

PRESS RELEASE

Hong Kong, 22 February 2023 – Independent public policy think tank Civic Exchange welcomes the publication of the Hong Kong SAR Government’s 2023-2024 Budget (budget) and the Government’s commitment to revive Hong Kong’s economy, build a liveable city, and propel Hong Kong towards our 2050 carbon neutrality target.

The heightened concerns on economic recovery and social revitalisation have grasped a foothold on the budget’s agenda. We appreciate the government’s measures to stabilise the economy during downturns and alleviate burdens on individuals. We hope the proposed measures will pave the way for the steady revival of economic activities.

We welcome the alignment with national development strategies and to position Hong Kong to spearhead high quality development of the GBA. Apart from strengthening work in the eight key areas as mentioned in the 14th Five-Year Plan¹, we recommend the Government to articulate further on how to collaborate with authorities and markets in the GBA.

The budget reaffirms the government’s commitment to sustainability, low-carbon development, and a transition to net-zero emissions, demonstrating its clear vision for the future. The government must hold onto the opportunities brought by “3060 Dual Carbon Targets”, henceforth, actualising Paris Agreement on limiting global warming to well below 2°C. In tandem with national and international targets, Hong Kong should seek to unveil the reification of decarbonisation measures.

We appreciate the Government’s ambition to develop Hong Kong into an international green technology (GreenTech) and green finance (GreenFi) centre. Establishing a Green Technology and Finance Development Committee to formulate an action agenda to achieve this vision is a step in the right direction. In order to solidify Hong Kong’s position as a leading green technology and finance cluster, we urge the formation of the committee to be set up in a timely manner. The formation process and subsequent plans should also be inclusive and transparent. We encourage the government to announce concrete measures and expected timeline to outline a clear plan to achieve the vision.

We applaud the Government’s injection of funds to decarbonise the transport sector, including support towards trials of hydrogen fuel cell electric double-deck buses and heavy vehicles, the construction and trials of electric ferries and associated facilities, and the transition to battery electric taxis. The innovative use of new energy vehicles is in alignment with the long-term target on zero carbon emissions from vehicles before 2050.

¹ The 14th Five-Year Plan has supported the development of Hong Kong in eight key areas (“eight centres”), including the international financial centre, international innovation and technology centre, East-meets-West centre for international cultural exchange, international trade centre, international shipping centre, international aviation hub, centre for international legal and dispute resolution services in the Asia-Pacific region as well as regional intellectual property trading centre.

Most importantly, we notice that funding towards climate mitigation and adaptation are not widely mentioned. We urge the Government to provide a breakdown of the \$240 billion budget allocation for the next 15 to 20 years that was announced in the 2022 Policy Address. By doing so, the Government can ensure that the funds are being allocated effectively to support Hong Kong's transition towards a more sustainable and resilient future.

While we appreciate the Government's effort to address the urgent climate crisis, the urgency of the issue demands a swift and effective response. The Government must ensure that it is transparent in its decision-making processes and engages with stakeholders to develop and implement effective decarbonisation strategies. We urge the Government to enhance the transparency and accountability of the Office of Climate Change and Carbon Neutrality.

To conclude, Civic Exchange welcomes the Hong Kong SAR Government's 2023-2024 Budget. The budget reaffirmed the commitment to revitalise the economy and achieve carbon neutrality. We appreciate the focus on sustainability, including leverage technology and finance, and encourage the Government to continue its efforts to enhance transparency and accountability in climate action.

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