

Executive Summary of the 2024 Policy Address Submission The following paragraphs summarise a submission with detailed suggestions made ahead of the 2024 Policy Address by the European Chamber of Commerce in Hong Kong (EuroCham), on behalf of its board, members, and business councils to the Hong Kong SAR Government for consideration.

Hong Kong's Tourism Industry Tourists are coming back but they do not see Hong Kong as a holiday destination. Most people visiting from Europe still perceive Hong Kong as a hub or a transit place. We recommend inviting European travel agencies based in Hong Kong to contribute to Government policies.

Supporting Hong Kong's Wine and Spirits Industry We recommend that the Government reduces the excise tax levied on spirits above 30% ABV from 100% to a specific tax scheme with HK\$75 per litre of pure alcohol content. This could facilitate the growth of Hong Kong into Asia's spirits auction hub.

Sustainable Finance Hong Kong has the vision to become a leading center for green and sustainable finance, for the Mainland and, more broadly, the APAC and the world. We propose the establishment of a Green Transition Steering Group comprising government, industry, and academia, focusing on creating a robust ecosystem for green investments. EuroCham invites the Government to take note of the EU Energy Performance of Buildings Directive, to reduce GHG emissions.

Green Mobility Eurocham welcomes the FRT concession applicable for EVs will be extended and wishes a roadmap for beyond 2026. We recommend offering incentives to local EV battery recycling. Eurocham recommends that the government adopts the UNECE Vehicle Type Approval regulations. We recommend updating the regulations related to Advanced Driver Assistance Systems.

Hong Kong as a Digital Innovation Hub EuroCham is committed to supporting the Government and Hong Kong regulators to position Hong Kong as a leading global hub for virtual assets and currencies, including the introduction of e-HKD. We would like to encourage the Government to avoid prescriptive AI regulations and instead maintain a technology-neutral, risk-based and outcomes-focused approach

GBA Development The development of the GBA holds vast potential for members of the European business community in terms of trade, investment, and technology. Real cross-border

frictions remain, such as onshore capital controls. We applaud the introduction of the Mainland Travel Permit for Hong Kong and Macau Permanent Residents (Non-Chinese Citizens), and would encourage relevant authorities to expand the scheme to non-permanent residents as soon as possible, thus strengthening Hong Kong's positioning as a regional hub for European companies. Real cross-border frictions related to unnecessary bureaucracy remain, resulting in sub-optimal mobility of people, goods, services, and capital. As Europeans, having realized a uniquely integrated economy on our home continent, we are keen to share lessons learnt with governments, and business organizations across the GBA. EuroCham would welcome and support a GBA cross-border government-industry roundtable.

Talent Attraction There is a need to make Hong Kong even more attractive to talent from outside the region, including Europe-based talents. EuroCham welcomed and supported recent policies such as the Top Talent Pass Scheme, but attracting researchers and faculty staff is important as well. We would encourage the Government to promote Hong Kong universities around the world and, in particular, Europe.

By implementing these strategic recommendations, the Hong Kong SAR Government can reinforce its status as a global business hub.