AmCham

The American Chamber of Commerce in Hong Kong
Submission on the First Five-Year Plan

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Executive Summary

The American Chamber of Commerce in Hong Kong (AmCham) commends the HKSAR Government for initiating a city-wide consultation on Hong Kong's inaugural Five-Year Plan and welcomes the opportunity to contribute to this strategic blueprint.

Hong Kong's long-standing success as a global trade and financial center rests on its unique position as the gateway between East and West, as well as its vital role as a "super value-adder." To maintain this competitive edge while aligning with the 15th National Five-Year Plan, it is essential to reinforce Hong Kong's core "super-connector" strengths including its bilingual common law system, international character, the established financial market, and the robustness of its "two systems" characteristics. AmCham also recognizes significant potential to leverage off "one country", deepen regional integration, cultivate emerging industries, and solidify Hong Kong's position as a regional hub for innovation and technology as outlined in the national plan.

Looking ahead to the next five years, a strong rule of law, a unique common law system, and an unyielding commitment to "Two Systems", while simultaneously leveraging the opportunities of national integration, provide the bedrock of Hong Kong's ability to thrive amid intensifying global and regional competition. AmCham encourages the Government to leverage the dual advantages of "One Country, Two Systems" with a non-zero-sum approach to maintain Hong Kong's distinctiveness as an international business hub and to commit to seamless alignment with the national plan to unlock the full potential of Hong Kong's role as the "super-connector".

To support Hong Kong's continued growth, AmCham has gathered members' views to present this submission, which outlines high-level, strategic recommendations from the international business community.

Part 1 – Northern Metropolis

The National 15th Five-Year Plan explicitly supports expediting the Northern Metropolis development, backed by targeted government initiatives. Recently, the Government introduced the Northern Metropolis Development Bill to the Legislative Council, empowering the administration to facilitate cross-boundary flows of personnel, materials, capital, and data. To sustain momentum, large-scale infrastructure development in the five years ahead will require comprehensive financing mechanisms, effective governance, coordinated planning and stronger public-private collaboration. AmCham welcomes efforts to mobilize private capital for joint financing channels and recommends:

- Establish a single statutory entity to streamline coordination and facilitate public-private partnerships.

- Promote coordinated planning between computing infrastructure and supporting power grid development to enhance the overall resilience of the Northern Metropolis computing ecosystem, thereby supporting Hong Kong's development as an international Innovation and Technology centre.

- Enhance Hong Kong's competitiveness through more efficient infrastructure delivery by establishing a dedicated cross-utility coordination mechanism covering electricity, gas, telecommunications, water supply and drainage to strengthen planning coordination and information transparency, and streamline approval processes for strategic development projects.

- Utilize platforms such as the Hong Kong Investment Corporation to bring in institutional and private investment for strategic development projects.

- Enhance public-private coordination and engage the Financial Advisory Taskforce on sustainable financing strategies; explicitly expand Taskforce participation by inviting long-term institutional investors (asset managers, insurers, pension funds) as observers.

- Introduce targeted policy support for international schools in the Northern Metropolis to complement Education Bureau site reservations, creating a seamless primary-to-tertiary education ecosystem, including a vibrant University Town.

Part 2 – Economy, Finance and Trade

Strengthening Hong Kong's Unique Legal System

Hong Kong's "One Country, Two Systems" is the foundation for its success and a core pillar of the city's attractiveness. AmCham acknowledges the Government's commitment to upholding the "One Country, Two Systems" framework, particularly Hong Kong's distinct legal and regulatory system that strengthens its global status. To maintain Hong Kong's leading position in the long term, AmCham recommends:

- Maintain Hong Kong's unique bilingual common law system as a core pillar, and explicitly promote Hong Kong as the bridge between the international business community and the Chinese Mainland.
- Continue to endorse and build on the legal services, arbitration, common law, and dispute resolution commitments.
- Bolster international legal partnerships and demonstrate through action the independent judicial system of Hong Kong.

Reinforce Hong Kong's Competitiveness as an International Financial Center

Hong Kong's long-standing status as an international financial hub not only facilitates entry for international investors into the Chinese Mainland, but also enables Chinese enterprises to go global, as outlined in the national plan. To further reinforce Hong Kong's long-term competitiveness while aligning with national development goals, AmCham recommends:

- Reinforce Hong Kong's leading listing position, enhance secondary market liquidity and cost efficiency, and advance the Securities and Future Commission (SFC)'s Fixed Income and Currency roadmap.
- Deepen Greater Bay Area (GBA) cross-border wealth integration by expanding Wealth Management Connect quotas, widening eligible product scopes, delivering pragmatic cross-border client engagement guidelines, and synchronizing regulatory roadmaps with Chinese Mainland authorities to accelerate infrastructure readiness.

- Enhance Hong Kong's competitive position as the premier global base for family offices and GBA private wealth by modernizing client onboarding and KYC processes.

- Support responsible AI adoption through a principles-based regulatory approach that balances innovation with risk management, while facilitating the commercialization and scaling of digital asset and tokenization initiatives.

- Expand Hong Kong's green taxonomy and disclosure standards to corporate reporting and equity markets, align fund labelling and emissions accounting, incorporate forward-looking transition indicators and adaptation risks (such as heat stress), and collaborate with industry to bridge ESG data and capability gaps to mobilize transition capital.

- Accelerate the development and implementation of the Hong Kong Monetary Authority's Hong Kong Taxonomy for Sustainable Finance (Phase 2B), including nuclear energy as a zero-carbon activity aligned with the national Green Bond Endorsed Projects Catalogue (2025 Edition), as well as Carbon Capture, Utilization and Storage (CCUS) and other transition-enabling technologies and assets.

Commodity Trading Ecosystem

AmCham welcomes the Government's ongoing initiatives to build Hong Kong into an international commodity trading hub, representing a significant opportunity to diversify the local economy and reinforce its role as a super-connector between the Chinese Mainland and global markets.

- Continue progressing key market initiatives, such as the International Gold Trading Centre, and establish a coordinated cross-regulatory approach across authorities, including Hong Kong Monetary Authority (HKMA) and SFC to drive market development.

- Simplify visa and employment procedures for experienced commodity trading professionals and strengthen settlement infrastructure to enhance Hong Kong's talent competitiveness.

- Strengthen complementary sectors for the trading industry—including logistics, insurance, shipping, warehousing, trade finance, and risk management—to build a fully integrated trading hub.

Reinsurance & Marine Insurance

Tax competitiveness, regulatory efficiency, and coordinated government support will be important in strengthening Hong Kong's competitiveness as a regional reinsurance hub, particularly in marine cargo insurance, where Hong Kong already plays a leading global role. To this end, AmCham recommends the Government to:

- Introduce targeted incentives to attract regional headquarters, specialized reinsurance functions (including marine cargo insurance/reinsurance), and multinational insurers to Hong Kong.

Part 3 - Innovation, Technology, and Industry Development

AmCham welcomes the Hong Kong Government's continued efforts to drive innovation, technology adoption, and digital transformation across sectors. To continue building Hong Kong into an international innovation and technology hub as outlined in the national plan, AmCham suggests the below:

Maintain Hong Kong's Position as Digital Economy and Tech Hub

- Continue to maintain technology-neutral and innovation-friendly policies that encourage competition and enable businesses to adopt the most effective solutions.

- Ensure that the enforcement of the Critical Infrastructure Ordinance and other technology-related regulations or guidelines align with international standards to mitigate compliance costs and sustain Hong Kong's attractiveness for international businesses.

- Promote the adoption of cloud technologies and emerging innovations, including autonomous vehicles, as drivers of economic transformation and competitiveness.

Enhancing AI Development and Governance

- Consider making more data available to the public, businesses, and academia for research and commercial purposes, so that Hong Kong can fully reap the benefits from the data-driven AI age.

- Where existing laws are insufficient to address AI, the government should update existing regulations rather than create a separate, one-size-fits-all AI framework.

- Expedite the issuance of compliance guidelines for AI-driven financial risk management and set clear standards for AI deployment in cross-border payment fraud detection and transaction risk control.

Reinforce Hong Kong's Role as a Hub for Cross-border Digital Commerce

- Position the city as an Asia-Pacific hub for cross-border digital commerce and Chinese Mainland direct-to-consumer exports.

- Extend government SME funding schemes to cover cross-border payment system development, international risk management, currency conversion, and chargeback mitigation to address gaps in cross-border payment infrastructure.

- Provide subsidies for payment compliance advisory for new cross-border brands and merchants.

- Establish a public-private anti-fraud information sharing platform that unites licensed payment operators, banks and law enforcement bodies, facilitating joint efforts to tackle fake merchant operations and payment fraud, protecting Hong Kong's credibility as a reliable location for cross-border e-commerce businesses.

Talent and Workforce Development

- Expand talent attraction, training, and upskilling initiatives to develop expertise in risk management, regulatory compliance, and cross-border business operations to address talent shortages in high-growth sectors, including fintech, AI, digital commerce and cloud computing.

Part 4 – People's Livelihood and Social Development

A vibrant, inclusive society and a sustainable healthcare system are fundamental to attracting and retaining international talent in Hong Kong. AmCham commends the Government's proactive measures to address demographic shifts. To support long-term population vitality, strengthen financial resilience for retirees, and build a sustainable healthcare system, AmCham recommends:

Healthcare

- Evaluate public healthcare through a value-based framework and prioritizing overall clinical outcomes while leveraging private sector capacity and insurance mechanisms to ensure fiscal sustainability.

- Accelerate the translation of regulatory approvals into practical patient access, maintain an internationally competitive and predictable R&D ecosystem, and establish clear, modern governance frameworks for medical devices, digital health, and health-data technologies.

Silver Economy & Retirement Security

- AmCham commends the establishment of the Working Group on Promoting the Silver Economy, explicitly supporting "financial and security arrangements" as a core focus pillar.

- Partner with private sector institutions to leverage industry expertise in developing and scaling long-term retirement and longevity financial solutions.

Social Mobility and Financial Inclusion

- Create employment pathways for adults with special educational needs with an approach that connects training to real labor market outcomes.

- Adopt a catalytic capital approach that uses philanthropic and blended finance to strengthen the infrastructure that helps capital reach underserved people, businesses and communities.

- Establish a shared data infrastructure for community finance and other inclusion-focused intermediaries in Hong Kong.

Part 5 – Development of Regional Co-operation

Deeper regional integration remains essential for solidifying Hong Kong's position as a regional hub and primary gateway to the Chinese Mainland. AmCham welcomes ongoing government efforts to enhance connectivity across the Greater Bay Area (GBA) and expand international trade partnerships. To drive cross-boundary flow of data, capital, and talent while broadening Hong Kong's global footprint in emerging markets, AmCham recommends:

GBA Integration and Cross-Border Connectivity

- Riding on the development of the Northern Metropolis, policy and standard harmonization between Hong Kong and other cities of GBA is proposed to support Hong Kong's development as an international innovation and technology center and promote Hong Kong's integration into GBA.

- Deepen GBA financial inclusion and expand international market connectivity to facilitate seamless cross-boundary capital and business flows.

- Continue enhancing collaboration and practical legal cooperation across the GBA to reinforce Hong Kong's role as the region's leading international legal and dispute-resolution services center.

- Improve seamless movement of people and data by:

    - Not imposing data localization requirements for the public and/or private sectors and stringent restrictions on cross-border data transfer. Consider extending the facilitation measure of "Standard Contract for the Cross-boundary Flow of Personal Information within the GBA" to other data center hubs in the Chinese Mainland such as the Beijing-Tianjin-Hebei Region, Yangtze River Delta and Ningxia Hui Autonomous Region.

    - Introduce a simplified mechanism for consent-based cross-border transfer of cross-border e-commerce payment data. This will permit Hong Kong merchants to securely share order and payment information with overseas platforms without compromising data privacy safeguards.

- Ensure that the regulatory framework for point-to-point transportation services, including the forthcoming private hire car regime, accommodates cross-boundary and GBA-oriented use cases. This includes ensuring sufficient licensed supply of vehicles authorized to serve high-demand cross-boundary corridors and enabling data-driven capacity planning that responds to fluctuating cross-boundary travel volumes.

Global Trade Partner Expansion

- Increase high-level trade missions, investment promotion activities, and bilateral business exchanges with emerging economies, particularly across Central Asia, ASEAN, the Middle East, and Africa, but not foregoing the formidable connections and history with European and American business partners.

Part 6 - Integrated Development of Culture, Sports and Tourism, Green Living, and Other Areas

Enhancing Hong Kong's soft power, livability, and sustainable urban ecosystem is vital to maintaining its appeal as a world-class international business hub. AmCham supports the Government's vision to commercialize the sports sector and advance carbon neutrality goals under the Climate Action Plan 2050 (CAP 2050). To foster a thriving sports economy and strengthen public-private trust in green transitions, AmCham recommends:

Sports Industry Development

- Strengthening Hong Kong's overall ecosystem for hosting mega international sports events and lower "M" Mark funding thresholds to support international sports event hosting in Hong Kong.

- Drive industry growth and build institutional confidence by enhancing National Sports Associations governance and corporate compliance, introducing tax and policy incentives to attract private capital into local sports IP and tech, and fostering cross-sector collaboration across education and social services.

Sustainability & Carbon Neutrality

- Publish regular, transparent progress updates and implementation data regarding specific milestones under CAP 2050.

- Establish a continuous, inclusive public consultation mechanism that actively involves diverse business and community stakeholders in reviewing climate progress, fostering greater policy transparency and cross-sector alignment.

- Establish a government-led cross-sector climate resilience task force that brings together relevant bureau and departments, utilities and industry stakeholders to strengthen Hong Kong's resilience to increasingly frequent and severe extreme weather events and support long-term sustainability.

- Support Hong Kong's medium-term decarbonization objectives by increasing imports of traceable nuclear power and renewable energy from Guangdong to provide a stable, long-term and transparent clean energy supply.