

## THE BRITISH CHAMBER OF COMMERCE IN HONG KONG STATEMENT ON FINANCIAL SECRETARY 2025-2026 BUDGET

We would like to express our appreciation for the proactive and forward-looking measures outlined in the Financial Secretary's recent Budget Speech. We are particularly pleased to note the strong alignment between the Government's policy priorities and the Chamber's long-standing advocacy efforts, as reflected in our past policy and budget submissions.

The Budget Speech demonstrates a clear commitment to enhancing Hong Kong's competitiveness, fostering innovation, and addressing key societal needs. We welcome the Government's adoption of several proposals that the Chamber has been advocating for, including:

1. **Reforms to the Stock Market:** The proposed reforms to listing regimes, improvements to trading mechanisms, and efforts to attract new economy and technology enterprises align closely with our recommendations to simplify regulations and enhance market accessibility for smaller-scale companies.
2. **Expansion of the Capital Investment Entrant Scheme (CIES):** The introduction of the new scheme to provide greater flexibility under the CIES is a positive step toward attracting investment and talent to Hong Kong.
3. **Digital Transformation:** The phasing out of cheques and the introduction of cross-border e-payment systems reflect the Government's commitment to modernising Hong Kong's financial infrastructure, which we have long supported.
4. **Enhanced International Connectivity:** Progress in expanding Double-Tax Treaties, particularly with the Middle East and ASEAN, as well as advancements in the Wealth Management Connect scheme, are in line with our calls for improved global connectivity.
5. **Housing and Elderly Care:** The Government's continued efforts to provide more affordable housing units across these years and the introduction of the residential care service voucher scheme for the elderly address critical societal needs that we have highlighted in our submissions.
6. **Healthcare Innovation:** The commitment to speeding up the registration process for new drugs through establishing the Hong Kong Centre for Medical Products Regulation and providing a roadmap toward adoption of 'primary evaluation' are significant steps toward fostering innovation in healthcare, which we have actively supported.
7. **Gender Equality:** We are pleased to see the implementation of the "Women Empowerment Fund," which shows the Government's commitment to women's

development and providing opportunities to the younger generation (i.e., university students) with workplace advice and experience.

8. Sustainability: The emphasis on green development, including the “Sustainable Finance Action Agenda,” the “Roadmap on Sustainability Disclosure,” and the promotion of Sustainable Aviation Fuels (SAF) and green shipping, reflects the Government’s alignment with our advocacy for a sustainable future.

9. Virtual and Digital Assets: The upcoming consultation on licensing regimes for virtual asset over-the-counter trading services and custodian services, as well as the exploration of innovative applications for virtual asset technologies, are in line with our calls to facilitate businesses by catching up with the fast-growing nodes of global trade.

We support the Government’s progressive initiatives and believe there are still areas where additional action and attention could substantially improve Hong Kong’s competitiveness and attractiveness. As a Chamber deeply vested in Hong Kong’s success, we are working on initiatives to promote Hong Kong as “Asia’s World City” through a consistent and compelling message. This initiative demands a collaborative and unified strategy from both the Government and business sectors, involving investment in professional PR and advertising campaigns to restore confidence in Hong Kong on the global stage.

We appreciate the Government’s efforts to support SMEs through improved loan guarantee systems. However, we continue to believe that a review of the current funding model to provide upfront financial support to SMEs is believed to efficiently alleviate the immediate cash flow challenges faced by many smaller-scale businesses.

We welcome the Chief Executive’s commitment to improving language proficiency in Hong Kong and understand there are plans to expand recruitment of native-speaking English teachers (NETs). The Chamber look forward to working with the Government as it develops its plans to enhance English standards in Hong Kong. As an international business hub, Hong Kong’s ability to attract and retain global talent hinges on its reputation as a city with strong English language capabilities.

Overall, we welcome and support the Government’s responsiveness to the needs of the business community and will continue to make suggestions to reinforce Hong Kong’s position as a global hub for innovation, sustainability, and economic growth. We look forward to continuing our collaboration with the Government to ensure the successful implementation of these initiatives and to further contribute to Hong Kong remaining a vibrant, competitive, and globally connected city.