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**HKIoD's recommendations  
for the Chief Executive's Policy Address  
scheduled to be delivered on 16 October 2019**

Hong Kong is facing some unusual and difficult times. The challenge is not just to stay in the race for economic development and progress. The immediate test is on our ability to govern ourselves to justify the current One Country Two Systems arrangement.

**Restore peace and order**

A peaceful stable environment is the prerequisite for any meaningful implementation of policy to improve people's livelihood. Urgency is required to restore peace and order. Determination must be shown to enforce the law and prosecute the offenders. To appear weak on crimes and illegal acts can breed more infractions.

Desperate times should require desperate measures. There is no liberty for all if society is at the whim of a mob.

**Relief measures for businesses to weather storm**

The Institute welcomes the Government's packages of support measures announced in August and September. One major aim is to help SMEs with cash flow. We have before expressed our concerns over the narrow scope and tedious procedures of the various loan assistance and funding schemes, which have made it difficult for more businesses to benefit. The Government would have an interest in safeguarding proper use of public money, but the Government may not be in the best position to understand and chase fast-changing commercial needs. Fiscal prudence can in fact hamper financial assistance intended. We are aware of suggestions to augment the form and concept of the various schemes from a direct assistance to more of a matching fund mechanism. To bring in market forces as means to vet and screen may have merits.

**Rescue the businesses that are going under, and save the jobs**

A sad fact would be that, some number of businesses will run into serious difficulties. To save these businesses from going under is to save the jobs. The Institute will support the introduction of a flexible corporate rescue regime that gives company directors leeway to explore restructuring options without undue insolvent trading liability.

**Land supply and housing**

We surmise the bigger more pertinent underlying cause of the social unrest would have been the widening of the income gap, which manifests itself in the housing situation. Enough youngsters would feel they will not able to live their Hong Kong Dream.

Only with the completion of more housing units can we have the better chance of re-establishing a flight of steps for younger persons and families to improve on their housing situation and quality of life in realistically reachable climbs. For those seriously in need for public rental housing, the promise of a three-year waiting time must be better kept.

There has been much talk about increasing land supply, but real progress may not have been felt. Reclamation may still be a long-term solution but faster turning of brown sites into homes is needed. A general ratio of 70 to 30 percent in favour of public housing units would seem

right. We would love to see public-private partnerships flourish, but we also believe the Government should have the courage to take land for development when it needs to be so.

### **Clean the streets**

We have heard complaints about the slow progress in the cleaning up following Typhoon Mangkuht. The typhoon came and is gone, the unrests may linger on. We are still hopeful. When the time comes to do the serious cleaning up, we should need a much quicker turnaround to repair the damages to the streets and facilities.

Some roadside fences have been damaged or destroyed. This could be a good time to review whether they should indeed be repaired and replaced. If the fencing blocks pedestrian flow more than it does to improve road safety, that may be a reason for adjustment. If pavement bricks are a convenient source of weaponry, is it worthwhile to try another paving technique (and conceive other ideas to use up the recycled glass)? The same logic could apply when it comes to fixing other facilities.

Deeper cleaning in the community will be necessary, to eradicate rodent infestation in troubling spots and to prevent such from spreading onto other areas.

Street markets can be a Hong Kong attraction. It would also be a joy, at least for some, to buy from street market stalls or hawker pitches rather than chain stores. Street markets, however, should not become a source of health threat and traffic chaos. The Government's enforcement strategy regarding hawking activities sounds right, but we hear laments about consistency and persistency in terms of enforcement actions.

### **Fix the house**

Extend and enhance the various subsidy schemes so owners of aging residential buildings can continue to seek assistance to upkeep the ir property. This would enhance safety in residential communities and enhance property value, and it should also add jobs and add spending to help the economy.

### **Newer methods to build newer homes**

There is room for wider use of newer methodology and technology in building construction. Novel techniques and novel materials have emerged. They could otherwise make a building project more cost efficient, except for the obstacles to gain approval for their use in Hong Kong.

### **Bring them back!**

Hong Kong must have a game plan to bring visitors back. Over the past years, however, we have probably learnt that we do not have the right mix of infrastructure to support large number of tourists. This should be factored into that game plan.

Hong Kong must have a plan to bring business back. Adding capacity to stage simultaneous large-scale conventions and exhibitions could add to Hong Kong's bargain. Be in the front of the queue when it comes to allocating and managing the air space over the Greater Bay Area. Less congestion and fewer delays flying into or over the Mainland can install or restore Hong Kong as the choice hub for air travel.

The vision of "One Belt, One Road" and the rise of the Greater Bay Area will bring business opportunities. A healthy strong financial market and a wider network of trade and tax agreements with other markets should allow us to capture more of those opportunities.

A comprehensive review should make the Hong Kong tax regime better match our economic reality, enabling us to spur development in areas where we should. The Tax Policy Unit can lead the charge.

### **A reliable rail system**

There is good logic to rely on mass transit as the backbone of the city's public transportation network. For decades, the rail system has been that reliable backbone. Recent vandalism that put the system out of full service is unfortunate, but unrelated incidents and accidents should ring alarm bells. The rail system will need to maintain its high level of service. The wider public transportation system may require yet better coordination and contingency planning to respond to incidents.

### **Double down on the fight against double parking**

On narrow streets that Hong Kong has, any obstruction can cause some traffic backup afar. Double parking – and surely other forms of illegal parking – have become rampant around town. We are mindful that more parking space may yet encourage more cars, but cars circling the streets to look for parking or queuing up outside car parks waiting for entrance can just as much be a cause of traffic congestion.

### **On schooling and education**

To support our growth strategy our education system needs to churn out people with the right skills. We need a better pool of talent for the Hong Kong economy to transform and upgrade.

Hard knowledge and sharp skills alone do not make a person. Sheer intelligence and ability can do harm if not underpinned by a sense of virtue. The special status of Hong Kong would permit more Hong Kong youngsters to nurture an international, global outlook. A sense of global citizenship is good, but that sense of global citizenship must rest on some proper understanding of the role and place of Hong Kong within the Nation. A narrow Hong Kong-centric view of the world order is counter-productive.

In so far as Hong Kong is a creature of the State, in so far as there is the One Country Two Systems set up, a proper understanding of the state of affairs in Mainland China is just as if not more important. To understand current affairs should require an appreciation of how things have evolved and come to be. We firmly believe a proper, formal reading of Hong Kong history and Chinese history must be an essential part of the school curriculum.

History nonetheless is open to subjective interpretation. The teacher who teaches the subject can of course have huge influence on the student's take. We may not mind that as much, if the teaching is to revolve around some prescribed, yet fair and balanced syllabus. Doubters will ask, "who is to say fair and balanced?" We say, a syllabus that dare to expose students to different and conflicting views must be more useful and constructive than lopsided presentations.

We are not saying that compulsory history lessons must change minds and make people "love China". We are saying, an honest debate usually helps people come to a better at least more thorough understanding before they make up their mind.

### **Ability to govern, so to justify One Country Two Systems**

Our members who sit on boards will appreciate the importance of collegiality in the board room, so we can honestly disagree but politely debate. In recent years proceedings on the LegCo floor have gone out of hand. Antics for politics' sake slow down progress and hinder

proper deliberation. The people for whom they were elected to represent are the ones who ultimately suffer.

The Government will need some contingency planning to ensure safety and integrity of the upcoming District Council Elections.

Hong Kong prides itself for its rule of law. To make true the claim, justice needs to be served. The prosecution must no longer drag its feet where there is clear evidence to proceed. The larger public will also be watching the outcome of court cases when offenders are put through their trials.

Issues are getting more complex and caseloads are getting heavier. We are for allocating more resources and recruiting more judges so the judiciary can do its job. The public, however, will be ever more eager to see if judges on the bench are ones who seek to achieve a proper balance between upholding the law and preserving liberty.

### **A free press that allows different views and perspectives to crossfire**

Dubbed the fourth branch of government, it is important for a democratic society to have a free press. The Institute will not go so far as to advocate a licensing regime for journalists although we are aware of calls for such. Self-discipline could be the best solution for all. While there should be leeway for reporters to roam and report, there should also be some deference to restrictions and limits that may be imposed on press activities when there is a real concern for safety and a genuine need to reestablish a modicum of order. We should love to see a free press that allows different views and perspectives to crossfire. The media should also have an interest to not let the mob mask and disguise among the ranks of hard-working reporters who give us the news.

### **Hong Kong is a special place, if we can keep it**

We remain confident that, with a stable environment that we can restore and a talent pool that we can nurture, Hong Kong can rise again. Hope we have.

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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>.

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