

By hand

7 December 2016

The Honourable LEUNG Chun Ying GBM GBS JP
The Chief Executive
Office of the Chief Executive
Tamar
Hong Kong

Dear Mr LEUNG

**Views from the Hong Kong Institution of Engineers to the Chief Executive for
Formulation of 2017 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 consideration in the preparation of the 2017 Policy Address.

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

Yours sincerely



Ir Joseph CHOI Kin Hung
President
The Hong Kong Institution of Engineers

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JKHC/WC

Enclosure

**Views from the Hong Kong Institution of Engineers
to the Chief Executive for Formulation of 2017 Policy Address**

General

The Hong Kong Institution of Engineers (HKIE) is eager to join hands with the Administration and the community to strive for a great future for Hong Kong. In view of the uncertainties and challenges in the global environment, the HKIE urges the Administration to devise strategic plans for grasping more development opportunities. In particular, the HKIE advocates strengthening Hong Kong as the strategic business and development partner with the Mainland and global countries, pursuing balanced economic development, and constructing a desirable living condition for all citizens in Hong Kong. Our various suggestions to the Administration for the forthcoming 2017 Policy Address are elaborated in the following paragraphs for consideration.

Strengthening Hong Kong's Role as a Strategic Partner

2. The HKIE believes that the Administration should promote Hong Kong as the most preferred business and development partner with the Mainland and other countries. Hong Kong has long been positioning as the business and manufacturing middleman, as we play as the trade entrepot and assist in ushering overseas investment, technology and management expertise into the Mainland. Hong Kong has also a role in providing assistance to the Mainland businesses to reach global markets.
3. As the recent Mainland Authority's "Belt and Road" Initiative takes shape, the HKIE strongly believes that Hong Kong should grasp this unprecedented opportunity to better equip and prepare ourselves to be the "super-connector" that can secure more long-term economic development opportunities. To enable so, the Administration should step up measures to enhance the hardware and software readiness of Hong Kong.
4. The HKIE has always stressed that Hong Kong should continue upgrading the infrastructures, especially in respect of transportation, information technology foundation, logistics facilities, and meeting/ convention accommodations to cater for related business and development needs. The enhanced infrastructures would be significant to attract more global and regional business dealings, import/export trade, and various technology and cultural exchanges brought from the "Belt and Road" Initiative to take place in Hong Kong. In return, further opportunities for employment and entrepreneurial venture could be brought to Hong Kong for generating wealth.
5. Hong Kong should also enhance the soft power and facilitate more international interactions. The Administration is suggested to consolidate resources and endeavours in securing more opportunities for hosting international events, conventions, meetings and exhibitions, as well as cultivating Hong Kong as the breeding ground for creativity and cultural exchanges. Hong Kong should also

enhance human capital to foster our next generations with international experiences and wider horizons. We need to devise attractive measures to retain local talents and attract overseas talents to Hong Kong for our future development.

6. The Administration should consider setting up more liaison networks in other countries to promote the “HK Brand” for our professional services and expertise. With the renowned expertise of the Hong Kong engineering professionals, the HKIE invites the Administration to provide more assistance to support Hong Kong engineers in pursuing development opportunities under the “Belt and Road” Initiative.

7. The HKIE believes that the collaboration brought from the “Belt and Road” Initiative is more than just in businesses, but also in cultural, technological and innovation aspects. To maintain Hong Kong’s international role and significance, the Administration is expected to develop a vision with policies to drive Hong Kong to be the hub of global talents and innovation in the coming decades.

Pursuing Balanced Development

8. Our success in the past decades has hinged on promptly responding to global development, and Hong Kong has emerged from relying on manufacturing to finance and service sectors as the economic driver. While it is agreed to sustain the development in these sectors in the future, the HKIE advocates diversified economic development so as to be resilient against economic turmoil and to secure more development opportunities. Hong Kong should conduct regular assessment on the techno-economic and market environment to plan for developing other potential economic drivers. We expect that more measures should be taken to foster multi-sector development to strengthen the bedrock of Hong Kong economy.

9. The HKIE believes that one of the strategic directions worth serious consideration is re-industrialisation. The “Industry 4.0” vision has ignited new hopes for economic stimulation, and the Mainland’s initiative on “Made in China 2025” further reflects the global focus on pursuing new age of industrial development. To seize the opportunity, Hong Kong should identify tangible means to develop high-end industries that are suitable for the circumstances of Hong Kong under the “Industry 4.0” concept.

10. More measures are suggested to lay down the favourable foundation for re-industrialisation, such as developing purpose-built industrial zones, enhancing the IT infrastructures and communication network. The Administration should closely communicate with the industrialists, technologists and professionals in promoting the application of modern technology in Hong Kong industrial development, and attract more enterprises to transfer suitable industrial processes such as design, R&D, and value-adding production operations to Hong Kong.

11. The drive for re-industrialisation in Hong Kong and surrounding regions would also create further development opportunities for testing & certification and logistics sectors. Hong Kong has to exploit the potential to establish as the regional product testing and certification centre, which further facilitates Hong Kong and the the Pearl River Delta Region in pursuing industrial development on advanced and high-end manufacturing.

12. Also, Hong Kong with the locational advantage and infrastructural base should continue developing as a logistics hub with strategic focus on high-end products and parts. We agree to continue upgrading port facilities and speeding up the development of logistics parks in Lantau and New Territories New Development Areas. Purpose-built logistics sites should be introduced for efficient use of land and release of the brownfield sites for other suitable development purposes.

13. Pursuing multi-sector development and re-industrialisation requires continuing pursuit of innovation and technology development and application. The HKIE has been in recent years advocating the Administration to commit on intensifying investment in innovation and technology. It is, however, noted that Hong Kong has been lagging behind other developed areas in the proportion of R&D spending in the Gross Domestic Product. The comparatively slower pace in pursuing technology development would in the long run hinder Hong Kong from teaming up with other overseas partners in securing new economic opportunities. Therefore, the HKIE suggests the Administration to progressively increase the investment in R&D. We also hope that the Innovation and Technology Bureau would set more strategic plans with mid- and long-term goals to enhance application of technology in Hong Kong economy and people's living. To this end, we agree that Hong Kong should set performance indicators to monitor the local technology development, and drive for closer partnership among the public/ private/ academic sectors in technology development and application. More supportive measures should also be made available to the small and medium enterprises to encourage venture on innovation and application of new technology in business operations. We believe that the Administration should take the lead in triggering more private sector's involvement and cooperation with academic institutions in mid-stream research. After all, we wish the Administration to arrange more activities for promoting the culture of innovation and technology in the community and schools.

14. As a professional body reflecting Hong Kong engineers' voices, the HKIE reiterates the importance of engineering development to the economy, and hopes the Administration to put forward more measures to facilitate the engineers in contributing to Hong Kong. To sustain and enhance Hong Kong engineers' contribution in the future, the HKIE would like the Administration to continue sufficient funding to the tertiary institutions in providing post-secondary level of studies in various engineering disciplines to foster the next generation of engineers and engineering technologists. The HKIE urges the Administration to reinforce the STEM (Science, Technology, Engineering & Mathematics) education in the curriculum and extra-curricular activities of primary and secondary schools. We welcome the Administration to negotiate and introduce more collaboration agreements and technology transfer partnership with the Pearl River Delta Region and other Asian countries. A platform to facilitate Hong Kong talents and researchers to participate in the Mainland and overseas research and innovation projects is suggested to be developed.

15. With the "Belt and Road" Initiative taking shape, there will be a higher demand for professional services in various projects and development in the concerned regions and countries. We hope the Administration to actively communicate with the professionals to understand their needs, and to assist the Hong Kong professionals, including the engineers, to pursue continuous professional development and to seize

the opportunities in local and overseas initiatives.

Desirable Living Condition

16. The ultimate purpose of various development proposals is for better livelihood and well-being of the citizens. The HKIE would like the Administration to plan and build Hong Kong as a smart, green, safe and comfortable place for living and working.

17. The HKIE supports the Administration to continue setting tangible and sustainable plans to increase the land supply and prepare long-term land reserves to cater for residential needs of the citizens and other development initiatives. We opine that efficient land use measures such as developing underground space, caverns, and brownfield sites are to be ambitiously devised. With sufficient environmental protection and conservation measures in place and proper consultation with the stakeholders, the HKIE supports the development of Lantau to cater for the long-term land need.

18. To ensure that our citizens can reap the benefits of modern technology in their living, the HKIE welcomes the Administration's vision on smart city. We look forward to seeing progress in implementing the smart city initiatives not just in Kowloon East but also in the future new development areas as well as in old districts redevelopment. The HKIE recommends the Administration to lay down milestones and tangible mid-term goals of developing Hong Kong as a smart city comparable to other pioneers in the world. The Administration is suggested to enhance partnership in promoting technological applications in modern living, starting from encouraging more public services and utilities (e.g. public transport, water, power) to engage smart living to the households/ customers (e.g. smart metering, road traffic information), so as to gradually achieve "smart mobility", "smart environment", "smart citizen", "smart living" and "smart government". After all, we believe that smart city is a vision that requires close interaction among the Government, various sectors in the community and the citizens to achieve.

19. Nevertheless, the smart city must base on the environment that is safe and healthy for living and working. In recent months, people in Hong Kong encountered incidents related to issues of fire safety, tree management, water consumption, building safety etc. The HKIE opines that the Administration is to better coordinate among the various Bureaux and Departments to drive for addressing the citizens' concern for safe living through strengthening the monitoring measures, reviewing/ updating relevant regulations, and devising preventive action plans.

20. The Administration should make every effort to protect our environment. Funding for projects and researches that relate to environmental protection and green engineering should be increased. Hong Kong should also look for more opportunities to collaborate with the Pearl River Delta Region in water, air, and ecological quality monitoring and pursuing enhancement measures for green living.

21. Within the Hong Kong community, we welcome the Administration to initiate more actions to encourage 3Rs (Reduce, Reuse, & Recycle). We suggest the Administration to provide more support to the recycling industries, and to set new

initiatives to enhance waste reduction awareness and encourage households on waste recycling.

22. The HKIE considers that maintaining good air quality is essential to the health of the citizens. As one of the important means in enhancing roadside air quality, the Administration is proposed to set a progressive target to make electric vehicles (EVs) popular in Hong Kong. The Administration should set a holistic policy in EVs, from providing better EVs charging solutions to the users, to facilitating comprehensive tactics in management and operations for the peripheral facilities and developing/application of modern EVs technology. The Administration should take the lead in adopting EVs for Government vehicles, and should encourage public transportation companies and other sectors to use more EVs. More funding support should be considered for research on EVs technology and training of EVs technical personnel.