



HKIoD's response to the Policy Address delivered on 19 October 2022

Note: The response first appeared in Chinese on 19 October 2022.

What actually turns out is what measures effectiveness

(19 October 2022, Hong Kong) - The Hong Kong Institute of Directors issued the following response to the Policy Address delivered today.

The new Chief Executive delivered his maiden Policy Address this morning, layout policy objectives and measures to turn election manifesto ideas into action. It was on the whole satisfactory.

The Chief Executive has a slogan in Chinese “以結果為目標” (literally, “making results the objective”). For any policy objective or measure, it matters much less how grandiose it was said to be, it matters more what turns out. Effectiveness can only be measured when there is a result to be measured. We may not completely like the slogan in Chinese, but we are very willing to believe the Chief Executive's heart-felt desire is to be result-oriented. In that case, we are that much more wanting to see the Chief Executive make his “governance systems” flexible and quick to react to obstacles in implementation, to make adjustments for the better, so to reach the results desired.

To enhance governance capability, the Chief Executive aims to have set up the Chief Executive's Policy Unit before the end of this year to help in research and advocacy on long-term and strategic issues. The Chief Executive will also introduce the “red team” concept, to play the role of critics and opponents to facilitate a thorough review of policy decisions and execution plans. We concur.

The Chief Executive also has plans to strengthen the civil service management system, via an enhanced reward/recognition and discipline/punishment regime. If the reform will make the government team one with more agility and less bureaucracy, it should be good.

e-Government, Smart Hong Kong

The Policy Address made a pledge to turn all government services online in two years. A Smart Hong Kong is to improve quality of life. The Government has been eager to foster the development of a digital economy. Aside from business applications, government service is another front as far as digital transformation is concerned. On this front, Hong Kong is probably quite far behind needing a real catch up.

Talent hunt

The Chief Executive announced a few measures to attract talents to Hong Kong and keep them here. Among the measures is the proposal to refund the extra stamp duty paid by eligible incoming talents in their purchase of a first home in Hong Kong. The measure will make the stamp duty burden on par with that applicable to local buyers who buy their first home. We tend to think the measure is suitable, being attractive to incoming talents without too much of a disrupting effect on the housing market.



Bring businesses in

To spur the economy, the main sparks will come from integrating with the Greater Bay Area and to tap the opportunities made possible by the grand vision of “One Belt, One Road”. The Office for Attracting Strategic Enterprises (OASES) which is to be set up can indeed work together with the ETOs and even business chambers and professional bodies to go tell a great Hong Kong story to bring entrepreneurs and investors to Hong Kong, to run businesses or to build a career, and in turn, play out the role Hong Kong can and should play sitting at the intersecting point of the Mainland’s domestic and international dual-circulation economy.

Innovation & Technology, efforts to re-industrialise

The segments on innovation and technology may be the high point of the Policy Address.

To earmark \$10 billion to launch “Research, Academic and Industry Sectors One-plus”, or the RAISE+ Scheme, will enable funding on a matching basis to support research teams in universities which have good potential to become start-ups, which in turn will help commercialise R&D results.

By collaborating with the OASES and making use of the \$5 billion Strategic Tech Fund as well as the land and space in the Hong Kong Shenzhen Innovation and Technology Park, there is the hope of attracting high-quality enterprises to come to Hong Kong new or to expand their presence. To focus on life and health technology, artificial intelligence and data science, as well as advanced manufacturing and new energy technology seems the right move.

To create the post of Commissioner for Industry to steer re-industrialisation, and to aim for increasing the number of smart production lines under the Re-industrialisation Funding Scheme to over 130 in five years can mean a restart for Hong Kong industry.

Northern Metropolis

For the Chief Executive, the Northern Metropolis will emerge as a “new international I&T city”, integrating quality life, new economies and culture and leisure. We also look forward to seeing the Northern Metropolis become reality that meets the Chief Executive’s wish, to be the foothold of strategic development as well as the new engine to scale new heights.

We have commented in the past, that planning for the New Territories had for too long been hampered by much a HK-centric mentality. But with the prodding from the Fourteenth FYP and the trend of a further integration into the Greater Bay Area, what was seen as peripheral is indeed much more central as far as economic development strategy is concerned. Just as we put in the Policy Address recommendations this year, the development of the Northern Metropolis is a test case for the Government to up its game in fashioning new towns with strategic importance to the economy and where people will aspire to live and work there.

The Policy Address reiterates the principle of building out transport infrastructure in advance to drive and support development, committing to take forward the Three Highways and Three Railways projects. We believe the resulting road and rail network will help connect and ease the travel from the Hong Kong urban core through to the Northern Metropolis and the Mainland.



Land and housing

To tackle Hong Kong livelihood issues must require attention to land supply and housing.

The Policy Address introduced the notion of Light Public Housing, which will be deployed alongside the traditional public rental housing programme in the hope of immediately capping the waiting time at 6 years and reducing it to 4.5 years over the next four years. This would seem a stop gap measure but may be one that the current situation would only allow. Many will want to see the result of a waiting time returning to 3 years (or less), however.

The Light Public Housing, will they just be a way to make the transitional housing scheme permanent with no hope of improving the living conditions in the long run?

To compress the time cycle from turning raw land into spade-ready sites, to enhance public-private partnership, to adopt “Modular Integrated Construction” and “Design and Build” contract model can all help make housing construction happen faster.

In the long run, we need to build up the land reserve, to retake command of the land supply situation and stay on top of things rather than always playing catch up.

The young vs the old

The Chief Executive devoted passages on nurturing the young to become the next generation of a prosperous Hong Kong. In comparison, the Policy Address only made scant mention of policies on caring for the elderly without too many new initiatives or ideas. We would hope that the Government, while addressing the yearning and desire of the young, will not neglect the needs of the old.

No backtracking, Hong Kong needs to re-embark on its journey

Near the end of the Policy Address the Chief Executive gave some explanation on the approach to avert the coronavirus spread vis a vis the resumption of normal travel. The Chief Executive takes the view that to act hastily could in fact take us nowhere. But if the Hong Kong economy is to take off, Hong Kong people must find real convenience to travel, to go about seeking pasture, or to reunite with family. We would wish to see the Government re-double efforts to work with the Central Government for a solution to resume normal travel.

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About The Hong Kong Institute of Directors

The Hong Kong Institute of Directors (“HKIoD”) 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

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