HONG KONG'S NEW CHAPTER

Hong Kong has launched its first five-year plan to elevate the economy and ensure the dividends of development are shared by all. The blueprint aims for economic breakthroughs through innovation, new industries, quality global talent and holistic policies to improve livelihoods.

Hong Kong will be an "opportunity-rich world city", Chief Executive John Lee Ka-chiu pledged as he set out the plan alongside his annual policy address on September 16. Giving strategic direction amid geopolitical uncertainties, the road map harnesses the city's advantages while riding on the nation's five-year plan. It has 22 key performance indicators: five "binding" ones to be fulfilled and 17 "anticipatory" or aspirational goals.

See full **5-year plan** online

SEVEN PRINCIPLES

- Adhere to the "one country, two systems" principle
- Remain committed to a livelihood-oriented approach
- Uphold an executive-led system
- Embrace reform and innovation
- Uphold twin approach of effective market and capable government
- Adopt a holistic approach to development and security
- Pragmatic and proactive planning

83 'WORK INDICATORS'

These are on top of the 22 major indicators, bringing the number of goals to 105. Some key ones:

- Increase flight destinations from 220 to 240
- Increase the proportion of foreign visitors among overnight tourists to 40%
- Expand product supply in the offshore RMB market
- Set up a HK$10 billion Innovation and Technology Industry-Oriented Fund
- Implement the half-rate tax concession for commodity trading
- Advance the establishment of the International Commercial Court

See **SCMP Plus** for more

SIX KEY THEMES

Double down on four centres, one hub ambitions: enhance status as international financial, trade, maritime and aviation, and I&T centres and hub for high-calibre talent

Deepen Greater Bay Area connections: work towards first-class bay area, extend international exchanges and networks

Speed up development of Northern Metropolis: go north for innovation, the area will be ideal for living, work and travel

Leverage international city status: grow legal hub status, including on dispute and IP matters, deepen East-meets-West node for cultural exchanges

Enhance social well-being: benefits of growth and national development to be shared by residents

Adopt a holistic approach to development and security: have a reform-oriented mindset and safeguard long-term prosperity

DOES A FIVE-YEAR PLAN MAKE IT A PLANNED ECONOMY?

Lee has stressed the five-year plan will retain the city's capitalist core and give full play to the advantages of the free market "without distorting Hong Kong".
Experts say many places do long-term planning without weakening the market.

THE 22 TARGETS

If binding goals are not met, there will be accountability, Lee has vowed.

Major indicators (base year performance)	Goals by 2030
BINDING	
"Spade-ready sites" available in Northern Metropolis in five years (120 hectares)	900 hectares
Carbon intensity reduction against 2020 level (12.3%)	Cumulative 32.5% reduction in 2030 vs 2024 level
Zero-carbon energy share in fuel mix of electricity generation (25%)	30%
Average PM2.5 in ambient air (15 μg/m3)	Less than 14 μg/m3
Compliance of surface water quality goals (over 88%)	Over 90%
ANTICIPATORY	
Real GDP growth (3.6%)	Within a reasonable range
Labour Productivity Index growth (2.3%)	At a stable level
Air cargo throughput (5.07 million tonnes)	Maintain world-leading position
Total imports & exports of goods (HK$10,927.1 billion)	Steady growth
Total imports & exports of services (HK$1,626.8 billion)	Steady growth
Ratio of domestic expenditure on innovation to GDP (1.63%)	3% after 2030
Ratio of value added of manufacturing & new industries to GDP (3.8%)	5.5% after 2030
Global financial centre (ranked 3rd globally)	Strengthen world-leading position
International wealth management centre (ranked 1st globally)	Strengthen world-leading position
Companies with HQ outside Hong Kong (11,070)	Average annual increase of 4-5%
No. of domestic units in Northern Metropolis in five years (11,000)	70,000 units
No. of non-local students in full-time local post-secondary education programmes (79,800)	100,000 people
Value added of tourism industry (HK$86.2 billion)	HK$126 billion
Median monthly employment earnings of employed persons (HK$22,200)	In line with the trend of economic growth
Risk of premature mortality from four major non-communicable diseases (7.3%)	6.9%
Ratio of doctors per 1,000 population (2.25)	2.43 persons
Per capita public current health expenditure (HK$18,000)	On an upward trend

Source: HKSAR Government

By Victor Sanjinez, Jeffie Lam, Kaliz Lee, Lau Ka-kuen, Henry Wong, Brian Wang

THE STORY BEGINS...

Chief Executive John Lee Ka-chiu's historic move to map out medium- to long-term strategic ambitions in Hong Kong's first five-year plan together with his annual policy address marks the beginning of a whole new chapter for the city.

Given how the two documents are "*inextricably related*", as Lee said, the latest policy address marks the start of the new journey for the coming year. The address – Lee's last in this current term of government – lays out five major development opportunities and 25 key livelihood measures, ranging from targets for the Northern Metropolis to family-friendly policies catering to babies and the elderly. Below is an overview of the key moves.

See full **policy address** online

MAJOR DEVELOPMENT OPPORTUNITIES

These development opportunities are to attract talent and businesses and deepen international cooperation.

TALENT Develop the Northern Metropolis University Town, increasing funded research postgraduate places by 30%

INDUSTRY Speed up building of international gold trading market; foster low-altitude and emerging industries

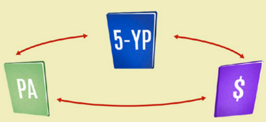
BUSINESS INVESTMENT Start on all nine new development areas of Northern Metropolis; speed up five major works projects

INSTITUTIONAL SAFEGUARDS Building a global capital of mediation

INTERNATIONAL COOPERATION Two UN bodies establishing presence in city; encourage Asian and international sports associations to do the same

WHAT NEXT AND HOW THE FIVE-YEAR PLAN, POLICY ADDRESS AND BUDGET ARE LINKED

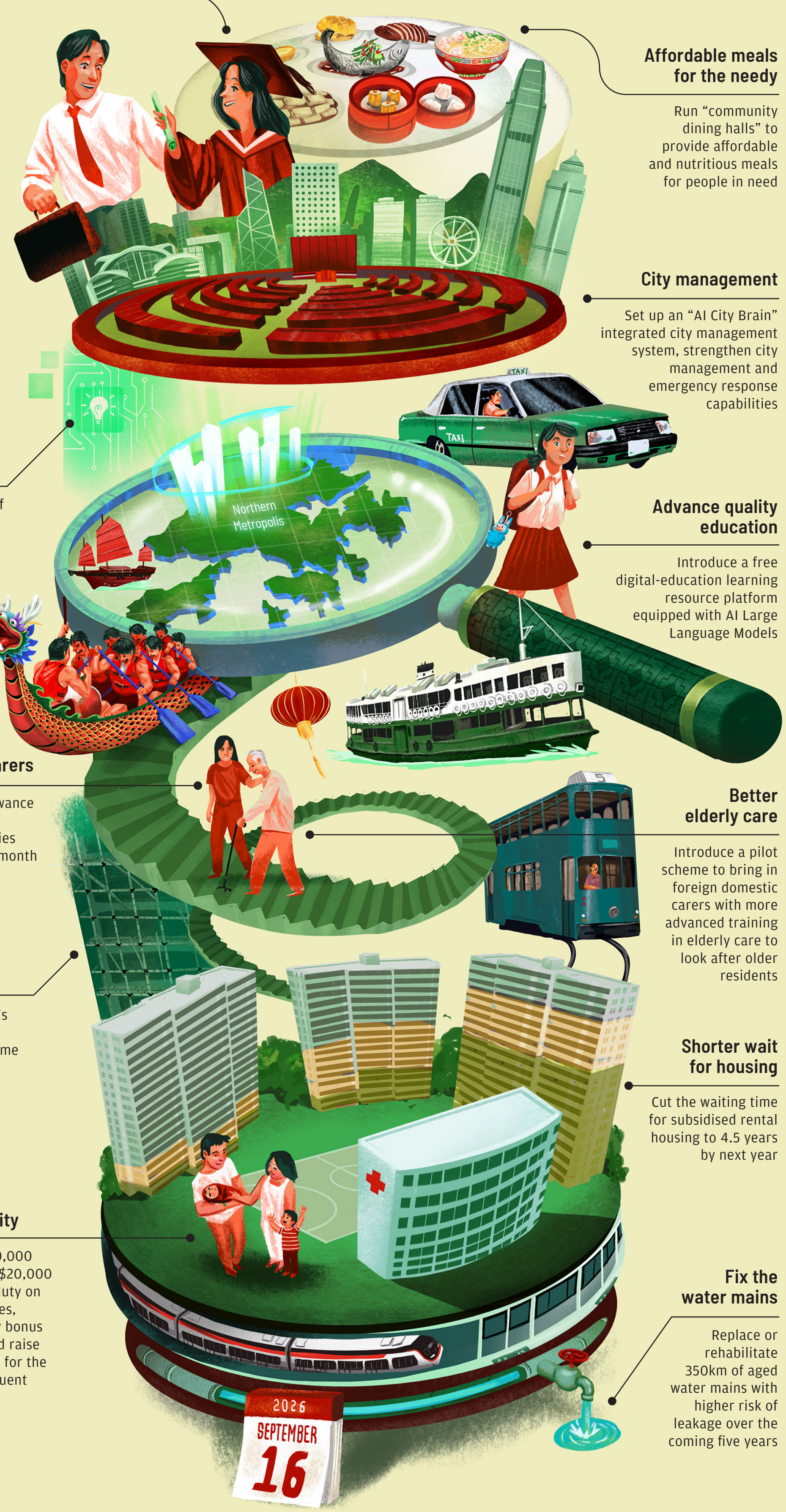
The three documents form a framework where the five-year plan "leads" by setting the big picture; the policy address "implements" with specific initiatives and projects for the year and the budget "supports" both by providing solid resource support.



The chief executive will report to the Chinese president on the implementation of the five-year plan during the annual duty visit.

WIDE-RANGING INITIATIVES TO IMPROVE LIVELIHOODS

These are to enhance social well-being, spanning education, healthcare, housing and welfare.



More opportunities for youth

Collaborate with the business sector to provide over 30,000 job, internship and training quotas to support youngsters just entering the workforce

Affordable meals for the needy

Run "community dining halls" to provide affordable and nutritious meals for people in need

City management

Set up an "AI City Brain" integrated city management system, strengthen city management and emergency response capabilities

AI risk governance

Combat the use of AI in criminal activities, enhance the protection of minors using it and promote assessment of AI ethical risks

Advance quality education

Introduce a free digital-education learning resource platform equipped with AI Large Language Models

Strengthen support for carers

Increase the allowance for carers from low-income families to HK$3,300 per month

Better elderly care

Introduce a pilot scheme to bring in foreign domestic carers with more advanced training in elderly care to look after older residents

Building maintenance reforms

Overhaul the city's building maintenance regime

Shorter wait for housing

Cut the waiting time for subsidised rental housing to 4.5 years by next year

Promote fertility

Extend the HK$20,000 baby bonus, a HK$20,000 waiver in stamp duty on property purchases, increase the baby bonus to HK$30,000 and raise the tax allowance for the second or subsequent child born

Fix the water mains

Replace or rehabilitate 350km of aged water mains with higher risk of leakage over the coming five years

See **SCMP Plus** for more

Source: HKSAR Government

By Davies Christian, Jeffie Lam, Kaliz Lee, Rocio Marquez, Henry Wong, Brian Wang