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Report of the Panel on Economic Development
for submission to the Legislative Council

Purpose

This report gives an account of the work of the Panel on Economic Development ("the Panel") during the 2025 Legislative Council ("LegCo") session. It will be tabled at the LegCo meeting of 22 October 2025 in accordance with Rule 77(14) of the Rules of Procedure of LegCo.

The Panel

2. The Panel was formed by a resolution passed by LegCo on 8 July 1998 and as amended on 20 December 2000, 9 October 2002, 11 July 2007 and 2 July 2008 for the purpose of monitoring and examining Government policies and issues of public concern relating to economic infrastructure and services, including air and sea transport facilities and services, postal and weather information services, energy supply and safety, consumer protection, competition policy and tourism. Following the reorganization of the Government structure with effect from 1 July 2022, LegCo passed a resolution on 26 October 2022 to rationalize the terms of reference ("TOR") of the relevant Panels. In this connection, energy supply and safety and related matters were taken up by the Panel on Environmental Affairs under LegCo. The updated TOR of the Panel are in **Appendix 1**.

3. For the 2025 session, the Panel comprises 20 members, with Hon Mrs Regina IP and Hon Erik YIM elected as the Chairman and Deputy Chairman respectively. The membership list of the Panel is in **Appendix 2**.

Meetings

4. During the period from January to October 2025, the Panel held a total of nine meetings.

Major Work

Aviation services and low-altitude economy

Airport City and Hong Kong International Airport Dongguan Logistics Park

5. With the commissioning of the Three-Runway System at end-2024, the Panel had all along been concerned about how the Administration and the Airport Authority Hong Kong ("AAHK") would fully leverage the expanded capacity of the Hong Kong International Airport ("HKIA") for the development of aviation-related industries and intermodal connectivity, thereby further consolidating Hong Kong's status as an international aviation hub. At the meeting of the Panel on 8 July 2025, members expressed various views on the development of the Airport City and Hong Kong International Airport Dongguan Logistics Park ("the Logistics Park").

6. Members supported AAHK's plan to utilize the Airport Island as well as the land and waters in its vicinity for the development of a new landmark for high-end commercial, art, tourism and leisure activities with the aviation industry as its focal point, and suggested developing the Airport City into an aviation and business hub to provide services such as law and arbitration as well as aircraft leasing for related industries, while enhancing ancillary facilities for art and valuables storage and yacht bay, as well as streamlining clearance procedures for yacht passengers to attract more high-end visitors. Taking into account the future development of the Airport City, members also expressed concern about how AAHK would address the growing demand for manpower and professionals.

7. The Administration advised that the increase in the supply of commercial sites in the Airport City would offer considerable appeal to relevant companies to establish operations for business development at the heart of HKIA. The Administration had also formulated various policies and tax incentives to support the development of ancillary services such as aircraft leasing. On manpower demand, the Administration was conducting relevant assessments with AAHK and airport employers, with a view to ensuring sufficient human resources for HKIA's future development through local recruitment and various talent admission schemes.

8. Regarding the development of a permanent facility for the Logistics Park to enhance the efficiency of the sea-air intermodal cargo-transhipment mode between HKIA and Dongguan, members considered that the facility would facilitate cargo movement to and from the Guangdong-Hong Kong-Macao Greater Bay Area ("GBA"), thereby driving the overall air cargo growth. In view of the booming of e-commerce and keen logistics demand for high-value goods, members suggested that the Logistics Park introduce logistics and warehousing services for cross-border e-commerce, provide logistics facilities for

cold chain and high-value goods, as well as explore the provision of fast tracks for clearance and streamline the clearance process to enhance cargo clearance efficiency.

9. AAHK responded that it would introduce more facilities to support high-value logistics, cross-border e-commerce and express parcel services, and was pressing ahead with development projects such as the Transit Mail Centre and a new hub facility of an international logistics enterprise, so as to enable HKIA to better serve the cargo needs in GBA. In addition, AAHK would introduce fast cargo vessels to reduce the sea transport time, and construct a designated customs clearance facility for chilled seafood products in Dongguan Port adjacent to the Logistics Park to enhance its efficiency in handling cold chain goods in the future.

Developing low-altitude economy

10. The Administration briefed the Panel on the latest work progress in developing the low-altitude economy ("LAE") on 3 June 2025. Members expected that LAE would become a new growth engine for developing new quality productive forces, and commended the efficiency of the relevant work and the efforts made by the Administration.

11. Members considered that the relevant legislation regulating unmanned aircraft should keep abreast of the times to accommodate different application scenarios for low-altitude flying activities. In addition, members also expressed concern about the integrated cross-boundary LAE development between Hong Kong and the Mainland. Pointing out that the first batch of LAE Regulatory Sandbox pilot projects ("pilot projects") announced by the Administration had not mentioned about the progress of cross-boundary cooperation, members suggested establishing a working group on cross-boundary low-altitude economy of the Guangdong-Hong Kong-Macao Greater Bay Area to promote cooperation. The Administration advised that it was actively taking forward legislative amendment exercise for unmanned aircraft, so as to facilitate trials of unmanned aircraft and non-conventional aircraft, including the passenger-carrying electric vertical takeoff and landing aircraft. For the first phase of legislative work, the proposals were tabled at LegCo in May this year and the scrutiny had been completed. Meanwhile, the Administration discussed the application of unmanned aircraft for cross-boundary transport of goods with relevant departments in Shenzhen in November 2024. The Administration would first establish a base of cooperation with Shenzhen and gain relevant experience before gradually expanding cooperation with other GBA cities.

12. Expressing concern about LAE's long-term development vision and its contribution to Hong Kong's economy, some members were worried that LAE might lead to unemployment as some existing jobs (such as delivery workers or

takeaway food couriers) might be replaced. On the other hand, some members urged the Government to expedite the commercialization process of Regulatory Sandbox pilot projects, consider adopting a public-private partnership approach and allow private sector participation in the construction and operation of relevant infrastructure. The Administration explained that LAE aimed to develop new quality productive forces and create new employment opportunities, with a view to expanding existing market shares through fostering the development of different industries, thereby bringing new opportunities for Hong Kong's innovation and technology ("I&T") development. The commercialization process of pilot projects would depend on their respective implementation progress. The Administration welcomed private sector participation in the construction and operation of LAE infrastructure to better leverage market forces and create more development opportunities.

13. On members' suggestion of promoting the popularization of unmanned aircraft and enhancing talent training, the Administration advised that it would actively follow up on the suggestion with the Vocational Training Council and the Employees Retraining Board, and would strengthen communication with the industry to ensure that the training programmes launched would meet market development needs.

Proposed legislative amendments relating to the carriage of dangerous goods by air

14. In order to implement the latest standards promulgated by the International Civil Aviation Organization ("ICAO") for the safe transport of dangerous goods by air in Hong Kong, the Administration intended to amend the Dangerous Goods (Consignment by Air) (Safety) Regulations (Cap. 384A) and the Air Navigation (Dangerous Goods) Regulations (Schedule 16 to the Air Navigation (Hong Kong) Order 1995 (Cap. 448C)) in order to keep Hong Kong's regulatory regime in line with the ICAO requirements and ensure aviation safety. At the meeting of the Panel on 1 April 2025, the Administration sought its views on the proposed legislative amendments.

15. Members supported the Administration's proposed legislative amendments relating to the carriage of dangerous goods by air. In view of the recent safety incidents suspected to have been caused by passengers carrying and using lithium battery power banks ("charging devices") on aircraft, some members expressed concern that travellers had expressed a lack of understanding of the relevant requirements for carrying and using charging devices during flight, and suggested that the Administration formulate clear guidelines and step up publicity among passengers. In addition, an enquiry was raised as to whether the necessary medical devices and charging equipment for passengers should be exempted.

16. The Administration explained that the Civil Aviation Department had issued a new notice stating that, starting from April this year, local airlines should not allow their passengers to use charging devices to charge other portable electronic devices and recharge power banks during flight, and stowage of power banks in the overhead compartments was also prohibited. The Administration would actively follow up on the implementation of the new regulation and recommended that airlines enhance communication with passengers, particularly those requiring medical devices on board. In respect of the restrictions on power capacity, airlines might also grant exemptions as appropriate depending on individual circumstances.

17. The legislative amendments which sought to implement the latest requirements of ICAO for the safe transport of dangerous goods by air was gazetted on 23 May 2025 and came into operation on 18 July 2025.

<u>Port, logistics and maritime services</u>

Action Plan on Green Maritime Fuel Bunkering

18. The Chief Executive announced in his 2023 Policy Address the development of Hong Kong into a green maritime fuel bunkering centre ("green fuel bunkering centre"). The Administration briefed the Panel on the Action Plan on Green Maritime Fuel Bunkering ("the Action Plan"), setting out strategies for developing Hong Kong into a green fuel bunkering centre.

19. Members in general supported the Action Plan, pointing out that the Mainland was a major producer of various types of green maritime fuels. With strong support of the Motherland, Hong Kong was well-placed to develop into a green fuel bunkering centre, further enhancing Hong Kong's status as an international maritime centre and maintaining the competitiveness of its port. Expressing concern that the relevant operations involved complex technical and safety requirements, some members suggested that the Administration put in place comprehensive regulatory standards and measures to ensure safety. In addition, Hong Kong also needed to provide professional services such as certification, standard setting and legal services. The Administration must make efforts to attract relevant talents to Hong Kong to help promote the development of green fuel-related industries.

20. The Administration stressed that ensuring the safety of green maritime fuel bunkering operations was the top priority. To start bunkering operations in Hong Kong waters, operators needed to conduct risk assessment and obtain approval from Marine Department ("MD") for their mode of bunkering, so as to ensure compliance with the prevailing statutory requirements and safe operations. On regulation, the Shipping Legislation (Use of Fuels and Miscellaneous Amendments) Bill 2024 entered into operation in January 2025, thereby allowing

the safe usage of green maritime fuels by vessels in Hong Kong waters. In addition, MD would progressively formulate codes of practice on different types of green maritime fuels to ensure the safety of vessels, personnel and the environment. Regarding the talent concern raised by members, apart from local training, the Administration would extend the coverage of the Maritime and Aviation Training Fund to courses offered on the Mainland and beyond. It was anticipated that while the related industries gradually took shape in Hong Kong, global talent would be attracted to come to Hong Kong to pursue development.

21. To encourage enterprises to start green fuel bunkering operations and green transformation of vessels, the Administration introduced various incentive measures, including considering setting up the Green Maritime Fuel Bunkering Incentive Scheme ("the Incentive Scheme") and implementing tax exemptions for green methanol. Members expressed concern about the effectiveness of such measures and whether they were sufficiently competitive, and suggested that the Administration provide subsidies or tax concessions for green transformation of vessels to enhance the incentives for transformation. On the other hand, having regard to the high cost of importing green fuels, some members suggested exploring the feasibility of local manufacture of green energy.

22. The Administration responded that the Incentive Scheme aimed to encourage industry pioneers to start green fuel bunkering operations in Hong Kong as early as possible and provide a collaborative platform for their business development in order to establish a supply chain and trading channel. As imported methanol was dutiable, the Administration would explore exempting methanol imported for use by vessels from tax to enhance competitiveness. In addition, the Mainland was a major producer of green maritime fuels, and its production lines required substantial raw materials such as organic waste. Such raw materials were more readily available on the Mainland, where storage facilities were also more cost-effective. Hence, it would be more appropriate to import green maritime fuels from the Mainland to Hong Kong.

23. Regarding the development of methanol storage facilities on a coastal land parcel in Tsing Yi South, members urged the Government to expedite planning work and offer premium waivers and tax incentives to interested operators to enhance investment appeal. The Administration advised that while it noted members' views, financial implications must be taken into account. It also advised that proposals for expression of interest for development would be solicited from the market in parallel with rezoning application within this year, with a view to expediting the relevant procedures and launching the site for market development.

Enhancement of existing tax concessions for maritime service industry and introduction of a half-rate tax concessionary regime for commodity trading business

24. At the meeting on 8 July 2025, the Panel received a briefing by the Administration on the proposals to enhance the existing tax concessions for the maritime service industry and introduce a half-rate tax concessionary regime for physical commodity trading to attract physical commodity trading enterprises to set up business in Hong Kong to promote the development of high value-added maritime services. The Administration planned to introduce legislative proposals into LegCo within the first half of 2026 to amend the Inland Revenue Ordinance (Cap. 112) to implement the relevant measures.

25. Members in general supported enhancing the tax concessions for the maritime services sector, considering the measures effective in addressing the minimum effective tax rate requirement (i.e. 15%) under the new international tax standards, which would provide enterprises with a tax rate option to increase flexibility and reduce compliance costs. Relaxing the threshold requirements for enterprises having their profits tax to be assessed at 15% and providing tax deduction on ship acquisition costs would also help consolidate the competitive advantages of Hong Kong's maritime services and promote the development of the industry. Members urged the Government to step up promotion of the tax concessions to attract more international enterprises to set up bases in Hong Kong. Members also noted that the package had drawn on the standards of competitors such as Singapore and incorporated feedback from the maritime industry to ensure that market needs were met.

26. Regarding the Administration's proposal to provide eligible physical commodity traders with a half-rate tax concession, members pointed out that the Mainland was currently the largest supplier and consumer of physical commodities, and suggested establishing a synergistic model of "Trading in Hong Kong, Settlement on the Mainland" to drive the growth of financial services, professional services and green shipping by combining the Mainland's physical commodity market and Hong Kong's maritime strengths. On implementation, members expressed concern about the Administration's assessment of how the measures would benefit Hong Kong's economy, whether the tax concession was attractive enough and resilient against risks (such as trade wars), and the concrete support for promoting the development of green maritime fuel.

27. The Administration responded that it was roughly estimated that the proposed half-rate tax concession could bring about HK$4.6 billion of economic benefits to Hong Kong, which had factored in the indirect benefits arising from such enterprises' use of relevant professional services (such as accounting and legal services). The Administration stressed that Hong Kong's open and transparent business environment was the key to attracting enterprises,

and it would speed up the relevant legislative process to ensure that the measures could take effect promptly in response to competition. As for green maritime fuel, since the promulgation of the Action Plan, Hong Kong had completed several liquefied natural gas (LNG) bunkering operations between February and early July 2025 in order to be ready for green methanol bunkering within 2026. Green maritime fuel would be among the scheduled commodities, and the tax concession would be conducive to the development of its trading.

New requirements for application or revalidation of local certificates of competency held by local vessel operators

28. The Administration briefed the Panel on the latest requirements for application or revalidation of local certificates of competency ("CoCs") held by local vessel operators ("operators") to ensure that the persons concerned were physically fit to operate vessels. Under the new arrangement, operators were required to submit to MD a medical fitness certificate issued by a recognized medical practitioner when applying for or revalidating CoCs; persons aged 65 or above and aged 71 revalidating their certificates must undergo and pass a medical assessment every three years and every year respectively in order to revalidate his/her certificate.

29. Members in general agreed that the new arrangement could enhance maritime safety, but expressed various concerns about the implementation of the plan, including the liabilities of shipowners or coxswains in respect of defaulting operators, the number of recognized medical practitioners, the rigour of medical assessments, and whether the Administration would provide subsidies. In addition, referring to industry participants' concerns about the requirement for undergoing a medical assessment, members suggested that the Administration enhance communication with the industry or consider non-mandatory measures to encourage operators to undergo regular health management.

30. The Administration advised that the arrangement had drawn on the standards of relevant international organizations and had been refined in the context of the local vessel operating environment. The medical assessment form was designed by medical experts, supplemented with detailed guidelines to ensure a medical practitioner's professional judgment of an applicant's fitness to operate a vessel. In addition, while the submission of a medical fitness certificate was a personal responsibility, for high-risk vessels (i.e. Class I vessels or a particular type of Class II vessels carrying dangerous goods), shipowners and coxswains must ensure that operators possessed a valid medical fitness certificate, otherwise both the shipowners and the coxswains concerned shall commit an offence for a breach of the conditions of the Operating Licences of the vessels. As for the number of medical practitioners and associated fees, the Administration would keep in view the market situation to ensure adequate service provision and reasonable pricing.

31. Noting the severe shortage of coxswains and engine operators, members suggested that the Administration streamline the procedures for non-local seafarers to obtain local licences through mutual recognition of qualifications and top-up courses. Members also suggested that the Administration consider setting an upper age limit for operators to ensure maritime safety. The Administration advised that financial incentive would be provided to attract new joiners through the Maritime and Aviation Training Fund. In addition, foreign seafarers holding foreign licences recognized by MD who served on local vessels might obtain local certificates through relevant local examinations. Furthermore, the Administration advised that no direct correlation had been found between marine incidents and seafarers' age. Under the new arrangement, seafarers aged 65 or above would be required to undergo more frequent medical assessments. The Administration would continue to review relevant data and consider the need to set an age limit for operators based on the implementation of the new arrangement.

Action Plan on Modern Logistics Development

32. The Administration promulgated the Action Plan on Modern Logistics Development ("the Logistics Action Plan") in October 2023, which mapped out the future development directions of Hong Kong's logistics industry. At its meeting on 4 March 2025, the Panel received a briefing by the Administration on the progress of implementing the Logistics Action Plan and the planning study on the modern logistics clusters in the Hung Shui Kiu/Ha Tsuen ("HSK/HT") New Development Area.

33. Members supported the Logistics Action Plan's proposal to promote the high-quality development of Hong Kong's logistics industry, thereby developing Hong Kong into a sustainable international smart logistics hub focusing on high-value goods and e-commerce markets. There was a view that the Administration should draw on the successful experience of the Mainland's development of logistics clusters and intermodal connectivity, strengthen collaboration with GBA cities and various ports and enhance logistics circulation by leveraging the Hong Kong-Zhuhai-Macao Bridge ("HZMB") while avoiding homogeneous competition, and accelerating the deployment of new technologies such as unmanned driving, low-altitude distribution and blockchain technology. Regarding the Government's commitment to promoting businesses relating to physical commodity trading in Hong Kong, considering that such transactions involved physical settlement of commodities in bulk volumes, some members suggested developing warehousing and logistics services for sectors including agricultural products, precious metals and energy, while exploring with relevant stakeholders (e.g. the Mercantile Exchange) the feasibility of promoting interconnected development between the logistics and financial industries.

34. The Administration responded that it had met with several Mainland logistics enterprises to draw on their experience and attract anchor enterprises to establish presence in Hong Kong, and endeavoured to strengthen cooperation both within and beyond GBA, including participating in the formulation of GBA standards to open up new sources of cargoes and extend the hinterland for cargoes. In addition, Hong Kong was fostering intermodal connectivity with various Mainland ports (e.g. Yantian Port in Shenzhen), and had gradually established a collaborative framework in practice. In addition, HZMB, with its proximity to HKIA and connection to the HSK logistics clusters, served as an important infrastructure project for developing cross-boundary intermodal transport. The Administration was considering conducting trials for driverless passenger or goods vehicles on HZMB and had initiated discussions with the governments of the three places. On physical commodity trading, the Administration planned to provide tax concessions for enterprises engaged in related businesses, with a view to attracting enterprises to establish operations while driving the development of high value-added services such as insurance, finance, law and arbitration. Meanwhile, the Transport and Logistics Bureau ("TLB") would maintain close communication with other policy bureaux to explore promoting collaboration between the logistics and financial fields.

35. Regarding the new HSK/HT logistics clusters, members hoped that the Administration would expedite the implementation of relevant planning and make available logistics land supply as appropriate based on market response. In respect of the Administration's proposal for the development of multi-storey modern logistics facilities in the logistics clusters, some members suggested reserving planning flexibility to allow enterprises to set up light manufacturing or processing operations on the land adjacent to logistics warehouses. In addition, a number of members expressed concern about the implementation progress of mutual recognition of qualifications for cross-boundary drivers to ensure sufficient human resources for the development of cross-boundary logistics.

36. The Administration responded that it had collected stakeholders' views on the development of the HSK/HT logistics clusters to further refine the master planning and conduct technical/financial assessments. The Administration would reserve planning flexibility to ensure that the planning of the logistics clusters closely aligned with the needs of the industry. Site formation and infrastructure works for the logistics clusters' sites were expected to be progressively completed two years after the completion of land resumption in 2026. The Administration was actively pursuing mutual recognition of commercial vehicle driving licenses between Guangdong and Hong Kong and would continue discussions with the industry on related matters.

Development of Port Community System

37. The Government stated in the Action Plan on Maritime and Port Development Strategy promulgated in December 2023 that it would actively promote the development of smart port by developing a digitalized system that facilitated the flow and sharing of data among the maritime and port industries. At the meeting on 4 March 2025, the Administration sought the Panel's views on the financial proposals for the digitalized port community system ("the digitalized PCS").

38. Members supported the development of smart port, considering that port digitalization had emerged as a key indicator of international shipping centres. The digitalized PCS would establish digital connections among Hong Kong, the Mainland, and the global shipping community, thereby facilitating smoother trade and capital flows as well as enhancing Hong Kong's international influence as an international maritime centre. PCS would use maritime transport as the foundation and link up with Hong Kong's sea, land, and air cargo transport information. Combined with the city's comprehensive intermodal transport network, this would enable a fully transparent cargo delivery process, and promote rapid and accurate logistics operation. In addition, PCS used blockchain technology to record cargo flows, which could reflect trade and capital flows. The resulting information transparency and reliability could reduce financing costs and create new opportunities for the financial industry.

39. Given the commercially sensitive nature of cargo trade data, members were concerned about data security and protection, as well as the enterprises' interest to participate in the digitalized PCS. The Administration explained that it planned to partner with the Logistics and Supply Chain MultiTech R&D Centre ("LSCM")[1] for the latter to assist in the development and management of PCS. LSCM had previously developed a proof-of-concept prototype for PCS. During the process, LSCM actively tapped the industry's wisdom and built a PCS prototype suitable for use by the Hong Kong industry. LSCM was trusted by the industry in terms of technical capabilities, execution efficiency as well as data and information security and protection, thereby allaying industry concerns.

40. On members' concerns about the expected benefits of the digitalized PCS, the Administration advised that PCS was expected to serve approximately 50 000 users. Drawing on the experience of overseas ports with comparable level of cargo throughput to Hong Kong, PCS could generate substantial economic value and efficiency for relevant enterprises in Hong Kong and help

[1] LSCM is funded by the Innovation and Technology Fund of the Innovation and Technology Commission and is committed to promoting the development of logistics, supply chain management and e-commerce in Hong Kong, promoting I&T in Hong Kong, and enhancing the productivity of the industry.

enhance the competitiveness of Hong Kong Port ("HKP"), thereby consolidating Hong Kong's status as an international maritime centre.

41. On 28 March 2025, the Finance Committee of LegCo approved a new funding commitment of $215,082,000 to develop and implement the digitalized PCS to facilitate the digitalization of HKP and promote the development of smart port.

Modernization of Government Dockyard

42. On 4 February 2025, the Administration briefed the Panel on the modernization programme of the Government Dockyard and sought the Panel's views on the financial proposal for the procurement of a Self-Propelled Modular Transporter ("SPMT") system and upgrade of the ship-lift platform.

43. Situated on Stonecutters Island, the Government Dockyard provided maintenance services for government vessels. As the Government Dockyard had been in operation for almost 30 years, following a detailed study and analysis by a marine consultancy, the Administration proposed to implement improvement measures in phases to ensure that the Government Dockyard could keep abreast of the Government fleet's future development, particularly the need for building a green Government fleet.

44. Members in general considered it reasonable to take forward the modernization programme given that the facilities in the Government Dockyard were obsolete. Some members suggested that the Administration assess from a cost-benefit perspective whether outsourcing the maintenance work to other GBA dockyards would be more efficient. The Administration explained that government vessels, particularly those belonging to government departments such as Hong Kong Police Force and Customs and Excise Department, had special construction requirements. Outsourcing maintenance services might pose security risks and incur higher costs than the maintenance work conducted by the Government Dockyard itself. In addition, as the Government fleet progressed towards green transformation, the berthing and maintenance facilities in the Government Dockyard would have to be upgraded correspondingly.

45. Some members considered that the major initiatives of the plan, including the SPMT system and the introduction of photovoltaic panels, were not advanced technologies, and called on the Administration to consider employing more advanced technologies such as floating dockyards and unmanned robotic inspections, thereby enabling the facilities in the Government Dockyard to keep abreast of the times and achieve genuine modernization.

46. The Administration responded that the SPMT system would enhance the flexibility of dockyard utilization, increase the number of berths available for maintenance of large-sized vessels, address the current shortcomings in dockyard capacity for handling large-sized vessels, and cater for the maintenance needs of the Government fleet up to 2050. In addition, the Administration was promoting the installation of sensors on government vessels to enable real-time transmission of navigational information of vessels to the information platforms of various government departments to promote smart management.

Plans and initiatives to develop tourism

Development Blueprint for Hong Kong's Tourism Industry 2.0 and developing tourist hotspots

47. To purse the concept of "Tourism is everywhere", the Panel received briefings respectively on 4 February and 8 July 2025 by the Administration on the Development Blueprint for Hong Kong's Tourism Industry 2.0 ("Blueprint 2.0") promulgated on 30 December 2024, and the nine tourist hotspot projects announced by the Working Group on Developing Tourist Hotspots ("the Working Group").

48. Members in general supported Blueprint 2.0 for proposing forward-looking and pragmatic targets and development strategies for Hong Kong's tourism industry, while recognizing the four "+Tourism" strategies (culture, sports, ecology and mega events). Members suggested enhancing interdepartmental collaboration to foster the synergistic development across industries including hotels, travel agencies and airlines. In addition, members also made a number of suggestions on how to develop tourism products with local characteristics, including utilizing island resources to develop distinctive eco-tourism products such as island-hopping tours and seafood experience, enhancing the facilities of concert venues to promote "concert tourism", promoting "film tourism", elevating the international standing of the Hong Kong Marathon to develop a "running economy", exploring the tourism potential of Hong Kong's temples and promoting religious and cultural tourism, as well as opening the racecourses to visitors on non-racedays and increasing the number of boxes to meet the demands of high-end visitors.

49. As for the publicity efforts targeting overseas visitors and attracting high value-added visitors, members suggested making use of technologies such as artificial intelligence ("AI") and big data to refine publicity strategies, disseminating more travel information through influencers or popular Mainland websites (e.g. Xiaohongshu) and assisting Hong Kong's small and medium enterprises ("SMEs") in listing their tourism products on the Mainland's online travel platforms. Expressing concern about the development of the Middle East market, members suggested stepping up the promotion of short-haul travel

experience among transfer passengers, and put forward views on exploring more high value-added visitor markets (e.g. business travellers and yacht passengers). In addition, there was a view that the Government should discuss with the Mainland the expansion of the multiple-entry Individual Visit Scheme ("IVS") to other GBA cities.

50. The Administration advised that it would incorporate industry feedback through the Tourism Strategy Committee to promote the synergistic development between various activities and the tourism industry, and introduce tourism products that capitalized on various mega events to boost visitors' spending. The Administration also agreed that AI could provide visitors with precise travel information, and push forward the Hong Kong Tourism Board ("HKTB") to enhance the application of such technologies. Regarding the development of the Middle East market, over 100 catering establishments and attractions in Hong Kong had obtained halal certification. HKTB would continue to take forward such initiatives, step up the promotion of short-haul urban travel among transfer passengers, and actively roll out measures to enrich the experience of high value-added visitors in Hong Kong. While the Administration would continue discussions with the Mainland on optimizing the policy on multiple-entry IVS, the current priority was enhancing service quality and visitors' experience to fully leverage the benefits of the policy for Hong Kong.

51. On the other hand, members recognized the nine tourist hotspot projects announced by the Working Group led by the Deputy Chief Secretary for Administration, which aimed to achieve short-term results and accelerate the discovery and promotion of tourist hotspot projects. Regarding various hotspot projects, members stressed that hotspot projects would help stimulate economic activities in the neighbouring areas, making it crucial to improve ancillary transport as well as entertainment and catering facilities. The Administration should also consider how to create a spread-out effect for the nine tourist hotspots, and make the most of the traffic spurred by a short-term craze to step up the promotion of Hong Kong's characteristic tourism. In addition, given that Hong Kong was once renowned as a "city that never sleeps", some members suggested increasing activities such as night markets and making different attractions more cohesive, so as to reconstruct Hong Kong's image as a "city that never sleeps".

Update on the operation of the Hong Kong Disneyland Resort

52. On 1 April 2025, representatives of the Administration and Hong Kong Disneyland Resort ("HKDL") updated the Panel on the operation of HKDL in fiscal year 2024 ("FY24"). Members found the business performance of the year encouraging and acknowledged its contribution to Hong Kong's economy.

53. Referring to the theme park's total attendance of 7.7 million in FY24, representing a 21% year-on-year increase and approaching its maximum design capacity of 10 million, members expressed concern about whether the Administration would consider discussing expansion plans with HKDL. There was also a view that as the park had successfully attracted a large number of overseas and Mainland visitors, the Government should seize the opportunity presented by the prevailing strong performance of HKDL to engage in in-depth discussions with The Walt Disney Company on the feasibility of the plan for the development of HKDL's Phase 2 site.

54. Regarding the potential expansion of the theme park or development of its Phase 2 site, the Administration pointed out that some portions of the park were currently still available for expansion of facilities, and further development of additional sites would have to depend on its attendance growth and financing position. Nevertheless, the Government would closely monitor the development needs of the park.

55. Some members expressed concern about the decline in the park's local attendance, and opining that HKDL should avoid homogenous competition with the Disneylands in Shanghai and Tokyo, members also suggested launching more innovative offerings, such as robotic street performances and interactive programmes in the park, so as to further draw visitors from all parts of the world.

56. HKDL indicated that while the park's local attendance declined in 2024, it was still above pre-epidemic levels. The park currently offered exclusive privileges for Hong Kong residents in order to attract more local visitors. In addition, HKDL would continue to innovate and keep refreshing visitors' experience through unique attractions and performances to attract Mainland, international and local visitors. It would also keep a balanced mix of these three visitor segments in the future.

Hong Kong Tourism Board Work Plan for 2025-2026

57. The Panel received a briefing by HKTB on its work plan for 2025-2026 on 6 May 2025.

58. Some members expressed concern that during the peak period of the Labour Day Golden Week, overcrowding at individual tourist attractions in Hong Kong had affected visitors' experience and perception of Hong Kong. In addition, expressing worries that the increase in the airport departure tax from $120 to $200 from 1 October 2025 would become a disincentive for visitors, members suggested putting in place measures such as providing vouchers to visitors to mitigate the impact. In this regard, the Administration advised that while the number of visitors during the Labour Day Golden Week was higher than expected, the situation was orderly in general. The Administration would draw

insight from the experience and work out ways of improvement, including leveraging technology and developing applications for visitors to make reservations for popular attractions. As for the provision of vouchers to visitors, the Administration advised that this would have to be determined depending on the actual circumstances.

59. Considering that the core appeal of tourism hinged on visitors' experience, members called upon the Administration to strengthen promotion and education among the industry to establish Hong Kong's reputation as a "hospitable city". HKTB indicated that it had planned to share the stories of commended outstanding practitioners identified across various tourism-related industries to elevate Hong Kong's image. In addition, the second round of promotion of the "Let's Go the Extra Mile" campaign covered industries such as the catering, retail, taxi and hotel industries, encouraging them to welcome visitors with warm hospitality, thereby promoting the hospitality culture more effectively.

60. On members' concerns about how to attract internationally renowned influencers to come to Hong Kong and promote the city, HKTB indicated that it invited over 600 influencers to Hong Kong last year, and also invited over 100 influencers during the "Hong Kong Super March" campaign in March this year. When identifying and engaging influencers for promotion, HKTB would need to consider both costs and promotional effectiveness.

Developing the silver economy

61. The Working Group on Promoting Silver Economy led by the Deputy Chief Secretary for Administration announced in May 2025 the implementation of 30 measures for promoting silver economy, covering areas including silver consumption, silver industry, quality assurance of silver products, silver financial and security arrangements as well as silver productivity. At its meeting on 9 September 2025, the Panel exchanged views with the Administration on developing the silver economy.

62. Members considered that a definition should be provided for "the silver generation" to facilitate the formulation of targeted strategies for promoting the development of the silver economy. The Administration should also estimate the scale and potential of the silver economy. In addition, considering that the core of developing the silver economy was to ensure financial security for the elderly, some members expressed concern about the retirement protection and employment opportunities for the elderly. The Administration responded that it had not set an age range for the silver generation, given that the focus should be on maximizing the benefits of the silver economy and covering groups with different needs. In addition, according to the estimate by the Government Economist, the elderly consumption expenditure accounted for

approximately 11% of Gross Domestic Product in 2024. The scale of elderly consumption was projected to increase by 45% over the next decade, demonstrating substantial development potential. The Administration would continue to join hands with the industry to promote consumption among the silver generation and generate economic benefits.

63. As for the retirement protection for the elderly, the Administration advised that the Hong Kong Mortgage Corporation Limited strived to promote the "HKMC Retire 3" programmes and further expanded the distribution network of the HKMC Annuity Plan. In addition, the Government had announced the launch of a new batch of Silver Bond to provide more investment choices for the elderly. On the other hand, the Labour Department had also launched the three-year Re-employment Allowance Pilot Scheme to encourage persons aged 40 or above to rejoin the employment market, and in parallel, it had been implementing the Employment Programme for the Elderly and Middle-aged to encourage employers to hire older and middle-aged persons and provide them with on-the-job training. The Administration advised that it would continue to encourage more elderly persons to join the labour market through employment support, training, the promotion of elderly-friendly employment practices, etc. to unleash the elderly labour force.

64. Some members pointed out that Hong Kong's silver market was limited in scale, and in order to form a silver industry chain, collaboration with relevant industries in GBA should be pursued to achieve synergistic effect. Members also welcomed the Administration's promotion of the "quality assurance of silver products" via GBA Standards, and encouraged the industry to file application for inclusion of "Care Food GBA Standard" in GBA Standards, thereby assisting the industry in expanding product sales network to Guangdong, Hong Kong and Macao.

65. The Administration responded that it would encourage and incentivize relevant trade associations and enterprises to collaborate with GBA. It was expected that "Care Food GBA Standard" would be added to the list of GBA Standards by the end of this year, becoming the first GBA Standard in terms of silver economy proposed and developed by the Hong Kong industry. By then, businesses that had already launched soft meals modelling on "Care Food" in Hong Kong would have a head start in further expanding into the GBA market. The Administration would target products and services commonly used by the elderly to identify more fields appropriate for the establishment of GBA Standards in the future.

Work of the Competition Commission

66. The Competition Commission ("the Commission") briefed the Panel on its work since its last report made in May 2024. A number of members commended the Commission for endeavouring to safeguard and promote a level-playing field for businesses in Hong Kong, and its achievements in investigation, enforcement and education in the past year.

67. Under the Competition Ordinance ("the Ordinance"), the Commission should have "reasonable cause to suspect" a contravention of any competition rule under the Ordinance before commencing an investigation. As at the end of April this year, there were eight ongoing cases under investigation by the Commission. In addition, as the Commission received hundreds of complaints each year, members suggested enhancing the Commission's investigative and enforcement powers as well as increasing its manpower, so as to cope with the heavy workload and raise efficiency.

68. The Commission indicated that the investigative powers and staffing provision under the Ordinance were adequate. As the majority of complaints received were lacking in substance or trivial, the Commission was not required to investigate such complaints under the Ordinance. In addition, if the Commission, under a judicial enforcement model, had "reasonable cause to believe" that there was a contravention of the Ordinance following an investigation into a case, it would commence proceedings in the Competition Tribunal, and it had been established in previous cases that the Commission must meet the standard of proof required for criminal prosecution before instituting prosecution. Hence, it took longer to complete the relevant proceedings in the enforcement process.

69. Some members urged the Commission to strengthen cooperation with government departments and public bodies to combat exploitation of government funding, and to investigate on its own initiative cases with reasonable suspicion. The Commission responded that it would reach out to government departments and public bodies and provide targeted training to enhance supervising officers' understanding of the Ordinance and competition policy, as well as how to identify and prevent potential bid-rigging or other anti-competitive conduct in public procurement.

70. Noting that the Ordinance only applied to mergers in the telecommunications as well as the communications and broadcasting sectors, members suggested that the Commission further expand the application of mergers under the Ordinance to include cross-sector mergers. The Commission indicated that with reference to the experience of other jurisdictions, most competition enforcement agencies had powers relating to merger rules, and newly established competition enforcement agencies would prioritize enforcement actions against cartel conduct or abuse of market power in its initial phase.

71. On members' concern about Hong Kong SMEs' insufficient awareness of the Ordinance and competition rules, the Commission stated that SMEs formed an integral part of Hong Kong's business community. In January 2025, the Commission launched the "Small and Medium Enterprises Competition Compliance Hub", a one-stop platform providing SMEs with information on competition law and tools on risk assessment and a template Competition Compliance Programme, so as to assist the enterprises in grasping key elements of the Ordinance and developing internal compliance strategies that best suited their needs, with a view to minimizing their risk of contravening the Ordinance.

Other issues

72. During the current legislative session, the Panel received a briefing on 29 September 2025 by the Administration on the policy initiatives of the Culture, Sports and Tourism Bureau as well as TLB set out in the Chief Executive's 2025 Policy Address.

Council Business Divisions
Legislative Council Secretariat
14 October 2025

Appendix 1

Legislative Council

Panel on Economic Development

Terms of Reference

1. To monitor and examine Government policies and issues of public concern relating to economic infrastructure and services, including air and sea transport facilities and services, postal services, consumer protection, competition policy and tourism.

2. To provide a forum for the exchange and dissemination of views on the above policy matters.

3. To receive briefings and to formulate views on any major legislative or financial proposals in respect of the above policy areas prior to their formal introduction to the Council or Finance Committee.

4. To monitor and examine, to the extent it considers necessary, the above policy matters referred to it by a member of the Panel or by the House Committee.

5. To make reports to the Council or to the House Committee as required by the Rules of Procedure.

Appendix 2

Panel on Economic Development

Membership list for the 2025 session

Chairman	Hon Mrs Regina IP LAU Suk-yee, GBM, GBS, JP
Deputy Chairman	Hon Erik YIM Kong, JP
Members	Hon Jeffrey LAM Kin-fung, GBM, GBS, JP Hon Michael TIEN Puk-sun, BBS, JP Hon Steven HO Chun-yin, BBS, JP Hon Frankie YICK Chi-ming, GBS, JP Hon Jimmy NG Wing-ka, SBS, JP Hon Holden CHOW Ho-ding, JP Hon YUNG Hoi-yan, JP Hon LUK Chung-hung, JP Dr Hon Hoey Simon LEE, MH, JP Hon Robert LEE Wai-wang, JP Prof Hon CHOW Man-kong, JP Hon Andrew LAM Siu-lo, SBS, JP Hon YIU Pak-leung, MH, JP Hon CHAN Yung, SBS, JP Hon Sunny TAN Ir Hon CHAN Siu-hung, BBS, JP Ir Hon Gary ZHANG Xinyu Hon Edmund WONG Chun-sek (Total: 20 members)
Clerk	Ms Shirley CHAN (up to 2 June 2025) Ms Angela CHU (since 3 June 2025)
Legal Adviser	Mr Timothy WU