

**HKIoD's response to the Policy Address
delivered on 25 November 2020**

Note: The response first appeared in Chinese on 25 November 2020.

Relaunch

(25 November 2020, Hong Kong) - The Hong Kong Institute of Directors issued the following response to the Policy Address delivered today.

In the view of HKIoD, the Policy Address today has much stimulus for the economy and initiatives to improve people's livelihood. Proper implementation could set Hong Kong for a relaunch. But if we are still bogged down by the epidemic, there is no striving ahead.

No striving ahead if bogged down by the epidemic

The Policy Address has passages to rationalize the considerations that would seem to restrain the Government's effort to fight the virus. Experts, however, have lamented that the last several waves of outbreak had been the result of gaping holes in curbing measures. In the face of the latest spike, Hong Kong people will want to see the Government taking more decisive, effective measures to cut the spread, so to avoid cases coming in and spread from within.

Around the globe, it is very much a pandemic, with only the Mainland showing consistent signs of holding the spread. And for that reason, commentators tend to agree the Mainland economy stands to recover better and quicker than other markets. Hong Kong does have the hinterland as fall back. To resume trade and travel with the Mainland should help bring the local economy back on its feet.

Help from Beijing

The Chief Executive postponed the delivery of the Policy Address, so to gain time to hash out policy details with the Central Government and Guangdong provincial authorities to bring benefit to Hong Kong and to inject confidence. The Policy Address today does include policy measures that will promote further integration of the two economies.

Impetus to the economy

The financial sector remains one of Hong Kong's strength. To further mutual access to financial markets and to attract family office business to Hong Kong should leverage the advantages of Hong Kong financial and professional services.

The Chief Executive expressed the desire to be among the first to become part of the Regional Comprehensive Economic Partnership (RCEP). The Institute had since the negotiation stage recommended that Hong Kong position itself to eventually join. Such could now become reality.

The aviation industry has been a major casualty of the pandemic. No instant recovery, yet we need to plan and strategise how to keep the aviation hub status. Besides the third runway project



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now underway according to plan, the Policy Address mentioned the Aviation City concept, which is to connect SKYCITY and the Airport with the HK-Macao-Zhuhai Bridge crossing. There will be an automated transit link with extension to Tung Chung town centre. The Institute largely agrees with the proposal to better utilise land in the Airport vicinity. We look forward to further details from the Airport Authority.

Investment into Zhuhai Airport to create synergy should, in connection with the Airport City concept, enhance the overall competitiveness of the Hong Kong International Airport.

Land and housing

To tackle Hong Kong livelihood issues must require attention to land supply and housing. The Policy Address today asserted that the efforts by different administrations over the years to increase housing supply have started to pay off.

The Institute believes that, with the completion of more units, we can indeed re-establish a flight of steps for younger persons and families to improve on their housing condition and quality of living in realistically reachable climbs. To increase the overall supply of public housing, hopefully, will in turn make it easier for those seriously in need for public rental housing to satisfy basic housing needs.

The rate at which more housing units become available will necessarily hinge on land supply. The Chief Executive will seek to expedite the land development process, streamlining approval process and strengthening coordination among departments, so to compress the development schedule from turning raw land to building sites and eventual units. The Institute supports the move.

The Chief Executive reiterated the Government's commitment to push forward with Lantau Tomorrow. Given the many doubts and queries, the Chief Executive made statements again to vouch for the advantages. Such would include creating new land (instead of solely changing the use of existing land from one to another), increasing housing supply with a proportion of 70% for public housing, optimising the transport network of Hong Kong as a whole and relieving traffic congestion in the Northwest New Territories by linking up the roads and railways on Hong Kong Island, North Lantau and the coastal areas of Tuen Mun, developing a liveable and carbon-neutral community, boosting the commercial development potential of North Lantau, and addressing environmental issues by absorbing local public fill instead of sending it to sites outside Hong Kong for reclamation. The Institute has supported the concept for that it could make good grounds to sustain Hong Kong's development for decades to come. We maintain our views. The Chief Executive promises to listen to views, especially on financing options. The Institute would encourage all to further explore the vision's feasibility from that angle.

Reliable and affordable transport services

The Chief Executive reiterated the Government's commitment to build out transportation infrastructure, so to provide reliable and affordable transport services. We have high expectations as the Government charts the next round of comprehensive transport study. Gathering the right data is essential for planning the right transport network to meet future needs.



Smart Mobility is to apply technology to improve road efficiency and to ease the pressure for parking space. This is a worthwhile pursuit.

To extend the lowered expenses threshold to qualify for the Public Transport Fare Subsidy Scheme is the right thing to do.

Bring education back on track, bring in and bring up talents

The Policy Address set out the direction for reform of Liberal Studies, with the aim to rectify the apparent deviation from its intended learning objectives. We agree.

The Policy Address also made mention of an initiative to enhance the quality of teachers from entrance to training and on-going management. Teachers who are incompetent or who had committed misconduct will be subject to stringent actions. We support.

To support the growth prospects from innovation and technology, the Chief Executive put forth a 5-year Global STEM Professorship Scheme to attract top R&D talents to Hong Kong to complement home-grown talents. The Greater Bay Area Youth Employment Scheme will enable young graduates from not just innovation and technology but other fields to have a chance to live and work in Mainland cities to gain experience. With further integration of the two economies, and with Hong Kong remaining an international city, these measures should help bring in and bring up talents with regional experience and a world view to better the Hong Kong economy.

Raise the corporate governance game

HKIoD believes lifelong training for directors in corporate governance knowledge and skills is an important yet often neglected segment when it comes to nurturing talents for the economic development of Hong Kong. Company directors are ultimately responsible for corporate governance. Better quality company directors should mean better corporate governance. HKIoD believes that company directors should have a firm measure of competence to perform when they first assume their posts. Over time, they should strive to remain up-to-date with best corporate governance practices. Similarly, directors/governors of social enterprises, charitable organisations and statutory bodies should also be ready and prepared to discharge their duties when they start out and to keep up-to-date with best governance practices over time.

The Institute prays for the Government to draw up measures to help directors of business companies or governors of organisations of various kinds, whether those who now are and those who aspire to be, to obtain quality training so as to raise the level of their corporate governance practices.

In her October 2018 Policy Address, the Chief Executive urged listed companies to appoint more women to their board. Perhaps over time the Chief Executive can revisit the issue to check our progress. The Institute of course welcome more female to join the ranks of directors. Nonetheless, whether for businesses or non-profits, the more essential is for the board of each such entity to have a firm understanding of the entity's strategy and needs and to have a firm recognition of how the board's current composition can be strengthened. The point is to better enable the identification of suitable candidates with diversity traits (including gender, ethnic, specialty skills, industry experience, etc.) to join the board, not to go after number quotas.

Relaunch

The Policy Address touches on a good many measures and initiatives and paints a good many visions for the future. Much is not new; much has been uttered and put forth at one time or another. Vision, proposals and policies however grand they may sound all need to see implementation to have results. For quite some time, Hong Kong grinds to a halt. Weeks and months go by, engine idling. Recent developments could see a sea change. Chaos in the LegCo Chamber could go away. When the legislature returns to normal, policy discussion can proceed. When policy ideas can get implemented, Hong Kong may be set for a relaunch.

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About The Hong Kong Institute of Directors

The Hong Kong Institute of Directors is Hong Kong's premier body representing directors to foster the long-term success of companies through advocacy and standards-setting in corporate governance and professional development for directors. A non-profit-distributing organisation with membership consisting of directors from listed and non-listed companies, HKIoD is committed to providing directors with educational programmes and information service and establishing an influential voice in representing directors. With international perspectives and a multi-cultural environment, HKIoD conducts business in biliteracy and trilingualism. Website: <http://www.hkiod.com>.