



**The Canadian**  
**Chamber of Commerce**  
in Hong Kong

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Dear Chief Executive,

The Canadian Chamber of Commerce in Hong Kong (CanCham) is pleased to share our views and recommendations in response to the 2024 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. The recommendations below reflect the collective viewpoints of CanCham's constituents, representing more than 2,400 members through special consultation exercises with our 11 committees. CanCham community includes small, medium and large enterprises and institutions across various industries such as banking, insurance, technology, education, manufacturing, services etc.

Hong Kong's reputation as a premier international business and financial hub has suffered significantly in recent years. While it is encouraging to see recovery in some aspects of the economy and society, the city still has work to be done to regain confidence from the international business community. Hong Kong still faces challenges particularly in talent attraction and retention. Hong Kong must continue its effort to promote the city's unique value proposition such as the free flow of information, people and capital, data privacy and protection as well as rule of law.

Re-establishing the city's unique status as a premier international business and financial hub is top priority for CanCham and we believe that Hong Kong should take full advantage of its unique status as a 'super connector' to not just Mainland China but to North Asia and Southeast Asia. CanCham welcomed news from the Government of the new Mainland Travel Permit for Hong Kong permanent residents with foreign nationality. This is a great example of Hong Kong's unique position in connecting the city to Mainland China. International chambers such as CanCham are



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also happy to work with the Hong Kong Government and leverage our connections with our home countries to showcase the city's unique advantages.

In support of Hong Kong's ambitions to build a sustainable economy and environment, CanCham foresees many opportunities for strategic partnerships between Hong Kong and Canada in the areas of talent attraction, innovation, sustainability and major capital programs. Hong Kong is well endowed with many opportunities and they should be best leveraged through effective and inclusive policy measures, clear and consistent communication, and continuous engagement between Government and the business community.

We thank you for taking our recommendations into consideration and welcome the opportunity to further engage with you and your Administration.

This year, our recommendations are grouped under the following headings:

1. Talent Attraction & Retention, Gender Equity, Education and Family Planning
2. Technology and Innovation
3. Sustainability and Energy Transition
4. Logistics and Manufacturing
5. Creative Industries and Boosting Tourism Development
6. Public-Private Partnerships for Public Programs and Developments

Best regards,

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

Encl.

CC: Mr. Paul CHAN, GBM, GBS, MH, JP, Financial Secretary  
Mr. Algernon YAU, JP, Secretary for Commerce and Economic Development  
Ms. Bernadette Hon-ho LINN, JP, Secretary for Development  
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## **1. TALENT ATTRACTION & RETENTION, GENDER EQUITY, FAMILY PLANNING AND EDUCATION**

This section addresses some of the challenges, potential opportunities and successes Hong Kong faces in relation to the local workforce, talent attraction, retaining international talent, gender equity as well as family planning.

### **Talent Attraction and Retention**

While it is encouraging to see an increase in the number of qualified universities added to the Top Talent Pass Scheme, we urge the Government to consider including technical institutions or trade schools to the list. This will help fill the talent gap needed for strategic sectors such as technology and innovation, advanced manufacturing as well as new energy, and many administrative roles, such as for arbitration, mediation and accounting.

According to data available in February 2024, 90% of approved applicants under the Top Talent Pass Scheme came from Mainland China. In order for Hong Kong to maintain its status as Asia's World City, efforts must be made to continue attracting talent of all experience levels from outside of the Greater China region including rest of Asia, and regions with good knowledge and affinity with Hong Kong, such as Canada.

CanCham is encouraged to see the Hong Kong Talent Engage (HKTE) office begin organizing outbound missions to promote various talent schemes in different universities. We urge the Government to empower both the HKTE and Hong Kong Economic Trade Offices (HKTEOs) to collaborate with different international chambers in Hong Kong to create a platform to connect overseas university career centers and Hong Kong companies seeking talent. CanCham would be happy to work with HKTE and HKETO to provide a platform to promote the various schemes.

### **Young Professionals**

To attract overseas young professionals, the Government can encourage local and international companies in the city to widen their young talent search to Canadian and other overseas universities by providing resources to hire co-op interns during their university or trade school programmes. Obtaining a visa is a major hurdle facing university students seeking internship opportunities in Hong Kong. We urge the Government to consider creating a dedicated internship visa program for overseas university students.



Creating an environment that encourages talent development and growth is imperative to attract and nurture our young labour pool in Hong Kong. The city's very high cost of living continues to deter many potential talent from considering to relocate here. The Government may consider offering higher tax breaks and providing more affordable housing for professionals under a certain age to make it more enticing for young talent.

### **Nurturing and Upskilling Local Talent**

Hong Kong also needs to nurture and upskill its local talent pool. We encourage the Government to empower institutions such as the Vocational Training Council to enhance its program offerings to meet the needs of different sectors. The Government can consult with the private sector to understand specific skills gap and work with private entities to offer micro-credit courses. Government incentives can be offered to companies offering bite-sized learning in the workplace.

In order to maintain Hong Kong's strength and competitiveness in light of fierce global competition, the city's public and private sectors will have to work together to close the talent gap.

### **Gender Equity on Boards**

Hong Kong's listed companies have seen a notable increase in female representation on boards, thanks to regulations set by the Hong Kong Stock Exchange. The city now sits above the average within its Asia Pacific peers at 18.2 percent female directors. However, Hong Kong still lags behind in regards to having female representation in key leadership roles. To enhance gender diversity in corporate decision making, we encourage the Government to establish a target date for all boards to have at least 30% female directors and invest in female talent retention in the workplace.

### **Family Planning and Inclusive Workplace Environment**

Measures to address Hong Kong's low birth rate were announced in last year's Chief Executive's policy address. In addition to the newborn baby bonus, increases to the accommodation-related tax deduction ceiling and priority arrangements for Subsidized Sale Flats, we encourage the Government to consider the following additional policy measures to encourage women with children stay in the workforce:



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- Increase parental leave from 14 weeks to six months for mothers, and from five days to one month for fathers.
- Make parental leave mandatory for both parents to remove stigma in the workplace that is harmful to women.
- Provide public breastfeeding facilities for mothers.
- Establish affordable day care facilities for families who cannot afford domestic helpers.

### **Talent Gap in Education**

While the number of educators leaving their profession in the last academic year has fallen from its peak, a teacher shortage remains an urgent challenge. We encourage the Government to consider developing a campaign to promote the prospects of teaching or returning to the profession in Hong Kong and overseas through the HKETOs. Introducing support groups and resource platforms allowing new teachers in Hong Kong from abroad to better adapt to their new roles and environment will provide a more positive experience. Schools can also benefit from establishing a succession planning framework including upskilling programs for local teachers to encourage higher retention within their institutions.

## **2. TECHNOLOGY AND INNOVATION**

This section will address some of the successes, potentials and challenges Hong Kong faces in the technology and innovation sector.

According to the Hong Kong Trade and Development Council, the number of starts-up in Hong Kong grew by 7% with a workforce of more than 4,200 last year. CanCham was also encouraged to see that the innovation and technology sector played a huge emphasis in Financial Secretary Paul Chan's Budget 2024-2025, allocating \$24 billion to further drive the sector.

While CanCham applauds the Government's efforts in boosting Hong Kong's technology and innovation ecosystem, there are still some hurdles that we will have to overcome to better compete globally.

### **Incubation Platforms and Access to Public as well as Private Start-up Funding**

While it is encouraging to see immense resources invested into incubation programs in Hong Kong, it is important to focus on the drive to commercialization as a metric of success. Partnering with corporations in Hong Kong to welcome start-ups to trial



their technologies in a safe environment is a great way to speed up the process to commercialization. This is also a great opportunity to entice small or midsize enterprise to embrace technology and innovation in their businesses.

In recent years, access to capital is a major hurdle under high-interest rates and a more reserved investment environment. Many start-ups' exit strategy has been targeting countries in the Middle East, such as the United Arab Emirates and Saudi Arabia. Those that have taken advantage of the incubation programs at the Hong Kong Science and Technology Park and Cyberport find the deployment model too rigid and at times hinder their speed of growth. We encourage incubation programs to review and improve their funding criteria and process. Major events such as Fintech Week, StartmeupHK and DELF organized by the Government should also serve as key platforms for new ventures to meet potential investors.

### **Technology Talent Gap**

The topic of Hong Kong's talent gap has been addressed in the above section. However, we would like to highlight that many of our membership base representing the technology and innovation sector consider talent attraction as the biggest challenge facing their companies. While the Government has made huge strides in expanding the list of universities qualified for the Top Talent Pass Scheme as well as lifting certain requirements for select schemes, there is a lack of opportunities in the technology and innovation sector, prohibiting top talent from considering to relocate to Hong Kong. Efforts must be made to continue to attract and retain talent in the city.

### **Unleashing and Commercialising Hong Kong's Rich Intellectual Property from world-class research and academia**

Like Canada, Hong Kong has world-class research institutions in many technologies such as ITC, life sciences, fintech and logistics. These are high economic value propositions that can have world-class commercialization opportunities. Hong Kong needs to develop a mature technology ecosystem with critical resources and expertise that encourages and empower a culture of knowledgeable and risk-taking participation from academics who provide technical expertise, entrepreneurs who provide solutions in a commercial setting, venture capital funds who provide capital to enable scale up and market leading corporations to enable product market entry.

Canada's Creative Destruction Lab (CDL) is a global leader in deep-technology commercialization. Founded in 2012 at the University of Toronto, CDL has chapters in over 12 institutions around the world including Oxford and HEC Paris. It has supported more than 1,000 startups with a combined market capitalization of over USD 20 billion. CDL's success is largely due to its ability to attract the four critical elements mentioned above. We encourage the Hong Kong government to continue



partnering with successful incubation programmes around the world to learn from their best practices.

### **Better Connectivity with the Greater Bay Area (GBA)**

Closer integration and collaboration with GBA cities like Shenzhen, leveraging Hong Kong's strength in capital raising and sound legal system will certainly enhance the region's technology and innovation competitiveness. CanCham believes that Hong Kong-Shenzhen Innovation and Technology Park will act as a catalyst for the city's further connectivity with GBA in areas concerning talent attraction as well as research and development.

## **3. CULTURAL AND CREATIVE INDUSTRIES AND BOOSTING TOURISM DEVELOPMENT**

The following section highlights the challenges and opportunities facing Hong Kong's cultural and creative industries (CCI) and suggestions to boost tourism development.

### **Cultural and Creative Industries**

According to the most recent available data, cultural and creative industries contributed 4.5% to Hong Kong's GDP and represented 6.1% of its labour force in 2022. In the Financial Secretary's Budget 2024-2025, he proposed injecting \$1.4 billion and \$2.9 billion into Film Development Fund and CreateSmart Initiative respectively as well as creating new featured events such as Hong Kong Fashion Design Week and Hong Kong Performing Arts Expo. While such financial support is greatly welcomed, the Government should invest in partnerships with local post-secondary institutions and the industry to meet the talent needs of the sector.

We encourage the Government to work with post-secondary institutions to offer a wider range of diplomas and certificates matching creative industry needs such as stage production, arts promotion and arts technology. Incentives can be offered to create joint programmes between local and world-class creative institutions with diplomas that are recognized in Hong Kong and overseas.

In order to increase employment upon graduation, post-secondary institutions can mandate apprenticeships or internships for students in local creative companies and partner with overseas production companies that have short-term performances in Hong Kong. To nurture current cultural and creative professionals, the Government can provide more financial incentives and schemes to encourage more short-term work abroad programs and intercultural exchanges.

### **Boosting Hong Kong's Tourism Development**



Since the pandemic, the preference and styles of travelers have changed significantly. While efforts have been made to boost our tourism sector, CanCham proposes the following measures for the Government to consider to boost the tourism sector:

- Appoint a global creative agency for brand strategy that will launch an innovative global creative campaign, localized to key markets to freshen the Hong Kong brand as well as reshape the Hong Kong narrative in a positive light.
- Build a tangible mega-event strategic plan to attract world-class events in arts and entertainment.
- Attract more international sporting events featuring the Kai Tak Sports Park as well as Hong Kong's beautiful mountains and beaches. The Hong Kong 100 trail running race is a great example of events showcasing Hong Kong's unique landscape and beautiful countryside.
- Increase the number of large-scale conferences in Hong Kong and offer incentives for participants to extend their stay in the city (e.g. free or discounted transit or hotel stays).
- Revisit the daily Symphony of Lights and appoint a world-class production company to create an extraordinary urban experience.

#### **4. SUSTAINABILITY AND ENERGY TRANSITION**

The following section highlights the challenges and opportunities facing Hong Kong's sustainability objectives and energy transition.

As the world continues to work towards decarbonisation and meet sustainability goals, Hong Kong and Mainland China have an advantage in advancing global circular economy as outlined in Mainland China's Law of Promotion of the Circular Economy<sup>1</sup>. As part of the 14<sup>th</sup> Five-Year Plan, initiatives such as re-manufacturing and boosting the renewable resources sector will require regional cooperation from Hong Kong and the Greater Bay Area. In addition, global public private sector partnerships, research development in sustainability supply chain and manufacturing are critical to meet outlined in the Plan. Together with international business chambers in Hong Kong, we can help foster such dialogue, business collaboration and execution to advance manufacturing and logistics for a more sustainable circular economy.

Another key initiative of note on advancing the circular economy in Hong Kong is the Waste Charging Scheme. CanCham would be happy to support the Government

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<sup>1</sup> Please see [3rd white paper China \(europa.eu\)](#)





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through education and bring awareness of waste-charging schemes to our membership and the wider Hong Kong business community. Encouraging enthusiasm for recycling, reducing waste, and behavioural change will help maintain Hong Kong's position as a world-class city, we strongly encourage the Government to put in place more pilot programmes and prerequisites to enable the overall implementation of the legislation in the near future.

To help Hong Kong meet its decarbonisation goals, the city needs to establish strong regional partnerships to secure reliable and dedicated zero-carbon energy to Hong Kong without deterring other jurisdictions' decarbonisation ambitions. Furthermore, there should be amendments to the Scheme of Control to accelerate the phase out of fossil fuels as the primary feedstock in Hong Kong's energy production with sustainable and renewable sources such as nuclear power similar to Canada's safe Candu reactors and Candu small modular reactors. Hydrogen should be adopted where feasible with due consideration to the technical and broader economic considerations.

The implementation of an effective and mandatory carbon tax regime would also help facilitate the progress of energy transition in Hong Kong. The city can learn best practices from jurisdictions in Europe and other developed economies.

CanCham welcomes the continuing efforts on mandatory sustainability-related disclosures. We encourage the Government to keep pace with fast evolving global trends and regulatory evolutions by ensuring alignment with global standards to the extent possible. Streamlining corporate reporting efforts sends a positive signal about Hong Kong and its vision to serve as a global hub for sustainability and climate transition.

Furthermore, to maintain Hong Kong's biodiversity and diverse ecosystems, natural communities and habitats, we recommend the Government update its biodiversity action plan in consultation with conservation and wildlife experts, and NGOs to prioritize preservation and protection. As such, we suggest the Government carefully weigh the immediate to long term ecological impact of the Northern Metropolis development to Hong Kong's natural wetlands and those species residing in those natural habitats as well as whether the perceived economic benefits outweighs the wider socio-economic and ecological impacts.

CanCham encourages the Government to seek innovative solutions to address housing shortage. Instead of searching for new sites or investing in reclamation, which are unsustainable, provide incentives for developers to refurbish existing buildings to adopt energy-efficient building systems and cladding as well as achieving reductions in embedded carbon in building materials. Canada has technologies that can be deployed in Hong Kong that can address some of the energy efficiency challenges.



Lastly, diverse public-private partnerships are necessary to fuel thought leadership and be at the cutting edge of global efforts toward sustainability. The Government could consider partnerships with UN agencies, such as the UN Environment Program (UNEP), UN Development Program (largest agency) or UN Women. Such partnerships could support Hong Kong in driving and addressing its own priority topics within the broad frame of sustainability. (See for example, this model in Singapore: <https://www.undp.org/policy-centre/singapore>.) Some of these UN agencies already have a presence in Mainland China and Hong Kong would also benefit in playing a role to further the global goal of a sustainable future.

## **5. Logistics and Manufacturing**

The Chamber supports the Government's efforts in promoting and fostering Hong Kong's relevance as a global trade, logistics, and investment hub. Our suggestions focus on enhancing Hong Kong's strategic position while promoting economic growth and sustainability. To enhance Hong Kong's role as a key trade and logistics hub, we propose the following series of strategic initiatives.

First, to facilitate easier trade, we recommend streamlining customs and clearance processes, particularly in the GBA. This involves simplifying documentation, implementing an electronic customs pre-filing system, and establishing an express pre-approval process for compliant businesses. As a supply chain and logistics management hub, Hong Kong should develop a centralized logistics platform for real-time tracking and a comprehensive trade compliance system for product safety. Attracting global supply chain talent and enhancing infrastructure connectivity within the GBA will further solidify our position.

Second, to address the growing demands for airfreight, the expansion of the Hong Kong International Airport (HKIA) with additional terminals and stronger partnerships with international cargo carriers are essential. Investment in advanced air cargo technologies will ensure efficient processing. Additionally, we propose policies to allow pets onboard aircraft, ensuring international safety standards and providing pet-friendly facilities at the HKIA.

Third, replanning container terminals crucial to enhancing the city's status as a logistics hub. This includes repurposing older terminals for residential or commercial use and developing modern, high-capacity, automated transportation terminals. Collaboration and integrating nearby ports to the HKSAR will streamline regional shipping and promote GBA development.

Fourth, to attract foreign investment, we suggest offering tax incentives, financial grants, and infrastructure support to new investors, along with easing incorporation procedures for foreign businesses.



Fifth, adopting sustainable waste management practices is crucial. By emulating Singapore's waste management model and promoting recycling, businesses will be encouraged to adopt more sustainable practices.

Finally, a comprehensive reengineering of government administrative processes will identify inefficiencies, enhance workflows, and ensure accurate information dissemination through improved cross-functional communication.

CanCham believes these strategic recommendations will reinforce Hong Kong's position as a premier trade, logistics, and investment destination while promoting sustainable growth.

## **6. Public – Private Partnerships for public programs and development**

With Hong Kong embarking on a historical economic transformation, the proposed innovation and technology and sustainability programmes as well as infrastructure development will require significant amounts of capital and resources which will require large scale public-private partnership and public sector participation to drive on-time and on-budget delivery. Promoting and initiating the privatization of public infrastructure and innovation projects, such as the HK Airport, HK Science Park, and Cyberport, not only provides funding but also offers the advantage of promoting Hong Kong's strengths as an international fundraising and financing center, generating excitement and buzz for the city.

Throughout the past year, the Government has successfully established the Hong Kong Investment Corporation to manage HK\$ 62 million through its Hong Kong Growth Portfolio, Greater Bay Area Investment Fund, Strategic Tech Fund and Co-Investment Fund. The Chamber encourages the HKSAR Government to also utilize the funds to help start-ups and technologies of different profiles to elevate Hong Kong's status and position as a regional hub for innovation and technology, as well as for fundraising and capital attraction.

Under the current economic challenges, downturns, and structural changes, public-private partnerships and private sector participation can borrow practices from other common law jurisdictions, such as Australia, where PPP and privatization of domestic infrastructure has attracted local and foreign developers and investors. Hong Kong has long relied on the increasing value of residential real estate to fund large-scale infrastructure projects. There may be consideration to adopt alternative funding arrangements such as unitary payments to ensure the long-term sustainability of these projects. Furthermore, the Government should also consider to recapitalise on its existing operational infrastructure assets (e.g., Route 3 Country Park Section, Western Harbour Crossing, etc.) by leveraging upon private capital markets, such as



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pension funds, private equity and sovereign wealth funds, which could be reinvested into Hong Kong's next phase of infrastructure developments.

### **Summary of our Recommendations**

Canada's bilateral relations with Hong Kong reflect longstanding and comprehensive commercial, political and people-to-people ties. Enhancing economic ties between the two jurisdictions in the areas of innovation and technology will significantly contribute to the growth potential for both regions and unlock new opportunities for economic growth and mutual benefit. CanCham continues to support the Hong Kong Government's efforts in promoting Hong Kong's unique value proposition as a premier international business and financial hub as well as being a "super connector" for Mainland China and the rest of Asia.