

Issued on: 16 September 2025

**HKIoD's Statement
ahead of
the Chief Executive's Policy Address
scheduled to be delivered on 17 September 2025**

This will be the Chief Executive's fourth Policy Address in his current term. We will soon have Legislative Council elections for a new four-year term. Citizens will want to know the government policy and legislative agenda for the next several years. And for the whole country, preparation for the 15th Five-Year Plan (2026-2030) is well under way. Dovetailing well with national development planning could spark a new era for Hong Kong growth and prosperity. There is a better future to come. We have to believe.

Believing is an active act: we have to do it ourselves

Over the years Hong Kong has seen achievements and accomplishments that are best-in-class. Hong Kong people come to expect good things; the bar has been set high, maybe too high.

But Hong Kong has been going through some bad stretches lately. Downturn of the economy. Flattening, even falling property prices. Things are not going so well as before. Hong Kong people lose confidence, even nursing a latent sense of negativity.

A not insignificant number had decided to leave Hong Kong. Some more may be weighing their options. Those who left or who want to leave probably have some doubts over Hong Kong's future, Hong Kong prospects.

We believe in a better future yet to come, however. To follow the insight of a famous football coach, it is for us to turn doubters into believers.

Policy coordination to foster belief

Indeed, some of our members lament that, youngsters in Singapore all seem ready to say what the Singapore government is doing for them. The situation in Hong Kong may not be as encouraging. There is the perception that the government only does things in piecemeal fashion when a holistic, transformative approach is felt needed. Policy issues and responsibilities are distributed and allocated to different bureaux and departments for good reasons. What may seem lacking is the policy coordination to knit things together,

An accountability system for a new code of leadership

The Chief Executive has floated the idea of an accountability system for civil servants who take up directorate or other senior posts, to prompt leadership in their work. The Chief Executive may present more detail on the scale and scope in his upcoming Policy Address. If the implementation of an accountability system will encourage departments and agencies to get out of their own silos and to coordinate work for some policy purpose, there may emerge a new code of leadership to foster belief in government's resolve to get things done.

Play to our strength where we can, fix some issues to plug the weakness

The strength that Hong Kong can and should play to is indeed the One Country, Two System concept that makes for its special status. To counteract misguided international perception, we

need to restore Hong Kong's reputation as an open, fair, tolerant and, most importantly, free society. The key message here: Hong Kong is part of China, but different from China.

International status and global connectivity

To place the headquarters for the new International Organisation of Mediation (IOMed) here is one act of confidence by the central government to cement that international status of Hong Kong. It enables Hong Kong to be a centre for international cooperation and exchange, drawing on its global connectivity and the presence of an international class professional community.

The centre for international trade and commerce

Global connectivity is the gist of Hong Kong's claim to be the centre of international trade and commerce. Bringing together Hong Kong experience in branding and marketing and capability to give credible quality assurance can add value to help China products fetch better prices in global markets.

The international financial center

According to information, there is an encouraging pipeline of companies queuing for a Hong Kong listing. The IPO market can expect a rebound. An extension of the Connect Scheme concept to include IPO subscriptions can further highlight Hong Kong's connector status and function, linking up the Mainland capital market with the global market.

The Stock Exchange indicates the plan to conduct a consultation on enhancing the overall competitiveness of the Hong Kong stock market. The Stock Exchange may want to consider these issues and factors:-

- Further streamlining IPO application process to give prospective issuers more certainty
- With trading during typhoons introduced, to implement extended trading hours if not 24-hour trading
- To rethink the position of GEM board, or to fashion market tiers that can truly work for tech startups and innovation companies

The offshore RMB center

Hong Kong is already the world's largest offshore RMB business hub. Hong Kong can take this advantage to further the internationalisation of RMB at the time when investors are more likely to diversify away from US dollar assets.

The choice location of doing business

To have more multinational corporations have a presence in Hong Kong will mean more employment opportunities for many sectors. It should attract talent to Hong Kong and keep them here. Tax and non-tax incentives can be useful to entice businesses to establish regional headquarters and corporate treasury centres in Hong Kong. Alongside the good efforts already undertaken by InvestHK and OASES, the now legislated re-domiciliation regime can also be better advertised to entice businesses to come (or come back) to Hong Kong.

Tourism

Something to come back for

Visitors can rightly ask, "once I have come to Hong Kong to see those sights, what else is there for me to want to come back?" While the pandas will continue to draw some crowd, we need newer attractions. In recent years, many have pointed to the coastline and outlying islands as resources to unearth and develop for tourism. This should dovetail well with recent Guangdong policy to promote free travel via pleasure boating within the region. On our side, we will need

a much larger supply of parking berths and a streamlined permitting procedure for cross-border pleasure boating to take hold.

Bring major international events to Hong Kong

Aside from natural scenery or man-made attractions, we also look to conventions and exhibitions to attract visitors.

Cluster of events with better coordination

The effect of a standalone convention can be leveraged into a cluster of events on the theme topic, spreading out over a period. For a visitor, that could mean better value in making a longer trip that catches more events, but only if they could know in order to plan for that longer stay.

Hong Kong does have clusters of events like the Business of Design Week or BIP Asia. There is however a niggling suspicion that there may not be too many associated and related events, or if there are it is not as easy to know about them. Some of our members recount their experience that, in Singapore they have been very able to easily find and know the dates and happenings of a wide range of associated events by different organisations to go around a core programme. For us, perhaps there can yet be better coordination, first to encourage more organisations to put up associated events and then to compile event details and market them in a whole package.

Time for sports

Judging from early evidence, the Kai Tak Sports Park looks true to its promises. This should be encouragement for Hong Kong to bid for more recurring tournaments and events that have the effect of bringing more visitors here to stay longer.

Dream big for a vision of Hong Kong and the GBA

We are aware of calls for the Greater Bay Area to bid for and co-cost the 2036 Summer Games. Some of our members are particularly fond of the idea, for what it can bring to Hong Kong. Take Brisbane, for example. The city is to host the 2032 Summer Games. Those familiar with the situation told us that, from initiating the idea to now getting things ready for the games, the process has encouraged community engagement and created growth opportunities for all people of Queensland. Everybody has a shared vision, something to look forward to.

The All-China national games this year is a test case of what the GBA concept can be: easy people movement despite a border, effective coordination despite scattered venues. The experience can be valuable for that bid to host the 2036 Summer Games. To embark in that process can possibly align different policy interest towards a more coherent policy agenda and strategy, all for a vision of a better future to come.

We are also reminded that the 2014 APEC Finance Ministers' meeting was originally slated to be held in Hong Kong, but the event was subsequently moved out of Hong Kong due to some happenings in Hong Kong that year. Hong Kong has a shot at convincing Beijing to let Hong Kong be host again, to show our capability of handling such major events.

Indeed, HKIoD had made similar recommendation before. Hong Kong was the host of the World Trade Organisation's Ministerial Conference MC6 in 2005. With the national government's blessing, Hong Kong could play host to another event of that stature. Will it bring protests, as the 2005 event did? Probably. Will Hong Kong people understand and tolerate such? Possibly, if indeed of the orderly and measured kind. Can the Hong Kong Police handle it? We think yes.

Cultural tourism, screen tourism

Hong Kong should position itself as base camp for those who are looking for a journey into the Greater Bay Area for an experience in the rich *Lingnan* culture. Hong Kong should offer the right incentives to re-position itself as the choice location for filming to further induce screen tourism. The economic potential of cultural creative products and media derivative markets is enormous. In Hong Kong and the rest of the Greater Bay Area there is the creative talent, manufacturing capacity, professional services, financial and capital market available. Another “Labubu” phenomenon is not out of the question.

Facilitate business travel and people movement

Hong Kong still requires visa for travellers from a number of countries who are just passing by in transit. This is more than a mere inconvenience, considering that Hong Kong vies to be a major aviation hub. We can even do better to turn more transit passengers into actual visitors, making it easy for them to go into town for some sight-seeing and shopping.

Digital economy, digital society

To keep Hong Kong an attractive place, it has to become a smarter city faster. Some of our members lament that Hong Kong is just not first in class in adopting and advancing digital solutions. We may have invented the RFID and put application to the all-famous Octopus card, but we do not seem to do so well in follow-on innovations and developments. We may have one of the highest penetration rates of cell phones for some time now, but wider adoption of digital payment platforms towards cashless payment is only just catching on.

Digital commerce

Adoption of technology including AI to engage in digital commerce space is not a choice anymore, even for SMEs. While there have been different schemes to help SMEs (loan guarantee schemes, Export Marketing Fund and the BUD fund, for instance), more could still be done, assistance can be further integrated, and SMEs can use better encouragement and support to adopt technology to help their business.

While we encourage digital commerce, we should not relax in the effort to rein in telemarketing via unsolicited calls and messaging, either of which can be a nuisance or worse, a hotbed for fraud.

Technology in business transactions and service provision

One of Hong Kong’s perceived strength is its concentration of professional services able to facilitate business and commerce. Yet, Hong Kong professional services are perceived to be expensive. AI-powered workflows should enable professionals to produce quality work more efficiently, generating better value for the fee-paying clients.

The adoption of technology should make it possible to turn business transactions paperless. In conveyancing matters, a quicker implementation of title registration can be an impetus. Wider adoption of Smart ID, Corporate ID and e-signature mechanisms should also mean easier authentication and better safeguards against fraud.

Digital government and social services

Adoption of technology including AI is not just for business and commerce, but also essential in government and public services. The following areas are what we see as opportunities:-

- Implement digital ticketing for major events, which will help redress the problem with scalping and in turn support the cause for hosting more major events in Hong Kong

- Wider adoption of digital medical record, e-prescriptions and telemedicine/remote diagnosis to aid in the service provision for a fast-ageing population

No rush to regulate AI

Nonetheless, the Government should take a “wait and see” approach to AI regulation, to not seek to regulate too tight, too soon. We would agree, however, that there should be guidance and guardrails in key areas like data privacy, ethical use and national security. We tend to believe that the place with the least regulation is going to be the place with the best AI technology developed.

Uber vs Taxi

While people will desire the satisfaction of car service on-demand with a few clicks on their digital device, there will still be the joy of being able to just hail a taxi on the street. We see room for both modes of car service to co-exist.

Some of our members have not so good experiences with Uber rides and premium taxis alike. In some instances, the premium taxi drivers are said to be “terribly rude”. In some instances, the Uber driver may be courteous but would not know the way and would be relying on GPS too much.

Meanwhile, we read news reports that the government intends to relax the knowledge examination requirements for new entrant taxi drivers, citing that taxi drivers have technology to aid in directions. Considering that taking the wrong routes or not knowing the way had been the often-heard complaint against taxi drivers, we caution if being too lenient on route knowledge is the right way to go. Or, if GPS is viewed as so able to guide taxi drivers, we may then want to re-consider the practice among red cabs to self-divide into Hong Kong cars and Kowloon cars, often refusing to take passengers to where red cabs are supposed to go.

Talent development

Talent for all sectors

Congratulations to the top scorers in DSE, but some of our members lament that all too many of the top students these days just seem to want to go to medical schools and become doctors. Though we are still low on the number of doctors, Hong Kong also need talent in all sectors to support wider and more balanced growth.

The imperative for quicker adoption of latest technology to augment and improve workflow will require talent of the right skills to be recruited, trained and retained.

To take advantage of, and to complement the IOMed seats in Hong Kong, we should need to train more accredited international mediators plus other practitioners and professionals to handle the caseloads.

And for the Hong Kong innovation ecosystem to take hold, we should need to encourage more able students to consider science and engineering subjects. It could be that doing science is still seen as not making as much money. The students (and their parents) may need a conversion, to have conviction of that pathway to a successful and rewarding career in scientific research.

Professional services for the innovation ecosystem

Though we should try, Hong Kong may never really catch up with Shenzhen on innovation. But Hong Kong has a concentration of financial and professionals that may be the strength to its advantage. We need to train and develop more professionals who understand the business

value of intellectual property in business transactions, who will also support a capital market with the right tiers and segments to meet the capital needs of growth companies at different stages.

Governance credentials and training for tech innovators

We have put in place funding schemes to support innovation and start-ups, to help commercialise upstream R&D results into viable products and services. Scientists, researchers and innovators are very bright, but not all will be naturally attuned governing a business. The question is, how to help them be more successful.

Good directors improve governance. Like all organisations, we should also want startups to have board members with the right mix of skills and qualities, and all should have governance credentials through accredited training. For startups with government funding, this would be another needed guardrail to channel good use of public money.

Getting ready for long-term challenges

Ageing population

The ageing population will continue to be a major challenge for the long term which should require thorough planning and extensive coordination across different segments of public service. In addition to adding hospital beds and doctors, we will also need more people to enter the field of nursing and elderly care. Public and private collaboration should also help redress the imbalance between the two streams of healthcare provision. Chinese medicine practitioners could also be further empowered to share the burden.

Low birth rate

The low birth rate, coupled with a trend in late marriage or no marriage, will add to the policy challenge arising from the shifting demographics. A stable economy with job prospects, a realistic ladder to climb towards homeownership, good schools and childcare options are some elements to encourage more people to want to have children.

Going on the sustainability journey

The development and deployment of AI will translate into massive demand for energy. The ability to generate power at low cost and with clean energy sources can determine the level of success Hong Kong can achieve. We need a cohesive clean energy policy.

We appreciate the many initiatives and policy measures to encourage the use of clean energy for lower emission, but more government intervention will still be needed. Build out enough charging stations to make electric cars truly attractive. Enhance and sustain policy measures to make mandatory adoption of sustainable aviation fuel a possibility.

Fiscal and budget matters

Fiscal and budget matters are usually the subject matter for the budget consultation cycle. The point here is, to implement the many policy initiatives to meet developmental goals will require budget resources. Relying on land sale is likely not the best option going forward and we should need to consider a different structure to our government revenue source. This will entail a policy choice at a deeper level than the usual budget choices.

A word about timing

The term for the current Legislative Council is to end. Election is to take place later in the year. There is good reason to wait till the new Legislative Term for the Chief Executive to address

the new council. It can possibly allow candidates more freedom to express and debate their policy preferences, which could in turn help the government shape its policy agenda.

Prior to the current 7th Legislative Council (2022-2025), the legislative year would begin in October, and a Policy Address is usually made at that time. With the current legislative term, the legislative year has switched to a January start.

We had January Policy Addresses before (in the several years between 2013 and 2017). One rationale for that practice is to stress the interconnection between the substance of a Policy Address and the Budget allocation for that policy agenda.

The usual term for a Chief Executive is five years; four for the Legislative Council. The length tenure of the two does not jive with each other. The situation like we have this year will occur again. For constitutional order (or convention) we can rethink the timing of the Chief Executive's Policy Address against the legislative year/term cycle. We can reinstitute an autumn start for the legislative year. Another option is to move the Policy Address to mesh with the legislative year start now in practice (i.e., January).

What a board does affect the future of the organisation it leads. What a government does affect the future of the place it governs. We are to enter a new era for Hong Kong growth and prosperity. For corporates or for government, we can challenge ourselves to decode the new rules of leadership for great success in this new era. We believe.

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