

By Hand and Email at policyaddress@cepu.gov.hk

7 August 2023

The Honourable John KC Lee, GBM, SBS, PDSM, PMSM
The Chief Executive
Hong Kong Special Administrative Region
People's Republic of China
c/o Policy Address Team
Chief Executive's Policy Unit
26/F, West Wing
Central Government Offices
2 Tim Mei Avenue
Tamar, Hong Kong

Dear Mr LEE

**Views from The Hong Kong Institution of Engineers to the Chief Executive for
Formulation of the 2023 Policy Address**

On behalf of the Institution, I am pleased to present to you our views and suggestions as set out in the enclosure for your kind consideration on the captioned subject.

With our expertise and experience, the Institution welcomes the opportunity to work with the Government on the area of concern for the benefits of the profession and the general public as a whole.

Thank you.

Yours sincerely



Ir Dr Barry LEE Chi-hong
President, The HKIE

Enc

BL/AS/PS/SS

Views from The Hong Kong Institution of Engineers to the Chief Executive for Formulation of 2023 Policy Address

Hong Kong is on the path to restoring its status and glory after the pandemic. The Government is proactively sharing positive stories about Hong Kong in the international community, with the hope of trawling the world of talent and overcoming the challenges of talent acquisition and retention as well as the unpredictable external economic environment. The Hong Kong Institution of Engineers (HKIE) recognises our role in assisting the Administration and society in resolving long-standing issues.

2. As a professional body championing engineering excellence, the HKIE is committed to providing our expertise and advice to address challenges and to build a better future for Hong Kong. In this regard, we would like to present our views on several key areas to the Administration which could contribute to the formulation of the forthcoming Policy Address.

Talent Acquisition

3. Hardware, such as infrastructure, is undoubtedly important, but it is software, such as talent, that makes the key difference. **Nurturing local talent is one of the solutions that can build our reserve of human resources needed for the sustainable prosperity of the city.** For decades, the HKIE Formal Training Schemes, including the Scheme “A” Graduate Training, have fostered generation of talents for the engineering industry. Through these training schemes, trainees receive systematic training, putting theory into practice. These schemes provide a faster track for graduates to obtain professional qualifications and membership in the HKIE under a designated framework, allowing qualified talents to move up the career ladder in a shorter period of time (i.e. becoming a professional engineer two years earlier as against the normal route) and contribute in a greater capacity to society’s development. As the engineering and construction industry is poised for a blooming future, the training schemes certainly play an important role in resolving foreseeable manpower shortages by supplying the market with professional engineers earlier. Companies that are eligible for the scheme can receive subsidies from the Government for recruiting trainees. However, the Institution is aware that the level of subsidy has remained frozen for decades, which is now definitely not enough for middle and small companies

to compete for talent. **The HKIE recommends raising the subsidy from HK\$5,610 to HK\$10,000 or above to provide these companies with stronger incentives to offer trainees higher starting salaries¹ and increasing the quota from the current level at 272 to 1,000 to accelerate talent training. To attract engineering talents from abroad, the HKIE also suggests the Administration to consider offering two-year subsidies to companies that employ overseas graduates at a rate of approximately HK\$10,000 per month.**

4. According to the Manpower Forecast for Hong Kong Construction Industry 2023 by the Construction Industry Council, there will be a significant shortage, resulting in a shortfall of 16% to 25%, of professionals starting from 2024 until 2027. We anticipate this shortage will prevail beyond this horizon unless actions are taken by the Government and the society as a whole to reduce the gap. **To cope with the shortage of professional manpower within the engineering and construction industry in the short term, the HKIE suggests reaching out further to engineering graduates in overseas countries, particularly those engineering graduates who originate from Hong Kong.** The local engineering industry has a high reputation in Asia. The Government revised the Talent List earlier this year to facilitate the entry of talent from around the world. With reference to the mutual recognition agreement and letters of intent for mutual recognition signed between the HKIE and the Chinese Society of Engineers (CSE) as well as the several engineering bodies in the Guangdong Province plus over 20 more other reciprocal recognition agreements (RRA) signed between HKIE and worldwide Professional Engineering Institutes (PEIs) in the past (thus enabling members of these PEIs to apply for the membership of the HKIE through the system), the revision of the Talent List and the signing of mutual recognition will increase the incentives for overseas graduates to come to Hong Kong and pursue career development as their professional qualifications could be recognised under a simpler application procedure when comparing to the past.

¹ Starting salaries have been perceived as one major factor for secondary students in choosing their university study nowadays. It is unfortunate that students recently perceive the career prospect of professional engineers are less favourable when compared with teachers or nurses, etc; since the starting salaries of the latter after university graduation are higher than graduate engineers in the past years.

5. In addition to providing more quotas for talent admission, **the HKIE recommends offering subsidies to education institutions or companies that recruit eligible talents by referencing the existing Technology Talent Admission Scheme.** The existing scheme mainly focuses on talent research, which may not adequately tackle the challenges brought about by industrial transformation. The Government should consider offering incentives such as taxation allowances, longer visa validity, or shorter duration to obtain permanent residency to eligible talent in designated industries. Instead of limiting the subsidy programme to the field of innovation and technology, it can be extended to employees of strategic enterprises referred by the Office for Attracting Strategic Enterprises (OASES), professional industries requiring high levels of education and with tremendous demand, such as biomedical engineering, financial technology, and more. Local students or overseas Hong Kong students who meet similar criteria should also be eligible for subsidies to retain local talent.

6. Besides the shortage of engineering-related professions, the HKIE has identified also an inadequate pool of technicians and site supervisory personnel in future. Although the shortfall is not as significant as that of professionals and skilled workers, it is crucial to address the demand for such personnel to ensure the quality of work and maximise the potential of our tertiary education system. As the number of school-age students declines, the enrolment figures for self-financing sub-degree programmes (SD) also decrease. To make the most of the resources of established institutions, **the Government could consider negotiating with Mainland authorities to allow local tertiary institutions to recruit more Mainland students interested in pursuing engineering and technology-related degree programmes.** Additionally, inviting Mainland and overseas students to study engineering and technology-related SD programmes could help meet the evolving engineering manpower needs in Hong Kong. It is essential to proactively address the future needs of the engineering sector in Hong Kong by exploring innovative solutions to attract and retain a talented workforce. By doing so, we can ensure that our engineering industry remains competitive and continues to contribute to the growth and development of our city.

Education

7. Education forms a solid foundation for Hong Kong to develop and sustain itself

as an international and advanced economy. However, our earlier study² revealed a widening gap between the supply and demand of engineering professionals, which is worsening with the implementation of upcoming megaprojects. Quick actions are therefore necessary to promote the engineering profession to the general public, especially parents and students, and improve engineers' working conditions. It is observed that part of the reasons for gap widening is due to lack of incentive in the secondary school curriculum and university admission requirements to students in selecting STEAM subjects, in particular mathematics (extended part) and physics. As such, **we advocate that the admission requirement of university and secondary school curriculum should be reviewed soonest possible to allow competent students to enter the engineering field and grow into the talents we need for the future.** While it is not a curriculum that tilts towards the engineering sector that is being asked for, it is considered that the education system of a city should logically dovetail with the future talent needs of that city. Hong Kong is in need of more scientists, engineers and technologists, etc than generalists. The HKIE will continue its mission of striving to promote the unique nature of engineering-related careers and make engineering youngsters' dream job once again.

8. STEAM education plays a crucial role in building a local talent reserve as it encourages interdisciplinary learning and integrated skills such as critical thinking, problem solving, and logical thinking. The HKIE firmly believes that nurturing Hong Kong's own talent reserve is of utmost importance, in addition to inviting overseas talent. With a long-term, steady supply of high-quality local talent, the younger generation can support and thrive in an ever-changing economic landscape. The Institution aims to strengthen cooperation with the Administration on the implementation of "Engineers on Campus" and introduce more activities to the programme to increase students' interests. We can inspire students to pursue careers in engineering and related fields, thereby developing a local talent pool that can contribute to the sustainable development of society. **We appeal to the Administration to formalise and expand the "Engineers on Campus" scheme** so that we can arouse more interest among the students.

² "Research on Augmenting Engineer Manpower to Cope with the Foreseeable Surge in Demand" published by HKIE in April 2022.

9. The Administration’s announced emphasis on STEAM education can arouse students’ interests in science and engineering. The idea of what engineering is about can be cascaded to the teaching of different subjects in primary and secondary school curricula, such as Arts and Personal, Social and Humanities curricula, in order to engage students with different interests in STEAM-learning experiences. **The Administration is urged to extend utmost efforts to stimulate students, especially those in junior high schools, to develop interest in science subjects.** Of equal importance, the Administration has to illustrate to students the importance of a solid knowledge base in science in the future world in order to help them make well-informed decisions on their study and career. The HKIE is in collaboration with the Education Bureau on the promotion of various school engagement programmes such as “Engineers on Campus” 工程伴理行, “Mother School Home Coming Initiative” 回母校計劃 and “One School One Engineer” 一校一工程師 where volunteer engineers will support primary and secondary schools in the first phase as ambassadors by illustrating the work of engineers, promoting STEAM education, and most importantly inspire students’ interest in the field.

10. On top of grooming students’ interest, it is also important to let them have a taste of engineering practice during early stage in school. **The HKIE therefore urges the Administration to review and provide extra support to teachers in introducing engineering practices in the current curriculum, particularly when teaching science- and mathematics-related subjects.** Because of the intertwined nature of science, mathematics and engineering, such support would enhance students’ interest in engineering and strengthen their motives of pursuing a career as professional engineer.

Innovation and New Industrialisation

11. In keeping with President Xi Jinping’s speech during the 20th National Congress of the Communist Party of China, promoting high-quality development will be given top priority when formulating upcoming policies. One of the priorities for boosting high-quality development is new industrialisation, in which Hong Kong can play a significant role owing to our strengths in research and development (R&D), a mature investment market, a comprehensive legal system, our international connection, and proximity to the Greater Bay Area and Mainland China. **The Institution urges the**

Authority to adopt a new mindset that could leverage the city’s own advantages to cover research, capital injection and talent nurturing in the upstream sector; the transformation and commercialisation of R&D outcomes in the midstream sector; and industrial development in the downstream sector. With manpower being the prime driving force behind any successful venture, a comprehensive study on the manpower requirements at different skill levels should be conducted to support the development of new industrialisation. All these areas are all interconnected and should be addressed holistically.

12. Regarding the upstream sector, the Institution understands that the Government is eager to allocate resources towards the innovation and technology sector. A policy that favours innovative firms in the early stages of development is essential. The next step should be establishing a healthy environment and mechanism for startups to survive under keen competition. Tertiary education institutions are the major R&D drivers. **As most of these institutions are subsidised by the Government and are bound by various regulations, innovators can only get a limited proportion of profits generated by their products, and the products developed can only be put under the name of the university or a startup instead of the innovators themselves. The Government should consider loosening such regulations to encourage creativity and innovation. Provision of incentives to leading enterprises and local industries fulfilling the scope of Hong Kong’s new industrialisation for recruiting local engineers and technologists should also be considered.** Those incentives shall be applicable to Tier 1 Hong Kong based suppliers of Hong Kong’s new industrialization program in Greater Bay Area.

13. In the midstream and downstream, it is crucial to create an active cycle with accessible capital investment and a sustainable market. The Institution understands that the Financial Secretary has initiated a new approach in development and financing when implementing the Northern Metropolis, Kau Yi Chau Artificial Islands development, and some large-scale projects for innovation technology in the future. **The Government may consider granting land directly instead of going through public sale,** which is a step towards facilitating economic and land development. In addition to providing such privileges to the private sector, it is important to establish terms that protect the interests of both the private entity and the Government. **The Authority may consider setting a lower rent at the beginning of the tenure to**

facilitate the growth of startups. The rent for the latter part of the tenure can be linked to the profits of the company so that the company can enjoy benefits associated with its growth. Designated industries can enjoy greater tax allowances to provide a comprehensive package that attracts leading companies to develop their businesses in Hong Kong.

14. To engage the city’s talents in the process of new industrialisation, **the HKIE would suggest the Government to consider funding training programmes** for local professionals such as engineers and technologists, focusing on innovation, Hi-tech, Smartisation and Digitalisation, Sustainability and other skills of the future. The upskilling of the local professionals will have a positive effect in promoting the development of blooming industries such as life and health technologies, AI and data science, and advancing manufacturing and new energy technology industries.

Fast Track Infrastructures and Development Processes

15. It is anticipated that the annual expenditure on construction works (public plus private sectors) would increase from today’s about \$250B to over \$300B in less than 5 years’ time. This will likely aggravate the manpower shortage problem as noted above and bring in extra risk on programme timing, budget, quality and safety. Measures must be inbuilt to the construction system so that the industry can have adequate manpower and can “Do more with Less resources”. The HKIE published three reports³ in 2022 to help address the issue. We recommend dealing with the problem via the following (non-exhaustive) means:-

- A. Broaden the engineer base via MRA/RRA, Talent Trawl and efficient immigration policies to attract engineering talents from other regions to work in Hong Kong;
- B. Deploy and facilitate new technologies, materials, construction methods, etc so as to work more efficiently with less natural and human resources, less carbon

³ a. Research on procurement policy review for works and consultancy contracts

b. Research on Augmenting Engineer Manpower to Cope with the Foreseeable Surge in Demand; and

c. Streamlining building works and infrastructure development processes

footprint produced as well as less time and cost (the adoption of unprecedented 690 strength steel in the recent iconic Cross Bay Bridge in Tseung Kwan O is a typical example of the benefits);

- C. Streamline Government submission and approval processes so that the industry can deliver the projects with greater efficiency. Apart from reviewing the internal guidelines and requirements, we advocate a new approach be promoted by leaders in Government for officers when dealing with statutory submissions – *“while discharging their statutory duties on the role of regulators to ensure minimum standards of safety and quality of works for the developments, for the benefit of the community at large, they should also shoulder a facilitator role to provide advice to project proponents on how they can achieve progress, all under the premises of not foregoing any safety, quality and statutory requirements and in fair and open manner. Clear policy directives shall be given to the officers to ease their worry on being complained later on offering privilege”*. We give two examples to demonstrate:- (i) less stringent requirements may be considered by accepting a slightly greater degree of inconvenience to drivers when processing temporary traffic arrangement (TTA) measures such that longer (or wider) TTA sections and/or more time can be allowed for construction works or even routine night time road maintenances (which are often compressed to just a few hours and lane by lane); and (ii) allow processing of tree felling application and approval in parallel with the General Building Plans (GBP) vetting and approval mechanism. As an example, it typically takes six months or more for a utility to gain a permit to open roads for the laying of gas or electricity infrastructure. When that permit is finally granted, it is often restricted to lengths of less than 100m, with a stipulation that work should be done in short lengths (sometimes as short as 30m), with actual productive working time limited to just a few hours a day. That means that laying cables or pipes to connect new properties or facilities at any distance is extremely inefficient and slow in Hong Kong compared to other jurisdictions and it comes at a very high cost. This is why to nearby residents or road users it seemingly takes many weeks or months to get the job done – but this is often actually due to the restrictions imposed by different Government departments on the same project.

The promotion of this new approach is important if the accelerated development of infrastructure and deployment of new technologies/materials set out by Government is to be used. While safety is the prime concern of every stakeholder, professional judgement must be encouraged and exercised in overcoming administrative red tape;

- D. Review the procurement policies on works contracts to curb artificially very low bids in tenders which then run into difficulties in execution which are neither beneficial to the industry nor with such poor quality of work to the whole society.

16. More elaboration of the above suggested measures are introduced in the earlier three HKIE reports. While we understand certain suggested initiatives are accepted by the respective Bureaux/Departments, we hope the remaining suggestions can also be considered and implemented quickly. The HKIE stands ready to explain work with Government to help progress these initiatives.

Land and Housing Supply

17. To overcome the bottleneck of land supply, we believe that the implementation of the Northern Metropolis and Kau Yi Chau Artificial Islands is crucial as a significant amount of new developable land could be created. **The Institution recommends expediting the planning, design, and construction stages to accelerate the provision of land parcels.** To address the land supply issue in a timely and effective manner, **the Administration is urged to review the approval mechanisms in land, town planning, engineering, landscaping, and architectural submissions.** This will enable the Government to respond more promptly to the increasing demand for land and facilitate sustainable development in Hong Kong.

18. The provision of abundant land is critical for urban renewal. As urban districts such as Yau Ma Tei, Mong Kok, Sham Shui Po and Tsuen Wan continue to age, there is a growing demand for new land to which residents from these old communities may relocate. New land provision, especially the Kau Yi Chau Artificial Islands, will facilitate the implementation of urban renewal projects, which can in turn generate more units that offer better living conditions for residents, as well as space for other purposes essential to the city's development.

19. With the release of details of the Private Subsidised Sale Flat Pilot Scheme, the property ladder under the new term of government is becoming clearer. However, since land provision is still limited within a short period of time, **it is critical for the Government to prioritise the allocation of different types of housing units. Public housing should be given higher priority as it is a proven tool to alleviate the problems faced by deprived and poor households.** To build a sustainable and effective housing ladder for low-income households, the Green Form Subsidised Home Ownership Scheme (GSH) are major steps for tenants in public rental housing to move up to Home Ownership Scheme (HOS) as they provide a larger discount to eligible applicants. The newly-introduced Private Subsidised Sale Flat Pilot Scheme (PSS) is classified as private development, providing a slightly smaller discount than HOS, while Starter Homes Units are designed for citizens who have exceeded the limit of applying for HOS but cannot afford private housing units. The Government must identify the most-needed types of housing and focus the investment for developing such units to meet the needs of households from different backgrounds and income levels. A short-term tilt in favour of public housing construction is inevitable until the property market can achieve a healthy and balanced state. Additionally, to fully utilise market forces, **we suggest the Authority to consider vesting the responsibility of improving certain minor infrastructure or site formation works to the developers so as to release the potential of private land and expedite the development of PSS under a private land approach.**

20. To provide short-term housing options and a better living environment for citizens in need, like our young engineering professionals, **the Institution suggests expanding the quota of the White Form Secondary Market Scheme (WSM) and relaxing the Mortgage Insurance Programme (MIP) of the Hong Kong Mortgage Corporation accordingly.** According to the survey of the Housing Authority, the number of successful transactions as a percentage of the quota ranged from 43% to 56% between 2018 and 2020. Expanding the quota means expanding the base of eligible applicants into the secondary market of Home Ownership Scheme (HOS) and enabling the circulation of HOS flats. One of the reasons for the fair rate of transactions is the high building age of subsidised sale flats, mainly caused by the suspension of construction and sale of HOS flats between 2003 and 2014. This situation limits applicants from choosing a longer mortgage tenor according to bank policies. Instead of extending the mortgage default guarantee period, the Institution suggests amending

the MIP to cater to the needs of WSM applicants and avoid creating extra financial burden to the Housing Authority. By expanding the quota of the WSM and relaxing the MIP, more citizens can enjoy the benefits of affordable housing, and the circulation of HOS flats can be enhanced.

Transportation and Infrastructure

21. In addition to electric cars, taxis, light and medium goods vehicles, green hydrogen transportation has emerged as another promising new energy motor technology. Although these are not yet zero carbon, the Institution is pleased to see that the first hydrogen fuel cell bus and hydrogen refuelling station in Hong Kong are expected to commission later this year, and **we hope to see further progress in the development of heavy duty hydrogen vehicles.** While safety must remain a top priority, the HKIE believes that **the Authority should consider accelerating the schedule for commencing preparation work in 2024 and introducing proposed legislative amendments to the Legislative Council in 2025** to cover the safety issues associated with hydrogen, in turn expediting the development and implementation of hydrogen vehicles in Hong Kong. **Providing that the hydrogen fuel can offer a low carbon intensity, given the differences in charging time, transportation, and storage methods, we suggest that both electric vehicles and hydrogen vehicles could serve as a substitute for petroleum vehicles.** By taking a holistic approach to the development of low carbon new energy motor technologies, segment by segment, we can create a more sustainable and environmentally friendly transportation system for Hong Kong.

22. The government has set a target to implement HKeToll at all Government-tolled tunnels by the end of this year. This smart mobility initiative will allow motorists to pay tolls remotely using toll tags, which marks a significant step towards enhancing the overall driving experience, as well as enabling the authority to regulate the peak hour traffic demands through Time-varying Tolls. The HKIE advocates for and supports this major initiative for years and now sees a further chance to **propose the electronic road pricing (ERP) pilot scheme in Hong Kong, with the first pilot trial in Central.** With the completion of the Central-Wan Chai Bypass, there are now various alternative routes available to motorists in the Central area, providing an ideal testing ground for the ERP. This pilot scheme has the potential to not only alleviate traffic congestion

but also address regional air pollution. The HKIE believes that the implementation of the ERP will not only improve the overall driving experience but also lead to a more sustainable and environmentally friendly transportation system.

23. In order to maintain Hong Kong's status as an international aviation hub, it is crucial that the fees and quality of facilities at the Hong Kong International Airport remain competitive. However, the shortage of labour in the aviation sector is currently hindering the airport from resuming normal operations. The Institution fully supports the Greater Bay manpower initiative that has already been launched. In addition, **we believe that this initiative should be expanded beyond the Greater Bay Area to attract talent to Hong Kong.** To remain competitive on the global stage for talent, visa application processes must be expedited. Speed is key in the recruitment process, and this should include those who are not necessarily from the financial sector. With the newly completed Third Runway, Hong Kong has the necessary "hardware" to become a leader in the aviation industry. However, we need talents as the "software" to fully utilise this infrastructure. To achieve this, the Government must work closely with the Airport Authority to make Hong Kong and its airport more competitive and regain its place on the global stage.

Integration with GBA

24. Greater Bay Area (GBA) offers a vast market and enormous opportunities for our engineers. Earlier this year, the HKIE signed a Mutual Recognition Agreement (MRA) with the Chinese Society of Engineers and Letters of Intent for MRA with several engineering societies in Guangdong, which has extended the scale of mutual qualification recognition with the Mainland. We are currently exploring additional MRAs with our counterparts in the delta region for other engineering disciplines. To create even more opportunities for Hong Kong engineers in the GBA, **the Institution recommends that the Administration take the lead in strengthening cooperation and promoting dialogues to expand the mutual recognition of professional qualifications into more engineering disciplines.** Hong Kong's status as an internationally acclaimed open city and economy can be leveraged to achieve this goal.

Smart and Sustainable City

25. The fight against climate change is a global challenge that requires collective action. Government has set out ambitious blueprints, such as the Hong Kong Climate Action Plan 2050, echoing our country's commitment to reach peak emissions before 2030 and carbon neutrality by 2060. These plans set clear goals to reduce carbon emissions, particularly for those significant contributors from power generation and transportation industries. To achieve the targets, **the Institution recommends engaging engineers in formulating climate strategies and policies.** Adopting proven technologies now, such as electric vehicles, as well as longer term developments such as carbon capture, utilisation, and sequestration technology can help pave the way to carbon neutrality. To achieve net-zero electricity generation set in the Climate Action Plan, the increase in the use of natural gas is an inevitable choice in the medium term as the scope of renewable energy development in Hong Kong may not be reliable enough to meet demand from domestic and commercial customers. Closer cooperation with the Mainland for, say, additional dispatchable nuclear power will be necessary. At the same time, we need to explore and try out other types of zero-carbon energy, such as hydrogen energy for electricity generation in Hong Kong. For the construction and engineering sector, carbon emissions during the construction phase are also a major source of emissions. **The Institution suggests that projects in New Development Areas conduct energy or carbon audits as a measure to evaluate the effectiveness of carbon emission control.** By working together and taking bold actions, we can create a more sustainable and environmentally friendly future for our city and the world.

26. Meanwhile, the impact of climate change that the world has already been experiencing should be mitigated, with **climate-resilient infrastructure development** being a crucial means. Hong Kong is particularly prone to extreme weather events such as tropical typhoons, heatwaves, and flooding etc. Climate-resilient infrastructures such as stormwater management systems, coastal defences and super-reliable energy systems can increase the city's ability to adapt to changing conditions and in turn, help mitigate the impact of such severe extreme weather events, as well as protect human life and property by reducing the risk of damage and loss due to such extreme weather events. Such infrastructure will support stronger economic growth in a stable and resilient environment.

27. Following the recent incidents of fallen concrete or rendering from the external walls of buildings, the Authority shall follow up with the buildings that have been served with Mandatory Building Inspection Scheme notices. Property owners are required to seek engineering inspections before any deterioration occurs and take preventive measures to avoid future incidents. The Institution is willing to provide necessary professional assistance in identifying high-risk buildings and tackling the ageing assets of our city if needed.

28. While Hong Kong does not have specific regulations setting out ESG or sustainability objectives for companies, many of the engineering and construction firms have already incorporated sustainability and Environmental, Social and Governance (ESG) principles and considerations in their business and operational practices with reference to frameworks such as the United Nations Sustainability Development Goals (UNSDGs). **The Institution would recommend the Administration providing extra support to small and medium enterprises** which may be lagging behind on the green transition and misperceive green investment as having low returns. Case sharing of thriving ESG-centric enterprises is considered a possible way to educate businesses. On a long term, **the Institution would also suggest the Administration to formulate regulations that will help drive sustainability transition.**

29. With transportation being the second-largest source of greenhouse gas emissions in Hong Kong, it is important to address the climate change through transport transformation. To achieve the goal of carbon neutrality and promote a systematic and secure driving environment, **the Institution is anticipating the development of e-autonomous vehicles in Hong Kong.** As being deployed in our neighbour Shenzhen, a centralised operational hub with a limited number of operators could help effectively manage a significant fleet of e-autonomous vehicles.

30. As a world class metropolis, Hong Kong should offer a better living standard, higher quality cityscape and quality of life for our citizens as well as visitors. Apart from the various initiatives above such as to provide more land and better housing and infrastructures, **we suggest the government should allocate extra resources to facelift our cityscape,** to deliver a smart and sustainable city outlook to the international community. Streetscape often sets the first impression to international travellers. We suggest consideration be given to facelift the Strategic Road Networks

in Hong Kong by designing iconic street lightings; painting the roadside barriers where necessary; applying more durable tarmac that provides nicer outlook and more comfortable driving experience⁴; deploying robotic means in trimming roadside vegetations efficiently; etc. Some iconic structures can also be embellished with artwork to give travellers a memorable impression of Hong Kong.

⁴ Such as paving with Highly Modified Friction Course and paved in whole-carriageway manner rather than lane-by-lane that often gives colours in different patches.