** Teaches time management, communication, and career planning from junior secondary levels.
- **OECD Findings:** Early career education (by age 15) improves employment outcomes and school-to-work transitions.

Proposed Curriculum (Forms 1–3):

- Integrate soft skills (problem-solving, communication).
- Offer workplace visits, internships, and mentorships.



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- Support diverse pathways (vocational/academic).

Recommendation: Career and Education Incentives; Affordable Online Access to Education

- **Targeted Subsidies:** Cover 50% of tuition for locals/expats in AI, fintech, and green energy courses.
- **Global Branding:** Promote HK universities abroad (e.g., joint degrees with top Canadian schools, subsidize international exchanges).
- Explore having an education policy that would allow for regulated online education delivery for enhanced global access.

Recommendation: Youth Employment and Innovation

- **"Skills for Tomorrow" Grants:** HK\$50,000 for under-30s launching startups in tech/sustainability.
- **Reference Singapore's** *SkillsFuture* subsidies for career development, and **Vancouver's** *Belonging in BC* plan (youth housing and life-skills training).

Expected Outcomes

- These reforms will expand Hong Kong's talent pipeline, boost workforce readiness, and align education with global economic trends.

2- ENTREPRENEURSHIP AND MICRO, SMALL AND MEDIUM ENTERPRISES (MSME)

Opportunities for Enhancement

- MSMEs make up 98% of Hong Kong's businesses and 50% of employment.
- Post-pandemic, 74% of MSMEs face cash flow pressure in the post-pandemic environment (HK General Chamber of Commerce, Aug 2025).

Recommendation: Enhance the BUD Fund and SME Financing Support

- **HK\$1B BUD Fund Expansion:** Support MSMEs in ASEAN market expansion, e-commerce development, and green transformation.
- **Improve Accessibility and awareness:**
 - Strengthen promotion to ensure small businesses are aware of funding opportunities.
 - **Debt Relief Measures:** Extend loan maturities, grace periods, and lower instalments.
- **Continue SME Financing Guarantee Scheme:** Help retail & tourism sectors adopt automation and digital payment systems.

Recommendation: Tax Exemption for Startups

- Exempt tax filing for first 3 years (or until revenue exceed HK\$250K).
- Reduces administrative costs (audits, filings) for early-stage businesses.



- Encourages youth entrepreneurship by lowering initial burdens.

Recommendation: Tax Incentives for Micro and SME Investments

- Treat micro and SME investments like charity donations (currently 30% of income deductible, supporting HK\$14B/year in donations).
- **Proposal:** Allow tax deductions for Micro and SME investments (up to HK\$100K/year) to attract local investors.

Expected Outcomes

- Improved cash flow and financial resilience for MSMEs.
- Increase startup survival rates due to reduced tax and administrative burdens.
- Increased investment in local MSMEs, boosting broader economic recovery and innovation.

3. WEALTH MANAGEMENT AND INVESTMENT

HK Opportunities for Enhancement

- **Diversification:** Hong Kong has significant potential to further diversify in incoming investment capital on a global scale.
- **Single-Family Offices (SFOs)** receive tax incentives, but Multi-Family Offices (MFOs) lack clear support.
- **Independent Wealth Management (IWM)** comprises 40-50% of Western markets but only ~10% in Asia—highlighting untapped potential.
- **Opportunities to onshore high-value services:** Two-thirds of wealth management services (custodianship, fund administration) occur offshore—onshoring could boost skilled employment.
- **The Insurance industry** plays an essential role in realising the vision of Greater Bay Area (GBA), further promoting Hong Kong as a leading risk-management centre
- **International and Asia Pacific Hub:** HK's stature as an international business hub is facing increased competition from other regions and cities such as Singapore.

Recommendation: Support Multi-Family Offices (MFOs)

- Introduce dedicated tax incentives & regulatory clarity for MFOs to match SFO benefits.
- Harmonize policies with global trends (e.g., Europe's IWM dominance) to attract regional capital and enhance HK's competitiveness.

Recommendation: Global PR and Marketing Campaigns

- Launch targeted campaigns promoting Hong Kong's strengths—such as Tax-friendly policies, robust legal system, and world-class infrastructure
- **Promote HK's Wealth management hub status** to attract foreign talent and investment.
- Launch targeted international campaigns and enhance coordination of government departments to avoid overshadowing “international and business promotion initiatives and events by “security awareness”



Recommendation: Advance the Company Re-domiciliation Regime

- Explore bilateral arrangements with relevant offshore jurisdictions to facilitate the re-domiciliation of companies back to Hong Kong.
- For example, Bermuda maintain appointed jurisdiction lists that allow for streamlined re-domiciliation processes.
- Inclusion on such lists would enable companies (particularly financial institutions) with substantial operations or roots in Hong Kong to undergo a fast-track re-domiciliation process to Hong Kong.

Recommendation: Government-Funded Training Programs

- Establish a **Wealth Management Academy** (modelled after Singapore's) to upskill local talent in Fund administration, custodial services, and IWM
- Reduce reliance on offshore expertise by onshoring high-value jobs.

Recommendation: Promote Innovative Investment Structures

- Actively market Open-Ended Fund Companies (OFCs) to global investors.
- Streamline regulations to encourage local fund establishment and retention.

Recommendation: Reassure the international community that Hong Kong is a stable destination for their investments or legal arrangements

- Continue communication to the international community that the “One Country, Two Systems” framework, which encompasses Hong Kong’s Common Law, remains effective and enduring in order to boost international business confidence and provide greater certainty.

Recommendation: Position Hong Kong as Asia’s Premier IWM Hub

- Develop a 5-year roadmap to double IWM market share (from 10% → 20%+).
- Partner with the private sector to host global wealth forums and investor summits.

Expected Outcomes

- More MFOs and IWM firms setting up in Hong Kong.
- Higher-skilled jobs from onshore financial services.
- Increased Foreign Direct Investment (FDI) as global investors recognize Hong Kong’s full wealth management value chain.
- More family offices and financial institutions choosing Hong Kong law as the governing law and Hong Kong courts/arbitration for their legal arrangements.
- More international and multinational businesses and regional staff locating in Hong Kong and the GBA.



4. INNOVATION AND TECHNOLOGY

Opportunities for Enhancement

- **Funding Opportunity:** Early-stage startups face limited financial support, and wage subsidies for R&D roles don't account for inflation, reducing competitiveness.
- **Corporate Innovation:** Heavy reliance on Mainland technology providers may limit global scalability and integration, despite Hong Kong's potential as a GBA innovation gateway.
- **Talent Attraction Policies:** Strict top-100 university criteria and language requirements exclude skilled professionals from diverse backgrounds (e.g., Canada).
- **Global Connectivity:** Strong Canada-HK ties in startups, academia, and talent flow need structured programs to maximize mutual benefits.
- **Innovation Ecosystem and Value Proposition:** HK's innovation ecosystem remains emerging and its value proposition as an innovation hub needs further catalysts and promotion (E.G. funding creative industries research, entrepreneurship, and development within Hong Kong's universities).

Recommendation: Startup Funding and Commercialization

- **Bridge the "Missing Middle" Gap:** Expand funding for post-early-stage startups (e.g., revenue between HK\$2M–20M).
- **Inflation-Adjusted Wage Subsidies:** Align R&D salary support with current living costs to retain global talent.
- **Awareness Campaigns:** Partner with chambers (e.g., CanCham) to promote grants, incubators (e.g., HKSTP, DTL), and HKTDC expansion programs and innovation ecosystem development.
- **Innovation and Entrepreneurship programs and cooperation:** Strengthen cooperation in universities to develop talent and attract not only Chinese talent, but also international talent and ingenuity to Hong Kong and then GBA.

Recommendation: Corporate Innovation and Regulatory Agility

- **Diversify Technology Adoption:** Incentivize enterprises to integrate Mainland and non-Mainland technology solutions for global scalability.
- **Fast-Track Critical Legislation:** Clarify timelines for the Protection of Critical Infrastructure (Computer Systems) Bill to boost investor confidence.
- **Parallel System Support:** Fund GBA-compatible innovation stacks (e.g., dual data architectures) for seamless global export.

Recommendation: Inclusive Talent Policies

- **Broaden Eligibility:** Add an alternative to the top-100 university rankings, such as skill-based assessment (e.g., Canada's Comprehensive Ranking System, or CRS model).
- **Flexible Language Requirements:** Waive Mandarin/Cantonese mandates for roles where English suffices (e.g., deep tech R&D).
- **Enhanced Onboarding:** Collaborate with chambers to provide relocation guides, networking, and mentorship for international talent.



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- **Broaden Talent Migration Scheme Eligibilities:** Cater to creative and sporting industry professionals including athletes, entertainers, and their supporting teams and servicing professionals.

Recommendation: Canada-HK-GBA Connectivity

- **Structured Partnership Programs:** Launch MOUs between HK and Canadian biotech/energy firms, with joint commercialization grants.
- **Talent Pipeline Expansion:** Formalize student/graduate exchanges (e.g., co-op programs) and create investor visa fast-tracks for Canadian professionals.
- **Leverage InvestHK:** Expand Canada-focused roadshows, targeting startups, universities (e.g., UofT, UBC, McGill), and venture capital networks.
- **Visa Access:** Allow visa-free travel for not only permanent residents of Hong Kong, but also for all Canadians in Hong Kong and those visiting Mainland China via land, sea, or air travel from/via Hong Kong.

Expected Outcomes

- **Stronger Startup and Innovation Ecosystem:** Higher survival rates with tailored funding and global market access.
- **Increased FDI:** Clearer regulations and tech diversity will attract multinational R&D hubs.
- **Diverse Talent Pool:** Rise in non-traditional talent inflows (e.g., Canadian professionals).
- **Canada as Strategic Partner:** Increased bilateral innovation projects in biotech, cleantech, and AI, as well as greater connectivity with GBA and Mainland China from Canadian and international talent and businesses.

5. GLOBAL BRANDING AND CREATIVE ECONOMY

HK Opportunities for Enhancement

- **Brand Identity:** Opportunity to develop a unified and compelling brand identity to differentiate itself from regional rivals (e.g., Singapore's "Passion Made Possible").
- **Creative Economy:** Untapped potential to leverage arts, tech, and culture as drivers of soft power and business appeal.
- **Infrastructure:** Public spaces and innovation districts (e.g., HKSTP, Cyberport) would benefit from creative activation to attract talent, investment, and tourism.
- **United Message and global dialogue with all key stakeholders can strengthen HK's international positioning.**

Recommendation: Develop a Distinctive Hong Kong Brand

- **Launch a Global Campaign:** As part of a refreshed "Asia's World City", to Highlight HK's "East-Meets-West" dynamism, leveraging:
 - Iconic symbols (e.g., Victoria Harbour, neon streets, culinary heritage).
 - Narratives of resilience, innovation, and multiculturalism.
- **Benchmark:** Adopt Singapore's model, using slogans, ambassador programs, and high-profile events to reinforce messaging.
- Partner with foreign chambers to share the messaging globally.



Recommendation: Amplify Through Digital and PR Strategies

- **Unified Social Media Campaigns:** Partner with global influencers (e.g., business leaders, celebrities) to showcase HK's liveability and opportunities.
- **Creative Placemaking:** Transform public spaces with street art festivals, pop-up hubs, and tech-art installations to boost vibrancy.

Recommendation: Position HK as a Global Creative Hub

- **Host Flagship Events:** Attract international festivals (e.g., tech-art biennales, film markets) to rival Cannes, the Toronto International Film Festival (TIFF) or SXSW.
- **Activate Innovation Districts:** Link HKSTP/Cyberport with creative industries (e.g., co-working spaces for artists and startups).
- **Global Partnerships:** Expand student/business exchanges (e.g., with EU/NA universities) to foster cross-border collaboration.
- **Working Holiday Visas:** Promote and expand programs with visa free access to the GBA and Mainland China, provided travel initiatives from or via Hong Kong.

Recommendation: Enhance Urban Appeal and Connectivity

- **Aesthetic Upgrades:** Launch global design competitions to revitalize streetscapes (e.g., Kowloon's "neon revival").
- **Infrastructure Investments:** Improve digital and physical connectivity (e.g., 5G coverage, pedestrian-friendly zones, access to public toilets and drinking water).

Recommendation: Facilitate Travel Free Access to the GBA and Mainland

- Advocate with Mainland China Authorities to allow visa-free travel for Canadian citizen and international visitors transiting through Hong Kong to the GBA and Mainland China for up to 30 days, similar to Hainan's visa-free policy.

Expected Outcomes

- **Stronger global brand** and increased FDI and tourism within three years.
- **Creative economy growth**, positioning HK as a top global hub for tech-driven arts and culture.
- **Talent Attraction:** More incentives for creative talent to come to Hong Kong, and higher retention of international students/entrepreneurs through vibrant community spaces.
- Increased cross-border connectivity, business development, and investments.

6. SUSTAINABLE HOUSING AND URBAN DEVELOPMENT

Opportunities for Enhancement

- **Limited availability of "Missing Middle Housing"** (MMH) for young professionals and small families.
- **Zoning Rigidity:** Outdated zoning restrictions hinder mid-density housing (4–6 stories) in suburbs.



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- Strengthen coordination among departments would help accelerate housing and infrastructure delivery timelines.
- **Green Construction Gap:** High costs and limited incentives slow the adoption of sustainable building practices.
- **Housing Affordability:** Elevated housing cost and property prices may discourage young professionals (especially expats and entry-level workers) from staying long-term.

Recommendation: Expand Missing Middle Housing (MMH)

- **Zoning Reform:** Legalize duplexes/triplexes in suburbs (e.g., Sha Tin, Tuen Mun) and rezone underused industrial/village land.
- **Pilot Programs:** Adopt Portland's "Residential Infill Project" model to fast-track MMH approvals.
- **Incentives:** Offer density bonuses for private developers building MMH.

Recommendation: Strengthen Regional Coordination

- **Unified Authority:** Establish a "Regional Development Office" to align housing, transport, and GBA integration (e.g., Northern Metropolis).
- **Data-Driven Planning:** Centralize urban data to track housing supply and simulate zoning impacts.
- Leverage private expertise to expand affordable housing and update aging-buildings.

Recommendation: Accelerate Green Construction

- **Tax Breaks:** Provide deductions for BEAM Plus-certified buildings and retrofits.
- **Green Bond Programs:** Expand issuance for public housing and sustainable infrastructure (e.g., MTR, Urban Renewal Authority).
- **Subsidies:** Fund green materials in affordable housing and SME training on environmentally responsible building materials and techniques.

Recommendation: Community-Centric Design

- **Engagement:** Co-create plans with residents to reduce NIMBYism.
- **Aesthetics:** Launch design competitions to enhance streetscapes with green and sustainable/creative elements.

Recommendation: Affordable Housing for Young Professionals

- **"Starter Homes" Hub:** Build public rental housing for professionals aged ≤ 30 , prioritizing:
 - Expats on work visas.
 - Graduates in key sectors (tech, finance, AI, engineering).
 - Reference: Vancouver's *Covenant House* model (self-contained units with career support services).
- **Subsidized Rent:** Offer income-based discounts (e.g., 20–30% below market rates).



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- **Conversion of Underutilized Offices:** Allow easier conversion of office and retail space to residential space within urban areas (e.g. Singapore's shop houses flexibility, and office conversions of sub-A grade offices to housing)

Expected Outcomes

- **Housing Boost:** MMH expansion could mirror Minneapolis' success in curbing rent hikes.
- **Faster Project Delivery:** Coordinated governance will accelerate project delivery.
- **Carbon Reduction:** Green incentives will lower carbon emissions from new builds.
- **Reinvigorate Property Sector:** Revitalization of underutilized real estate will stimulate innovation and urban regeneration.

7. BIODIVERSITY AND SUSTAINABLE FUELS

Opportunities for Enhancement

- **Biodiversity Loss:** This is a timely opportunity for HK to align its strategy with the Kunming-Montreal Global Biodiversity Framework (2022).
- **Transport Emissions:** 20% of HK's GHG emissions come from transport, yet adoption of clean fuel such as biofuels and hydrogen remain limited.
- Incentives for private sector investment in biodiversity and sustainable fuel infrastructure are relatively modest.

Recommendation: Strengthen HK's Biodiversity Strategy and Action Plan (BSAP)

- **Align with Global Targets** (e.g., Canada) by setting **5-year goals** for:
 - Habitat conservation (e.g., wetlands, marine parks).
 - Sustainable resource use (e.g., eco-tourism, fishing quotas).
 - Indigenous/community-led initiatives (e.g., partnerships with rural villages).
- **Accountability:** Introduce annual public progress reports to ensure transparency and accountability, following Canada's jurisdictional reviews.

Recommendation: Accelerate Cleaner Fuel Transition and Support

- **Set Consumption Targets and Support Industries:**
 - 10% cleaner fuels in aviation/marine sectors by 2030 (e.g., biofuels, green hydrogen).
 - 30% electric/H2 vehicles for public transport by 2035.
 - Provide incentives to jumpstart an open and price transparent Sustainable Aviation Fuel (SAF) industry in HK, with public engagement and industry adaptation support.
 - The full development of a workable and sustainable ecosystem for SAF in HK should include an industry-wide dialogue that also addresses the high initial build out cost, fuel availability, the development of safety and technical standards and the future accounting of SAF use.
 - The government could assist the industry through forging partnerships in the region to secure SAF supply and boost local infrastructure development,



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including potential tax incentives similar to those that may be available to the marine industry in the Action Plan on Green Maritime Fuel Bunkering.

- o In the marine sector, the government's current initiatives in developing HK into a green methanol shipping hub should also consider a wider reach to other regional suppliers and knowledge sharing with other international ports adopting similar measures.
- **Incentivize Private Investment:**
 - o Launch a HK\$2B Cleaner Fuels Fund (mirroring Canada's C\$1.5B fund) to support:
 - Feasibility studies (e.g., H2 bunkering for ports).
 - Biomass supply chain development (e.g., waste-to-fuel plants).
 - o Tax breaks for lower-carbon fleets (e.g., electric ferries, hydrogen trucks).

Recommendation: Cross-Sector Governance

- **Task Force:** Create a dedicated Biodiversity and Energy Transition Office to align policies across Environment, Transport, and Development Bureaus.
- **Public-Private Partnerships:** Partner with CLP, MTR, AC and Cathay Pacific to pilot cleaner fuel projects.

Expected Outcomes

- **Biodiversity Gains:** Expansion of protected habitats by 2030, with community-led monitoring.
- **Emission Cuts:** Reduction in transport GHG emissions by 2030 via cleaner fuels.
- **Economic Growth:** Increased private investment in cleaner fuel infrastructure.

8. TRADE, TOURISM & LOGISTICS

Opportunities for Enhancement

- **Trade Bureaucracy:** Funding approvals (e.g., BUD Fund) can be lengthy, import/export processes remain complex, impacting SME growth.
- **Tourism Recovery:** Underutilized infrastructure (e.g., Third Runway, Kai Tak Terminal) post-COVID.
- **E-Commerce Enhancement Areas:** Cross-border logistics face increased regional competition (e.g., Hainan)

Recommendation: Streamline Trade and Funding Processes

- **AI-Driven Approvals:** Streamline SME funding (e.g., BUD Fund) processing **from months to weeks** via digital systems.
- **Introduce “White-List” Clearance:** Expedite shipments for firms with Hong Kong business registration, reducing air/sea cargo clearance by up to 50%.
- **Medical Tourism:** Develop Hong Kong's private medical services in conjunction with Hainan's medical tourism and GBA medical facilities.



Recommendation: Revitalize Tourism and Retail Sectors

- **Tax-Free Threshold Hike:** Match Hainan's RMB100,000 annual limit to boost retail spending.
- **Kai Tak Chinese Pavilion:** Create a cultural hub with AR/VR showcases of provincial heritage, linked to cruise tourism.
- **Brands Pavilion at K11 Skies:** Partner with chambers for a permanent exhibition of global brands, with AI multilingual guides.
- **Medical Tourism/Hainan/GBA connectivity:** Highlight Hong Kong's leading internationally recognized medical industry and develop capabilities and capacity in Hong Kong's medical industry promoting Hong Kong's international accreditations, medical staff training and service (including English and other Asian languages) to coordinate with Hainan and GBA's medical tourism value proposition.

Recommendation: Strengthen Logistics and E-Commerce

- **Pre-Authorize Hong Kong Warehouses** for goods bound for Mainland China to streamline customs and reduce last-mile delivery times.
- Provide **AI Training Subsidies** to Upskill logistics workers in data analytics and digital operations

Recommendation: Leverage Airport Expansion and Reduce Travel Costs

- **Restore Routes:** Prioritize pre-COVID routes to Mainland China/SE Asia, using the three-runway system to increase capacity by 20%.
- **Cargo Tech Upgrades:** Deploy AI for real-time shipment tracking and automated pre-clearance.
- Consider maintaining current departure tax levels and avoiding new customer levies to preserve travel demand.
- Support medical tourism related connectivity: by showcasing access to HK medical professionals for sporting injuries and physiotherapies and recuperation and related training.

Expected Outcomes

- Accelerated SME growth through faster funding and quicker cargo clearance.
- **Increased tourism** and retail activity from tax-free adjustments, with higher visitor numbers to Kai Tak Pavilion.
- **Logistics Leadership:** HK as top global e-commerce hub with 24-hour cross-border delivery.
- **Expanded Economic Activities** across creative, sporting, and entertainment industries, with strong spillover effects on financial, insurance, wealth, and professional services.

9. GENDER EQUITY AND FAMILY SUPPORT

HK Opportunities for Enhancement

- **Leadership Gap:** Women remain underrepresented in leadership roles, with only 19.9% of HKEX-listed company directors being female.



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- **Pay Inequity:** A persistent gender pay gap exists, with women earning~ 30% less in base pay than men (Women Workplace Index, 2014).
- **Parental Support:** While maternity leave is available (14 weeks in HK), there are opportunities to enhance workplace support for parents, including improved breastfeeding facilities and inclusive policies that encourage continued workforce participation among mothers. Such measures will also help Hong Kong to improve birth rate to address demographic challenges.
- **Low Birth Rates:** Financial and housing instability discourages family formation.
- **High Retirement Cost:** Hong Kong faces one of the highest retirement costs in the region, driven by rising cost of living and long-term care needs.

Models:

- **France:** 26 weeks' leave for third child; flexible prenatal timing.
- **Netherlands:** Employer-funded lactation rooms, anti-stigma laws.
- **Singapore:** tax incentives and subsidies for second and multiple children families, including larger subsidized housing.
- **Canada:** 55% wage replacement during extended leave.

Recommendation: Close the Gender Gap in Leadership

- **Mandate a minimum of 30% Female representation** on HKEX boards by 2030, with annual progress reports.
- Require listed companies to **disclose gender pay equity data**, following ESG reporting standard (e.g., UK model).

Recommendation: Reform Parental Leave and Workplace Policies

- **Extend Paid Leave:**
 - **Mothers:** 16 weeks (100% pay) + 6 weeks (50% pay) for complications.
 - **Fathers/Partners:** 4 weeks (100% pay), mandatory to reduce stigma.
- **Primary School Leave:** 5 days/year for parents to attend children's school events, supporting work-life balance.

Recommendation: Support Working Parents

- **Breastfeeding Facilities:** Legislate clean, private pumping rooms in all offices/malls, with enforcement mechanisms.
- **Affordable Childcare:** Subsidize affordable childcare option (e.g., crèches for Children under-3) as an alternative to domestic helpers.

Recommendation: Address Low Birth Rates

- **Expand Baby Bonus Scheme:** Link cash incentives to workplace retention one year after returning to work following parental leave.
- **Extend childcare subsidies** to young professionals in subsidized housing.
- **Tax Breaks:** For companies with progressive family policies (e.g., flexible hours, remote work options).



Recommendation: Enhance Multicultural and Family Support

- **Cultural Gateway Fund:** Sponsor local arts/language/sports/entertainment programs to integrate expats integration and celebrate HK identity.
- Support the establishment of the legal framework that acknowledges and protects same-sex relationships.

Recommendation: Support Integrated Retirement Villages in GBA

- **Collaborate with Mainland authorities to support the industry on establishing Integrated Retirement Villages in GBA:** This would provide Hong Kong citizens and Mainland customers with high-quality care that meets Hong Kong's standards at affordable costs, while supporting the sustainable development of cross-boundary elderly care.

Expected Outcomes

- **Increased female representation** in leadership roles by 2030 and narrowing the gender pay gap.
- **Higher Workforce Retention** among mothers and improve support for working families.
- **Positive Impact on Birth Rates** through enhanced family support and affordability by 2030.
- Greater inclusion of multicultural families and improved quality of life for retirees.

10. PUBLIC-PRIVATE PARTNERSHIPS (PPP) FOR PUBLIC PROGRAMS AND DEVELOPMENTS

HK Opportunities for Enhancement

- **High Land Costs and limited supply** complicates infrastructure financing and ROI timelines.
- Administrative processes can be lengthy, impacting project approvals and investor confidence.
- **Risk-sharing arrangements**—such as those related to construction delays, cost overruns, property and demand risks—can deter participation.
- **Public concerns** about privatization of essential public services (e.g., housing, healthcare, water-related assets) require careful management and transparent communication.
- **Availability of Project Financing** – Commercial structures of upcoming PPP infrastructure projects may not be sufficiently bankable for long-term project loans.
- **Macroeconomic Pressures** – Global capital market volatility and elevated interest rates may influence investor appetite.

Recommendations: Streamlined Policies and Fast-track Approvals with clear risk/reward frameworks for more PPPs

- **Transform Hong Kong's PPP funding** structure and mechanism to de-link infrastructure and real estate to create better commercial and financing structures with acceptable risk allocations for project sponsors, financiers, and operators locally and internationally.



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- **Northern Metropolis and GBA Integration** – Use PPPs to accelerate cross-border infrastructure projects (e.g., transport, tech corridors).
- Mandate private sector to drive smart city projects (renewable energy, digital infrastructure).
- **Utilize Hong Kong's strong capital markets for blended finance** models that combine public and private funding sources.
- **Leverage private capital markets**, such as pension funds, private equity and sovereign wealth funds, to reinvest into Hong Kong's next phase of infrastructure developments.
- Prioritize Strategic PPP Projects: Key areas for PPP development include:
 - o Hong Kong Container Terminal
 - o Northern Metropolis
 - o Hong Kong International Airport
 - o Hong Kong Science Park
 - o Cyberport (e.g., Lau Fau Shan New Digi Bay)
 - o Transport sector (e.g., three smart and green mass transit systems, Hong Kong-Shenzhen Western Rail Link, privatization of existing tunnel assets)
 - o Public utilities (e.g., water supply and drainage services)
 - o Healthcare

Expected Outcomes

- PPPs offer the advantage of promoting Hong Kong's strengths as an international fundraising and financing centre, generating excitement and buzz for the city.
- Accelerated project delivery timeline with greater private sector involvement offering competitive financing, development and operations efficiency to drive Hong Kong's next wave of economic growth.

CONCLUSION

"REINVENTING HONG KONG'S COMPETITIVE EDGE – BUILDING ON STRENGTHS, SHAPING THE FUTURE"

Hong Kong stands at a pivotal moment. Amid global economic and geopolitical headwinds and shifting international perceptions, the city has an opportunity to reaffirm its distinct identity, and global relevance and competitiveness. By embracing innovation, enhancing connectivity, and deepening collaboration, Hong Kong can continue to thrive as a safe, stable, and forward-looking international hub.

The path forward is to leverage Hong Kong's unparalleled strengths, accelerating reforms, and fostering inclusive growth. With strategic vision and bold action, Hong Kong can reinforce its leadership in the Asia-Pacific region and beyond.



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Why This Matters for Canada and Hong Kong:

For Canada:

Hong Kong remains a vital gateway to Asia's fastest-growing markets, offering Canadian businesses a launchpad for further expansion and innovation.

For Hong Kong:

Strengthen ties with Canada present a meaningful opportunity to diversify economic partnerships and reinforce global positioning. The culture affinity and connectivity between our communities are unparalleled—Canada has one of the largest overseas populations with deep familiarity and engagement with Hong Kong.

Let's build on this strong foundation. By leveraging the deep networks, shared values, and mutual interest between Hong Kong and Canada, we can unlock new opportunities across Mainland China, GBA, Indo-Pacific, and broader Asia Pacific.



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