



**Hong Kong Special Administrative Region
Delegation of Legislative Council**

DUTY VISIT TO MALAYSIA, INDONESIA AND SINGAPORE

12 to 18 May 2024



Highlights of the visit



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ACKNOWLEDGEMENTS

This visit to three member states of the Association of Southeast Asia Nations (“ASEAN”), namely Malaysia, Indonesia and Singapore, marked the first overseas duty visit of a delegation of the Legislative Council (“LegCo”) of the Hong Kong Special Administrative Region (“HKSAR”) after the pandemic. The visit was successfully concluded with fruitful outcomes. The Delegation would like to express profound gratitude to H.E. Hou Yanqi, the Chinese Ambassador to ASEAN, for her invaluable support in organizing the networking reception with representatives of the ASEAN community. The direct interaction between the Delegation and the ASEAN community had fostered greater mutual understanding and laid a solid foundation for future exchanges. The Delegation wishes to express sincere gratitude to the ASEAN member states for reaffirming their support for Hong Kong’s early accession to the Regional Comprehensive Economic Partnership (“RCEP”). The Delegation also greatly appreciates the warm hospitality extended by H.E. Satvinder Singh, Deputy Secretary-General of ASEAN for ASEAN Economic Community.

In addition to the ASEAN community, the Delegation had met with Speakers and Members of Parliaments to renew the bonds of friendship. The Delegation would like to express sincere gratitude to the Parliaments of Malaysia, Indonesia and Singapore for their warm reception. During the visit, the Delegation was also honoured to have the opportunity to engage in insightful exchanges with the Chinese Ambassador to Malaysia, Mr Ouyang Yujing; the then Chinese Ambassador to Indonesia Mr, Lu Kang; and the Chinese Ambassador to Singapore, Mr Cao Zhongming. The Delegation is deeply grateful to the Central People’s Government and the Chinese Ambassadors for their unwavering support for Hong Kong’s accession to RCEP.

With the common goal of enhancing exchanges and collaboration between Hong Kong and the three ASEAN countries, the Delegation would also like to thank the government officials and the leaders of various organizations for briefing the Delegation on the latest developments in their countries in various areas as well as engaging in productive exchanges with Members.

ACKNOWLEDGEMENTS

Last but not least, the Delegation would like to express appreciation to the respective Directors of the Hong Kong Economic and Trade Offices (“ETOs”) in Jakarta and Singapore and their staff for providing invaluable advice and assistance in coordinating the visit programme and accompanying the Delegation throughout the visit.

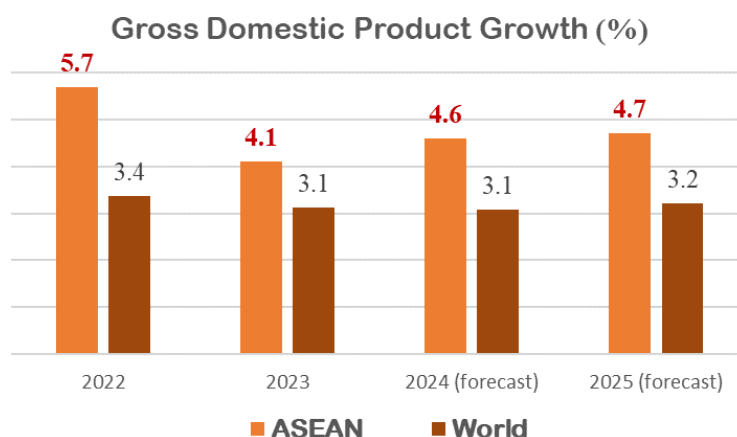
CHAPTER 1 — INTRODUCTION

1.1 The LegCo delegation led by the President of LegCo, Hon Andrew LEUNG Kwan-yuen, and comprising seven members of the Parliamentary Liaison Subcommittee,¹ conducted a duty visit to three member states of ASEAN, namely Malaysia, Indonesia and Singapore from 12 to 18 May 2024. This was **LegCo's first overseas duty visit after the pandemic**, underscoring the importance Hong Kong places on its long-standing ties with ASEAN. This report presents the highlights of the visit as well as the observations and recommendations of the Delegation.

Background and purpose of the visit

China-ASEAN community of shared future

1.2 ASEAN is a regional bloc comprising 10 member states² with a combined population of about 679 million. It has been **among the fastest growing regions in the world** in recent years, and is forecast to grow substantially faster than the global averages in both 2024 and 2025.



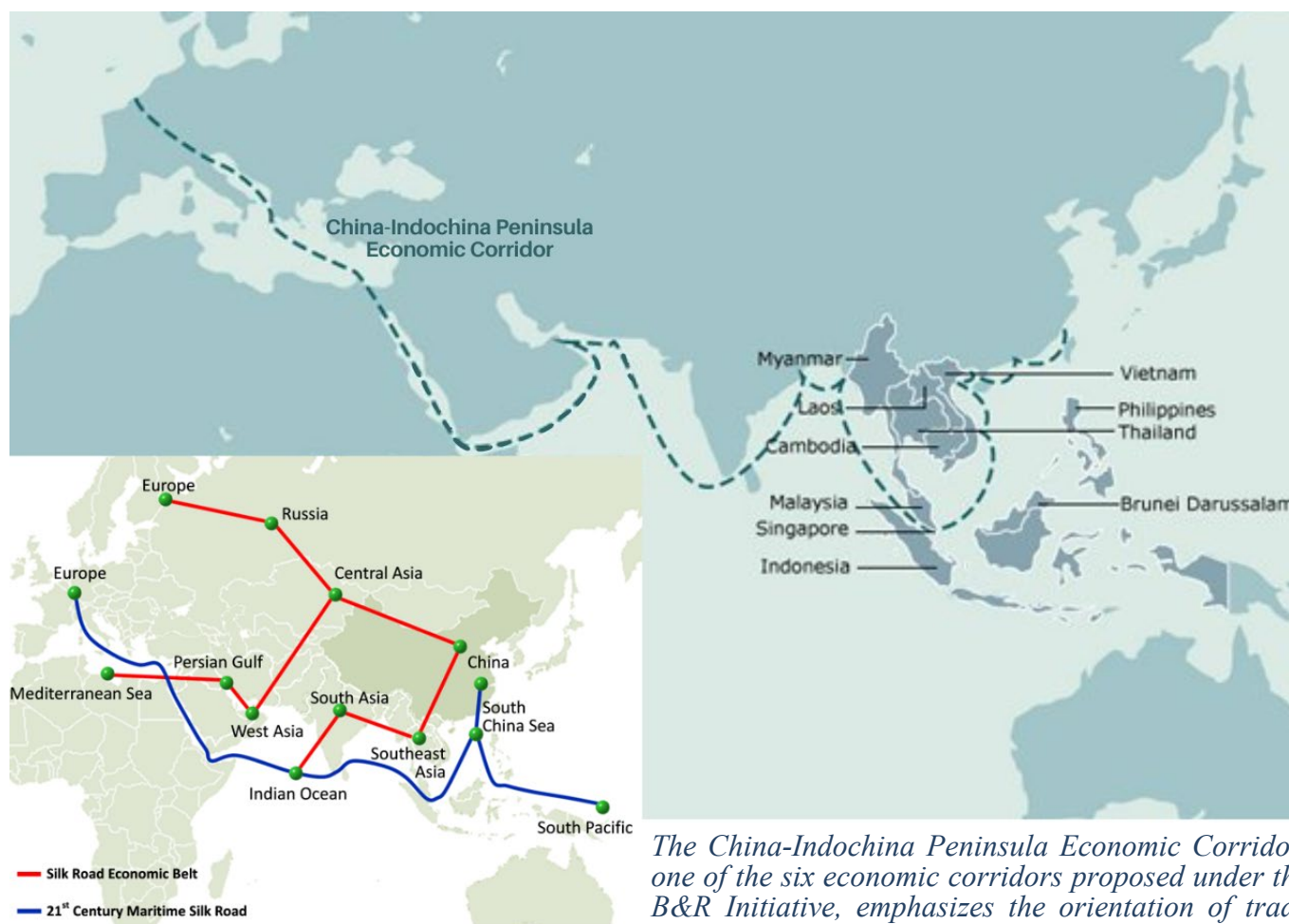
¹ The Parliamentary Liaison Subcommittee, which is formed under the House Committee, is tasked to coordinate all parliamentary liaison activities between LegCo and other parliamentary organizations outside Hong Kong. Apart from receiving parliamentarians and delegations visiting Hong Kong on a regular basis, the Subcommittee also organizes visits by LegCo delegations to legislatures in other jurisdictions.

² The 10 ASEAN member states are: Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam.

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1.3 Linked by the Maritime Silk Road, China and ASEAN countries are connected by the same mountains and rivers, and have a long history of friendly relations. In 1991, it was **at the ASEAN Ministerial Meeting in Kuala Lumpur, Malaysia that the China-ASEAN dialogue relations commenced**, opening the prelude to close exchanges and cooperation between the two sides. It is noteworthy that **President Xi Jinping first proposed the initiative of jointly building the 21st Century Maritime Silk Road for common development and shared prosperity during a speech to the Indonesian Parliament in 1993**, signifying the important role that ASEAN plays in the Belt and Road (“B&R”) Initiative.

1.4 With the establishment of the China-ASEAN Comprehensive Strategic Partnership in November 2021, a new chapter has been opened for China-ASEAN relations. Since 2020, **China and ASEAN have emerged as each other’s largest trading partner**. As of 2023, the trade volume between China and ASEAN has increased by 16.8 times in 20 years, amounting to US\$912 billion.



The China-Indochina Peninsula Economic Corridor, one of the six economic corridors proposed under the B&R Initiative, emphasizes the orientation of trade routes towards ASEAN countries (Source: LegCo; Hong Kong Trade Development Council)

CHAPTER 1 — INTRODUCTION

Hong Kong-ASEAN ties

1.5 As China’s gateway to the rest of the world, **Hong Kong is uniquely positioned to serve as the bridge between China and ASEAN.** The trade and economic ties between Hong Kong and ASEAN have been long-standing and mutually beneficial. **Since 2010, ASEAN has been our second largest merchandise trading partner.** The signing of the Free Trade Agreement (“FTA”) and Investment Agreement between Hong Kong and ASEAN in 2017 marked a significant milestone, with total bilateral merchandise trade reaching US\$145 billion and re-export trade between the Mainland and ASEAN through Hong Kong amounting to US\$65.5 billion in 2023. These figures demonstrate the robust and ever-growing economic ties between Hong Kong and ASEAN.

	US\$ (billion)
Total merchandise trade between Hong Kong and ASEAN³	145.1
➤ Export of goods from Hong Kong to ASEAN³	42.5
➤ Import of goods from ASEAN to Hong Kong³	102.6
Re-export trade between the Mainland and ASEAN through Hong Kong³	65.5⁴
ASEAN’s cumulative Foreign Direct Investment (“FDI”) in Hong Kong⁵	67.9
Hong Kong’s cumulative FDI in ASEAN⁵	73.4

Selected figures of ASEAN-Hong Kong ties

1.6 Following the full implementation of the principle of “patriots administering Hong Kong” in the current term of LegCo, Hong Kong has entered a new stage of advancing from stability to prosperity. In his 2023 Policy Address, the Chief Executive stated that the HKSAR Government would continue to reinforce and enhance Hong Kong’s status as an international finance, trade and logistics centre, tapping the opportunities in the eastward shift of global economic gravity and the high-quality development of our country. The HKSAR Government would, among others, continue to consolidate business cooperation and connections with the markets of ASEAN, and strive for Hong Kong’s early accession to RCEP.

³ Figures as of 2023.

⁴ Within the total, re-export trade from ASEAN to the Mainland valued at US\$41.6 billion.

⁵ Figures as of 2022.

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1.7 RCEP, signed among the 10 ASEAN member states and five of ASEAN's dialogue partners (viz. China, Australia, Japan, Korea and New Zealand), is the largest FTA in the world. Following the entry into force of RCEP in January 2022, Hong Kong promptly issued its formal accession request. Apart from reinforcing our ties with the three ASEAN countries, **the duty visit also provide a regional platform for the Delegation to showcase to the ASEAN community the unique values that Hong Kong could bring to the RCEP economies and garner support for Hong Kong's early accession to RCEP.**

Hong Kong's promotion of the Belt and Road Initiative

1.8 ASEAN, which directly relates to both the Silk Route Economic Belt and the Maritime Silk Road, is a key region under the B&R Initiative. Capitalizing on Hong Kong's position as the functional platform for the **B&R Initiative**, the **duty visit would provide a valuable opportunity** for Members to proactively **promote this key national development strategy**, thus **contributing to realizing the five areas of connectivity** (五通) (i.e. policy coordination (政策溝通), infrastructure connectivity (設施聯通), unimpeded trade (貿易暢通), financial integration (資金融通) and closer people-to-people ties (民心相通)) for driving regional development put forward by President Xi Jinping under the B&R Initiative.

1.9 In view of the above, the Parliamentary Liaison Subcommittee proposed to visit Malaysia, Indonesia and Singapore, which are all B&R countries and member states of ASEAN as well as having important ties with Hong Kong. The objectives of the visit were to gain first-hand knowledge to about the latest developments of these countries, **tell the country's and Hong Kong's good stories**, and **deepen cooperation and connections with the ASEAN countries**, with a view to **seeking opportunities for Hong Kong's development while contributing to the high quality development of our country**. The proposed duty visit was endorsed by the House Committee at its meeting on 26 January 2024.⁶

1.10 This duty visit report, after submission to the House Committee, will be submitted to the Administration.

⁶ At its meeting on 26 April 2024, the House Committee noted that the duty visit originally scheduled for early March 2024 had been rescheduled for 12 to 18 May 2024.

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Arrangements for the visit

The Delegation

1.11 The Delegation comprised a total of eight members:

President of LegCo

Hon Andrew LEUNG Kwan-yuen, GBM, GBS, JP
(Leader of Delegation)

Parliamentary Liaison Subcommittee

Hon Tommy CHEUNG Yu-yan, GBM, GBS, JP
Chairman of the Subcommittee (Deputy Leader of Delegation)

Hon Jeffrey LAM Kin-fung, GBM, GBS, JP

Hon Nixie LAM Lam

Hon Joephy CHAN Wing-yan

Hon TANG Fei, MH

Hon Carmen KAN Wai-mun, JP

Hon YIM Kong, JP



Members of the Delegation pose for a group photo before departure

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The Delegation was accompanied by five staff members from the LegCo Secretariat, including Deputy Secretary General, Ms Dora WAI⁷. The list of Delegation members and accompanying staff of the LegCo Secretariat is in **Appendix 1**.

1.12 The Director-General of the Hong Kong ETO in Jakarta, Miss Libera CHENG, and the Director of Hong Kong ETO in Singapore, Mr Owin FUNG also participated in the duty visit.

Visit programme

1.13 The Delegation departed in the morning of 12 May 2024, visiting Malaysia first, before proceeding to Indonesia and then Singapore. They returned to Hong Kong on 18 May 2024. The programme for the seven-day visit was packed and enriching, which included:

- (a) meetings with Speakers and Members of Parliaments;
- (b) hosting a networking reception with the ASEAN community, and exchanging views with the Deputy Secretary General of ASEAN for ASEAN Economic Community and the Chinese Ambassador to ASEAN;
- (c) courtesy calls on the Chinese Ambassadors to Malaysia, Indonesia and Singapore;
- (d) meetings with the relevant government departments and organizations to gain an understanding of the latest developments of these countries in respect of trade and commerce, tourism, innovation and technology (“I&T”), nurturing of emerging industries, education, land and housing, infrastructure development, etc. and to exchange views on collaboration opportunities;
- (e) meetings with various business associations and chambers of commerce and local Hong Kong businessmen; and
- (f) visiting the Jakarta-Bandung High-Speed Railway (“HSR”), a signature project under the B&R Initiative.

1.14 The Delegation’s visit programme is in **Appendix 2**. Chapter 2 elaborates on the details of the Delegation’s visits and exchanges.

⁷ Ms Dora WAI is promoted to Secretary General effective 1 August 2024.

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(A) VISIT TO THREE ASEAN COUNTRIES



Malaysia

2.1 Malaysia, which is among the first ASEAN founding members to establish diplomatic relations with China in 1974, is the first stop of the LegCo Delegation’s duty visit. 2024 marks not only the 50th anniversary of the establishment of diplomatic relations between the two countries, but also the “Year of China-Malaysia Friendship”. Following President Xi Jinping’s visit to Malaysia in 2013, the China-Malaysia relations have been elevated to comprehensive strategic partnership, and subsequently, the two countries reached an important consensus on **building the China-Malaysia community of shared future** in 2023, which laid out the foundation for strengthened and deepened bilateral cooperation in terms of building a high level of strategic mutual trust, deepening development convergence, increasing humanistic exchanges, and enhancing multilateral cooperation.

2.2 Both Malaysia and Hong Kong are important members of the Asian economies and have maintained good and close economic relations. **Malaysia is Hong Kong’s ninth largest trading partner (and the third largest among ASEAN),⁸ and Hong Kong is an important source of FDI for Malaysia.⁹** As the “bridgehead” connecting the Mainland and the

⁸ Figures as in 2023.

⁹ In 2022, Hong Kong was Malaysia’s fourth largest source of FDI. In terms of accumulated FDI position, Hong Kong was the third largest foreign investor in Malaysia as at end 2022.

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international market, Hong Kong is also an important entrepôt for merchandise trade between China and Malaysia. In recent years, **Hong Kong and Malaysia have been fostering closer cooperation in areas such as investment, I&T, culture and tourism.** For instance, building on the solid foundation of cultural exchanges between the two places, Malaysia announced in July 2023 the extension of visa-free access to Malaysia for HKSAR passport holders for travel to Malaysia to 90 days, greatly facilitating personnel exchanges and people-to-people interactions between the two places. To further strengthen our ties with Malaysia, the HKSAR Government is considering setting up an ETO in Kuala Lumpur, Malaysia.

Indonesia



2.3 In 2013, **President Xi Jinping first proposed in Indonesia** that China and ASEAN countries should strengthen maritime cooperation and jointly **build a 21st century “Maritime Silk Road”**, which later became an important component of the B&R Initiative. In the same year, the relationship between China and Indonesia was enhanced to a comprehensive strategic partnership to promote cooperation in all areas. The **Jakarta-Bandung HSR**, a flagship project of pragmatic cooperation between the two countries, has become an exemplary model of cooperation under the B&R Initiative. In 2022, **China and Indonesia reached consensus on striving towards building a China-Indonesia community of shared future** based on the principles of mutual respect, mutual benefit, win-win outcomes and common development.

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2.4 Indonesia is the world's fourth most populous country, and the largest economy in ASEAN. It is also the place where the ASEAN Headquarters is located. Being a top-three source of FDI of Indonesia, **Hong Kong and Indonesia have always maintained close bilateral trade and investment relations.** In addition to forging closer economic ties, the two places have also been proactively exploring opportunities for collaboration in areas such as logistics, maritime services, professional services, exchange of meteorological information, and aerospace technology. As an international financial and business hub and a two-way platform between China and the world, **Hong Kong is an ideal partner for Indonesian enterprises to raise capital for infrastructure and other development projects and to gain access to the Mainland market or go global.**

Singapore



2.5 China and Singapore forged diplomatic ties in 1990, and they are set to commemorate the upcoming 35th anniversary of the establishment of diplomatic relations in 2025. The two countries have all along been promoting pragmatic cooperation in a wide range of areas, including trade, investment, manpower training, education, science and technology, as well as arts and culture. In April 2023, China and Singapore issued a joint statement in which they agreed to **upgrade China-Singapore relations into a comprehensive, high-quality and forward-looking partnership,** strengthen China-Singapore comprehensive and innovative cooperation in a number of areas (including trade and investment, green and digital

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economy, food security, finance, aviation, and people-to-people exchanges), and map out a clear strategic direction for the future development of the bilateral relationship.

2.6 Both Hong Kong and Singapore are small, open and externally orientated economies that witnessed a rapid economic take-off in the 1970s. Hong Kong and Singapore have close economic ties, with Singapore being Hong Kong's fourth largest trading partner and sixth largest source of FDI, while Hong Kong is Singapore's fifth largest trading partner and third largest investment destination.¹⁰ **Among the ASEAN member states, Singapore is Hong Kong's top trading partner and the ASEAN country with the largest number of resident companies in Hong Kong.** The collaboration between Hong Kong and Singapore extends beyond economic ties, as the two places are **moving towards diversified cooperation particularly in the areas of green and digital economy, as well as other emerging industries** in recent years.

	US\$ (billion)		
	Malaysia	Indonesia	Singapore
Total merchandise trade between Hong Kong and the place concerned	23.9	4.8	50.6
Export of goods from Hong Kong to the place concerned	4.7	2.3	8.3
Import of goods from the place concerned to Hong Kong	19.2	2.5	42.3
Re-export trade between the Mainland and the place concerned through Hong Kong	14.2	2.4	8.6

Selected figures on economic ties between Hong Kong, Malaysia, Indonesia and Singapore in 2023

¹⁰ Figures as in 2023.

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(B) EXCHANGES WITH THE ASEAN COMMUNITY

Networking reception with the ASEAN community

2.7 As the global economic centre of gravity shifts towards the East, ASEAN has emerged as a dynamic and economically robust bloc. With a population of 679 million and total Gross Domestic Product (“GDP”) of US\$3.8 trillion in 2023, ASEAN is the **fifth largest economy in the world**. ASEAN is also an **important trading partner of Hong Kong**, with total trade between Hong Kong and ASEAN reaching US\$145 billion in 2023. This evolving economic landscape underscores the importance of deepening economic integration and fostering relationships within the region.



The Delegation and the ASEAN community discuss strategic alignments and potential areas for collaboration between ASEAN and Hong Kong

2.8 In pursuit of strengthening ties with the ASEAN community and securing their continued support for Hong Kong’s early accession to RCEP, the Delegation **hosted a networking reception with representatives of the ASEAN community** in Jakarta during its visit to Indonesia. With the invaluable support of H.E. Hou Yanqi, the Chinese Ambassador to ASEAN, the event was successfully held with participation of **representatives from**

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ASEAN member states, observer state and dialogue partners. This gathering provided a precious opportunity not only for fostering mutual understanding and showcasing Hong Kong's advantages and opportunities, but also for discussing strategic alignments and potential areas for collaboration between ASEAN and Hong Kong.

Support for Hong Kong's accession to RCEP

2.9 The Delegation took the opportunity to **highlight Hong Kong's unique advantages to the ASEAN community**, emphasizing its strong support from our Motherland and its extensive global connections. Hong Kong's status as an **international financial centre, Asia's prime asset and wealth management hub** as well as the **world's largest offshore Renminbi business hub**, is well recognized. With its **abundant and liquid capital market**, robust regulatory regime, **simple and low tax system**, well-established supply chains and professional services, Hong Kong remains a **premier location for conducting businesses**.



Members express profound appreciation to representatives of the ASEAN member states for reaffirming their continued support for Hong Kong's early accession to RCEP

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2.10 The Delegation also underscored how **Hong Kong’s unparalleled connectivity to the Mainland** can facilitate the participation of RCEP countries in the Guangdong-Hong Kong-Macao Greater Bay Area (“Greater Bay Area”) development and the B&R Initiative. **The Mainland and Hong Kong Closer Economic Partnership Agreement** is the most liberal and comprehensive FTA signed by the Mainland. As an active participant, contributor, and beneficiary of the B&R Initiative, Hong Kong can play a similar pivotal role in facilitating regional economic integration and development through its accession to RCEP, thereby bringing mutual benefit for its member countries. **Members express profound appreciation to representatives of the ASEAN member states for reaffirming their continued support for Hong Kong’s early accession to RCEP.**

Infrastructure investment and financing

2.11 Enhanced infrastructure connectivity across Southeast Asia promotes economic growth, productivity and access to regional and global supply chains. The Delegation takes note of **ASEAN’s Master Plan on ASEAN Connectivity 2025**, which aims to **boost infrastructure investment and integration**.¹¹

2.12 Members stressed that there are **vast opportunities for Hong Kong to contribute meaningfully to realizing ASEAN’s infrastructure ambitions** through our financial intermediary role. The Delegation conveyed Hong Kong’s readiness to participate in the infrastructure developments of ASEAN, emphasizing that as an international financial centre with mature capital markets, Hong Kong is **uniquely positioned to facilitate regional infrastructure investment and financing needs**. Hong Kong has the dual advantages as both a springboard for Chinese companies to expand globally, and an attractive base for overseas companies to access the Mainland market. To further enable infrastructure funding and investment, Hong Kong has established the **Infrastructure Financing Facilitation Office (“IFFO”)** under the Hong Kong Monetary Authority (“HKMA”) in 2016.¹² IFFO serves as a

¹¹ The vision of the Master Plan on ASEAN Connectivity 2025 is to achieve a seamlessly and comprehensively connected and integrated ASEAN that will promote competitiveness, inclusiveness and a greater sense of community.

¹² The mission of IFFO is to facilitate investments and financing of sustainable infrastructure and green development through (a) providing a platform for information exchange and experience sharing; (b) promoting market and product development; and (c) facilitating investment and financing flows.

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platform to bring together project owners, investors, financial institutions, and professional services providers to support infrastructure projects in countries including ASEAN.



Members of the Delegation engage in fruitful exchanges with the ASEAN community at the networking reception



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People-to-people connection

2.13 Both the Delegation and representatives of the ASEAN community subscribe to the **common goal of strengthening people-to-people connectivity between Hong Kong and ASEAN** on all fronts, including education, youth exchanges, culture and tourism, with a view to fostering deeper mutual understanding and collaboration between Hong Kong and ASEAN countries.

Courtesy call on the Deputy Secretary-General of ASEAN for ASEAN Economic Community

2.14 The Delegation also paid a courtesy call on H.E. Satvinder Singh, Deputy Secretary-General of ASEAN for ASEAN Economic Community, and exchanged views on various issues, including **Hong Kong's accession to RCEP** and potential opportunities for collaboration for the mutual benefit of ASEAN and Hong Kong. He also shared with the Delegation some **key initiatives of ASEAN in the years ahead**.



The Delegation poses for a group photo with the Deputy Secretary-General of ASEAN for ASEAN Economic Community, H.E. Satvinder Singh (eighth right)

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Join hands for a sustainable future

2.15 The Delegation notes that decarbonization is paramount for ASEAN’s continued growth. Given ASEAN’s acute vulnerability to climate change, achieving carbon neutrality is crucial for mitigating climate risks and ensuring long-term economic stability. In 2023, ASEAN endorsed the visionary **ASEAN Strategy for Carbon Neutrality** to accelerate an inclusive transition towards a green economy and foster sustainable growth. The estimated economic benefits of carbon neutrality are significant, potentially adding between US\$3.0 trillion and US\$5.3 trillion to ASEAN’s GDP by 2050, attracting US\$3.7 trillion to US\$6.7 trillion in green investments, and generating between 49 and 66 million additional jobs.



LegCo President highlights to the Deputy Secretary-General of ASEAN the unique opportunities and advantages of Hong Kong

2.16 Members highlighted that Hong Kong, as a major financial hub, is **well-positioned to attract and channel green investments into ASEAN’s carbon-neutral projects**. The launch of the **Hong Kong Taxonomy for Sustainable Finance** (“Hong Kong Taxonomy”) by HKMA in May 2024 provides a common language and framework for sustainable finance.¹³ This taxonomy enhances interoperability and comparability with other significant taxonomies, such as the Common

¹³ The Hong Kong Taxonomy currently encompasses 12 economic activities under four sectors, namely power generation, transportation, construction as well as water and waste management.

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Ground Taxonomy and the European Union’s Taxonomy for Sustainable Activities. By facilitating cross-border green investments and reducing greenwashing risks, the **Hong Kong Taxonomy supports global efforts in combating climate change and promotes cross-border investments.**

Harnessing digital synergies for growth

2.17 Members note that one of the milestone achievements of ASEAN in 2023 was the completion of the study of the **ASEAN Digital Economy Framework Agreement (“DEFA”)**. It is the **first major regionwide digital economy agreement in the world**, aiming to **accelerate ASEAN’s transformation into a leading digital economy**. DEFA seeks to foster greater digital cooperation, paves the way for regional digital integration, and promote inclusive growth and development. The study has identified nine core elements, including digital trade, cross-border e-commerce, cybersecurity, digital ID, digital payments, cross-border data flow, and emerging topics that are to be covered in the negotiations of DEFA. ASEAN targets to **conclude the negotiations of DEFA by 2025**.

2.18 The Delegation pointed out that **digital economy has become a new driving force for economic development**, with China being a leader in this respect. President Xi Jinping has highlighted digital economy as an important component of new quality productive forces. In addition, in the Government Work Report delivered by Premier Li Qiang at the recent “Two Sessions” in Beijing, advancing the innovative development of the digital economy is a priority task. Latest estimates suggest that the scale of the digital economy in the Mainland surpassed RMB50 trillion in 2023, accounting for over 40% of our country’s GDP.

2.19 Members also highlighted that Hong Kong has adopted a multi-pronged digital strategy to stay competitive in this rapidly evolving landscape. A **Digital Policy Office (“DPO”)** would be **set up in 2024 to strengthen the overall digital policy of Hong Kong**.¹⁴ This office would be responsible for formulating policies on digital government, data governance, and information technology, consolidating information technology-related resources within the government, and promoting the opening up of data and application of digital technology by government departments and various sectors.

¹⁴ DPO was established under the Innovation, Technology and Industry Bureau on 25 July 2024.

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Meeting with the Chinese Ambassador to ASEAN

2.20 The Delegation expressed deep gratitude to Ambassador Hou Yanqi for her invaluable assistance in orchestrating the networking reception with the ASEAN community. Members engaged in insightful exchanges with her on strengthening the economic, trade and cultural connections between Hong Kong and ASEAN countries.

2.21 The Delegation updated Ambassador Hou on the HKSAR Government's ongoing efforts to bolster ties with ASEAN. In recent years, Hong Kong has signed bilateral FTAs with several RCEP countries; so far Hong Kong has already signed FTAs with 13 RCEP members. It has also established ETOs in Jakarta, Bangkok and Singapore respectively to promote investment, trade and cultural ties with ASEAN. The HKSAR Government is considering setting up an additional office in Malaysia to further expand Hong Kong's presence in ASEAN and enhance external trade relationships. The Delegation looks forward to continued collaboration with Ambassador Hou to deepen mutually beneficial Hong Kong-ASEAN links across various domains.



LegCo President presented the commemorative book entitled “Legislative Council Then and Now: A Journey to the New Complex” to Ambassador Hou

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(C) PARLIAMENTARY EXCHANGES

2.22 Apart from striving to achieve in-depth policy coordination with ASEAN member states as advocated under the B&R Initiative, the Delegation also sought to **renew friendships with the Parliaments of Malaysia, Indonesia, and Singapore, and keep Members of these Parliaments abreast of the latest developments in Hong Kong.** During the visit, the Delegation engaged in high-level discussions with Members of the three Parliaments, focusing on economic integration, technological innovation, environmental sustainability as well as educational and cultural exchanges, reflecting **a shared commitment to regional cooperation and development.**



*Members of the Delegation pose for a group photo
at the House of Representatives of the Parliament of Malaysia*

Visit to the Parliament of Malaysia

2.23 Malaysia is a **federal constitutional monarchy with 13 states.** The legislative authority is vested in the Parliament of Malaysia, which is a **bicameral legislature consisting of the House of Representatives (Dewan Rakyat) and the Senate (Dewan Negara).** This structure is

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complemented by state legislatures, which are elected every five years. The House of Representatives, comprising 222 Members elected for a five-year term, plays a key role in the formation of the federal government, with the political party or coalition winning the most votes forming the federal government.

2.24 The Senate consists of 70 seats, with (a) 26 Members elected by the state legislatures to represent the country's 13 states (two from each state); and (b) 44 Members appointed directly by the King (or "Supreme Head of Malaysia") on the advice of the Prime Minister. The tenure of office is three years for a maximum of two terms.

2.25 The main functions of the Malaysian Parliament include **passing and amending federal laws, examining government policies, approving government expenditures and authorizing new taxes**. Legislation can be proposed in either house of the Parliament, except for money bills, which must originate in the House of Representatives. For a bill to become law, it must be approved by both houses before it can be presented to the King for royal assent. This legislative process ensures a comprehensive review and approval of laws that govern the nation and reflect the diverse needs of the multi-ethnic Malaysian society.

Courtesy Call on the Speaker of the House of Representatives

2.26 The Delegation started off its visit to the Malaysian Parliament with a courtesy call on the Speaker of the House of Representatives, H.E. Tan Sri Dato' (Dr.) Johari bin Abdul. Both the Delegation and the Speaker recognized the significant potential for collaboration between China and Malaysia, particularly in the sharing of technologies and talents. This meeting is especially timely, as **2024 marks the 50th anniversary of the establishment of diplomatic relations between China and Malaysia**, highlighting a longstanding partnership poised for further growth. In addition, with **Malaysia set to chair ASEAN next year**, the opportunities for regional cooperation are even more promising. The Speaker, who visited China in 2023, had earlier expressed hopes for strengthening bilateral cooperation in various fields such as economy, trade, agriculture, vocational education, and people-to-people exchanges. Both the Delegation and the Speaker concurred that this is **an Asian century dedicated to the common good**, aiming to achieve common prosperity through enhanced collaboration.

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Members of the Delegation exchange views with the Speaker of the House of Representatives, H.E. Tan Sri Dato' (Dr) Johari bin Abdul



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Sharing of technologies

2.27 Climate change was a major topic during the discussion, with both parties exploring **cooperative initiatives in alternative energy solutions such as solar and hydrogen**, reflecting a shared commitment to environmental protection. The Delegation proposed enhancing the exchange of knowledge and expertise in this critical area, such as joint research projects to develop and implement innovative green technologies. Both sides also discussed **integrating green finance strategies to support these projects**, recognizing the need for robust financial frameworks to fund sustainable development. The Delegation invited Malaysian enterprises to utilize Hong Kong's capital markets, financial services, and professional expertise for green and sustainable investment, financing and certification.

2.28 Food security was another important issue discussed. Both sides agreed that **combining ASEAN's agricultural strengths with China's technological advancements in agricultural technologies** (such as smart irrigation systems, drones and data analytics) would enhance the development and implementation of advanced farming techniques, precision agriculture, and sustainable practices to boost crop yields and resilience to climate change. **Such partnership can ensure food stability across the region**, providing a buffer against extreme weather conditions and political instability.



Members of the Delegation pose for a group photo with the Speaker of the House of Representatives, H.E. Tan Sri Dato' (Dr) Johari bin Abdul (fifth right)

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Sharing of talents

2.29 To further strengthen the partnership, the Delegation highlighted the potential for educational exchanges and **the expansion of the HKSAR Government’s B&R Scholarship quota from the 2024-2025 academic year**. The expansion would enable a greater number of ASEAN students, including those from Malaysia, to study in Hong Kong, thereby **deepening bilateral ties and enriching the academic environment in both regions**.

2.30 With **five Hong Kong universities in the top 100** of the latest QS World University Rankings and one Malaysian university also in the top 100, the Delegation pointed out the significant benefits of educational cooperation between the two places. They invited Malaysian universities to **join forces with their Hong Kong counterparts by setting up joint laboratories focusing on research and development (“R&D”) in innovative technologies** in areas such as artificial intelligence (“AI”), biotechnology and renewable energy. With China’s support as a manufacturing backbone, the innovations developed in these labs can be **rapidly translated into market-ready products**, strengthening the region’s competitive edge in global markets.

Meeting with the Senate’s Special Select Committee on Social and Community Affairs

2.31 Following productive discussions with the Speaker of the House of Representatives, the Delegation met with the Senate’s Special Select Committee (“SSC”) on Social and Community Affairs. The meeting provided an opportunity to discuss social and community issues of concern to both Malaysia and Hong Kong.

National education

2.32 Delegation members were interested in the pivotal role of national education (“NE”) in shaping a united society in Malaysia. H.E. Datuk Wira Dr Mohd Hatta bin Md Ramli, Chairman of the SSC on Social and Community Affairs, and other Members emphasized the **importance of incorporating the national language, Bahasa Malaysia, and national history into the school curriculum**. This broader NE strategy aims to **help students understand their roots and foster a deep sense of national identity and cultural continuity among Malaysia’s**

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youth. The Delegation notes the effectiveness of this approach and considers that similar strategies may be adopted to strengthen national identity and cultural bonds among Hong Kong's youth.



*The Delegation meets with the Senate's
Special Select Committee on Social and Community Affairs*

Promoting social cohesion

2.33 Members of the SSC on Social and Community Affairs shared with the Delegation Malaysia's strategies for integrating indigenous people. The Delegation learned that **Malaysia's integration approach is inclusive and multifaceted**, encompassing planned and continuous socioeconomic development as well as development in education, health and human capital. The goals are to **expand infrastructure facilities and social amenities, elevate the standard of living, produce a new generation of educated and dynamic individuals, while preserving the heritage and culture of indigenous communities**. The Delegation considers that Malaysia's approach to building a cohesive environment for indigenous people could potentially be adapted to benefit ethnic minority groups in Hong Kong.

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Joint meeting with the House of Representatives’ Special Select Committee on Finance and Economy, and Special Select Committee on International Relations and International Trade

2.34 Continuing its engagement, the Delegation had a joint meeting with two Committees of the House of Representatives: SSC on Finance and Economy and SSC on International Relations and International Trade. Co-chaired by H.E. Dato’ Indera Mohd Shahar bin Abdullah and H.E. Wong Chen, the respective Chairmen of the SSCs, the joint meeting highlighted both parties’ strategic focus on enhancing financial and economic cooperation between Hong Kong and Malaysia.



*Members of the Delegation exchange views with
Members of the Special Select Committee on Finance and Economy,
and Special Select Committee on International Relations and International Trade*

Development of cross-border digital payment system

2.35 The Delegation explored with the two SSCs the **feasibility of developing a fast and secure cross-border payment system between Malaysia and Hong Kong**. Drawing inspiration from the successful implementation of the “FPS x PromptPay QR payment” between Hong Kong and Thailand, both parties discussed the potential benefits and framework for a similar system. Launched in December 2023, the “FPS x PromptPay QR payment” facilitates seamless cross-border retail payments,

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allowing travellers from Hong Kong and Thailand to use their mobile payment apps to scan QR codes and make payments directly in local currency. The Delegation considers that if a payment link similar to FPS x PromptPay is developed, it would not only benefit tourists but also foster closer economic ties by facilitating smoother and more efficient financial transactions between Hong Kong and Malaysia.



*Members of the Delegation pose for a group photo with
Members of the Special Select Committee on Finance and Economy,
and Special Select Committee on International Relations and International Trade*

Green energy and carbon trading

2.36 The Delegation notes Malaysia's emerging role as a green energy hub which provides promising opportunities for Hong Kong enterprises. The Delegation considers that Hong Kong enterprises should **actively engage in carbon trading, particularly by joining forces with the established carbon trading markets in Guangzhou and Shenzhen** in the Greater Bay Area. Members of the two SSCs invited Hong Kong companies to **explore investment and cooperation opportunities in Malaysia's burgeoning green energy sector**, thereby strengthening regional efforts to effectively manage carbon emissions.

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Economic and investment opportunities

2.37 The Delegation highlighted the HKSAR Government's efforts to **attract family offices to Hong Kong**, leveraging Hong Kong's advantage as **Asia's prime asset and wealth management centre** with HK\$30.5 trillion (around US\$3.9 trillion) assets under management as of end 2022. A notable facilitation measure was the legislation passed by LegCo in May 2023 to provide profits tax concessions for family-owned investment holding vehicles managed by eligible single-family offices in Hong Kong. Members pointed out that there were over 2 700 single-family offices in Hong Kong at the end of 2023, a testament to Hong Kong's flourishing family office sector. Members also highlighted the full range of services that Hong Kong can provide to global family offices and the **unique strengths that set Hong Kong apart from its competitors**, including **its mature capital markets and the huge investment opportunities brought by its proximity to the Mainland market**.

2.38 The Delegation also invited Malaysian enterprises to **raise funds through the Hong Kong stock market**. By capitalizing on Hong Kong's robust financial infrastructure and global investor base, Malaysian companies could **access significant capital for expansion** while also **tapping into the Mainland market**, especially the Greater Bay Area, further enhancing their growth prospects.

Visit to the Parliament of Indonesia

2.39 The Parliament of Indonesia, known as the People's Consultative Assembly ("MPR"), **consists of two elected representative bodies**: the House of Representatives ("DPR") and the House of Regional Representatives ("DPD"). In joint sittings, these bodies form MPR, to which the President of Indonesia is accountable. MPR holds significant powers, including the **authority to promulgate the Constitution and inaugurate or dismiss the President and Vice President of Indonesia**.

2.40 **DPR** is entrusted with three primary functions as stipulated by the Constitution: **legislative, budgeting and oversight**. It is responsible for drafting and passing laws, discussing and approving government regulations, and approving the state budget in collaboration with the President and taking into consideration the views of DPD. In addition, DPR exercises oversight by conducting interpellations, questioning the President and other senior government officials.

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Members of the Delegation pose for a group photo at the Parliament of Indonesia

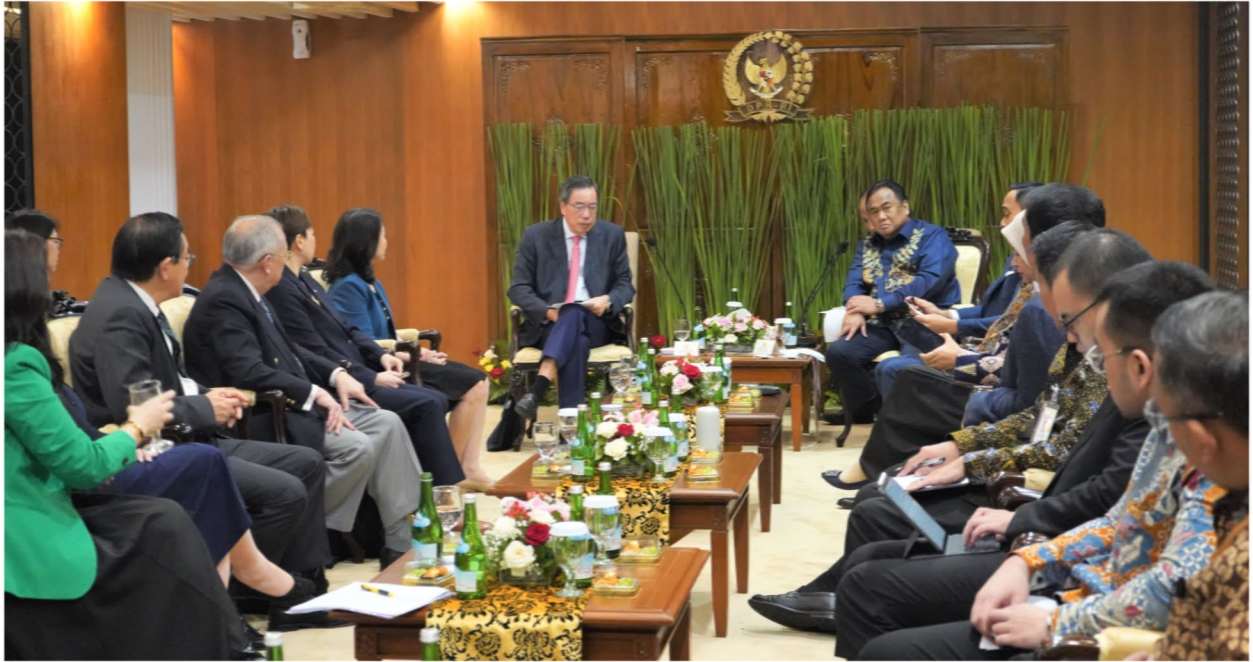
2.41 In contrast, **DPD** mainly serves to represent regional interests. Its functions include **proposing bills to the DPR** and **overseeing** the implementation of **policies and laws related to regional autonomy**, the financial balance between central and regional governments, the **formation and management of regions**, and the **management of natural and economic resources**. The newly elected members of both DPR and DPD from the February 2024 general election are set to take their oath in October 2024.

Courtesy call on Vice Speaker of the House of Representatives

2.42 During the visit to the Parliament of Indonesia, the Delegation met with Vice Speaker of DPR, H.E. Rachmat Gobel, and some DPR Members to exchange views on various issues, including Indonesia's visionary project to relocate the national capital to Nusantara and explore cooperation opportunities in financial sectors between Indonesia and Hong Kong. The Vice Speaker's remark on enhancing connectivity between the two places, "**Parliament to Parliament, people to people, heart to heart,**" resonates deeply with the Delegation. Members concur that

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enhanced parliamentary exchanges can further promote and deepen the connections between the peoples of both places. By working together, heart to heart, both sides can significantly contribute to the economic prosperity and well-being of the region.



*Members of the Delegation exchange views with
the Vice Speaker of the House of Representatives, H.E. Rachmat Gobel*



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Relocation to new capital

2.43 The Delegation expressed a keen interest in gaining insights into **Indonesia's** visionary **project to relocate the national capital to Nusantara**. Delegation members note that the new capital would create economic opportunities for other parts of Indonesia, particularly benefiting the eastern regions. They acknowledged the unique challenges and opportunities presented by this ambitious initiative and **highlighted potential areas of cooperation**. The Delegation emphasized that **Hong Kong's expertise in infrastructure development as well as real estate-related services could positively contribute to this monumental project**. DPR Members invited Hong Kong enterprises to **participate in the financing of infrastructure projects related to the relocation**, as Hong Kong's extensive expertise in infrastructure development would ensure high standards and efficiency.



Source: Political Geography Now

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Financial cooperation between Indonesia and Hong Kong

2.44 The Delegation highlighted the immense potential for strengthening economic ties with Indonesia, given Hong Kong's status as a global financial, trading and logistics centre. The Delegation invited **Indonesian companies, particularly in sectors such as infrastructure, renewable energy, logistics and transport, to explore Hong Kong's robust financial market for raising capital.** They emphasized that Hong Kong's well-established financial market provides a conducive environment for raising capital and fostering international partnerships. To **further encourage Indonesian companies to list on the Hong Kong Exchanges and Clearing Limited ("HKEX"),** the Delegation considers that the HKSAR Government should **increase promotional efforts and proactive outreach initiatives** in this regard.

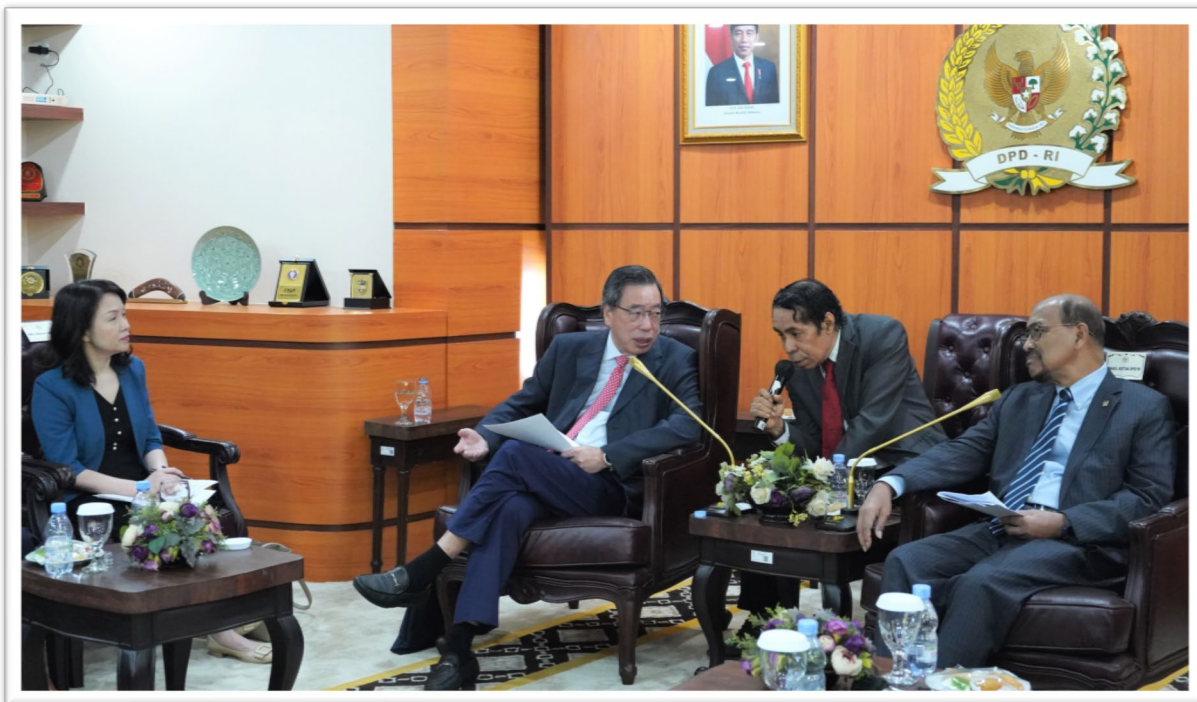


The Delegation tours the buildings of the Parliament of Indonesia

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Courtesy call on Vice Speaker of the House of Regional Representatives

2.45 The Delegation also held in-depth discussions with Vice Speaker of DPD, H.E. Dr Nono Sampono, and some DPD Members. The discussions covered key areas such as regional governance strategies and tourism ties between Indonesia and Hong Kong.



The President of LegCo exchanges views with the Vice Speaker of the House of Regional Representatives, H.E. Dr Nono Sampono

Regional governance strategies

2.46 With Indonesia being the largest country in Southeast Asia, the Delegation was keen on understanding DPD's regional governance strategies and how they **incorporate diverse community views into policymaking**. DPD Members shared examples of methods deployed to engage the public, which include **holding regular town hall meetings** to gather input directly from citizens, **consulting with citizens through public hearings on particular issues**, and **enabling citizens to be actively involved in the drafting of local regulations** which have made the legal instruments sounder and easier to implement.

2.47 Members believe that these participatory approaches are essential for the long-term sustainability of governance, as they ensure that policies **respond to the needs of the communities they serve**. The

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Delegation considers that Hong Kong could draw reference from DPD's experience to enhance public engagement in policymaking with a view to continuously improving our governance system.

Tourism ties between Indonesia and Hong Kong

2.48 The DPD Members expressed keen interest in the recent development of Hong Kong's tourism sector following the reopening of its borders post-pandemic in 2023. The Delegation highlighted an **extraordinary 3 275% year-on-year increase in tourist arrivals from Indonesia by December 2023** and a 141% increase in the period from January to April 2024, compared to the same period in 2023. Furthermore, **over 200 mega events would be held throughout 2024 in Hong Kong**, spanning various areas including cultural, arts and creative events; sports; conventions and exhibitions; finance, economy and I&T-related events; as well as festivals, celebrations, galas and carnivals. The Delegation appealed to Members of DPD to promote Hong Kong to their constituents, encouraging them to visit and participate in these diverse and vibrant events.



*Members of the Delegation exchange views with
Members of the House of Regional Representatives*

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Visit to the Parliament of Singapore

2.49 The Parliament of Singapore, a 104-seat **unicameral legislature**, operates under a model of the Westminster system of parliamentary government. Its **primary functions include making laws** for Singapore, undertaking a critical and inquisitorial role to **check on the policies and actions of the Singapore Government**, and **scrutinizing public finances** by mandating the Singapore Government to seek parliamentary approval for its annual budget.

2.50 The Parliament is composed of **three categories of Members**: (a) **Elected Members**, who form the majority and are chosen directly by first-past-the-post voting; (b) **Nominated Members**: up to nine distinguished individuals who are appointed by the President of Singapore on the recommendation of a Special Select Committee of the Parliament to ensure broader representation of community views; and (c) **Non-Constituency Members**: up to 12 members appointed from the pool of the highest-ranking unsuccessful candidates in general elections to ensure a diversity of views. Notably, Nominated Members have limited voting rights and cannot vote on budget or appropriation bills, bills to amend the Constitution, motions of no confidence in the Singapore Government, or motions to remove the President of Singapore from office.

2.51 A parliamentary election is held once every five years (the last election was held in July 2020) unless the Parliament is dissolved earlier by the President of Singapore on the advice of the Prime Minister.

Courtesy call on the Speaker of the Parliament of Singapore

2.52 The Delegation visited the Parliament of Singapore to pay a courtesy call on the Speaker, H.E. Seah Kian Peng, and met with some Members of Parliament (“MPs”). The two parties exchanged views on various topics including education, I&T, land and housing, and digital economy, and explored collaboration opportunities in these areas to facilitate growth and mutual benefits for both places.

Education

2.53 The Delegation notes the **crucial role that NE plays in forging a cohesive national identity as Singaporeans in the multi-racial and**

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multicultural context of Singapore. In Singapore, NE encompasses various school efforts aimed at **instilling pride and identity**, equipping students with the knowledge, skills and values needed to understand Singapore's history, realities and challenges. It also promotes **critical thinking, social awareness and informed perspectives on local, regional and global issues**, enabling students to understand their role in society. The Delegation emphasized the importance of integrating educational programmes with national values to build a cohesive society and considers Singapore's experience worth referencing.



Members of the Delegation pose for a group photo with the Speaker of the Parliament of Singapore, H.E. Seah Kian Peng (second right, front row), and Members of Parliament

2.54 Delegation members also discussed with their Singapore counterparts on how Hong Kong and Singapore could **strengthen educational exchanges and cooperation through innovative projects and strategic partnerships**. Notably, the University of Hong Kong has partnered with the National University of Singapore to integrate cross-

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regional medical cases into its ground-breaking AI virtual patient diagnostic application. In addition, a Memorandum of Understanding between City University of Hong Kong and National University of Singapore marks a significant milestone in promoting joint research in materials technology and climate sustainability.

Digital economy and cybersecurity

2.55 Both parties discussed Hong Kong's and Singapore's approaches to digital economy, emphasizing the importance of enhancing exchanges and cooperation for mutual benefit. Members note that Singapore has embarked on its **Smart Nation journey since 2014**, actively **promoting digital governance, digital trade and digital industries**. In recent years, Singapore has proactively **expanded its “circle of friends” in digital trade and commerce to enhance digital connectivity with other countries**. Recognizing that the digital economy has become a new impetus for economic development, Members consider it crucial for Hong Kong to further accelerate the development of its digital economy.



Members of the Delegation tour the Parliament of Singapore

2.56 The Delegation notes Singapore's legislative progress on cybersecurity and digital infrastructure to safeguard national security. The Delegation notes the recent **passage of the Cybersecurity (Amendment)**

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Bill and the proposed Digital Infrastructure Act, both of which are critical to strengthening Singapore’s defences against digital threats. The Cybersecurity (Amendment) Bill, passed on 7 May 2024, updates the Cybersecurity Act 2018 and extends its scope to **cover new technologies and business models that have emerged in recent years**. This is part of a broader effort to mitigate digital risks in Singapore.

2.57 Echoing similar concerns, the Delegation shared that the HKSAR Government is working on introducing legislation to enhance the protection of computer systems of critical infrastructure. They also outlined Hong Kong’s legislative efforts to **strengthen national security through the recent enactment of the Safeguarding National Security Ordinance** in March 2024. The Ordinance, together with the previously enacted National Security Law, provides a **comprehensive legal framework to effectively address security challenges**. The Delegation stressed that these measures are part of a broader strategy to ensure social stability and lay a solid foundation to Hong Kong’s long-term development.

“Meet-the-People” session

2.58 To gain a better understanding of how Singaporean MPs engage with their constituents, the Delegation **attended a “Meet-the-People” session hosted by Mr Murali Pillai** in Bukit Batok Constituency on the evening of 17 May 2024.



Delegation members exchange views with Mr Murali Pillai during a “Meet-the-People” session in Bukit Batok Constituency

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2.59 Delegation members note that each MP **typically holds one two-hour session per week** and deals with 30 to 40 cases, ranging from neighbourhood disputes to urgent housing issues, such as the fast-tracking of housing applications. The resolution process for these cases typically takes 2 to 3 months, although more complex cases, such as immigration or permanent residency applications for spouses, can take up to a year. Apart from these sessions, MPs also engage with their constituents through breakfast meetings, town hall meetings and home visits, which are all integral parts of their outreach programmes.



The President of LegCo exchanges views with a volunteer assisting Mr Murali Pillai in conducting the “Meet-the-People” session

2.60 The Delegation notes that a key element of “Meet-the-People” sessions is the **use of volunteers**. During the session, the Delegation observed that each volunteer was equipped with laptops and notepads, ready to document and assist with the constituents’ issues. The case summaries prepared by the volunteers are vetted by a dedicated team before being reviewed and addressed by the MP. This thorough system ensures that each case is meticulously examined, guaranteeing that the MP’s response is well-informed and tailored to the specific aspects of the issue at hand.

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2.61 As the Delegation closely observed Mr Pillai’s interaction with a constituent suffering from Parkinson’s disease, Members learned that although Mr Pillai was unable to assist directly with the issue raised by the constituent, he referred the constituent to SG Enable upon learning about his disease. The Delegation learned that the mission of **SG Enable, Singapore’s focal point for disability and inclusion**, is to **empower persons with disabilities to live, learn, work and play in an inclusive society**.



Members of the Delegation engage in discussion with a citizen seeking assistance during the “Meet-the-People” session

2.62 After the hour-long observation session, the Delegation was appreciative of the **structured yet compassionate approach that Singaporean MPs use to engage with their constituents**. They were particularly impressed by the caring and patient attitude displayed throughout the interactions. Members consider that the observation session has provided valuable insights that could inform and enhance constituent engagement practices in Hong Kong.

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(D) COURTESY CALLS ON THE CHINESE AMBASSADORS

2.63 The Delegation paid courtesy calls on the Chinese Ambassadors to Malaysia, Indonesia and Singapore respectively to introduce the latest social and economic developments in Hong Kong. During these visits, the Delegation highlighted to the Chinese Ambassadors that the passage of the Safeguarding National Security Bill on 19 March 2024 has provided Hong Kong a stable and secure environment for business and investment, ensuring the steadfast and successful implementation of the “One Country, Two Systems” principle.

2.64 With an enhanced national security framework in place, Hong Kong is focusing on developing its economy and improving the livelihood of its people. Against this backdrop, the Delegation embarked on this duty visit shortly after the passage of the Bill to strengthen ties with the three ASEAN countries and the wider ASEAN community, and keep them abreast of the latest developments in Hong Kong while soliciting their continued support for Hong Kong’s early accession to RCEP. The Delegation **expressed gratitude to the Central People’s Government and the Ambassadors for their full support for Hong Kong’s accession to RCEP.**



Members of the Delegation pose for a group photo with the Chinese Ambassador to Singapore, Mr Cao Zhongming (third right, front row)

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Meeting with the Chinese Ambassador to Malaysia, Mr Ouyang Yujing



Members of the Delegation pose for a group photo with the Chinese Ambassador to Malaysia, Mr Ouyang Yujing (forth right, front row)

2.65 The Delegation and Ambassador Ouyang had an in-depth discussion on **how Hong Kong could leverage its unique advantages to strengthen cooperation with Malaysia**. Members note that 2024 marks the 50th anniversary of China-Malaysia ties, and the **continuous advancement of the comprehensive strategic partnership between China and Malaysia** has provided immense opportunities for Hong Kong to better play the role of a “super connector” to **promote tripartite cooperation** in areas like AI, digital economy and tourism development among China, Malaysia, and Hong Kong.

2.66 The Delegation notes that Malaysia endeavours to enhance connectivity and open up new trade routes through large-scale infrastructure projects such as the East Coast Rail Link (a major project under the B&R Initiative being constructed with Chinese participation to connect the east and west coasts of Malaysia). Members consider that **Hong Kong’s experience in infrastructure financing and management**, combined with the **Mainland’s expertise in infrastructure construction** could **create a synergistic effect**. Such collaboration has the potential to significantly contribute to these projects, fostering economic growth and regional integration.

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Meeting with the then Chinese Ambassador to Indonesia, Mr Lu Kang

2.67 The Delegation exchanged views with Ambassador Lu on strengthening the economic, trade and cultural connections between Hong Kong, Indonesia and other ASEAN countries. Members also took the opportunity to gain deeper insights into Indonesia’s capital relocation to Nusantara, a long-term development plan targeted for completion by 2045, with its first phase set to be inaugurated in August 2024. Members are keen to explore potential collaboration opportunities among the Mainland, Hong Kong and Indonesia in this ambitious project.



Members of the Delegation pose for a group photo with the then Chinese Ambassador to Indonesia, Mr Lu Kang (sixth right)

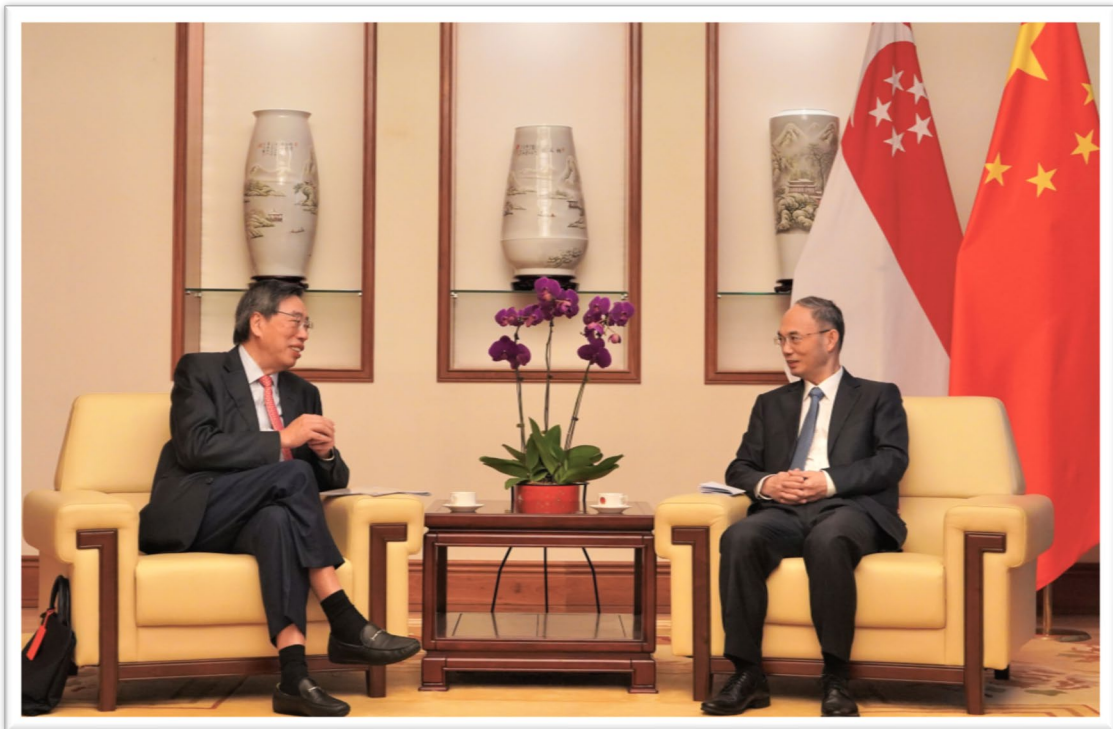
2.68 Members consider that **Hong Kong has much to learn from the successful B&R cooperation projects between China and Indonesia.** Notable examples include the flagship Jakarta-Bandung HSR, which cuts the travel time from Jakarta to Bandung in West Java province from over three hours to around 40 minutes, as well as the **“Two Countries, Twin Parks” project**, which represents **a novel approach to international cooperation** involving China and Indonesia **establishing industrial parks on each other’s soil and jointly facilitating development.**

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Meeting with the Chinese Ambassador to Singapore, Mr Cao Zhongming

2.69 During the meeting with Ambassador Cao, the Delegation emphasized that while **Hong Kong and Singapore** are both vibrant financial and commercial hubs in Asia, the two places have **played distinct roles in serving our region and there are ample opportunities for collaboration**. The importance of cooperation was underscored by President Xi Jinping during the visit of the Prime Minister of Singapore to China in 2023. President Xi stated that the strategic and forward-looking relationship between China and Singapore served as a regional benchmark. Both sides concurred on elevating the bilateral ties to an all-round high-quality future-oriented partnership which reflected a shared commitment to shaping the relationship's future trajectory.

2.70 Ambassador Cao noted that **Hong Kong is working intensively to attract global talents**. Members expressed confidence that **with the unwavering support of our Motherland**, Hong Kong is well-positioned for substantial growth and prosperity. Members highlighted that this robust support **provides a significant advantage**, enabling the city to **attract talents** who can contribute to its development, further enhancing Hong Kong's role as an international talent hub.



LegCo President has an engaging discussion with the Chinese Ambassador to Singapore, Mr Cao Zhongming (right)

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(E) DEVELOPMENT OF TOURISM, ARTS AND CULTURE



Members of the Delegation meet with the Deputy Minister of Tourism, Arts and Culture of Malaysia, H.E. Khairul Firdaus Akbar Khan

2.71 During their visit to Malaysia, the Delegation met with the Deputy Minister of Tourism, Arts and Culture (“Deputy Minister of TAC”), H.E. Khairul Firdaus Akbar Khan. The Delegation learned about the Ministry’s key policy objectives, including **enhancing collaboration between the tourism and cultural sectors** to make Malaysia a top tourist destination, **promoting the uniqueness of Malaysia’s arts, culture and heritage** as catalysts for growth, and **developing knowledgeable, skilled and innovative human capital** in these sectors.

Boosting tourism

2.72 The Deputy Minister of TAC kicked off the discussion by highlighting that **Chinese tourists have been significant contributors to Malaysia’s economy**, the pre-pandemic influx of Chinese tourists, which made China the third largest source of tourists to Malaysia after Singapore and Indonesia, with 3.1 million visitors in 2019. He expressed the Malaysian Government’s ambitious target of attracting 5 million Chinese visitors in 2024. The Delegation emphasized the importance of not only increasing Chinese tourists to Malaysia, but also encouraging Malaysian

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tourists to visit Hong Kong.¹⁵ Both parties **explored collaborative efforts to achieve these goals and facilitate growth in both directions.**

Enhancing air connectivity

2.73 Another key point of discussion was the **enhancement of air connectivity between Malaysia and China, including Hong Kong.** The Deputy Minister of TAC underscored the importance of increasing flight frequencies not only between major cities such as Kuala Lumpur, Penang, and Johor Bahru in Malaysia and major cities in China, but also extending this connectivity to include second and third tier cities in both countries. This strategic move aims to **facilitate smoother travel and broaden access for a wider range of tourists**, thereby stimulating tourism growth in less-visited regions.



Members of the Delegation exchange views with the Deputy Minister of Tourism, Arts and Culture, H.E. Khairul Firdaus Akbar Khan, on how to boost tourism between Hong Kong and Malaysia

¹⁵ According to the latest statistics provided by the Hong Kong Tourism Board, from January to April 2024, the number of tourists from Malaysia to Hong Kong surged to 128 014, representing an increase of approximately 150% compared to the 51 052 visitors during the same period in 2023.

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Joint cultural programmes and talent exchange

2.74 Joint cultural programmes and talent exchange initiatives were also discussed. The Deputy Minister of TAC highlighted the ongoing cooperation between the Malaysian National Academy of Arts, Culture and Heritage and the Hong Kong International Musician Association, which focuses on **knowledge sharing in the performing arts**. He also mentioned the Academy's **partnership** with the Hong Kong Academy of Performing Arts **to develop talent in film and television production and encouraged more Hong Kong performing groups to perform in Malaysia**. The Delegation agrees that increased collaboration in the cultural front between Hong Kong and Malaysia is crucial to fostering mutual understanding and forging lasting friendship.

Halal certification and Muslim-friendly tourism

2.75 The discussion also highlighted the **significance of Halal certification in attracting Muslim tourists**. The Delegation notes Malaysia's globally recognized Halal certification system, governed by the Department of Islamic Development Malaysia. The Deputy Minister elaborated on the Department's **rigorous certification process**, which **ensures compliance with dietary laws as well as ethical, hygiene and safety standards**. This comprehensive approach has firmly positioned Malaysia as a leader in Halal tourism. The Delegation expressed a keen interest for Hong Kong to learn from Malaysia's expertise.

2.76 The Delegation points out the **growing demand for Halal-certified food products in Hong Kong**, particularly in the catering and hotel sectors. In their discussion with the Federal Agricultural Marketing Authority, Members explored the feasibility of establishing a partnership between Hong Kong and Malaysian authorities to **facilitate the export of Halal-certified food products to Hong Kong**. The Delegation also **welcomed more Malaysian agro-food companies to establish offices in Hong Kong**, highlighting the great opportunities the Mainland market presents. Members note that a Malaysian durian and tropical fruit planter, manufacturer and exporter opened its first regional office in Hong Kong in 2022, leveraging the city's free trade port status to expand its durian and tropical fruit export business in the region.

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Members of the Delegation meet with the Chairman of the Federal Agricultural Marketing Authority of Malaysia, YBras Tuan Haji Aminuddiin Bin Zulkipli

2.77 Regarding the Muslim travel market, the Deputy Minister shared Malaysia's vision to leverage its experience and infrastructure to **attract more Muslim tourists from the Middle East**. He highlighted the role of the Islamic Tourism Centre in enhancing Malaysia's appeal to Muslim travellers and predicted that the Muslim tourism market would reach M\$1 trillion by 2050. The Delegation considers it important for the HKSAR Government to explore this potential further, including the idea of **creating a multi-stop travel hub, with Malaysia and Hong Kong as key destinations for travellers from the Middle East**.

People-to-people connections

2.78 The Delegation emphasized the **importance of people-to-people connections** and highlighted that the HKSAR Government sponsors seven youth tours to Malaysia annually, with only one group returning. Members urged the Deputy Minister to **encourage more two-way exchange programmes by sending more Malaysian youth to Hong Kong for cultural, academic and professional exchanges**. The Deputy Minister agreed to the importance of promoting such initiatives,

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recognizing their vital role in strengthening bilateral relations and enhancing people-to-people connections between the two places.



Members of the Delegation pose for a group photo with the Deputy Minister of Tourism, Arts and Culture of Malaysia, H.E. Khairul Firdaus Akbar Khan (seventh right), and his team

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(F) DEVELOPMENT OF FINANCE, TRADE AND COMMERCE

Courtesy call on the Deputy Minister of Investment, Trade and Industry of Malaysia

2.79 Malaysia was Hong Kong's 9th largest trading partner (and the 3rd largest among ASEAN member states) in 2023 while Hong Kong was Malaysia's 4th largest export market. To explore opportunities for enhancing the bilateral trade and investment cooperation, the Delegation paid a courtesy call on the Deputy Minister of Investment, Trade and Industry of Malaysia ("Deputy Minister of ITI"), H.E. Liew Chin Tong.

2.80 During the meeting, the Deputy Minister of ITI and Delegation members engaged in insightful exchanges on various areas, particularly focusing on the **complementary strengths of Hong Kong and Malaysia** that provide opportunities for **mutually beneficial collaboration**.



Members of the Delegation pose for a group photo with the Deputy Minister of Investment, Trade and Industry of Malaysia, H.E. Liew Chin Tong (fifth right, front row)

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Islamic finance

2.81 Islamic finance¹⁶ is one of the fastest-growing segments of the global financial system with an estimated compound annual growth rate of 17% since 2009. The Delegation highlighted that Hong Kong has taken concrete steps to **build a conducive platform for sukuk¹⁷ issuance** in recent years. Legislative amendments were introduced in 2013 and 2014 to provide a tax structure for sukuk comparable to that for conventional bonds. In addition to the issuance of three sukuks in 2014, 2015 and 2017, Hong Kong has **introduced an array of Islamic financial products and services**, such as the listing of global sukuks on HKEX and Islamic banking windows.¹⁸

2.82 Members note that **Malaysia** is renowned for its **global leadership in Islamic finance** and was the first country to issue sukuk. The Deputy Minister of ITI highlighted Malaysia's **established financial infrastructure supporting Islamic finance**, including educational institutions dedicated to this field. The Deputy Minister of ITI and Delegation members share the view that given Malaysia's and Hong Kong's respective strengths in finance, the **Islamic finance sector presents considerable potential for mutually beneficial cooperation**, which could create new opportunities for investment and growth.

Equity market

2.83 The Delegation also emphasized to the Deputy Minister of ITI that Hong Kong's stock market, ranked 5th largest in Asia and 8th globally in 2023, is a cornerstone of its vibrant financial ecosystem. HKEX's dual

¹⁶ Islamic finance refers to the financial activities that are consistent with the principles of Islamic law, known as Shariah. Major principles of Shariah that are applicable to Islamic finance include Riba (prohibition on receipt and payment of interest) and Haram (prohibition on dealing in banned activities such as those relating to alcohol and pork).

¹⁷ Sukuk is a common type of financial instrument used for Islamic financing. It is an asset-backed or asset-based instrument and represents the ownership by Sukuk holders in the underlying pool of tangible assets. Sukuk holders are entitled to a share in the revenues generated and the capital appreciation of the assets involved.

¹⁸ According to HKMA, Islamic banking window is a business unit within a conventional Authorized Institution as defined in the Banking Ordinance (Cap. 155), usually a bank, enabling it to offer Islamic financial services using the bank's existing structure and branches. The setting up of Islamic banking windows by existing Authorized Institutions is an efficient way of providing a critical mass of players offering Islamic financial services.

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listing arrangements enable overseas companies to benefit from Hong Kong's deep liquidity pools and extensive investor base. In addition, the **Stock Connect programme** allows investors in the Mainland and Hong Kong to respectively invest in each other's market, further enhancing cross-border investment opportunities. The Deputy Minister of ITI acknowledged the unique strengths of HKEX and exchanged views with Delegation members on **exploring more cooperation opportunities between Bursa Malaysia** (the Malaysian Stock Exchange) **and HKEX**. This includes the possibility of allowing stocks traded on Bursa Malaysia to secondary listing on HKEX, thereby promoting greater financial integration and mutual growth.



*Delegation members engage in discussion with
the Ministry of Investment, Trade and Industry of Malaysia*

Exchanges with business associations and chambers of commerce

2.84 The Delegation also engaged in a series of fruitful exchanges with key representatives from the following six major business associations/chambers of commerce:

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Meeting with Hong Kong-Malaysia Business Association (“HKMBA”)

HKMBA is a member of the Federation of Hong Kong Business Associations Worldwide under the Hong Kong Trade Development Council (“HKTDC”). The Federation has a network of 47 Hong Kong Business Associations in 36 countries/regions.



The Delegation poses for a group photo with Datuk Henry YIP Choong Hung (tenth right), Vice President of HKMBA, and other representatives of the organization

Meeting with The Associated Chinese Chambers of Commerce and Industry of Malaysia (“ACCCIM”)

ACCCIM is the national level organization of the Chinese chambers of commerce in Malaysia. Founded in 1921, it has 17 Constituent Members located separately in the 13 states and Federal Territories of Malaysia. Direct and indirect membership of all Constituent Members are well over 100 000.



The Delegation engages in fruitful exchange with Senator Tan Sri Dato’ Low Kian Chuan, President of ACCCIM, and other representatives of the organization

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Meeting with National Chamber of Commerce and Industry of Malaysia (“NCCIM”)

NCCIM is the apex trade organization in Malaysia and a federation of five national trade organizations, namely ACCCIM, the Malay Chamber of Commerce Malaysia, the Malaysian Associated Indian Chambers of Commerce and Industry, the Malaysian International Chambers of commerce and Industry, and the Federation of Malaysian Manufacturers.



The Delegation poses for a group photo with Senator Tan Sri Dato’ Low Kian Chuan (third right, front row), Vice President of NCCIM, and other representatives of the organization

Meeting with Indonesia Chamber of Commerce in Hong Kong (“InachamHK”)

InachamHK is an official chamber of commerce for Indonesia in Hong Kong, with the missions of facilitating, promoting and connecting businesses between Hong Kong and Indonesia with its extensive network and platform. InachamHK has a strong presence in Indonesia and brings together prominent Hong Kong businessmen working/doing business in Indonesia.



The Delegation holds a lunch meeting with Mr Brian CHAN (seventh left), Vice President of InachamHK, and other representatives of the organization

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Meeting with Indonesian Chamber of Commerce and Industry (“KADIN”)

KADIN is the hub organization for business in the fields of state business, cooperative business and private business. KADIN provides policy advocacy, business information, education and skills training, trade and investment facilitation, arbitration support, business promotion, and strategic collaboration to drive sustainability and innovation of its members.



The Delegation exchanges views with Mr Bernadino Vega, Vice Chairman of International Relations, KADIN, and other representatives of the organization on opportunities for collaboration between Indonesia and Hong Kong

Meeting with Hong Kong Singapore Business Association (“HSBA”)

HSBA is a member of the Federation of Hong Kong Business Associations Worldwide under HKTDC.



Against the backdrop of Singapore’s stunning skyline, the Delegation engages in productive exchange with Ms Maple Ye and Mrs Mei Reading, Vice Presidents of HSBA, alongside other representatives of the organization and prominent businessmen in Singapore

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2.85 The Delegation had in-depth dialogues with the above business associations and chambers of commerce on various issues, including ways to strengthen bilateral trade and investment cooperation, and the immense business opportunities Hong Kong offers as a springboard for overseas enterprises to engage in and benefit from the vast Mainland market as well as the B&R Initiative. Members also gain insights into the challenges and opportunities faced by Hong Kong businessmen operating in these countries. Through these exchanges, the Delegation has strengthened ties with influential business networks, enhanced mutual understanding, and identified strategies that could support the mutual growth and development of Hong Kong and ASEAN countries.

Fintech capabilities

2.86 Amongst the various issues discussed, a number of the business associations and chambers of commerce emphasized the **crucial role of fintech in driving financial inclusion, economic growth, and innovation**. Members underscored Hong Kong’s capabilities as a leading fintech hub with a robust and diverse ecosystem supported by a stable regulatory regime, attractive sandboxes, and various government initiatives. On the front of the development of wholesale Central Bank Digital Currencies (“CBDCs”), the **Multiple Central Bank Digital Currency Bridge** (commonly referred to as “mBridge”) Project, which aims to **address the pain points in cross-border payments** like high cost, low speed, and operational complexities, is scheduled to commence the minimum viable product stage soon with the **ultimate goal** of achieving a production-ready system that can **support the full process of international trade settlement**, and more.¹⁹

Green finance and carbon trading

2.87 During exchanges with the business associations and chambers of commerce, the Delegation also discussed **potential collaboration in green finance and carbon trading**. Members highlighted that in 2022,

¹⁹ Project mBridge is a collaborative initiative involving multiple central banks (including HKMA, the Bank of Thailand, the Central Bank of the United Arab Emirates and the Digital Currency Institute of the People’s Bank of China) and the Bank of International Settlements Innovation Hub Hong Kong Centre to develop a multi-CBDC platform using distributed ledger technology. As at 5 June 2024, Project mBridge has reached the minimum viable product stage.

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more than one-third of Asia region's green and sustainable bonds and loans were arranged in Hong Kong, reflecting its growing prominence in sustainable finance. Hong Kong's strategic initiatives, such as the establishment of the Green and Sustainable Finance Cross-Agency Steering Group and the **launch of the Hong Kong Taxonomy**, further underscore its commitment to fostering a robust green finance ecosystem. These efforts not only strengthen Hong Kong's role as a leading green finance hub but also create opportunities to collaborate with ASEAN countries on sustainable development.

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(G) ADVANCING DIGITAL ECONOMY AND INDUSTRIAL DEVELOPMENT

Visit to Malaysia Digital Economy Corporation

2.88 Malaysia has demonstrated a strong commitment to the development of the digital economy and has made significant progress in digitization in recent years. With an impressive contribution of 23.2% to the nation's GDP in 2023, digital economy is poised for further growth and is expected to contribute 25.5% to the nation's GDP by 2025. There has also been an influx of major global players such as Amazon Web Services, Huawei Technologies Co., Google LLC, etc. into Malaysia's digital landscape.

2.89 During its stay in Malaysia, the Delegation visited the **Malaysia Digital Economy Corporation** ("MDEC"), a **government agency** under the Malaysian Ministry of Digital **leading the digital transformation** of the Malaysian economy since 1996, to gain insights into the latest developments in the nation's digital economy. Representatives from MDEC, led by Independent Non-Executive Director YBhg. Dato' Sri (Dr) Chee Hong Leong and Chief Executive Officer Ts. Mahadhir Aziz, shared with the Delegation selected national strategies to promote the nation's digital economy. These included the Malaysian Digital Economy Blueprint and the Malaysia Digital initiative.



The Delegation visits MDEC to learn about the latest development of Malaysia's digital economy

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Malaysian Digital Economy Blueprint

2.90 The Delegation notes that the **Malaysian Digital Economy Blueprint** was released in 2021 as a **roadmap to spell out the efforts and initiatives** to achieve the aspirations of MyDigital, a comprehensive national initiative to **transform Malaysia into a digitally-driven, high-income nation and a regional leader in the digital economy**. The Blueprint also outlines specific targets to be achieved by 2025, including the creation of 500 000 jobs, attracting two unicorns, and the establishment of 5 000 start-ups.



*The Delegation is grateful for the insightful exchanges
with MDEC's Chief Executive Officer, Ts. Mahadhir Aziz (sixth right)*

Malaysia Digital

2.91 The Malaysian Government, through MDEC, launched the **Malaysia Digital (“MD”) initiative** in 2022 to **encourage and attract businesses, talents and investment**, while enabling Malaysian businesses and the Rakyat (the people) to play a leading role in the global digital revolution. Companies satisfying certain criteria (including manpower, capital, operating expenditure, etc.) are eligible to apply for the **MD status**, which **entitles them to a set of incentives, rights and privileges**

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(e.g. foreign knowledge worker quota and passes, the flexibility to source capital and funds globally, tax incentives). To date, there are more than 2 700 active companies that have obtained the MD status.

Strategies adopted by MDEC to propel development of digital economy

2.92 The Delegation notes that MDEC has focused on the following areas in recent years, including (a) catalysing the growth of the nine sectors promoted under MD;²⁰ (b) enabling more holistic digital financial inclusion; (c) **driving the expansion of the Islamic digital economy**; and (d) **accelerating the adoption of environmental, social and governance practices among small and medium enterprises (“SMEs”)**. Members consider it worthwhile for Hong Kong to make reference to the **programmes launched by MDEC to drive digital adoption across different sectors of the economy, targeting the Rakyat, businesses and investors**. Examples of these programmes include providing training opportunities and incentives for workers to undergo training in digital technology, providing incentives for companies, especially SMEs, to digitalize their operations (e.g. Malaysia Digital Catalytic Programmes (PeMangkinMD)), and building a competitive domestic cloud and data centre industry by encouraging companies to obtain relevant information security certification.

2.93 The Delegation shared with representatives of MDEC the latest status of Hong Kong’s initiatives to promote the development of the digital economy in various areas, including e-commerce, electronic payment, fintech, digital infrastructure, as well as cyber and data security. **Members appreciate that MDEC and City University of Hong Kong entered into a Memorandum of Understanding** in August 2023 to establish further collaboration on **fostering closer ties between the innovation and entrepreneurship ecosystems in Hong Kong and Malaysia, and co-nurturing start-ups** to shine on the global stage.²¹ Both parties agreed

²⁰ The nine sectors promoted under MD are: Digital Agriculture, Digital Services, Digital Cities, Digital Health, Digital Finance, Digital Trade, Digital Content, Digital Tourism and Islamic Digital Economy.

²¹ The Memorandum of Understanding aims to help promising Malaysian start-ups expand business into Hong Kong and the Mainland, and pave the way for HK Tech 300 (City University of Hong Kong’s large-scale innovation and entrepreneurship programme) start-ups to enter the Malaysian market and beyond.

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that it would be **mutually beneficial** for Malaysia and Hong Kong to **further strengthen ties** in advancing digital economy.



The Delegation poses for a group photo with representatives from MDEC

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Visit to JTC Corporation



The Delegation visits JTC Corporation to learn about the agency's efforts in developing Singapore's industrial land and infrastructure

2.94 To understand the latest development of Singapore's industrial infrastructure, the Delegation visited **JTC Corporation** ("JTC"), a statutory board under Singapore's Ministry of Trade and Industry **responsible for the development of industrial land and infrastructure**, as well as supporting and promoting Singapore's new industrialization development.

2.95 Accompanied by Mr TAN Boon Khai, JTC's Chief Executive Officer, the Delegation received a briefing by representatives of JTC on the group's development footprints and some of its landmark projects.

Master planning and development

2.96 Members note that in view of the transition towards Industry 4.0 and the emergence of digital technologies such as big data, AI and the Internet of things ("IoT"), **JTC is engaged in the master planning and development of new, future-ready parks and estates** tailored to support the growth of strategic industries. Examples of these specialized estates include the Punggol Digital District and Jurong Innovation District.

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2.97 Punggol Digital District is a 50-hectare business park district launched in 2018 **targeting at industries of the digital economy**, such as cybersecurity, machine learning, IoT, and smart city solutions. It is closely integrated with the new campus of the Singapore Institute of Technology, which focuses on applied learning and will **facilitate the cross fertilization of ideas and knowledge between industry and academia**. As regards Jurong Innovation District, it is a 620-hectare next generation business and technology hub that **is positioned to drive advanced manufacturing and catalyse innovation** in response to the emergence of Industry 4.0 and new industrialization. It forms a complex ecosystem of corporations and partners, encompassing a range of resources and capabilities, including talent and training, R&D, technology providers as well as factories of the future. Members appreciate that **JTC's facilities aim to cluster companies together to encourage more collaboration among them**, and provide **shared infrastructure and common services** to help industrialists **reduce their capital and operating costs**.



Members of the Delegation receive a briefing on its landmark projects by JTC's Chief Executive Officer, Mr TAN Boon Khai (fifth left)

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The Delegation views JTC's development sites from afar

One-north

2.98 Representatives of JTC highlighted to the Delegation one of the group's signature development projects — One-north. Conceptualized as Singapore's premier R&D cluster, **One-north** not only refers to the **high-level R&D that takes place within the cluster** (which includes info-comm technology, media, science and engineering, biomedical and life sciences, and pioneer research into emerging industries) but **also sets out to pioneer the live-work-play-learn integration**.

2.99 Members note that, as of today, One-north has attracted a total investment of S\$8 billion. It also houses 400 leading companies, including P&G, Grab, Razer, Lucasfilm, among others; and over 50 000 knowledge workers. It is noteworthy that the **LaunchPad** at one-north, **a densely packed and dynamic entrepreneurial ecosystems**, has housed over 1 300 start-ups in the biomedical sciences, info-comm, media, urban solutions, electronics and engineering industries. The vibrant community of diverse start-ups, incubators, venture capitalists and ecosystem partners within LaunchPad offers opportunities for knowledge-sharing and collaboration. Members consider that **JTC's model for assisting the incubation of start-ups is a successful experience that Hong Kong could model upon**.

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Sustainability

2.100 The Delegation notes that JTC has been an exemplary actor in actively fulfilling the social responsibility for sustainable development, having demonstrated a commitment to the achievement of affordable and clean energy, sustainable cities and communities, and climate action. Members consider that it would be beneficial for industries and enterprises in Hong Kong to draw reference from JTC's development projects to ascertain how they can **fulfil their social responsibility for sustainable development**.

2.101 The Delegation also considers that various **projects of JTC** could serve as **valuable references for Hong Kong in developing new quality productive forces and transforming the Northern Metropolis into a “new international I&T city”**.

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(H) VISIT TO JAKARTA-BANDUNG HIGH-SPEED RAILWAY



*Members of the Delegation pose for a group photo
before boarding the high-speed train*

2.102 During its visit to Jakarta, the Delegation had the opportunity to experience the **Jakarta-Bandung HSR**, the first high-speed rail project in Southeast Asia and **a flagship project of the B&R Initiative**. Operated by PT Kereta Cepat Indonesia China (“PT KCIC”), the Jakarta-Bandung HSR, which commenced operation on 2 October 2023, is 142 kilometres long. Attending a briefing by Mr Zhang Chao, Director of Finance & Risk at PT KCIC, the Delegation learned that the high-speed train, named “Whoosh” (an Indonesian acronym for “time-saving, optimal operation and reliable system”), can **reach a speed of up to 350 km/hour**, significantly **reducing the travel time** between Jakarta and Bandung **from three hours to just 40 minutes**.

Enhancing regional integration

2.103 The Delegation notes the immediate benefits of the Jakarta-Bandung HSR in promoting regional integration. In its inaugural year, the Jakarta-Bandung HSR is expected to **carry approximately 31 000 passengers daily**, highlighting its **role in facilitating efficient and rapid transit between key cities**. The Delegation learned that **Bandung**, as the first city connected to Jakarta by HSR and strategically located between Jakarta and other densely populated areas in West Java, serves as **an ideal hub for improving regional connectivity**. In addition, Bandung, the

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provincial capital of West Java province and the third largest city in Indonesia, enjoys a reputation as a **vibrant centre for economic development and tourism**, with its natural attractions drawing both domestic and international visitors, particularly from nearby countries such as Singapore and Malaysia.

Economic benefits

2.104 The Delegation is impressed by the economic benefits brought by the Jakarta-Bandung HSR. By drastically shortening the travel time between Jakarta and Bandung, HSR is expected to **attract significant investment, stimulate business growth and boost tourism**. The Delegation notes that the construction phase of the Jakarta-Bandung HSR has already seen a substantial economic uplift, **creating 51 000 local jobs and is expected to generate some 30 000 jobs annually in various sectors**, including passenger services, equipment maintenance and supporting industries.

China's involvement

2.105 China's involvement in the Jakarta-Bandung HSR was a key area of interest for the Delegation. The US\$7.3 billion project is a signature project of the B&R Initiative and has been **developed by a consortium that includes four Indonesian state-owned companies and China Railway International**. The project is primarily financed by the China Development Bank. The Delegation notes the extensive use of Chinese railway systems, technology and components, making the Jakarta-Bandung HSR the **first overseas railway project to benefit from such extensive Chinese expertise**. This cooperation not only facilitates Indonesia's access to advanced technology, but also positions the country as a key player in the regional railway industry through a technology transfer programme.

2.106 The Delegation learned that **President Xi Jinping and Indonesian President Joko Widodo** jointly watched a trial run of HSR via video during the G20 Summit in November 2022. The two leaders also **jointly inaugurated the official commencement of HSR's operations** in October 2023. In the words of President Xi, the Jakarta-Bandung HSR has become **a shining exemplar of high-quality bilateral cooperation**, and China-Indonesia relations have entered a new stage of building a community with a shared future.

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Future development plans

2.107 The Delegation also takes note of Indonesia's intention to **extend the line to Surabaya, Indonesia's second-largest city and a major port in East Java province**. The proposed Jakarta-Surabaya HSR, covering some 750 kilometres, is expected to **reduce travel time from 10 hours to around 3.5 hours**. This extension promises to further enhance connectivity and economic integration across Indonesia, building on the successful model of the Jakarta-Bandung HSR.



Members of the Delegation exchange views with representatives of PT KCIC, the operator of Jakarta-Bandung HSR

Ride experience and technological marvel

2.108 After receiving a briefing from PT KCIC representatives, the Delegation took a ride on “Whoosh”. The Delegation was thrilled and excited to experience the ride first hand. As the train accelerated to its maximum speed of 350 km/hour, the Delegation members were struck by the remarkable stability and smoothness of the ride. They marvelled at the **advanced technology imported from China, which made the high-speed journey feel effortless and incredibly comfortable**. They were also impressed by the **potential of such technological advancement for future global transportation projects** as well as the transformative

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impact of cutting-edge infrastructure on regional development and connectivity.



Members of the Delegation are impressed by the stability and smoothness of the high-speed rail when the train accelerates to 349 km/hour

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(I) DEVELOPMENT OF HOUSING



Members of the Delegation meet with representatives of the Housing & Development Board

2.109 The Delegation met with the representatives of the **Housing & Development Board (“HDB”)**, led by Ms Tan Chew Ling, Group Director (Estate Administration & Property), to exchange views and share experiences on housing issues in Singapore and Hong Kong. The Delegation received a briefing on the history and mission of HDB, **measures to facilitate home ownership, strategies for social inclusion, as well as innovative construction methods**. The briefing and subsequent exchanges with the representatives of HDB had provided the Delegation with valuable **insights into Singapore’s multifaceted and inclusive approach to public housing**.

HDB’s mission and historical background

2.110 The Delegation learned that HDB was established in 1960 as **Singapore’s public housing authority**, originally to address the severe post-war housing shortage. Over the years, HDB has expanded its mission to include not only **providing affordable, quality housing** but also **fostering a great living environment where communities thrive**. Currently, **HDB manages 1.2 million flats, housing about 80% of Singapore’s resident population**, with a remarkable 90% home ownership rate among HDB residents.

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Promoting home ownership

2.111 The Delegation notes that a key focus of HDB's policy is to **promote home ownership**. This approach provides residents with a stake in the country, a home for life and a store of value. Home ownership **encourages better maintenance of properties, promotes rootedness and a sense of belonging, and builds strong work ethics** among residents. The high ownership rates among HDB residents reflect the success of this policy.



*Members of the Delegation pose for a group photo
with representatives of HDB*

Affordable and accessible homes

2.112 HDB highlighted to the Delegation the **Central Provident Fund** ("CPF") as the **financial mechanism** that underpins the affordability of public housing in Singapore. Since 1968, Singaporeans have been able to use their CPF savings to purchase HDB flats. CPF is a comprehensive social security savings plan to which employees contribute 20% of their salary, and employers contribute an additional 17%. The funds in the CPF Ordinary Account can be used to **buy a flat and service the home loan**. Furthermore, HDB flats are **priced at a significant discount from market rates**, and **additional grants are available to further reduce the financial burden on homebuyers**. For example, grants of up to S\$80,000

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are provided, regardless of flat type or estate, ensuring that even lower-income families can afford a home. Mortgage servicing ratios for HDB flats are kept below 25%, which is lower than the international norm of 30-35%, allowing most households to service their mortgages using only their CPF contributions.

Forward-looking housing planning

2.113 The Delegation notes that the Singapore Government **owns 90% of the land in Singapore**, thus keeping housing affordable. HDB explained that the Land Acquisition Act has provided the legal framework that enables the Singapore Government to speed up land possession for public purposes. The compulsory acquisition of land by the Singapore Government has been **effective in keeping the costs of building houses affordable**, ensuring that public housing remains within the reach of most of its citizens. Furthermore, Singapore employs **a two-pronged planning regime** comprising Long-Term Plans every 10 years and Master Plans every 5-6 years to guide its housing development.

Inclusivity and social integration

2.114 One of the standout features observed by the Delegation is Singapore's commitment to inclusiveness and social integration in its public housing policy. The Ethnic Integration Policy, introduced in 1989, sets **ethnic quotas at both block and neighbourhood levels to ensure a balanced mix of different ethnic groups**, mirroring the national demographic composition. This policy has been instrumental in **promoting racial harmony and preventing the formation of ethnic enclaves**. In addition, the Delegation notes HDB's **implementation of integrated housing models that combine sales and rental flats within the same block**, promoting interaction and mutual support among different socio-economic groups. The Prime Location Housing model also ensures that new public housing in prime, central locations remains affordable and accessible, preventing socio-economic segregation in highly desirable areas.

Innovative construction methods

2.115 The Delegation notes HDB's **pioneering use of prefabrication technology**. HDB first utilized precast components for flat construction in the 1980s. Today, precast components make up about 70% by volume of

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the structural concrete used in HDB's housing projects. This method **significantly enhances construction efficiency, reduces labour costs, and improves the quality and durability of buildings.**

2.116 Members of the Delegation shared insights from the LegCo Complex Expansion Project, which marks **the first use of modular construction technology for an expansion project in Hong Kong.** Members also shared that the HKSAR Government is **actively promoting high-productivity construction methods**, such as Modular Integrated Construction (MiC), **to improve the productivity and cost-effectiveness of the industry.** The exchange of ideas highlighted a shared commitment to using advanced construction technologies to efficiently meet housing needs.

Visit to My Nice Home Gallery

2.117 To provide a tangible experience of HDB's initiatives, HDB representatives took the Delegation on a tour of various show flats at My Nice Home Gallery. The Delegation explored **different types of show flats, including 2-room Flexi, 3-room, 4-room, 5-room and 3Gen flat layouts.** Members were impressed by **the diverse options available to residents that cater to different family sizes and lifestyles.**



The President of LegCo exchanges views with Ms Tan Chew Ling, Group Director (Estate Administration & Property) of HDB, at My Nice Home Gallery

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(J) DEVELOPMENT OF EDUCATION

2.118 In recent years, the HKSAR Government has been proactively raising the status of vocational and professional education and training (“VPET”) in Hong Kong, with a view to providing an alternative pathway to success for young people who aspire to pursue career in professional skills sectors. During its visit to Singapore, the Delegation had visited the **Institute of Technical Education** (“ITE”), the principal provider of VPET under the Ministry of Education and a key developer of national occupational skills certification and standards in Singapore. The purpose of the visit was to learn about the experience of Singapore in rebranding VPET and the strategies adopted by ITE to equip its students with the skills needed for the future economy. The Delegation was received by the Chief Executive Officer, Ms Low Khah Gek, and both parties had an insightful exchange of views on various issues relating to VPET.



The Delegation exchanges views with ITE’s representatives on the latest development of VPET

Raising the status of VPET

2.119 The Delegation notes that similar to the situation in Hong Kong, VPET in Singapore was used to be seen as an inferior progression pathway until the Singapore Government’s radical repositioning of VPET in 1990 to support its national strategy to develop the technology industries. Subsequently, ITE was established in 1992 in an effort to upgrade the provision of skills training in Singapore over a wide range of disciplines (such as engineering, business and healthcare). The Delegation learned that **Singapore’s whole-of-government approach and strong**

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commitment of resources to the development of VPET are the key factors which have enabled VPET in Singapore to gain recognition both locally and globally.

Key priorities and continuous innovations

2.120 During the visit, the Delegation toured various training facilities of ITE, including the User Experience Hub, a S\$2.6 million high-tech immersive digital facility in collaboration with seven industry partners which utilizes virtual reality technology to emulate workplace environment; as well as the IoT Experiential Centre and Aerospace Hub. During the tour, the Delegation gained insights into the effectiveness of the training programmes provided by ITE for young people and working adults.

2.121 Members note that **ITE places strong emphasis on continuous innovations and has identified several key development areas**, including (a) **building stronger foundations and deeper industry-relevant skills** for ITE students; (b) **enhancing workplace learning experience** through closer collaboration with employers; (c) **responding to sustainability imperative and green transition** of all industry sectors; and (d) **harnessing generative AI and Large Language Models**. Members share the view that these key areas are crucial for maintaining a continuous focus on innovation and sustainability in response to the evolving needs of society and the challenges arising therein.



Members of the Delegation tour training facilities at ITE College Central

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Strengthening collaboration on VPET

2.122 During exchanges with representatives of ITE, **Members highly appreciated the enduring successful collaborative relationship between ITE and the Vocational Training Council (“VTC”) of Hong Kong.** By entering into a Memorandum of Understanding in 1998, the two institutes have since then maintained partnership on various fronts including programme development, staff/student exchange activities, technical training and promotional activities with a view to exposing students to a diversified culture and developing quality future workforce for the two places. The biennial ITE-VTC International Student Seminar,²² jointly organized since 2007, is one of the highlights of the long-term partnership between the two institutes.



Members of the Delegation pose for a group photo with ITE’s Chief Executive Officer, Ms Low Khah Gek (fifth right, back row) and other representatives from ITE

²² Taking place in Hong Kong and Singapore alternately, the Seminar provides students with an international exchange platform to share views on global issues and enrich their perspectives through a diversified scale of activities including presentations, exhibitions, performance and cultural/industrial visits. The Seminar was recently held in June 2024 at the Hong Kong Design Institute.

2.123 As the modern workplace becomes increasingly unpredictable due to rapid changes brought about by disruptive and emerging technologies (such as AI, blockchain and big data), Members consider that **VPET plays a pivotal role in complementing academic-oriented education** and enhancing the workforce's ability to meet new challenges by continuously upskilling and reskilling themselves. Members also consider that **ITE and VTC should further strengthen their partnership**, and that future endeavours should be made to **foster collaborations between ITE and other VPET institutions in Hong Kong**.

Introduction

3.1 During the week-long duty visit, Members have engaged in productive discussions with the ASEAN community, Parliaments, Chinese Ambassadors, government officials as well as leaders of enterprises and businesses. The Delegation has not only shared the good stories about Hong Kong but also strengthened ties with the three ASEAN countries and the ASEAN community at large.

3.2 From the dialogues conducted and the insights gained, the Delegation has proposed several **high-potential areas** for **enhancing the partnership between Hong Kong and ASEAN countries** with a view to **boosting Hong Kong’s economic growth and social development**. These areas will be further elaborated in this chapter.



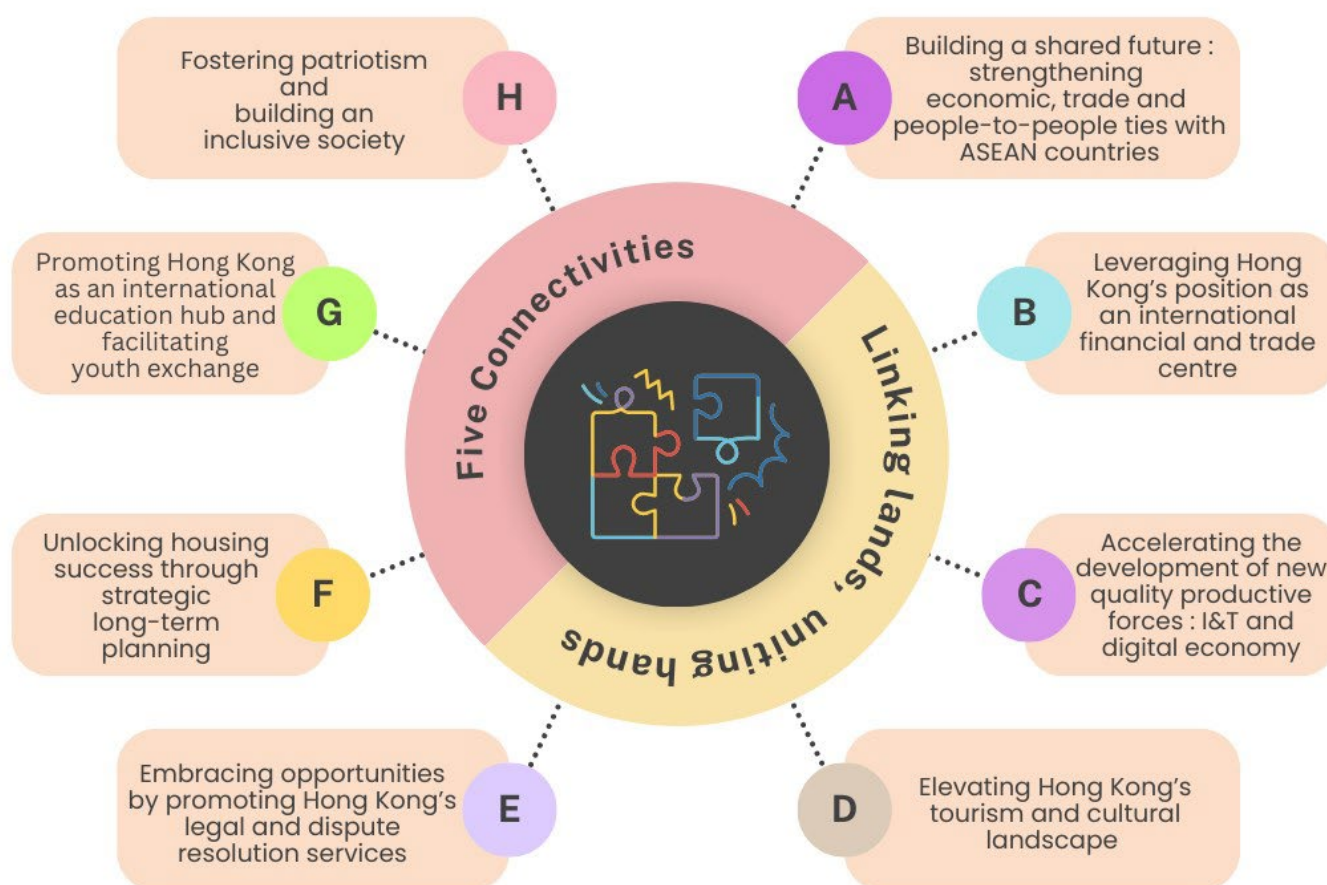
3.3 Particularly noteworthy are the insights from the visionary B&R Initiative — an initiative which is rooted in history, proposed by China and benefits the world.²³ The B&R Initiative proposed by President Xi Jinping aims at building a new platform for international cooperation and shared development through all-round connectivity in multiple fields, or what is known as the “**Five Connectivities**” (五通), viz. **policy coordination**

²³ The B&R Initiative is a creative development proposed by President Xi Jinping in March 2013 that takes on and carries forward the spirit of the ancient silk routes (i.e. the land and maritime Silk Road respectively) which were two of the great achievements in human history and civilization.

CHAPTER 3 —OBSERVATIONS AND RECOMMENDATIONS

(政策溝通), **infrastructure connectivity** (設施聯通), **unimpeded trade** (貿易暢通), **financial integration** (資金融通) and **closer people-to-people ties** (民心相通). The proposals of the Delegation are guided by and centred around these five connectivities. The Delegation believes these principles are beacons of light for Hong Kong and the region as we navigate the pathways towards building a community of shared future.

The recommendations of the Delegation cover the following eight areas



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(A) BUILDING A SHARED FUTURE: STRENGTHENING ECONOMIC, TRADE AND PEOPLE-TO-PEOPLE TIES WITH ASEAN COUNTRIES

	Key recommendations	paragraph
A1	Establishing a top-level steering committee	3.5-3.6
A2	Scaling up promotional work in ASEAN countries on Hong Kong's strengths, trade and investment opportunities	3.7-3.11
A3	Producing targeted communication toolkits or "song sheets" tailored to the needs of different audiences	3.12-3.13

3.4 ASEAN is the world's fifth-largest economy, and has long-established trade and economic ties with Hong Kong. Since 2010, it has been Hong Kong's second largest merchandise trading partner. In 2023, bilateral trade between Hong Kong and ASEAN reached US\$145 billion, with two-way cumulative FDI surpassing US\$141 billion. Hong Kong is also home to 648 ASEAN companies, with about a quarter of them serving as regional headquarters/offices. These figures highlight the importance of ASEAN and Hong Kong to each other. At the 26th ASEAN Plus Three Summit,²⁴ Premier Li Qiang emphasized tapping the potential of cooperation and striving to find a path of development that is more stable, dynamic and beneficial to all. To **enhance cooperation and strength ties between ASEAN and Hong Kong** for mutual benefits and win-win outcomes, the Delegation has the following **recommendations**.

A1 Establishing a top-level steering committee

3.5 Currently, efforts to promote Hong Kong's advantages and opportunities in ASEAN countries **straddle across various bureaux, government departments and quasi-government organizations**. Since ASEAN is Hong Kong's priority strategic partner and drawing on insights from the "**Five Connectivities**" of the B&R Initiative, Members believe that **establishing a dedicated ASEAN-focused policy coordination and**

²⁴ The 26th ASEAN Plus Three Summit was held in Jakarta, Indonesia on 6 September 2023.

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communication mechanism could **more effectively align strategies** and optimize efforts to showcase Hong Kong's many strengths in the region.

3.6 To this end, the Delegation suggests that consideration be given to **appointing** either a **top-level steering committee** or a **dedicated senior directorate officer** to (a) steer and lead the formulation of comprehensive **strategies for deepening Hong Kong-ASEAN collaboration**; (b) **align cross-bureaux and departmental priorities** and initiatives related to ASEAN; and (c) **oversee the implementation** of ASEAN-focused policies/programmes and **monitor progress**. This focused establishment would allow Hong Kong to pursue a **more targeted and proactive strategy tailored specifically to ASEAN's unique dynamics and opportunities**, thereby maximizing impact.

A2 Scaling up promotional work in ASEAN countries on Hong Kong's strengths, trade and investment opportunities

3.7 Promotional campaigns, trade fairs and overseas delegations are vital avenues for Hong Kong to showcase its diverse strengths and abundant opportunities. Through these events, Hong Kong can effectively attract new investments, companies and visitors from across ASEAN.

3.8 The Delegation believes that **further amplifying these promotional activities** can significantly **heighten Hong Kong's visibility** and **bolster its diverse offerings** in the eyes of ASEAN countries. This will help draw more investors, businesses and tourists, thereby stimulating economic growth and strengthening regional partnership. To fully exhibit Hong Kong's broad capabilities, the Delegation recommends **inviting participation from diverse sectors and professions**. This comprehensive approach will cement Hong Kong's reputation as an attractive hub for various stakeholders.

3.9 Our country organizes high-level delegations and business mission to overseas countries from time to time. Members suggest that HKSAR **proactively seek participation in** these **Mainland-led initiatives, especially those targeting ASEAN countries**. By participating in these initiatives, Hong Kong can gain **access to extensive business networks** and **commercial opportunities** cultivated by our Motherland across the region. **Capitalizing on** our **Motherland's vast reach and influence**, Hong Kong can significantly amplify its promotional

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impact and visibility within these vital markets and take its ASEAN outreach efforts to the next level.

3.10 The Delegation also believes that it would be mutually beneficial if more counterparts in ASEAN can have **firsthand experience of Hong Kong’s social and business environment**. Members suggest **organizing more high-level delegations** comprising government representatives, business associations and professional bodies **from ASEAN countries to visit Hong Kong**. This would **foster a deeper, well-rounded understanding** of Hong Kong’s business landscape, professional services and investment opportunities.

3.11 To **enhance Hong Kong’s position as a dynamic hub for exchanges** on topics relating to the strengthening of ASEAN-China ties, Members suggest that Hong Kong host **more high-profile events similar to the annual Hong Kong-ASEAN Summit**. These conventions are also conducive to fostering mutual understanding and collaboration among government officials, industry leaders and professionals from across Asia.



Members opine that organizing more high-level delegations of ASEAN countries to visit Hong Kong would be conducive to fostering a deeper, well-rounded understanding of Hong Kong’s business landscape, professional services and investment opportunities

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A3 Producing targeted communication toolkits or “song sheets” tailored to the needs of different audiences

3.12 Effective communication is key to articulating Hong Kong’s diverse strengths and abundant opportunities. To empower **different groups to tell the good stories of Hong Kong**, Members suggest that the HKSAR Government **develop targeted communication toolkits or “song sheets” tailored to the needs of different audiences**.

3.13 It is suggested that these information packages contain **key talking points and facts etc. tailored to the interests of each audience group**. The toolkits would be timely updated to showcase Hong Kong’s latest developments, promoting Hong Kong’s strengths while addressing misconceptions. Equipping advocates with audience-centric information packages will enable more impactful promotion of Hong Kong.



Members suggest that the HKSAR Government develop targeted communication toolkits or “song sheets” to facilitate different groups to tell the good stories of Hong Kong to different audiences

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(B) LEVERAGING HONG KONG'S POSITION AS AN INTERNATIONAL FINANCIAL AND TRADE CENTRE

	Key recommendations	paragraph
B1	Enhancing Hong Kong's position as a hub for green and sustainable finance	3.15-3.21
B2	Developing a more robust carbon trading ecosystem , leveraging Hong Kong's unique advantage as a "super connector"	3.22-3.23
B3	Expanding participation in Project mBridge and roll out more collaborations like FPS x PromptPay QR payment	3.24-3.27
B4	Expanding the network of free trade and tax agreements to boost connectivity and growth	3.28-3.30
B5	Exploring the viability of (a) allowing stocks listed on the Malaysian Stock Exchange to apply for secondary listing on HKEX; and (b) expanding the scope of Southbound Stock Connect to include stocks on secondary listing on HKEX	3.31-3.32
B6	Fostering the development of Hong Kong as a major Islamic finance hub to attract investors from Islamic countries along B&R	3.33-3.34

3.14 The financial services industry is an important pillar of the Hong Kong economy. Members consider that Hong Kong, being a renowned international financial hub and ranked fourth in the Global Financial Centres Index²⁵, should **play a more active role in enhancing financial integration within the region on various fronts**. Financial integration is one of the five key pillars of connectivity of the Belt and Road ("B&R") Initiative.

²⁵ Issued by UK-based Z/Yen and China Development Institute from Shenzhen in September 2022.

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B1 Enhancing Hong Kong's position as a hub for green and sustainable finance

3.15 **Green and sustainable finance, and infrastructure finance** are some of the **emerging segments of our financial sector**. According to market estimates, Asia alone will require US\$66 trillion in climate investments in the next 30 years. Addressing climate change requires the support of the financial industry and brings about enormous opportunities for collaboration.

3.16 During the exchanges with the ASEAN community, there has been discussion on the strategies adopted by ASEAN to achieve carbon neutrality and the corresponding financing need for an inclusive and resilient transition to sustainability across the region. There is widespread global consensus on the need to transform to a greener economy to maintain a sustainable balance between human activities and the natural environment. Members consider that Hong Kong should give full play to its financing expertise, global connections and professional services to facilitate the channelling of capital into green and sustainable projects in ASEAN and B&R countries to help tackle the climate challenge.



The Delegation considers that Hong Kong should give full play to its financing expertise, global connections and professional services to facilitate the channelling of capital into green and sustainable projects in ASEAN and B&R countries to help tackle the climate challenge

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3.17 The Delegation suggests that **more facilitation measures** be introduced to **create an enabling environment for the flow of green finance**. Consideration can also be given to further **enhancing the Green and Sustainable Finance Grant Scheme**²⁶ to **provide more incentives** to relevant industries in the region to make use of Hong Kong’s financing platform.

3.18 A green taxonomy, which provides the industry with an assessment tool for green finance thereby preventing greenwashing behaviour, is an integral part of the green finance ecosystem. It enables investors to look for green investment opportunities and make informed decisions. Members consider that the HKSAR Government should **step up its effort to promote the wider adoption of the Hong Kong Taxonomy for Sustainable Finance** (“Hong Kong Taxonomy”) published by the Hong Kong Monetary Authority (“HKMA”) in May 2024 aiming to provide a common language and framework for sustainable finance.²⁷ Members also consider that the Hong Kong Taxonomy, currently encompassing 12 economic activities under four sectors (viz. power generation, transportation, construction, and water and waste management) should be **expanded to include more sectors and activities**. Members are of the view that, in the long run, countries and organizations should work together to **enhance the interoperability among different taxonomies** with a view to **bolstering “soft” infrastructure connectivity** through harmonized rules and standards.

3.19 The Delegation notes that **China** is the **second largest importer of palm oil in the world**, with Indonesia and Malaysia being the top two sources.²⁸ As the Mainland **increasingly supports sustainable sourcing**, Members believe that **Hong Kong**, as a “super connector”, **has a significant opportunity to engage in the trading of green commodities**

²⁶ Launched in May 2021, the Green and Sustainable Finance Grant Scheme provides subsidy for the costs of eligible green and sustainable bond and loan issuances in Hong Kong. The Financial Secretary has proposed in the 2024-2025 Budget to extend the Scheme by three years to 2027, and expand the scope of subsidies to cover transition bonds and loans.

²⁷ The development of the Hong Kong Taxonomy is guided by the principles of interoperability, comparability and inclusiveness. It also facilitates easy navigation among the Common Ground Taxonomy, China’s Green Bond Endorsed Projects Catalogue and the European Union’s Taxonomy for Sustainable Activities.

²⁸ Indonesia and Malaysia are the top producers of palm oil, accounting for around 80% of global output.

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such as sustainable palm oil.²⁹ Members suggest that the HKSAR Government **explore this potential area** to enhance Hong Kong's contributions to global sustainability efforts.

3.20 In 2019, ASEAN and China solidified their commitment to regional integration by signing the joint statement on synergising the Master Plan on ASEAN Connectivity 2025 and the B&R Initiative. The joint statement emphasized, among others, promoting innovative infrastructure financing in ASEAN through the mobilization of private capital, as well as encouraging financial institutions to support infrastructure development through diversified and sustainable financing in the region.

3.21 Members observe that ASEAN countries such as Indonesia and Malaysia have been actively promoting infrastructure development in recent years. Indonesia's monumental capital-relocation project also presents vast opportunities for collaboration in infrastructure financing. Members believe that Hong Kong is exceptionally well-placed to **enhance its role in supporting sustainable infrastructure development within ASEAN**. As an international financial centre and an economic and trade hub in Asia, Hong Kong is familiar with the Asian markets and cultures. With a deep pool of capital and a broad investor base, Hong Kong can leverage its strategic position to facilitate regional infrastructure investment and financing needs. The **Infrastructure Financing Facilitation Office** is recommended to **strengthen its role in facilitating investments and financing of sustainable infrastructure**.

B2 Developing a more robust carbon trading ecosystem, leveraging Hong Kong's unique advantage as a "super connector"

3.22 Climate change driven by carbon emissions accumulation is a critical global concern and carbon markets are regarded as a key emissions reduction strategy. Members believe that Hong Kong is well-positioned to **accelerate development of robust carbon trading ecosystems**,

²⁹ Sustainable palm oil is produced in a way that ensures minimal impact on the environment of the regions in which the oil palm trees are grown.

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specifically the voluntary carbon markets (“VCMs”)³⁰, by leveraging our unique advantages as a “super connector”. Hong Kong can **capitalize on opportunities from the Mainland’s “3060 Dual Carbon Targets”**³¹ to drive VCM advancement. This would enable Hong Kong to meaningfully contribute to worldwide climate action.

3.23 The Delegation notes that the **Hong Kong Exchanges and Clearing Limited (HKEX)’s international carbon marketplace “Core Climate”**³² has demonstrated strong initial momentum with approximately 400 000 tonnes of carbon credits traded in its first four weeks after launching in October 2022. It has continued to grow, reaching a cumulative trading volume of around 900 000 tonnes of carbon credits in its first year of operation. That notwithstanding, Hong Kong’s carbon market is considered to be at a nascent stage compared to its peers. To further capitalize on this growth and amplify Core Climate’s role in connecting capital with climate-related opportunities, Members suggest that the HKSAR Government and HKEX **intensify their efforts to attract more participants and increase trading volumes**. Meanwhile, HKEX should also **expedite its exploration with relevant green exchanges in the Mainland on opportunities in cross-border carbon market connectivity** and climate finance.³³

³⁰ Carbon markets can be established as compliance carbon markets or VCMs. Compliance carbon markets refers to systems established or regulated by governments or regulatory bodies for participants to meet binding emission reduction targets. In VCMs, organizations can trade certified carbon offsets verified by accreditation bodies to achieve their voluntary decarbonization targets. Carbon offsets can originate from projects such as reforestation, better forest management, renewable energy etc.

³¹ The Mainland is committed to hit peak carbon emissions by 2030 and achieve carbon neutrality by 2060.

³² Core Climate is currently **the only carbon marketplace that offers Hong Kong dollar and Chinese renminbi settlement for the trading of international voluntary carbon credits**. A carbon credit represents the removal or avoidance of a tonne of carbon or greenhouse gas equivalent, as a result of the undertaking of projects.

³³ HKEX has signed Memoranda of Understanding with the Guangzhou-based China Emissions Exchange, the China Emissions Exchange Shenzhen, and the China Beijing Green Exchange in March 2022, March 2023 and November 2023 respectively.

B3 Expanding participation in Project mBridge and roll out more collaborations like FPS x PromptPay QR payment

3.24 Wholesale **Central Bank Digital Currencies** (“CBDCs”)³⁴, primarily designed for use among financial institutions for interbank settlement, have gained traction in recent years due to their potential to enhance efficiency of cross-border payments. CBDCs can substantially increase the speed of cross-border payments from multiple days to near real time, while reducing cost. One of the most advanced explorations in this field is the **Multiple Central Bank Digital Currency Bridge** (commonly referred to as “**mBridge**”) **Project, a multi-CBDC initiative**.³⁵

3.25 Project mBridge has recently reached the minimum viable product stage as of early June 2024, marking a significant milestone in its development. Members suggest that proactive steps be taken to **expand participation in Project mBridge to broaden its international reach and facilitate enhancements to the system in preparation for the full production stage**. By inviting more central banks and financial institutions to join, Project mBridge can leverage a wider range of expertise and resources, further improving its capabilities and robustness. That apart, integrating more use cases and currencies, and enhancing interoperability with domestic systems will be crucial for the project’s success.

3.26 The “**FPS x PromptPay QR payment**” initiative, a collaboration between HKMA and the Bank of Thailand, has provided a fast, secure and easily accessible payment service for travellers between Hong Kong and Thailand. In addition, merchants will be able to receive their funds immediately. This **payment connectivity** will provide travellers with greater convenience and better support tourism and economic activities of Hong Kong and Thailand.

³⁴ Central bank money traditionally takes two forms, i.e. cash and reserves held at the central bank. CBDC is essentially a third version of central bank money that uses an electronic record or digital token to represent the digital form of an official currency.

³⁵ Project mBridge aims to explore a multi-CBDC platform shared among participating central banks and commercial banks. It was among the first multi-CBDC projects to settle real-value, cross-border transactions on behalf of corporates. A platform based on a new blockchain, the mBridge Ledger, was built to support real-time, peer-to-peer, cross-border payments and foreign exchange transactions.

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Members suggest that rolling out more collaborations like the “FPS x PromptPay QR payment” can facilitate smoother and more cost-effective cross-border transactions, benefiting both consumers and merchants

3.27 Members suggest **rolling out more collaborations similar to the “FPS x PromptPay QR payment” initiative**. By promoting innovative payment solutions, Hong Kong can facilitate smoother and more cost-effective cross-border transactions, benefiting both consumers and merchants. Encouraging more collaborations and expanding the reach of these payment systems can also drive further advancements in financial technology, contributing to a more interconnected and efficient global financial ecosystem that **aligns with the broader goals of financial integration and unimpeded trade in the B&R Initiative**.

B4. Expanding the network of free trade and tax agreements to boost connectivity and growth

3.28 Members note that Hong Kong has signed 8 **Free Trade Agreements** (“FTAs”) with 20 economies ³⁶ and 24 **Investment**

³⁶ The 20 economies include the Mainland, New Zealand, the member states of the European Free Trade Association (i.e. Iceland, Liechtenstein, Norway and Switzerland), Chile, Macao, 10 ASEAN member states, Georgia and Australia.

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Promotion and Protection Agreements (“IPAs”)³⁷ with 33 foreign economies³⁸ as of June 2024. Other than pursuing early accession to RCEP, Members consider that the HKSAR Government should also **intensify efforts to enter into FTAs and IPAs with more economies to facilitate cross-border trade and investment**, which aligns with the “Five Connectivities” of the B&R Initiative. Members believe that more FTAs and IPAs are crucial to securing further opportunities for Hong Kong businesses and enhancing two-way investment flows, thereby safeguarding Hong Kong’s long-term economic interest.

3.29 Members also note that Hong Kong has signed **comprehensive avoidance of double taxation agreements (“DTAs”)**³⁹ with 50 jurisdictions⁴⁰ as of June 2024. In comparison, Singapore has signed DTAs with some 100 jurisdictions. Double taxation hinders the exchange of goods and services as well as movements of capital, technology and human resources, which is not conducive to achieving connectivity between economies. Members consider that the HKSAR Government should endeavour to **expand the network of DTAs**, with priority to be given to major trading and investment partners, as well as high-potential markets.

3.30 As Hong Kong will be hosting the 5th Conference of the B&R Initiative Tax Administration Cooperation Forum in September 2024, Members recommend that the HKSAR Government take the opportunity to engage in dialogues with more B&R countries. The goal is to remove

³⁷ IPA is also called Investment Agreement in short. An IPA enables investors of the two parties to enjoy corresponding protection of their investments in the host economies, and thus enhance investors’ confidence in making investments abroad.

³⁸ The 33 foreign economies include the 10 ASEAN member states, Australia, Austria, Bahrain, Belgium, Canada, Chile, Denmark, Finland, France, Germany, Italy, Japan, Korea, Kuwait, Luxembourg, Mexico, the Netherlands, New Zealand, Sweden, Switzerland, Türkiye, the United Arab Emirates and the United Kingdom.

³⁹ A DTA helps minimize double taxation by setting out the allocation of taxing rights between two jurisdictions and providing relief on tax rates on different types of income. A DTA helps investors better assess their potential tax liabilities on economic activities, and provides an added incentive for overseas companies to do business in Hong Kong, and likewise, for Hong Kong companies to do business overseas.

⁴⁰ The list of DTAs concluded by Hong Kong is available at the [Inland Revenue Department’s website](#).

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tax obstacles and build a growth-friendly tax environment through cooperation.

B5 Exploring the viability of (a) allowing stocks listed on the Malaysian Stock Exchange to apply for secondary listing on HKEX; and (b) expanding the scope of Southbound Stock Connect to include stocks on secondary listing on HKEX

3.31 The Delegation discussed with the Deputy Minister of Investment, Trade and Industry of Malaysia the **possibility of allowing stocks with primary listing on the main market of Bursa Malaysia to secondary listing on HKEX**⁴¹ as well as **expanding the scope of Southbound Stock Connect to include stocks on secondary listing on HKEX**. By facilitating secondary listings on HKEX, Malaysian companies can gain greater visibility and access to a broader investor base. Meanwhile, including secondary listed stocks in Southbound Stock Connect would offer Mainland investors with more diverse investment opportunities, thereby **enhancing the financial integration of capital markets** within the region.



The Delegation and the Deputy Minister of Investment, Trade and Industry of Malaysia discussed the possibility of allowing stocks with primary listing on the main market of Bursa Malaysia to secondary listing on HKEX, as well as expanding the scope of Southbound Stock Connect to include stocks on secondary listing on HKEX

⁴¹ Stocks that fulfilled certain criteria and have a primary listing on one of the recognized stock exchanges may apply for a secondary listing on the Main Board of HKEX. Bursa Malaysia is currently not among the list of recognized stock exchanges.

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3.32 The Delegation considers it **worthwhile to explore the viability of these initiatives**. To ensure the success of these endeavours, Members emphasize that HKEX should maintain its **high standards of market integrity** and **investor confidence** while promoting cross-border investment and economic collaboration.

B6 Fostering the development of Hong Kong as a major Islamic finance hub to attract investors from Islamic countries along B&R

3.33 Islamic finance has experienced rapid growth over the past decade (with an estimated compound annual growth rate of 17% since 2009), presenting substantial opportunities for Hong Kong to tap into the increasing demand for Shariah-compliant financial products. Members recognized the HKSAR Government's efforts in recent years to establish a conducive platform for sukuk issuance, and suggest that a more holistic approach be taken to position Hong Kong as a major Islamic finance hub. This includes not only the issuance of sukuk but also the **development of a comprehensive strategy to attract investors from Islamic countries along B&R**.

3.34 Drawing on the successful experience of Malaysia, which is one of the global leaders in Islamic finance, Members suggest that the HKSAR Government **nurture talents proficient in the Arabic language and well-versed in Islamic finance and culture** to support and drive the growth of the financial sector. By developing a talent pool with these specialized skills, Hong Kong can better serve the needs of Middle Eastern investors and enhance its appeal as a hub for Islamic finance. Besides, given the **complementary strengths of Malaysia and Hong Kong** in the financial sector, the Delegation also suggests that the HKSAR Government **explore opportunities for mutually beneficial cooperation in Islamic finance**.

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(C) ACCELERATING THE DEVELOPMENT OF NEW QUALITY PRODUCTIVE FORCES: I&T AND DIGITAL ECONOMY

	Key recommendations	paragraph
Innovation and technology development		
C1	Increasing and enhancing I&T land supply and infrastructure	3.36-3.40
C2	Enhancing transformation and commercialization of research and development outcomes	3.41-3.43
C3	Attracting I&T enterprises and enlarging I&T talent pool	3.44
Digital economy		
C4	Embracing a “whole-of-government” approach to steer the development of digital economy in Hong Kong	3.46
C5	Fostering digital transformation and digital literacy	3.47-3.49
C6	Enhancing the hardware and legal infrastructure	3.50-3.51

3.35 President Xi Jinping proposed in September 2023 the development of new quality productive forces. “New quality productive forces” refers to productivity led by technological innovation that breaks away from the traditional mode of economic growth and development pathway. **Developing new quality productive forces will accelerate the deeper and broader growth of innovation and technology (“I&T”) and development of digital economy in Hong Kong.**

Innovation and technology development

C1 Increasing and enhancing I&T land supply and infrastructure

3.36 Our country’s National 14th Five-Year Plan explicitly supports Hong Kong to build an international I&T hub. The HKSAR Government is pressing ahead with the development of the San Tin Technopole which will provide about 300 hectares of land (including the 87-hectare Hong Kong-Shenzhen Innovation and Technology Park (“HSITP”) in Lok Ma

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Chau Loop) to facilitate Hong Kong's development into an international I&T hub.⁴²



Source: Northern Metropolis Coordination Office

Located at the heart of Northern Metropolis and in close proximity to Shenzhen's I&T zone in Huanggang and Futian, San Tin Technopole is strategically positioned to be a hub for clustered I&T development that creates synergy with Shenzhen

3.37 During the visit to JTC in Singapore, the Delegation learned about the strategies adopted by JTC in developing various I&T hubs such as One-north and Jurong Innovation District (“JID”). Drawing on JTC’s experience in developing Biopolis (a premier research hub for biomedical sciences within One-north),⁴³ Members opine that the HKSAR Government could **bring in government or university-led R&D institutions in the early stages of development of the San Tin Technopole and HSITP** to kick-start the development of the I&T ecosystem and create opportunities for R&D and business collaboration. This would then attract multinational corporations and smaller enterprises to follow suit.

⁴² These 300 hectares of land for I&T will be capable of accommodating about 7 million square metres of gross floor area, equivalent to the size of 17 Science Parks.

⁴³ The early development of Biopolis was undertaken by JTC, with the Agency for Science, Technology and Research of Singapore deployed as the main research institution within the area. The subsequent phases of Biopolis were either developed through bidding by developers or directly allocated to target leading institutions for the construction of dedicated facilities.

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3.38 Furthermore, making reference to JID’s start-ups hub Launchpad, Members suggest that the HKSAR Government could consider **providing designated sites in the San Tin Technopole to support start-ups and incubators**. Ideally, these sites should be **close to the planned sites for tertiary institutions in the Northern Metropolis** to promote close collaboration and synergy of development.



The Delegation suggests bringing in government or university-led R&D institutions in the early stages of development of the San Tin Technopole and HSITP to kick-start the development of the I&T ecosystem and create opportunities for R&D and business collaboration

3.39 Members consider it important for the HKSAR Government to have forward-looking and **comprehensive planning for I&T land supply in Hong Kong**. Members suggest that the HKSAR Government should **optimize the use of existing land resources for short-term I&T development** to sustain its momentum. In addition, **a flexible land disposal approach** could be adopted for the I&T land and HSITP in the San Tin Technopole **to attract target enterprises to establish their presence in the areas as soon as possible**.

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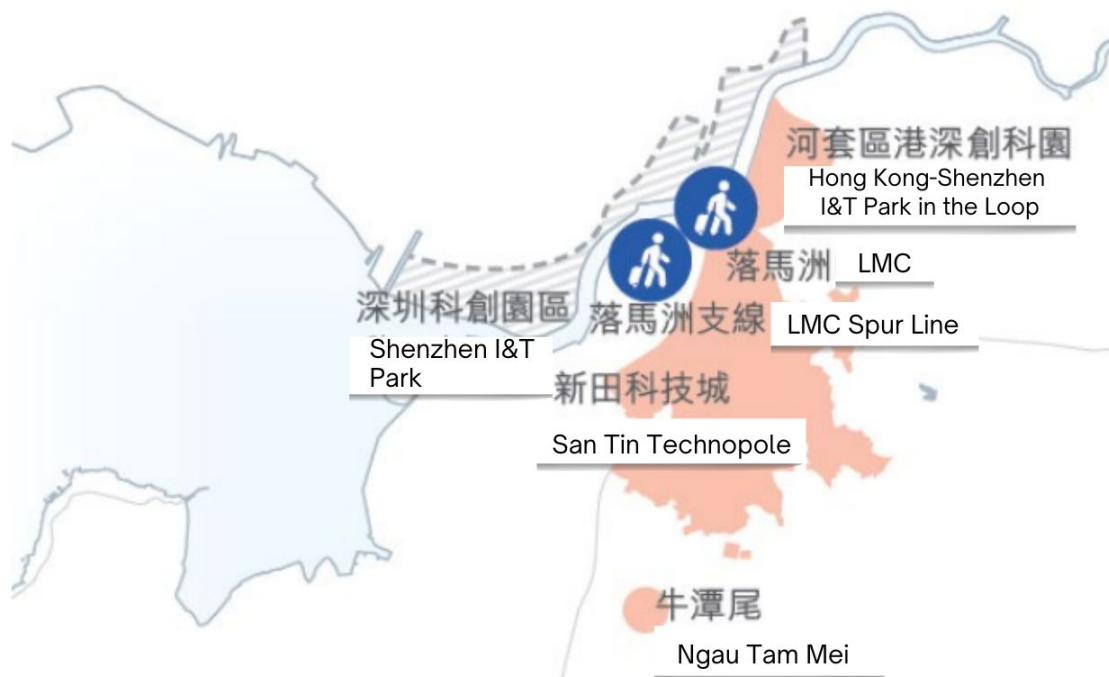


Members suggest that the HKSAR Government should optimize the use of existing land resources for short-term I&T development

3.40 Members also stress the importance of **promoting cross-boundary I&T collaboration between Hong Kong and the Mainland**. It is crucial for the HKSAR Government to **strengthen cooperation with the relevant Mainland authorities to pilot dedicated cross-boundary policies** in the Hetao Shenzhen-Hong Kong Science and Technology Innovation Cooperation Zone⁴⁴, **covering the areas on personnel, materials, capital and data**. It is envisaged that the Cooperation Zone will serve as the “bridgehead” for intensive I&T cooperation between Hong Kong and Shenzhen, thereby promoting the advantages of “one zone, two parks” under “One Country, Two Systems”.

⁴⁴ The Cooperation Zone, comprising HSITP and the Shenzhen I&T Park on the other side of the Shenzhen River, is positioned as a major cooperation platform in the Greater Bay Area under the National 14th Five-Year Plan.

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Source: Northern Metropolis Action Agenda

C2 Enhancing transformation and commercialization of research and development outcomes

3.41 Currently, the Innovation and Technology Commission **supports** local universities in the **transformation and commercialization of their R&D outcomes through various funding schemes** under the Innovation and Technology Fund.⁴⁵ As these funding schemes require universities or their start-ups to obtain a certain level of financial support from the industries/investors before they can qualify for government funding, Members suggest that the HKSAR Government could **assist in setting up matching platforms**. These platforms would **facilitate connections between universities and/or their start-ups with the industries/investors**, thereby strengthening collaboration among the government, industries, universities and research sectors.

3.42 Members also consider that there lacks incentives for the business sector to invest in the transformation and commercialization of local R&D outcomes due to the long payback period and significant initial outlay. Members suggest that the HKSAR Government could consider

⁴⁵ These funds include the Technology Start-up Support Scheme for Universities and the Research, Academic and Industry Sectors One-plus Scheme.

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providing financial incentives such as tax concessions **to attract the business sector to invest capital and engage in in-depth cooperation with academic or research institutions.** This strategy aims to bring the fruits of scientific research to the market faster and achieving commercial application.

3.43 Members also suggest that the HKSAR Government should **enhance its policies and procedures for procurement of local I&T products and services,** and formulate measures to increase the participation of SMEs/start-ups in government procurement in the long run. **Priority could be given to using R&D deliverables of local I&T enterprises,** so as to increase the incentives for the business sector to invest in the transformation and commercialization of local R&D outcomes.

C3 Attracting I&T enterprises and enlarging I&T talent pool

3.44 Members acknowledge the HKSAR Government's efforts in attracting I&T enterprises to Hong Kong and expanding the talent pool. Recognizing that **ASEAN/B&R countries** have increasingly placed more emphasis on I&T development and nurturing I&T talents, Members suggest that the **Office for Attracting Strategic Enterprises** and the **Hong Kong Talent Engage** could **strengthen the collaboration with ETOs** of the relevant places **in organizing regular activities or missions in these countries** to highlight Hong Kong's strengths in I&T, as well as providing appropriate follow-up and **support to enterprises/talents interested in coming to Hong Kong** for further development.

Developing digital economy

3.45 Digital economy is an important driving force for economic growth and high quality development. The Delegation notes that neighbouring countries such as Malaysia and Singapore have been actively developing digital economy in recent years. Members consider it imperative for **Hong Kong to accelerate its development of digital economy,** and put forth the following recommendations for the consideration of the HKSAR Government.

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Members emphasize the importance of embracing a “whole-of-government approach” in forging a strategic governance framework for digital economy that ensures intra-governmental and inter-sectoral coordination and collaboration

C4 Embracing a “whole-of-government” approach to steer the development of digital economy in Hong Kong

3.46 The Chief Executive announced in his 2023 Policy Address the plan to establish **Digital Policy Office** (“DPO”)⁴⁶ to take forward the development of digital economy, which includes formulation and implementation of policies and measures relating to digital government, data governance and information technology. Making reference to Malaysia’s “Digital Malaysia” and Singapore’s “Smart Nation” initiatives, Members emphasize the **importance of embracing a “whole-of-government approach”** in forging a strategic governance framework that ensures intra-governmental and inter-sectoral coordination and collaboration. The HKSAR Government should ensure that the newly established DPO **coordinates efforts within the government and across different sectors** to proactively promote the implementation of digital policies that are data-driven, citizen-centric and outcome-based. The HKSAR Government should also **set measurable key performance indicators** on various data-related aspects such as data openness, data

⁴⁶ DPO was established on 25 July 2024.

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literacy and data management to enable the government and the public to have a clear grasp of the direction of developing the digital economy.

C5 Fostering digital transformation and digital literacy

3.47 Digitization of enterprises in Hong Kong is still in the early stages. Enterprises of different sizes, particularly SMEs, are facing difficulties in digital transformation. Members suggest that the HKSAR Government could draw reference to the Malaysian Government’s approach (i.e. granting the “Malaysia Digital Status” as recognition to enterprises engaged in approved digital activities and provide them with various incentives, rights and privileges) and **provide incentives for local enterprises to embrace digital transformation, thereby facilitating industry digitization.**

3.48 Digital literacy represents the soft power of a place in the accelerating pace of digital transformation of the economy. Members suggest that the HKSAR Government **devise an action plan to enhance the digital literacy and competency of the community.** Drawing reference from the **action plan recently launched by our country to enhance digital proficiency**, key areas of such plan may include cultivating high-level digital talent, promoting digital literacy among leaders and public servants, and fostering digital competence in schools. In addition, ensuring that all citizens have equal access to digital resources is crucial to reducing the digital divide.

3.49 Members are of the view that the HKSAR Government should **incorporate more elements of digital literacy into the curriculum of schools and universities and equip teachers with the essential resources and training.** In addition, the HKSAR Government could **strengthen collaboration with educational institutions and enterprises** to provide more extensive and in-depth digital literacy training programmes. **It should also provide adequate financial incentives for adults** to participate in such programmes to help them develop their digital competence.

C6 Enhancing the hardware and legal infrastructure

3.50 Digital infrastructure plays a crucial role in the development of a robust digital economy. Members consider it important for the HKSAR Government to **strengthen the development of digital infrastructure**, such as **improving 5G network coverage** and **bolstering the establishing of data centres**:

- (a) 5G network: While the 5G coverage in Hong Kong has already exceeded 90% of Hong Kong's population, there is still a need for the HKSAR Government to **formulate plans to continue improving the mobile network infrastructure and fibre-based network coverage in rural and remote areas** (e.g. providing incentives to 5G network operators to enhance indoor 5G coverage and the shared use of 5G infrastructure). A **clear roadmap** should be drawn up to guide these efforts, **ensuring that Hong Kong could progress towards becoming a smart city in the long term**.
- (b) Data centres: Members suggest that **the HKSAR Government make short-, medium- and long-term planning for the supply of data centre space in Hong Kong**. Apart from identifying potential land sources for data centre development, the HKSAR Government could also explore the **conversion of suitable sites or properties into data-related facilities**.

3.51 Members note that Hong Kong currently lacks a clear legal framework for data management which may hinder the development of digital economy and e-Government services. Members suggest that the HKSAR Government expeditiously **conduct a comprehensive review of the legislation and guidelines relating to data, and formulate applicable laws** in respect of the ownership, access and transfer of data, as well as data intellectual property rights and data security. This would lay a good top-level design and a solid foundation, facilitating the government and private entities in opening up and sharing data.

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(D) ELEVATING HONG KONG'S TOURISM AND CULTURAL LANDSCAPE

	Key recommendations	paragraph
D1	Developing a Halal friendly tourism ecosystem to attract Muslim travellers to Hong Kong	3.53-3.58
D2	Enhancing air connectivity to facilitate greater accessibility for international travellers	3.59-3.63
D3	Exploring collaboration with ASEAN countries in multi-destination tourism	3.64-3.66
D4	Promoting tourism development through cultural contents	3.67-3.71

3.52 Tourism and cultural exchanges are vital to reinforcing people-to-people connectivity which is indispensable to the success of the B&R Initiative. During the exchanges with the Deputy Minister of Tourism, Arts and Culture of Malaysia, the Delegation had gained valuable insights into the latest developments in Malaysia's tourism, arts and cultural landscape. Malaysia's tourism success is based on a **multi-pronged approach** that includes **strategic improvements in air connectivity, targeted efforts to attract Muslim travellers and the integration of cultural elements into their tourism offerings**. By learning from Malaysia's experience, Hong Kong can develop a more robust and diversified tourism sector that caters to a wide range of international visitors, strengthening its position as a leading East-meets-West tourism destination.

D1 Developing a Halal friendly tourism ecosystem to attract Muslim travellers to Hong Kong

3.53 Malaysia has a **rigorous and globally recognized Halal certification system** governed by Department of Islamic Development Malaysia which has given Malaysia a **competitive edge in the Halal tourism market**. The Islamic Tourism Centre also plays a pivotal role in enhancing Malaysia's appeal to Muslim travellers, particularly those from the Middle East. Malaysia projects its Muslim tourism market to reach M\$1 trillion by 2050.

3.54 Members recognize the potential of the Muslim travel market, particularly from regions such as the Gulf Cooperation Council countries,

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Indonesia and Malaysia, and suggest the following strategies to create a Halal-friendly tourism environment to attract Muslim travellers to Hong Kong.



Members of the Delegation exchange views with the Deputy Minister of Tourism, Arts and Culture of Malaysia, H.E. Khairul Firdaus Akbar Khan, on how to develop a Halal friendly tourism ecosystem to attract Muslim travellers to Hong Kong

(a) Implementing a comprehensive Halal certification programme

3.55 Members believe that **implementing a comprehensive and official Halal certification programme is conducive to attracting Muslim travellers to Hong Kong**. Members suggest that a dedicated body responsible for certifying food producers, restaurants, hotels, shopping arcades and attractions be established to ensure a transparent and consistent certification process. In addition, the **provision of financial incentives** such as grants or tax breaks can **encourage restaurants, hotels and food producers to meet Halal standards**.

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(b) Enhancing Muslim-friendly hotel services

3.56 To improve the accommodation experience for Muslim travellers, Members consider that the HKSAR Government should strengthen its support to hotels in providing more Halal-friendly services and facilities. **Training programmes** in collaboration with Muslim organizations should be organized **to educate hotel staff on the needs of Muslim travellers** and enhance the staff's cultural sensitivities. Facilitating partnerships between hotels and Halal-certified food suppliers or **assisting hotels in setting up in-house Halal kitchens** will ensure the availability of Halal food options.



The President of LegCo shares his views on the significance of Halal certification in attracting Muslim tourists to Hong Kong during the meeting with YBr Tuan Haji Aminuddiin Bin Zulkipli, Chairman of the Federal Agricultural Marketing Authority

(c) Stepping up promotional efforts

3.57 Members recommend a multi-pronged approach to attract more Muslim travellers. They suggest that the Hong Kong Tourism Board **work with local media to anchor a series of international cultural mega-events, as well as Chinese and Western festive occasions, to appeal to the wider audience including Muslim tourists. A robust marketing campaign to highlight Halal-certified establishments** through various

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channels, including the DiscoverHongKong.com website and international travel fairs, will also be beneficial.

3.58 In addition, Members consider that the Hong Kong Tourism Board may consider inviting **Muslim representatives from the travel trade, media and key opinion leaders (KOLs) to visit Hong Kong.** These representatives would experience the city's Muslim-friendly facilities first-hand, allowing them to share their positive experiences with a wider audience and enhance Hong Kong's reputation as an inclusive and attractive destination for Muslim travellers.

D2 Enhancing air connectivity to facilitate greater accessibility for international travellers

3.59 Malaysia has made significant strides in improving air connectivity as part of its broader tourism strategy. Tourism Malaysia introduced the International and Charter Flight Matching Grant to encourage the expansion of new direct and charter routes to Malaysia. Such efforts are already bearing fruit, as evidenced by the 20.1 million international tourist arrivals and M\$71.3 billion in tourism receipts recorded in 2023.



Members of the Delegation discuss with the Deputy Minister of Tourism, Arts and Culture of Malaysia, H.E. Khairul Firdaus Akbar Khan, on how to enhance people-to-people connections between Malaysia and Hong Kong

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3.60 In Hong Kong, the airline industry shows promising signs of recovery. This recovery is bolstered by the Airport Authority Hong Kong's initiatives, including financial incentives for airlines and active participation in international forums to attract non-local airlines. Members propose the following strategies to improve Hong Kong's air connectivity and facilitate greater accessibility for international travellers.

(a) Increasing financial incentives to revitalize airline industry

3.61 The Delegation notes that the Airport Authority Hong Kong has introduced two schemes, namely the **New Route Scheme**⁴⁷ and the **Strategic Development Scheme**⁴⁸, in June 2024 to provide incentives for airlines to open more routes and increase frequency of flights connecting to the Hong Kong International Airport. Members suggest that consideration may be given to introducing **tiered incentives based on the number of new routes initiated** to encourage airlines to explore more new market opportunities. Members also urge the Airport Authority Hong Kong to **step up its marketing and promotional efforts to attract more airlines to resume passenger services to Hong Kong**.

(b) Strengthening Middle East connectivity

3.62 Members suggest that the HKSAR Government **work closely with airlines to establish direct flights between Hong Kong and key destinations in the Middle East**. Over the past year, a number of memoranda of understanding and agreements have been signed, facilitating investment between Hong Kong and Middle Eastern countries. However, the lack of direct flights poses significant logistical challenges and increases travel time and costs. By establishing these direct flights, Hong Kong can **better serve its business community and prevent potential loss of traffic to nearby cities**. Members also stress the importance of these routes in promoting the B&R Initiative and ensuring that Hong Kong reaps the full benefits of B&R's strategic efforts.

⁴⁷ Under the New Route Scheme, all passenger and cargo airlines that launch new destinations connecting to the Hong Kong International Airport with a defined continuity will be eligible to receive financial incentives for two years.

⁴⁸ Under the Strategic Development Scheme, any passenger and cargo airlines that launch new routes and/or increases frequencies to the Airport Authority Hong Kong's targeted regions or countries will be granted financial incentives for three years.

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(c) Enhancing intermodal connectivity

3.63 **Developing integrated transport hubs** that connect the Hong Kong International Airport with other major transport modes, such as high-speed rail, ferries, and regional airports, will facilitate easier transfers between different modes of transport. This will **make travel more convenient for passengers**. Members believe that **improving ferry and coach schedules of the existing SkyPier⁴⁹ services, encouraging more airlines to offer upstream check-in and baggage tag-through services at various ports** in the Greater Bay Area, and **providing joint ticketing options** can attract more travellers from the Greater Bay Area to use the Hong Kong International Airport for international travel.

D3 Exploring collaboration with ASEAN countries in multi-destination tourism

3.64 Another key initiative discussed during the Delegation's meeting with the Deputy Minister of Tourism, Arts and Culture of Malaysia, was the potential for collaborative efforts between Hong Kong and Malaysia in **creating multi-destination travel experiences, particularly for travellers from the Middle East**.

3.65 Members suggest that Hong Kong **work with ASEAN countries to develop and promote multi-destination travel packages**. These packages could encourage travellers from the Middle East to begin their journeys in ASEAN countries before continuing on to Hong Kong. By integrating unique cultural, historical and recreational attractions, along with traditional festivals and local experiences, both Hong Kong and ASEAN countries can effectively appeal to the interests of Middle Eastern tourists.

⁴⁹ The SkyPier Terminal, which commenced operations in August 2023, is connected to the Hong Kong Port Island by a bonded vehicular bridge. This allows transfer of passengers from the Zhuhai and Macao Ports of the Hong Kong-Zhuhai-Macao Bridge to the restricted area of the Hong Kong International Airport directly after security checks, bypassing Hong Kong's immigration clearance. The SkyPier Terminal also provides speedy ferry services for transfer passengers, connecting nine ports in the Greater Bay Area to over 200 destinations worldwide.

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3.66 Members also suggest that Hong Kong should **leverage its extensive experience in promoting multi-destination tourism in the Greater Bay Area to forge dynamic collaborations with ASEAN countries**. A **dedicated ASEAN-Hong Kong tourism website**, together with attractive travel programmes and vibrant promotional activities, could effectively **showcase the diverse attractions of these regions**. Members further suggest that the Hong Kong Tourism Board **launch a series of digital promotional initiatives**, including diversified spending offers such as “Hong Kong Goodies” visitor consumption vouchers and “Hong Kong Night Treats” dining vouchers, to enrich the visitor experience. These initiatives will also provide new marketing opportunities for local businesses.

D4 Promoting tourism development through cultural contents

3.67 Members note that Malaysia is committed to **enhancing synergies between the tourism and cultural sectors**. In addition, **cultural heritage tourism** has also become a **popular form of tourism in Malaysia**, attracting both domestic and international travellers. The George Town in Penang, a renowned UNESCO World Heritage Site, exemplifies this trend, recording nearly 7 million passenger arrivals in 2023, accounting for about 35% of Malaysia’s total tourist arrivals.

3.68 Capitalizing on Hong Kong’s advantage as **a cultural melting pot of East and West**, Members propose the following measures to further promote the integration of tourism and culture in Hong Kong:

(a) Developing diverse experiential and immersive activities

3.69 With a significant decline in the proportion of visitors coming to Hong Kong solely for shopping, and a noticeable shift towards engaging in “in-depth tourism” experiences. Members suggest that the HKSAR Government and the industry **develop a wider range of experiential and immersive activities** to cater to tourists’ **rising demand for cultural and customary immersion**. For instance, **comprehensive experience packages tied to local festive events**, such as Tin Hau Festival and the Tai Hang Fire Dragon Dance, could be introduced to extend visitors’ stays in Hong Kong. Members also suggest that the HKSAR Government **promote eco-tourism by improving hiking trails and cycle tracks**, and

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introducing eco-tours that allow visitors to explore Hong Kong’s natural landscape.

(b) Leveraging innovation and technology for enhanced experiences

3.70 Members consider that **leveraging I&T could significantly enhance the integration of culture and tourism**, thereby enriching visitors’ experiences. An example of this is the “City in Time” initiative launched by the Tourism Commission, which combines augmented reality (AR) and multimedia technologies to create engaging experiences that blend historical panoramas with real-life surroundings. Members further suggest **using digital technologies**, such as the introduction of “metaverse ambassadors of culture and tourism”, to promote Hong Kong effectively and holistically on the Internet.

(c) Propelling concert economy through I&T

3.71 Recognizing the growing significance of concerts as a key element in cultural tourism consumption, Members suggest **making use of I&T to propel the growth of Hong Kong’s concert economy**. The HKSAR Government may consider **cooperating with concert production companies to launch metaverse concerts integrating the “online + offline” mode**. This will promote the development of Hong Kong’s music culture and tourism industry.

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(E) EMBRACING OPPORTUNITIES BY PROMOTING HONG KONG'S LEGAL AND DISPUTE RESOLUTION SERVICES

	Key recommendations	paragraph
E1	Strengthening the promotion of Hong Kong's arbitration services to ASEAN/B&R countries	3.74-3.76
E2	Promoting Hong Kong as a “capital” for mediation	3.77-3.79
E3	Nurturing and training legal talents with international perspective and facilitating talent exchange along ASEAN/B&R countries	3.80
E4	Enhancing promotion of online dispute resolution services	3.81-3.82

3.72 The implementation of “One Country, Two Systems” has enabled Hong Kong to maintain its common law system and become the only common law jurisdiction in the country. Under the National 14th Five-Year Plan and the Greater Bay Area Development Plan, **the Central People’s Government has strategically positioned Hong Kong as an international legal and dispute resolution services centre in the Asia-Pacific region**, bringing vast opportunities for the legal sector.

3.73 During the visit, the Delegation discussed with government officials and business leaders the latest developments and opportunities in international legal and dispute resolution services along B&R. Members consider that Hong Kong should actively seize such opportunities and further enhance its role as a platform for providing international legal services, thereby contributing to the B&R Initiative.

E1 Strengthening the promotion of Hong Kong’s arbitration services to ASEAN/B&R countries

3.74 Hong Kong has consistently ranked among the top five arbitration jurisdictions in the world since 2015. A number of world-renowned arbitration institutions have also established offices in Hong Kong over the past 10 years. The **Asian-African Legal Consultative Organization**, which is the only inter-governmental legal consultative organization in the Asian and African region comprising almost all the major states from Asia and Africa, **opened a regional arbitration centre in Hong Kong** in May 2022, providing solutions for multilateral disputes

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in B&R cooperation. The establishment of the Centre constitutes a significant vote of confidence in Hong Kong's position as a leading centre for international legal and dispute resolution services in the Asia-Pacific region.



At the networking reception with the ASEAN community, Members promote Hong Kong's strengths in international legal and dispute resolution services

3.75 Members consider that Hong Kong should **capitalize on its strengths in arbitration services and promote such services to ASEAN/B&R countries more extensively**. Given the opportunities arising from Hong Kong's active participation in the B&R Initiative, complemented with Hong Kong's strengths in international investment and financing, offshore Renminbi business and professional services, Hong Kong should step up its efforts in promoting the use of its arbitration services to resolve commercial disputes.

3.76 In addition, the HKSAR Government could **collaborate with relevant arbitration organizations/stakeholders to explore the introduction of model arbitration clauses** (that choose Hong Kong as the forum for dispute resolution) **applicable to ASEAN/B&R countries** for investment and trade parties to select, and **promote the use of Hong Kong law as the law of contract** among enterprises in the relevant regions.

E2 Promoting Hong Kong as a “capital” for mediation

3.77 With the strong support of the Central People’s Government, the **International Organization for Mediation (“IOMed”)**, the world’s first international inter-governmental legal organization specializing in mediation for resolution of international disputes, **will be headquartered in Hong Kong**. In addition to attracting parties to disputes, mediators, lawyers and other professionals to Hong Kong for mediation, it is also envisaged that IOMed will help strengthen Hong Kong’s international exchanges and **substantially enhance the status of Hong Kong in the international mediation field**.

3.78 The Delegation considers that this major opportunity to **develop Hong Kong as a mediation capital** should be complemented by **strengthening the local mediation system and reinforcing overseas promotion efforts**. It is important for Hong Kong to enhance the regulatory system on accreditation and disciplinary matters of the mediation profession, with a view to improving the overall professionalism of mediation. The HKSAR Government could also ride on the success of promoting the “Mediate First” pledge overseas in 2023⁵⁰ to further forge closer ties between Hong Kong and other places in promoting mediation.

3.79 Members also consider it important for the HKSAR Government to **proactively promote** the international legal services in Hong Kong. **More high-level visits to ASEAN/B&R countries and international promotional activities**, such as the “Resolve2Win” Campaign⁵¹, could be organized to foster cooperation between Hong Kong and other regions in dispute resolution, deepen links between the professions and create more opportunities for Hong Kong’s legal and dispute resolution industry.

⁵⁰ A total of 35 legal and business organizations, enterprises and individuals in Thailand signed the Pledge.

⁵¹ The “Resolve2Win” Campaign was launched in ASEAN by the Department of Justice and the Hong Kong Trade Development Council in March 2023. A delegation led by the Deputy Secretary for Justice visited Bangkok, Thailand to introduce Hong Kong’s full-fledged legal services, the latest developments in mediation and arbitration, and the most recent LawTech services in Hong Kong.

E3 Nurturing and training legal talents with international perspective and facilitating talent exchange along ASEAN/B&R countries

3.80 Members consider that the HKSAR Government should **nurture more legal talents with an international perspective and proficiency in foreign-related legal affairs**, so as to seize the vast opportunities arising from ASEAN/B&R countries. Members suggest that the HKSAR Government **expedite the establishment of the Hong Kong International Legal Talent Training Academy** mentioned in the 2023 Policy Address, with a view to organizing practical training programmes for legal talents with a focus on legal practice and procedure. Furthermore, Members consider that **the HKSAR Government should build cooperative relationships with more international legal bodies**, so as to **provide continuous training opportunities** in the practice of foreign-related legal affairs for local legal talents.

E4 Enhancing promotion on online dispute resolution services

3.81 The extensive use of technology in business transactions and the development of e-commerce in recent years has increased the demand for legal services that are not subject to cultural, geographical and linguistic constraints. Online dispute resolution (“ODR”) will become an important trend in the future, bringing many benefits to service users, such as reducing the cost of dispute resolution, streamlining procedures and saving time.

3.82 Members note that the **Electronic Business Related Arbitration and Mediation (“eBRAM”) platform**, a Hong Kong-based platform providing ODR and LawTech services incorporated with technology for cross-border deal-making, dispute avoidance and dispute resolution, has been listed by the Asia-Pacific Economic Cooperation as one of the first batch of ODR service providers. Members suggest that the HKSAR Government could ride on eBRAM’s experience and **strengthen collaboration with ASEAN/B&R countries to promote the adoption of ODR services and consolidate Hong Kong’s role as the e-arbitration and resolution platform for the B&R markets**. By fostering closer ties with ASEAN/B&R countries, the HKSAR Government could facilitate knowledge sharing, capacity building, and the exchange of resources related to ODR implementation, contributing actively to the development

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of common standards, frameworks, and guidelines for ODR services, ensuring consistency and compatibility across borders.



Members suggest that Hong Kong should strengthen collaboration with ASEAN/B&R countries to promote the adoption of online dispute resolution services

(F) UNLOCKING HOUSING SUCCESS THROUGH STRATEGIC LONG-TERM PLANNING

	Key recommendations	paragraph
F1	Enhancing long-term housing planning in Hong Kong	3.87-3.88
F2	Increasing home ownership in Hong Kong	3.89-3.94

3.83 During the meeting with representatives of the Housing & Development Board (“HDB”) in Singapore, the Delegation learned about **Singapore’s comprehensive approach to long-term housing planning**, which hinges on a **dual-pronged regime consisting of Long-Term Plans (“LTPs”) and Master Plans**. The current LTP outlines **strategic land uses and infrastructure needs for the next 50 years and beyond**, ensuring that Singapore’s development is future-proofed. **Reviews of the LTP are conducted every decade**, with the most recent one in 2021 featuring a **year-long public engagement process**.

3.84 In addition to LTPs, Singapore has **been producing new Master Plans approximately every 5 to 6 years since 2003**. These Master Plans **translate the broad strategies of the LTPs into detailed plans that guide land and property development**. The most recent Master Plan was released in 2019, and public consultation is currently underway for Master Plan 2025. Both LTPs and Master Plans fall under the purview of the Urban Redevelopment Authority, which works closely with HDB and other agencies within the Ministry of National Development. This **collaborative approach** among “family agencies” ensures that Singapore’s housing and urban development strategies are cohesive and well-coordinated.

3.85 In the case of **Hong Kong**, the Delegation notes that our **latest Long Term Housing Strategy (“LTHS”) was released in 2014**, which is the fourth iteration of the strategy. Previous versions appeared at irregular intervals, with a 16-year gap between the third and fourth iterations. Progress reports on LTHS have been published annually providing updates on the long-term housing demand projection and presenting a rolling 10-year housing supply target.

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3.86 Comparatively, Singapore seems to adopt a more formal and structured approach to long-term housing planning. Its regular update cycle ensures that Singapore's plans remain continuously aligned with the society's evolving needs. In the light of insights gained from Singapore's experience, Members make the following recommendations with a view to creating a dynamic housing market, promoting upward mobility, and improving living conditions for all Hong Kong people.

F1 Enhancing long-term housing planning in Hong Kong

3.87 In the 2022 Policy Address, the Chief Executive emphasised that solving the housing problem is a top priority for the current-term Government. From the Delegation's observations of Singapore's robust and structured long-term housing planning, it is clear that a comprehensive and iterative approach can significantly improve housing strategies. The Delegation suggests **enhancing Hong Kong's long-term housing planning** to ensure sustainable and forward-looking development. Consideration may be given to **the adoption of a two-tier planning framework**. First, the HKSAR Government should **conduct long-term reviews at extended intervals, such as every decade**. These reviews would allow for the ongoing assessment and recalibration of long-term housing strategies, ensuring that they remain in line with the evolving needs and aspirations of the public.

3.88 Second, the **development of detailed action plans at more frequent intervals, such as every five years**, to provide a clear roadmap for land use, infrastructure development and housing projects, facilitating a more structured and coherent approach to urban planning. In addition, it is essential that the **public is fully involved in the formulation of both the long-term reviews and the action plans**, thereby fostering a sense of ownership and support for the policies implemented.

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Members of the Delegation exchange views with the representatives of HDB on how to enhance long-term housing planning in Hong Kong

F2 Increasing home ownership in Hong Kong

3.89 During their exchanges with HDB, the Delegation gained first-hand information on HDB's measures to promote home ownership, a cornerstone of Singapore's housing policies. Home ownership promotes rootedness and a sense of belonging, and builds strong work ethics. Members are impressed by the remarkable 90% home ownership rate among HDB residents, which reflects the success of this policy, and proposes the following recommendations to boost home ownership in Hong Kong.

- (a) Introducing “rent-to-own” and “progressive payment mortgage” into public housing

3.90 Members suggest **introducing the concepts of “rent-to-own” and “progressive payment mortgage” into public housing**. This proposal, which can be seen as an advanced version of the Tenants Purchase Scheme, aims to empower young people and young families with upward mobility potential. Under the proposed scheme, tenants would be able to **rent public rental housing (“PRH”) at a rate below market value**

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but higher than typical PRH rents. The rent paid would effectively count as a mortgage payment on their homes, requiring little or no deposit. Initially, they could start with a small monthly mortgage payment that would increase proportionally with their income, eventually enabling them to become homeowners. Under this proposed scheme, the HKSAR Government effectively puts in place a savings mechanism for them. Members consider that the introduction of such innovative schemes in public housing could significantly improve housing affordability and support the long-term goal of home ownership for young families.



Drawing on the experience of HDB, members of the Delegation suggest introducing “rent-to-own” and “progressive payment mortgage” into public housing

(b) Facilitating circulation of subsidized sale flats in second-hand market

3.91 In March 2024, the Hong Kong Housing Authority has **relaxed the arrangements on mortgage default guarantee for subsidized sale flats**, including extending the current maximum mortgage default guarantee period of the second-hand market from 30 years to 50 years (i.e.

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“50 years minus age of buildings”)⁵² to allow purchasers to have mortgage loans of longer tenor and help the circulation of flats.⁵³ Members commend that this extension is a **positive step towards increasing the chances for the public to successfully purchase their first home in the Home Ownership Scheme (“HOS”) secondary market.**

3.92 As a large number of HOS flats are ageing, Members suggest that **a further extension of the mortgage default guarantee period to 60 years** could enhance these benefits. Such an easing would likely **make the secondary market for HOS more dynamic** by facilitating greater access to finance for potential buyers. This, in turn, would **increase the turnover rate of flats**, ensuring that more units are available for those seeking to climb the property ladder.



After exchanging views with representatives of HDB, Members suggest enhancing long-term housing planning in Hong Kong

⁵² Banks generally use the rule of “maximum mortgage default guarantee period minus age of building” to determine the mortgage tenor to be offered.

⁵³ Under the new arrangement, homebuyers can get a mortgage equal to 90% or 95% of the value of the property for the first 40 years. For the remaining 10 years, the loan-to-value ratio will be adjusted to 80% to mitigate the financial risk to the HKSAR Government.

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(c) Setting up a home ownership fund

3.93 Members propose that consideration be given to the **establishment of a home ownership fund, complemented by appropriate tax concessions, to help young people save money for purchasing uncompleted HOS flats**, with the aim of shortening the home ownership ladder and facilitating upward mobility. To support this initiative, Members further suggest that the HKSAR Government consider **launching a future HOS Scheme** targeted at young people aged between 18 and 35, **under which HOS flats would be sold in advance to eligible young individuals before their completion**, providing them with a clear goal and plan for home ownership. Members propose that the housing authorities could **earmark a certain number of HOS flats in the three new development areas** — Kwu Tung North/Fanling North, Hung Shui Kiu/Ha Tsuen, and Yuen Long South — for this purpose.

3.94 Members consider that the above measures would significantly improve the affordability of HOS homes for young people, enabling them to enter the property market at an earlier stage in their lives. Members consider that **helping young people on their way to home ownership would promote a sense of stability and security**, and is crucial for upward social mobility.

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(G) PROMOTING HONG KONG AS AN INTERNATIONAL EDUCATION HUB AND FACILITATING YOUTH EXCHANGE

Key recommendations		paragraph
Promoting Hong Kong as an international post-secondary education hub		
G1	Attracting students from ASEAN/B&R countries to pursue post-secondary education in Hong Kong	3.96-3.102
G2	Raising the status of VPET	3.103-3.107
G3	Strengthening collaboration with Mainland and overseas VPET institutions	3.108
G4	Promoting continuing education	3.109-3.110
Facilitating youth exchange		
G5	Facilitating youth exchange with ASEAN/B&R countries by offering more exchange/internship opportunities and organizing large-scale activities featuring ASEAN/B&R countries	3.111-3.113
G6	Enhancing the Working Holiday Scheme	3.114

Promoting Hong Kong as an international post-secondary education hub

3.95 Promoting educational and youth exchanges is an effective way of fostering mutual understanding, establishing common values and strengthening “people-to-people connectivity” advocated under the B&R Initiative. President Xi Jinping mentioned in May 2023 “the need to improve the strategy of educational opening up, put equal emphasis on introducing overseas educational resources and going global, and put to good use world-class educational resources and innovative factors, so as to make China an influential and important education hub in the world”. In the 2023 Policy Address, the Chief Executive has also set out clearly the strategic direction of **building Hong Kong into an international hub of post-secondary education and a cradle of future talents**, complementing the B&R Initiative and the development of Greater Bay Area.

G1 Attracting students from ASEAN/B&R countries to pursue post-secondary education in Hong Kong

3.96 Hong Kong is characterized by multiculturalism, excellent educational infrastructure, world-renowned universities, outstanding scientific research talents and strong research capabilities. The quality of teaching and learning has consistently ranked among the best in a number of international comparative studies. With a total of 22 degree-awarding tertiary institutions, **five of which are global top 100 universities**, Hong Kong has **one of the highest concentrations of top universities in the world**.

Enhancing promotion and publicity

3.97 The 2023 Policy Address proposes to double the quota for non-local students in government-funded post-secondary institutions to 40% from the 2024-2025 academic year. Noting that at present, non-local students in Hong Kong's post-secondary institutions are predominantly Mainland students, the Delegation suggests that the HKSAR Government should **step up publicity and promotion to students from ASEAN/B&R countries**. An information platform should be established to attract students from these countries to pursue post-secondary education in Hong Kong. Taking into account the relative lack of reputation and marketing resources of individual post-secondary institutions, especially those self-financed ones, the HKSAR Government should **strengthen cross-bureaux efforts to work with the institutions to organize education exhibitions, forums, conferences and on-site promotional activities in ASEAN/B&R countries** to achieve synergy.

Expanding scholarship opportunities

3.98 Members are pleased to note that the HKSAR Government will increase the number of **B&R Scholarships** by 50% to 150 per year starting from the 2024-2025 academic year to attract more outstanding non-local students to study in Hong Kong. Members suggest that the Government should further expand scholarship opportunities for students from ASEAN/B&R countries by **further increasing the number of B&R Scholarships**. Consideration could also be given to **setting up dedicated**

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scholarship schemes for more ASEAN countries.⁵⁴ Publicity on such scholarships should also be stepped up. For instance, more emphasis could be placed on **promoting the disciplines that are in line with the strengths of Hong Kong** and have been more popular under the B&R Scholarship over the years (e.g. Business Administration, Engineering and Technology, Sciences).

3.99 Members also recognize that some students from ASEAN/B&R countries are interested in pursuing studies in Hong Kong, but face the challenges of high tuition fees and the high cost of living in Hong Kong. In this regard, the HKSAR Government could **consider increasing the amount of the B&R Scholarship so as to alleviate the financial burden** (including expenses on accommodation, transport, etc.) **borne by the overseas students concerned.**

Enhancing supporting facilities and facilitating integration into Hong Kong

3.100 Members suggest that the HKSAR Government should expedite the construction of student hostels currently underway at various UGC-funded universities.⁵⁵ In addition, **consideration may be given to supporting more post-secondary institutions to take forward hostel projects to increase the provision of hostel places**, so as to better meet the accommodation needs of both local and overseas students.

3.101 In addition to scholarship opportunities, the HKSAR Government could also facilitate post-secondary institutions and enterprises to **provide more internship opportunities for students from ASEAN/B&R countries.** Consideration may be given to **extending the exemption of taking up part-time jobs to non-local undergraduate students in Hong Kong.** These initiatives may enhance their experience of working in Hong Kong, and further increase their incentive to stay and develop in Hong Kong after graduation.

⁵⁴ Currently, the B&R Scholarship (Designated Countries) is applicable to students from Indonesia, Malaysia, Thailand, Myanmar, Mongolia and Kazakhstan.

⁵⁵ A number of student hostel projects are being carried out by six UGC-funded universities to provide a total of about 13 500 hostel places by 2027.

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Enhancing the appeal of programmes

3.102 The Delegation also suggests that post-secondary institutions in Hong Kong could **introduce more educational programmes specifically tailored to meet the needs of ASEAN/B&R students**. For example, ASEAN countries have made remarkable progress in recent years in their endeavours to move up the manufacturing value chain. Notably, countries like Vietnam and Thailand have actively embraced Industry 4.0 measures to advance their manufacturing base, enhance production processes, and develop highly skilled workforces. Recognizing this significant advancement, post-secondary educational programmes in Hong Kong could incorporate more elements related to **precision/high-tech manufacturing** and other relevant areas to appeal to students from ASEAN/B&R countries.

G2 Raising the status of VPET

3.103 The Delegation visited Institute of Technical Education (“ITE”) in Singapore to learn more about the latest development of Singapore’s premier vocational and professional education and training (“VPET”) provider and to exchange views on how to promote VPET. Members learned that with **the Singapore government’s strong commitment of resources to developing VPET**, together with **other ingredients for success** in rebranding VPET (e.g. **clear visions and roadmaps, tripartite collaboration, uplifted qualifications, infrastructural upgrade and publicity campaigns**), ITE has succeeded in changing the perception of the Singaporean public towards VPET and has gained local and international recognition over the years.

3.104 In the case of Hong Kong, there are still many people who regard VPET as an inferior choice relative to academic articulation pathways. Members consider that the HKSAR Government should **step up cross-bureaux/departmental efforts to further publicize and promote VPET among teachers, parents, students and employers, with a view to changing the public’s perception towards VPET**. For instance, secondary schools could collaborate with Parent-Teacher Associations to organize more VPET promotion activities (such as career talk, workplace visits) to **broaden parents’ and students’ exposure to VPET at an earlier stage**. Exchange sessions could also be arranged for employers from different industries to understand the learning contents, lesson time,

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assessment requirements, etc. of VPET-related courses, enabling them to familiarize and discover the potential and capabilities of their future workforce.

3.105 Members also suggest that the HKSAR Government should **formulate plans to tie in the development of VPET with Hong Kong’s future development of industries and manpower resources**. In the light of the future manpower demand, the HKSAR Government could provide guidance on the development of industries for the reference of institutions interested in developing into universities of applied science (“UAS”), and encourage them to offer disciplines related to the industries in which they focus their development efforts. This will ensure that the programmes offered by UAS can provide the community with competitive talents, enable various sectors to understand the value of UAS, and eliminate prejudices against VPET.

3.106 To enhance the relevance of VPET and its recognition by the industries, Members suggest that the HKSAR Government **encourage deeper partnership between VPET institutions and the industries** in various aspects (e.g. curriculum design, training and assessment). The HKSAR Government could consider allocating more resources to incentivize enterprises to collaborate with VPET institutions in organizing programmes, so as to enable students to acquire knowledge and experience at the forefront of the industries.

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The Delegation tours various training facilities of ITE including the User Experiential Hub

3.107 The Delegation also notes that ITE has set up simulated workplaces to enhance workplace learning/on-the-job training for post-secondary students. **Members consider that the HKSAR Government could capitalize on the opportunities** arising from the development of the **Northern Metropolis** and make early planning for **the setting up of an integrated campus with VPET teaching and workplace facilities**, so as to achieve synergy through more collaboration between VPET institutions and the industries.

G3 Strengthening collaboration with Mainland and overseas VPET institutions

3.108 The Mainland has attached great importance to VPET in recent years and has put in place a comprehensive and multi-level VPET system. **Members suggest that the HKSAR Government strengthen the mutual recognition of academic qualifications conferred by Hong Kong and Mainland VPET institutions.** Furthermore, on the basis of the existing

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cooperation with Guangdong Province,⁵⁶ the HKSAR Government should further deepen the cooperation in VPET between Hong Kong and Mainland institutions in other cities of the Greater Bay Area, so as to provide more diversified opportunities for the development of young people. Members also consider that the HKSAR Government should **continue to strengthen ties between Hong Kong and overseas regions where the development of VPET is mature** (such as Singapore, Germany, etc.).

G4 Promoting continuing education

3.109 In 2015, Singapore introduced an initiative under which all Singaporeans aged 25 years and above received an opening credit of S\$500 (also known as the “SkillsFuture Credit”) to deepen their existing skills or reskill. To further encourage upskilling/reskilling, starting from May 2024, Singaporeans aged 40 years and above would also receive a SkillsFuture Credit (Mid-Career) top-up to pursue a substantive skills reboot and remain relevant in a changing economy. Members note that the participation rate in continuing education in Hong Kong, at around 20%, is significantly lower than Singapore’s 49%. Recognizing the importance of **continuing education**, Members suggest that the HKSAR Government should consider enhancing the Continuing Education Fund (“CEF”) by **raising the subsidy ceiling and expanding the scope of courses under CEF**, particularly in sectors which are related to VPET and where manpower demand is growing faster. This may encourage more people to pursue lifelong learning and enhance their competitiveness.

⁵⁶ In 2019, the Education Bureau and the Department of Education of Guangdong Province signed the Letter of Intent on Qualifications Framework Co-operation between Hong Kong and Guangdong. Under the arrangement, the Education Bureau, the Qualifications Framework Secretariat, and the Hong Kong Council for Accreditation of Academic and Vocational Qualifications have been working closely with the relevant authorities in the Guangdong Province to foster qualifications framework-related collaboration between the two places.

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Members suggest that the HKSAR Government should consider enhancing CEF by raising the subsidy ceiling and expanding the scope of courses under CEF, particularly in sectors which are related to VPET and where manpower demand is growing faster

3.110 Furthermore, Members note that micro-credentials have become an important part of continuing education. They are suitable for learners who are unable to enrol in full-time programmes to upgrade their knowledge and skills according to their own convenience in terms of time, place and ability, and to progress through the modular learning mode. In view of this, Members suggest that the HKSAR Government consider **incorporating micro-credentials into the Qualifications Framework in accordance with the skills required by the industries**, so as to encourage people to continuously upgrade their personal skills.

Facilitating youth exchange

G5 Facilitating youth exchange with ASEAN/B&R countries by offering more exchange/internship opportunities and organizing large-scale activities featuring ASEAN/B&R countries

3.111 As remarked by President Xi Jinping, Hong Kong will prosper only when its young people thrive; Hong Kong will develop only when its young people achieve well-rounded development. The increasing exchanges between Hong Kong and ASEAN/B&R countries have brought about development opportunities for young people. Noting that there are existing exchange and internship projects taking place in ASEAN/B&R countries (e.g. the United Nations Volunteers - Hong Kong Universities Volunteer Internship Programme⁵⁷, bilateral youth visits covering cultural elements organized by District Offices), Members consider that the HKSAR Government could **introduce more new types of exchange programmes** to facilitate more and deeper bilateral youth exchange. In addition, the HKSAR Government should **make good use of ETOs and Hong Kong enterprises** in the relevant regions **to provide more internship opportunities for Hong Kong young people**, so that they can gain a better understanding of the cultures of the relevant regions through first-hand experience, thereby broadening their horizons.

3.112 Moreover, while encouraging Hong Kong young people to “go global”, the HKSAR Government can also **“bring in” young people from ASEAN/B&R countries by providing them with internship/exchange opportunities in Hong Kong**. In order to increase the incentives for young people from ASEAN/B&R countries to come to Hong Kong for exchanges, Members suggest that the HKSAR Government could **regularly organize large-scale activities featuring ASEAN/B&R countries**, such as cultural events and youth summits.

3.113 The Delegation highlights **Singapore’s “70-70” initiative**, which endeavours to provide 70% of students of local institutes of higher learning (including universities, polytechnics and ITE) with overseas exposure, of which 70% will be directed towards ASEAN countries, China, or India. Members hope that the HKSAR Government will collaborate

⁵⁷ Participants undertake six-month assignments in the field units of various United Nations agencies in ASEAN/B&R countries such as Indonesia, Malaysia and Thailand.

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with local higher institutions to take forward similar initiative, with a view to encouraging Hong Kong's youth to “go global” and seizing the growing opportunities in ASEAN countries.

G6 Enhancing the Working Holiday Scheme (“WHS”)

3.114 WHS aims to provide young people in Hong Kong with the opportunity to gain first-hand experience of living and working outside Hong Kong and to broaden their horizons. Currently, Hong Kong has signed bilateral arrangements for WHS with 14 economies.⁵⁸ Apart from enhancing cultural exchanges between Hong Kong and the partner economies, WHS also strengthens bilateral cooperation and promotes tourism and development on both sides. Members suggest that the HKSAR Government should **explore the feasibility of establishing bilateral WHS with ASEAN/B&R countries**, so as to consolidate bilateral relations and promote exchanges on cultural, academic and other aspects among young people.



Members suggest that the HKSAR Government should explore the feasibility of establishing WHS with ASEAN/B&R countries, so as to consolidate bilateral relations and promote exchanges on cultural, academic and other aspects among young people.

⁵⁸ The HKSAR Government has established bilateral WHS with the Government of New Zealand, Australia, Ireland, Germany, Japan, Canada, Korea, France, the United Kingdom, Austria, Hungary, Sweden, the Netherlands and Italy.

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(H) FOSTERING PATRIOTISM AND BUILDING AN INCLUSIVE SOCIETY

Key recommendations		paragraph
Enhancing patriotic education in Hong Kong		
H1	Strengthening patriotic education in schools	3.121
H2	Promoting patriotic education through interactive and creative means	3.122-3.123
H3	Introducing a badge programme for Hong Kong's uniform groups	3.124
Building an inclusive society		
H4	Focusing on enabling and social innovation	3.126-3.129
H5	Enhancing support for integration of ethnic minorities into society	3.130
H6	Enhancing the Legislature's public engagement	3.131-3.132

3.115 During their meeting with Members of the Singapore Parliament, the Delegation learned that National Education (“NE”) in Singapore places emphasis on experiential learning and application of ideas, focusing on discussion of current affairs and making NE more relevant to students’ lives. Members appreciate this approach and reflect on how similar strategies could be used to enhance patriotic education in Hong Kong, with the aim of creating a more engaging and relevant educational experience for students.

3.116 In Singapore, NE is a **critical component of the educational framework**, which aims to **foster a sense of belonging and emotional rootedness among students**. The Ministry of Education emphasizes the importance of national cohesion and forging a shared national identity as Singaporeans. The objectives of NE are encapsulated in six key messages that emphasize themes such as **national identity and nationhood, racial and religious harmony, meritocracy, self-reliance, national defence and confidence in the nation’s future**.

3.117 NE in Singapore is **integrated into the formal curriculum through subjects such as Social Studies and Character and Citizenship Education (“CCE”)**, which are compulsory at both primary and secondary

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levels. Social Studies deepens students' understanding of Singaporean values and foster civic participation, while CCE focuses on developing good character, resilience, social-emotional well-being and readiness for the future. Schools also commemorate important national events to help students learn lessons from Singapore's history and encourage active citizenship.

3.118 Beyond classroom learning, Singapore's NE approach includes **extra-curricular activities and community engagement programmes to reinforce the curriculum**. Schools organize trips to historical sites and designated cohort experiences to foster national identity, confidence, resilience and citizenship among students. These activities provide practical experiences to help students **internalize NE values and apply classroom principles in their daily lives and future roles in society**.

Enhancing patriotic education in Hong Kong

3.119 Following the Chief Executive's announcement in the 2023 Policy Address that patriotic education would be introduced and integrated into the education system to **strengthen national identity and the appreciation of the richness and beauty of the traditional Chinese culture** among the people of Hong Kong, the **Working Group on Patriotic Education** was established under the Constitution and Basic Law Promotion Steering Committee in April 2024 to enhance education on our country's history, culture and current affairs on various fronts, promoting patriotism and ensuring its continuity from generation to generation.

3.120 Members consider that Singapore's comprehensive approach, which integrates NE into the formal curriculum and reinforces it with extra-curricular activities and community engagement is worthy of reference, and suggest the following enhancements for Hong Kong's patriotic education.

H1 Strengthening patriotic education in schools

3.121 Members suggest that the HKSAR Government should consider **setting phased targets for the development of students in patriotic education** to help students, parents, teachers, schools and the community clearly understand the educational direction and specific targets of the

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Education Bureau (“EDB”) regarding patriotic education. EDB should **step up efforts in promoting patriotic education by providing uniform guidelines and grant schools the flexibility to deploy resources accordingly.** In addition, EDB should **consider adding the “native place” item to student information records** to help students develop an understanding and affection for their native places.



*Members of the Delegation meet with H.E. Seah Kian Peng,
Speaker of the Parliament of Singapore, and some Members of Parliament*

H2 Promoting patriotic education through interactive and creative means

3.122 Members believe that **adopting creative methods to promote patriotic education** can be more appealing and effective, especially for the younger generation who are accustomed to interactive and multimedia learning experiences. In this regard, they note that Singapore has introduced various initiatives, such as the “Guardians of the City II” card game which helps young people develop a deeper understanding of threats to Singapore and the role they can play in keeping the country safe. Similarly, the annual inter-school animation and storyboard competition “N.E.mation!” encourages students to reflect on national security issues by creating digital animation clips.

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3.123 Members consider that Hong Kong's education authorities could draw reference from Singapore's successful initiatives. Implementing similar programmes in Hong Kong, such as **interactive digital games and competitions focusing on national security and civic responsibility**, would not only **make learning about patriotic education more engaging and enjoyable** for students, but also **foster creativity, critical thinking and a deeper understanding of their role as responsible citizens**.

H3 Introducing a badge programme for Hong Kong's uniform groups

3.124 Members advocate for **enhancing experiential activities** in Hong Kong to **help students internalize patriotism values**. They emphasize that hands-on, practical experiences can significantly reinforce classroom learning and deepen students' understanding of national pride and responsibilities. Inspired by Singapore's Total Defence Badge Programme, Members suggest that the HKSAR Government may consider **introducing a structured badge programme for Hong Kong's uniformed groups**. The programme, which would have different levels (e.g. Gold, Silver and Bronze), would create opportunities for young people to **participate in and lead national security-related activities within their uniform groups, schools and communities**. For example, to achieve the gold badge, participants would be required to design and deliver a national security learning session to their peers or initiate, plan and carry out a national security-related project that benefits the wider community. Members believe that this initiative would not only **educate students about the importance of national security**, but also **develop leadership skills and a sense of civic responsibility**.

Building an inclusive society

3.125 During their visit, the Delegation gained valuable insights into Singapore's efforts to promote inclusivity and support minority groups. They learned about SG Enable, the focal disability support agency which provides comprehensive services to persons with disabilities ("PWDs") and their caregivers, and promotes an inclusive environment. The Delegation also learned about the Ethnic Integration Policy, which ensures a balanced ethnic composition in housing estates to promote racial harmony and prevent ethnic enclaves. The Delegation suggests that Hong

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Kong should **adopt similar approaches to enhance its inclusiveness, stressing the need for dedicated support systems and policies that promote community cohesion and respect for diversity.**

H4 Focusing on enabling and social innovation

3.126 Members note that a standout feature of SG Enable is its **emphasis on enabling and social innovation**, as exemplified by its comprehensive, enabling **training programmes designed to enhance the employability of PWDs by equipping them with a variety of skills**. The programmes cover everything from work preparation to vocational skills for open employment and provide lifelong learning opportunities for both professional and personal growth. Members also express appreciation for SG Enable for **using innovative problem-solving methods to develop high-impact, scalable, innovative products and services that benefit PWDs**.

Introducing specialized training programmes

3.127 Making reference to SG Enable's successful initiatives, Members suggest that Hong Kong should **introduce specialized training programmes for PWDs focusing on vocational skills and lifelong learning**. These programmes can be integrated into vocational training institutes and community colleges, offering a wide range of courses tailored to the needs of PWDs.

3.128 In addition, Members recommend **establishing partnerships with technology companies and educational institutions to create scholarship programmes**. These scholarships could cover essential digital skills such as data analytics, cybersecurity and digital marketing, addressing the growing demand for these skills in the labour market.

Making good use of technology

3.129 Members note that SG Enable has partnered with Google to launch a smart home device for PWDs and their caregivers which can customize their home surroundings to suit their unique needs and preferences. Furthermore, to make accessibility information more accessible to wheelchair users, SG Enable has worked with the Singapore Land Authority to map accessible routes in selected areas and developed a

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pilot app for user testing. Members recommend **funding similar projects through grants and partnerships with Hong Kong’s educational institutions, as well as tech start-ups** that have developed comparable products, **to develop innovative solutions that promote independence and accessibility for PWDs**, while ensuring these products remain affordable for the underprivileged.

H5 Enhancing support for integration of ethnic minorities into society

3.130 While recognizing the Housing Department’s efforts to allocate two adjacent PRH flats to ethnic minority (“EM”) households with large family sizes, Members suggest that the HKSAR Government provide financial assistance to EM PRH households facing economic hardship due to the higher rent associated with two adjacent PRH flats. In addition, Members suggest ensuring that new PRH projects include a sufficient number of large flats to accommodate the needs of EM households with large family sizes. These measures seek to ensure that EM households have access to affordable and suitable housing. Furthermore, Members propose that Hong Kong can **enhance the “heartware” of public housing estates to help EMs integrate into society** by adopting initiatives similar to those in Singapore. For instance, a Build-a-thon could be organized as an innovation challenge for both EM and non-EM residents, offering them an opportunity to **create projects that promote inclusiveness, community bonding and cultural exchange**.

H6 Enhancing the Legislature’s public engagement

3.131 The Delegation expresses its sincere appreciation for the opportunity to attend the “Meet-the-People” session hosted by Mr Murali Pillai in the Bukit Batok Constituency during the duty visit. The session provided the Delegation with an in-depth look at the methods used by Members of the Parliament of Singapore to engage with their constituents. Members were particularly **impressed by the structured yet personal approach**, including the use of volunteers to meticulously document and address constituents’ issues, ensuring that each case receives thorough attention, **with follow-ups sent to relevant government departments through a central information technology system**. Members commend that the caring and patient manner displayed by Mr Pillai and his team

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reflects **their strong commitment to public service and community support.**

3.132 The Delegation considers that the experience of attending the “Meet-the-People” session has provided them with **invaluable insights on improving constituent engagement.** Delegation members are keen to **explore how the experience in Singapore can be translated into useful public engagement measures that fit the Hong Kong context.**



Members of the Delegation have gained invaluable insights on ways to enhance the Legislature’s engagement with the public after attending the “Meet-the-People” session

CONCLUSION

3.133 In his speech at the Opening Ceremony of the 17th China-ASEAN Expo,⁵⁹ President Xi Jinping has remarked that the China-ASEAN relations have grown into the most successful and vibrant model for cooperation in the Asia-Pacific region, and an exemplary effort in building a community with a shared future for mankind. Our country is the world's second largest economy, while ASEAN, as a whole, is the fifth largest; both are key engines driving global economic growth. Hong Kong, with its unique advantages under the "One Country, Two Systems" principle, world-class financial and professional services and highly developed transport networks, is best-placed to serve as the key bridge between the two blocs.

3.134 Hong Kong's role as the nexus between China and ASEAN is indeed a central theme during the many productive exchanges between the LegCo Delegation and representatives of the ASEAN community, Chinese Ambassadors, Members of the Parliaments, government officials as well as leaders of organizations and enterprises. By promoting mutual understanding and exploring avenues for enhanced cooperation, the visit has reaffirmed Hong Kong's role as the key bridge between China and ASEAN.

3.135 With the first-hand information obtained and invaluable insights gained during the duty visit, the Delegation has proposed several high-potential areas for further enhancing the partnership between Hong Kong and ASEAN countries, as set out in the earlier parts of this Chapter. A [summary of these recommendations](#) is attached to the end of this Chapter for the convenience of readers. The Delegation hopes that these recommendations would stimulate further dialogues and joint endeavours between the Legislature and the Executive Authorities on strengthening Hong Kong's collaboration with ASEAN countries and contributing to the long-term economic development of our country and HKSAR.

3.136 The Delegation's duty visit to Malaysia, Indonesia and Singapore has been most inspiring and rewarding. The visit has not only strengthened the robust economic and cultural ties between Hong Kong

⁵⁹ Remarks by President Xi Jinping at the Opening Ceremony of the 17th China-ASEAN Expo and China-ASEAN Business and Investment Summit on 27 November 2020.

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and the ASEAN countries, but has also illuminated new pathways for collaboration and mutual growth. As a Chinese proverb says: where the heart goes, the action follows (“心之所向，行之所往”). The Delegation believes that by working together, heart to heart, Hong Kong and the ASEAN community can contribute significantly to the prosperity and progress of the region.


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SUMMARY OF RECOMMENDATIONS


A. Building a shared future: strengthening economic, trade and people-to-people ties with ASEAN countries

Hong Kong and ASEAN have strong economic and trade ties and are important partners. At the networking reception with the ASEAN community, the Delegation and the representatives of the ASEAN community agreed on the importance of joining hands to **build a shared future through strengthening the economic, trade and people-to-people ties**. To this end, the Delegation has the following recommendations to enhance cooperation and fortify ties **between ASEAN countries and Hong Kong**, aiming for mutual benefits and win-win outcomes.

A1  **Appointing a top-level steering committee or a dedicated senior directorate officer** to steer the formulation and implementation of targeted **strategies for deepening Hong Kong-ASEAN collaboration to maximize impact**

A2  **Scaling up promotional work in ASEAN countries** on Hong Kong's strengths, trade and investment opportunities

-  To **proactively seek participation in high-level delegations and trade missions organized by our country targeting ASEAN countries** to amplify Hong Kong's visibility within these vital markets
-  **Organizing more high-level delegations** comprising government representatives, business associations and professional bodies **from ASEAN countries to visit Hong Kong** to obtain first-hand understanding of Hong Kong's business landscape, professional services and investment opportunities
-  Hosting **more high-profile ASEAN-focused events** similar to the annual Hong Kong-ASEAN Summit to **establish Hong Kong as a dynamic hub for exchanges on topics relating to ASEAN-China ties**

A3  **Producing targeted communication toolkits** or “song sheets” tailored to the needs of different audiences so as to **facilitate diverse groups to effectively tell the good stories of Hong Kong**

B. Leveraging Hong Kong's position as an international financial and trade centre

During various exchanges with the ASEAN community, the parliaments, government officials and business leaders, issues relating to the global trend in green and sustainable finance, fintech and Islamic finance, as well as the potential areas for collaboration were discussed. Members also observe that ASEAN countries have been actively promoting infrastructure development in recent years. The Delegation considers that **Hong Kong should leverage its position as an international financial and trade centre to more actively enhance regional financial integration on various fronts.** In this connection, the Delegation has the following recommendations.

B1

Enhancing Hong Kong's position as a **hub for green and sustainable finance**

- ◆ **Enhancing the Green and Sustainable Finance Grant Scheme to provide more incentives** to relevant industries in the region to make use of Hong Kong's green financing platform
- ◆ **Stepping up efforts to promote the wider adoption of the Hong Kong Taxonomy for Sustainable Finance** published by the Hong Kong Monetary Authority in May 2024 which aims to provide a common language and framework for sustainable finance
- ◆ **Expanding the coverage of the Hong Kong Taxonomy for Sustainable Finance to include more sectors and economic activities**
- ◆ **Enhancing the interoperability among different taxonomies** in the long run to **bolster "soft" infrastructure connectivity** through **harmonized rules and standards**
- ◆ Exploring the **potential of green commodity trading** to enhance Hong Kong's contributions to global sustainability efforts
- ◆ **Strengthening the role of Infrastructure Financing Facilitation Office** in **facilitating financing of sustainable infrastructure development, especially within ASEAN**

B2

Accelerating the development of a robust carbon trading ecosystem, leveraging Hong Kong's unique advantage as a "super connector"

- ◆ **Intensifying efforts to attract more participants and increase trading volumes** of HKEX's international carbon marketplace "Core Climate"
- ◆ **Expediting HKEX's exploration with** relevant green exchanges in the **Mainland on opportunities in cross-border carbon market connectivity**

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B3

Enhancing cross-border payment connectivity by expanding participation in Project mBridge^[1] and roll out more collaborations like the “FPS x PromptPay QR payment” initiative

B4

Expanding Hong Kong’s network of free trade agreements, investment promotion and protection agreements, and avoidance of double taxation agreements to boost connectivity and growth

B5

Exploring the viability of

- (a) allowing stocks listed on the Malaysian Stock Exchange to apply for secondary listing on HKEX; and
- (b) expanding the scope of Southbound Stock Connect to include stocks on secondary listing on HKEX

B6

Fostering the development of Hong Kong as a major Islamic finance hub to attract investors from Islamic countries along B&R

- ◆ Developing a comprehensive strategy to position Hong Kong as a major Islamic finance hub
- ◆ Nurturing talents proficient in the Arabic language and well-versed in Islamic finance and culture
- ◆ Exploring opportunities for mutually beneficial cooperation with Malaysia, one of the global leaders in Islamic finance

C. Accelerating the development of new quality productive forces: I&T and digital economy

The HKSAR Government has been stepping up its efforts to position Hong Kong as an international innovation and technology (“I&T”) hub and promoting the development of Hong Kong’s digital economy. Through the visit to JTC Corporation in Singapore, the Delegation has gained insights for the development of the San Tin Technopole and the components essential for nurturing I&T development. Reference has also been made to the experiences of Malaysia and Singapore in developing digital economy. In this context, the Delegation has put forward the following recommendations to give new impetus for Hong Kong’s high-quality economic development and to solidify Hong Kong’s position as an international I&T hub.

¹ Project mBridge aims to explore a multi-Central Bank Digital Currencies (“CBDCs”) platform shared among participating central banks and commercial banks. It was among the first multi-CBDC projects to settle real-value, cross-border transactions on behalf of corporates.

Innovation and Technology

C1

Increasing and **enhancing I&T land supply and infrastructure**

- **Bringing in government or university-led R&D institutions in the early stages of development of the San Tin Technopole** to kick-start the development of the I&T ecosystem and attract multinational corporations and smaller enterprises to follow suit
- **Providing designated sites in the San Tin Technopole to support start-ups and incubators.** These sites should be **close to** the planned sites for **tertiary institutions in the Northern Metropolis** to promote collaboration and synergy
- **Adopting a flexible land disposal approach** for the I&T land in the San Tin Technopole **to attract target enterprises to establish their presence** in the areas **as soon as possible**
- **Strengthening I&T cooperation with the relevant Mainland authorities to pilot dedicated cross-boundary policies** in the Hetao Shenzhen-Hong Kong Science and Technology Innovation Cooperation Zone, **covering the areas on personnel, materials, capital and data**

C2

Enhancing transformation and commercialization of research and development outcomes

- **Setting up fund matching platforms** to facilitate connections between universities and/or their start-ups with the industries/investors
- **Providing financial incentives** such as tax concessions **to attract the business sector to invest capital and engage in in-depth cooperation with academic or research institutions**
- **Enhancing HKSAR Government's policies and procedures for procurement of local I&T products and services,** with **priority given to using R&D deliverables of local I&T enterprises**

C3

Attracting I&T enterprises and enlarging I&T talent pool by organizing more promotional activities in ASEAN/B&R countries and providing support to enterprises/talents interested in coming to Hong Kong

Digital economy

C4

Embracing a “whole-of-government” approach to steer the development of digital economy, ensuring intra-governmental and inter-sectoral coordination and collaboration

C5

Fostering digital transformation and digital literacy

- ◆ **Providing incentives for local enterprises** to embrace digital transformation
- ◆ **Devising an action plan to enhance the digital literacy and competency of the community**, including cultivating high-level digital talent, promoting digital literacy among leaders and public servants, and **fostering digital competence in schools**

C6

Enhancing the hardware and legal infrastructure

- ◆ **Strengthening digital infrastructure**, such as **improving 5G network coverage** and **bolstering the establishment of data centres**
- ◆ **Conducting comprehensive review of legislation and guidelines relating to data**, and **formulate applicable laws** to facilitate the government and private entities in opening up and sharing data

D. Elevating Hong Kong's tourism and cultural landscape

Tourism and cultural exchanges are vital to reinforcing people-to-people connectivity under the B&R Initiative. During the Delegation's various exchanges with the Deputy Minister of Tourism, Arts and Culture in Malaysia and Members of Parliaments, both parties shared experiences on **measures to enhance synergy between the tourism and cultural sectors**, and explored **collaborative efforts to attract more Middle East tourists**. From the invaluable insights gained from these exchanges, the Delegation proposes the following recommendations with a view to **elevating Hong Kong's tourism appeal** and solidifying its status as a **leading East-meets-West tourism destination**.

D1

Developing a Halal friendly tourism ecosystem to attract Muslim travellers to Hong Kong

- ◆ **Implementing a comprehensive Halal certification programme** and **providing financial incentives** to encourage restaurants, hotels and food producers **to meet Halal standards**
- ◆ **Enhancing Muslim-friendly hotel services and facilities** by **organizing training programmes** to educate hotel staff **on the needs of Muslim travellers** and enhance the staff's cultural sensitivities
- ◆ **Stepping up promotion by marketing campaigns to highlight Halal-certified establishments in Hong Kong** and inviting **Muslim travel trade representatives, media and key opinion leaders (KOLs) to visit Hong Kong**

CHAPTER 3 —OBSERVATIONS AND RECOMMENDATIONS

D2

Enhancing air connectivity to facilitate greater accessibility for international travellers

- ◆ Increasing financial incentives for airlines to open more routes and increase frequency of flights connecting to Hong Kong
- ◆ Working closely with airlines to establish direct flights between Hong Kong and key destinations in the Middle East
- ◆ Improving ferry and coach schedules of the existing SkyPier services in Hong Kong International Airport (“HKIA”), encouraging more airlines to offer upstream check-in and baggage tag-through services at various ports in the Greater Bay Area, and providing joint ticketing options to attract more travellers from Greater Bay Area to use HKIA for international travel

D3

Exploring collaboration with ASEAN countries in developing multi-destination tourism, particularly for travellers from the Middle East

D4

Enhancing integration of tourism and culture

- ◆ Developing a wide range of immersive activities to cater to tourists’ rising demand for cultural and customary immersion
- ◆ Leveraging innovation and technology to enhance the integration of culture and tourism, and to propel Hong Kong’s concert economy

E. Embracing opportunities by promoting Hong Kong’s legal and dispute resolution services

At the networking reception with the ASEAN community, the Delegation and the representatives of the ASEAN community recognized that Hong Kong has emerged as a **favoured destination for deal making and resolving disputes** over recent years. With its robust legal system and as **the only common law jurisdiction in the country**, Hong Kong’s legal and dispute resolution services have great opportunities for development under the “B&R” Initiative. The Delegation has made the following recommendations for Hong Kong to further **strengthen its strategic positioning as a centre for international legal services in the Asia-Pacific region.**

E1

Strengthening the **promotion of Hong Kong’s arbitration services** to ASEAN/B&R countries and **collaborating with relevant arbitration organizations** to **explore the introduction of model arbitration clauses** (that choose Hong Kong as the forum for dispute resolution) **applicable to ASEAN/B&R countries**

CHAPTER 3 —OBSERVATIONS AND RECOMMENDATIONS

E2

Promoting Hong Kong as a “capital” for mediation

- ◆ Capitalizing on the headquartering of the International Organization for Mediation in Hong Kong, strengthening promotion of Hong Kong’s mediation services by organizing more high-level visits to ASEAN/B&R countries and international promotional activities
- ◆ Strengthening the local mediation system by enhancing the regulatory system on accreditation and disciplinary matters of the mediation profession

E3

Nurturing and training legal talents with international perspective and facilitating talent exchange along ASEAN/B&R countries

- ◆ Expediting the establishment of the Hong Kong International Legal Talent Training Academy
- ◆ Building cooperative relationships with more international legal bodies to provide continuous training opportunities in the practice of foreign-related legal affairs for local legal talents

E4

Enhancing promotion of online dispute resolution services

- ◆ Riding on Hong Kong’s experience in launching the **Electronic Business Related Arbitration and Mediation platform (eBRAM)** to promote the adoption of online dispute resolution services and consolidate Hong Kong’s role as the e-arbitration and resolution platform for the B&R markets

F. Unlocking housing success through strategic long-term planning

During the meeting with the Housing & Development Board (“HDB”) in Singapore, the Delegation and HDB representatives discussed, among others, the importance of long-term housing planning and strategies to facilitate home ownership. Both parties agreed that such planning and strategies are vital to making Hong Kong and Singapore better places to live and work. In light of this, the Delegation puts forth the following recommendations, with a view to improving living conditions and boosting home ownership in Hong Kong.

F1

Enhancing long-term housing planning in Hong Kong to ensure sustainable and forward-looking development

- ◆ Adopting a dual planning approach, consisting of (a) conducting regular Long-Term Plan (“LTP”) reviews (say every 10 years); and (b) developing detailed Master Plan (say every 5 years)
- ◆ Engaging the public in formulation of LTPs and detailed Master Plans

F2

Increasing home ownership in Hong Kong

- ◆ Introducing “**rent-to-own**” (i.e. rent paid counted as mortgage payment) and “**progressive payment mortgage**” (i.e. mortgage payment to increase proportionally with income) to enable young people and young families to become homeowners
- ◆ Facilitating circulation of subsidized sale flats in second-hand market by **further extending the mortgage default guarantee period from 50 to 60 years**
- ◆ **Setting up a home ownership fund**, complemented by appropriate tax concessions, to **help young people** save money for **purchasing uncompleted Home Ownership Scheme flats**

G. Promoting Hong Kong as an international education hub and facilitating youth exchange

During the visit, the **strengths of Hong Kong's post-secondary education** and the **growing interest among young people from ASEAN/B&R countries in studying or engaging in exchanges in Hong Kong** were discussed with the ASEAN community, Members of Parliaments and government officials. The Delegation considers that Hong Kong should capitalize on its strengths and **develop into an international hub for post-secondary education**, and step up its efforts to **facilitate bilateral youth exchanges with ASEAN/B&R countries**. To this end, the Delegation has made the following recommendations

Education

G1

Attracting **students from ASEAN/B&R countries** to **pursue post-secondary education** in Hong Kong

- ◆ **Expanding scholarship opportunities** by further increasing the number of B&R Scholarships and setting up dedicated scholarship schemes for more ASEAN countries
- ◆ **Increasing the amount of the B&R Scholarship** to alleviate the financial burden (including expenses on accommodation, transport, etc.) borne by the overseas students concerned
- ◆ **Enhancing supporting facilities** (e.g. hostels) for students from ASEAN/B&R countries
- ◆ **Providing more internship opportunities for students** from ASEAN/B&R countries and **extending the exemption of taking up part-time jobs to non-local undergraduate students** in Hong Kong to enhance their experience of working in Hong Kong
- ◆ **Stepping up publicity and promotion** to students from ASEAN/B&R countries by working with Hong Kong's post-secondary institutions to organize education exhibitions, forums, conferences and on-site promotional activities in ASEAN/B&R countries

CHAPTER 3 —OBSERVATIONS AND RECOMMENDATIONS

- ◆ **Introducing more educational programmes that meet the manpower needs** of ASEAN/B&R countries (e.g. **programmes on precision/high-tech manufacturing**)

G2

Raising **the status of VPET**

- ◆ Organizing more VPET promotion activities (such as career talk, workplace visits) to **broaden parents' and students' exposure to VPET at an earlier stage** during secondary schooling
- ◆ **Encouraging deeper partnership between VPET institutions and the industries** in various aspects (e.g. curriculum design, training and assessment)
- ◆ **Capitalizing on the opportunities** arising from the development **of the Northern Metropolis** and make early planning for the **setting up of an integrated campus with VPET teaching and workplace facilities**

G3

Strengthening **collaboration with Mainland** and **overseas** VPET institutions

G4

Promoting **continuing education** by

- (a) **raising the subsidy ceiling and expanding the scope of courses under Continuing Education Fund**; and
- (b) **incorporating micro-credentials into the Qualifications Framework**



Youth exchange

G5

Facilitating **youth exchange with ASEAN/B&R countries** by offering **more exchange/internship opportunities** and **organizing large-scale activities** featuring ASEAN/B&R countries

G6

Enhancing the **Working Holiday Scheme** (“WHS”) by exploring the feasibility of **establishing bilateral WHS** with ASEAN/B&R countries to provide more opportunities for Hong Kong's youth to seize the growing opportunities in ASEAN countries

H. Fostering patriotism and building an inclusive society

After engaging in fruitful exchanges with Members of Parliaments and government officials in the three ASEAN countries on patriotic education and measures to promote social cohesion and inclusiveness, the Delegation proposes the following recommendations to foster mainstream values characterized by patriotism and a deep affection for both our country and Hong Kong, while also strengthening national identity among the youth. The recommendations also seek to cultivate a caring and inclusive community by addressing the needs of persons with disabilities and ethnic minorities.

Enhancing patriotic education in Hong Kong

H1

Strengthening patriotic education in schools by **setting phased targets, providing uniform guidelines** and **grant schools the flexibility to deploy resources**

H2

Promoting patriotic education through **interactive and creative means**

H3

Introducing a **badge programme for Hong Kong's uniform groups** to help students **internalize patriotism values**

Building an inclusive society

H4

Focusing on **enabling** and **social innovation** by **empowering persons with disabilities** through specialized training to enhance employability, smart home technology, and accessible navigation apps

H5

Enhancing support for integration of **ethnic minorities** into society by **providing financial assistance to ethnic minority public rental housing households** facing economic hardship, and **enhancing the “heartware” of public housing estates** by organizing activities that promote inclusiveness and cultural exchange

H6

Enhancing the Legislature's **public engagement** by drawing reference to invaluable insights gained from the **“Meet-the-People” sessions** hosted by Members of Parliament in Singapore, and **exploring how the experience can be translated into useful public engagement measures that fit the Hong Kong context**

ACRONYMS AND ABBREVIATIONS

ACCCIM	The Associated Chinese Chambers of Commerce and Industry of Malaysia
AI	artificial intelligence
ASEAN	Association of Southeast Asian Nations
ASWARA	Malaysian National Academy of Arts, Culture and Heritage
B&R	Belt and Road
CBDCs	Central Bank Digital Currencies
CCE	Character and Citizenship Education
CEF	Continuing Education Fund
CPF	Central Provident Fund, Singapore
DEFA	ASEAN Digital Economy Framework Agreement
Deputy Minister of ITI	Deputy Minister of Investment, Trade and Industry of Malaysia
Deputy Minister of TAC	Deputy Minister of Tourism, Arts and Culture of Malaysia
DTA	double taxation agreement
DPD	House of Regional Representatives, Parliament of Indonesia
DPO	Digital Policy Office
DPR	House of Representatives, Parliament of Indonesia
eBRAM	Electronic Business Related Arbitration and Mediation
EDB	Education Bureau

ACRONYMS AND ABBREVIATIONS

EM	ethnic minority
ETO	Economic and Trade Office
FDI	foreign direct investment
FTA	Free Trade Agreement
GDP	Gross Domestic Product
Greater Bay Area	Guangdong-Hong Kong-Macao Greater Bay Area
HDB	Housing & Development Board, Singapore
HKEX	Hong Kong Exchanges and Clearing Limited
HKMA	Hong Kong Monetary Authority
HKSAR	Hong Kong Special Administrative Region
HKMBA	Hong Kong-Malaysia Business Association
HKTDC	Hong Kong Trade Development Council
HSBA	Hong Kong Singapore Business Association
Hong Kong Taxonomy	Hong Kong Taxonomy for Sustainable Finance
HOS	Home Ownership Scheme
HKTB	Hong Kong Tourism Board
HSITP	Hong Kong-Shenzhen Innovation and Technology Park
IFFO	Infrastructure Financing Facilitation Office
InachamHK	Indonesia Chamber of Commerce in Hong Kong

ACRONYMS AND ABBREVIATIONS

IOMed	International Organization for Mediation
IoT	Internet of things
IPPA s	Investment Promotion and Protection Agreements
I&T	innovation and technology
ITE	Institute of Technical Education, Singapore
Jakarta-Bandung HSR	Jakarta-Bandung High-Speed Railway
KADIN	Indonesian Chamber of Commerce and Industry
JID	Jurong Innovation District, Singapore
JTC	JTC Corporation, Singapore
LegCo	Legislative Council
LTHS	Long Term Housing Strategy
LTPs	Long-Term Plans
mBridge	Multiple Central Bank Digital Currency Bridge
MD	Malaysia Digital
MDEC	Malaysia Digital Economy Corporation
MPR	People's Consultative Assembly, Indonesia
MPs	Members of Parliament
NCCIM	National Chamber of Commerce and Industry of Malaysia
NE	national education
ODS	Online Dispute Resolution

ACRONYMS AND ABBREVIATIONS

PRH	public rental housing
PT KCIC	PT Kereta Cepat Indonesia China
PWDs	persons with disabilities
RCEP	Regional Comprehensive Economic Partnership
R&D	research and development
SMEs	small and medium enterprises
SSC	Special Select Committee
UAS	universities of applied science
VCM	voluntary carbon market
VPET	vocational and professional education and training
VTC	Vocational Training Council
WHS	Working Holiday Scheme

Appendix 1

List of Delegation members and accompanying staff of the Legislative Council Secretariat



Delegation Leader

Hon Andrew LEUNG Kwan-yuen, GBM, GBS, JP
(President of the Legislative Council)



Deputy Delegation Leader

Hon Tommy CHEUNG Yu-yan, GBM, GBS, JP
(Chairman of the Parliamentary Liaison Subcommittee)

Delegation members

(Members of the Parliamentary Liaison Subcommittee)



Hon Jeffrey LAM Kin-fung,
GBM, GBS, JP



Hon Nixie LAM Lam



Hon Joephy CHAN Wing-yan



Hon TANG Fei, MH



Hon Carmen KAN Wai-mun, JP



Hon YIM Kong, JP

APPENDICES

Secretariat staff

1. Ms Dora WAI⁶⁰
Deputy Secretary General
2. Ms Amy YU⁶¹
Assistant Secretary General
3. Miss Connie AU
Acting Chief Council Secretary
4. Mr Thomas CHAN
Acting Senior Council Secretary
5. Mr Jonas WONG
Senior Public Information Officer

⁶⁰ Ms Dora WAI is promoted to Secretary General effective 1 August 2024.

⁶¹ Ms Amy YU is promoted to Deputy Secretary General (Meeting Services and Public Complaints) effective 1 July 2024.

APPENDICES

Appendix 2

**Legislative Council delegation's
duty visit to Malaysia, Indonesia & Singapore
12 to 18 May 2024**

Visit programme

Date/Time	Programme
12 May (Sunday)	Malaysia
Morning	Depart Hong Kong for Kuala Lumpur, Malaysia
Afternoon	Meeting with H.E. Khairul Firdaus Akbar Khan, Deputy Minister of Tourism, Arts and Culture of Malaysia
Evening	Dinner with the Hong Kong-Malaysia Business Association
13 May (Monday)	Malaysia
Morning	Meeting with the Federal Agricultural Marketing Authority of Malaysia
Morning/ Afternoon	Visit to the Parliament of Malaysia <ul style="list-style-type: none">• Courtesy call on H.E. Tan Sri Dato' (Dr) Johari bin Abdul, Speaker of the House of Representatives• Tour of Parliament Building• Meeting with the Special Select Committee on Social and Community Affairs of the Senate• Lunch hosted by H.E. Tan Sri Dato' (Dr) Johari bin Abdul, Speaker of the House of Representatives• Joint meeting with the Special Select Committee on Finance and Economy and Special Select Committee on International Relations and International Trade of the House of Representatives Courtesy call on H.E. Liew Chin Tong, Deputy Minister of Investment, Trade and Industry of Malaysia
Evening	Dinner hosted by Mr Ouyang Yujing, Chinese Ambassador to Malaysia

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Date/Time	Programme
14 May (Tuesday) Malaysia → Indonesia	
Morning	Meeting with The Associated Chinese Chambers of Commerce and Industry of Malaysia
Afternoon	Lunch with the National Chamber of Commerce and Industry of Malaysia
	Meeting with the Malaysia Digital Economy Corporation
Late afternoon	Depart Malaysia for Jakarta, Indonesia
15 May (Wednesday) Indonesia	
Morning	Visit to Jakarta-Bandung High-Speed Railway
Afternoon	Lunch hosted by Mr Lu Kang, the then Chinese Ambassador to Indonesia
	Networking Reception with the ASEAN Community
	Courtesy call on H.E. Satvinder Singh, Deputy Secretary-General of ASEAN for ASEAN Economic Community
Evening	Dinner with Ms Hou Yanqi, Chinese Ambassador to ASEAN
16 May (Thursday) Indonesia → Singapore	
Morning	Visit to the Parliament of Indonesia <ul style="list-style-type: none"> • Courtesy call on H.E. Dr Nono Sampono, Vice Speaker of the House of Regional Representatives (DPD) • Courtesy call on H.E. Rachmat Gobel, Vice Speaker of the House of Representatives (DPR) • Tour of Parliament Building
Afternoon	Lunch with the Indonesia Chamber of Commerce in Hong Kong
	Meeting with the Indonesian Chamber of Commerce and Industry
Late afternoon	Depart Jakarta for Singapore

APPENDICES

Date/Time	Programme
17 May (Friday) Singapore	
Morning	Courtesy call on Mr Cao Zhongming, Chinese Ambassador to Singapore
	Visit to the Parliament of Singapore <ul style="list-style-type: none"> • Courtesy call on H.E. Seah Kian Peng, Speaker of the Parliament of Singapore • Tour of Parliament Building
Afternoon	Lunch hosted by H.E. Seah Kian Peng, Speaker of the Parliament of Singapore
	Visit to JTC Corporation
	Meeting with the Housing & Development Board
Evening	Observing “ Meet-the-People ” session held by Mr Murali Pillai, Member of the Parliament of Singapore
	Meeting with the Hong Kong Singapore Business Association
18 May (Saturday) Singapore	
Morning	Visit to Institute of Technical Education
Afternoon	Lunch hosted by the Institute of Technical Education
	Depart Singapore for Hong Kong