

民主思路2025 施政報告建議書

2025 POLICY ADDRESS PROPOSAL
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Executive Summary

Recommendation 1: Enhance English Proficiency Among Primary and Secondary Students to Strengthen Hong Kong's International Competitiveness

Hong Kong has seen a decline in English proficiency in recent years, falling behind several Asian cities, which undermines its international status and commercial competitiveness. The government should reform the curriculum, supplement teacher resources, and apply AI language tools to promote practical English learning and technology-assisted language education. This aims to improve students' English capabilities, teaching quality, and learning motivation, thereby consolidating Hong Kong's multi-lingual competitiveness and international image.

Recommendation 2: Promote the Internationalization of Education in Hong Kong and Broaden Students' Global Perspectives

With high-end talent families settling in Hong Kong, educational needs are becoming increasingly diverse, and students' international perspectives need to be expanded. The number of international schools and available places should be increased, overseas internships funded, visa processes for the incoming talents optimized, and Southern Studies programs established to enhance international exchange platforms. This can strengthen Hong Kong's position as a hub for talent and education from both local and international contexts, nurturing a new generation with a global outlook.

Recommendation 3: Develop Hong Kong's Tourism and Event Economy

Hong Kong aims to become a cultural and tourism center in Asia, but current event planning and brand development still need enhancement. It is recommended to develop water sports events, sports tourism, social platform content creation, and celebrity cultural attractions. This will diversify tourism, enhance the city's cultural soft power, and generate economic benefits, attracting international attention.

Recommendation 4: Position Hong Kong as an International Innovation Center and Technology Trading Hub

In the face of global technological competition and supply chain restructuring, Hong Kong has the potential to develop into a center for research commercialization and innovation. Initiatives like establishing a "Technology Exchange" and a "Medicine Development Center" should be introduced to create a closed loop for research and development, clinical applications, and commercialization. This will strengthen the technological value chain position, promote high-end industry clustering, and establish a Hong Kong innovation brand.

Recommendation 5: Developing the Space Economy

Hong Kong's space economy is currently in its nascent stage. Leveraging local manufacturing capabilities and international business collaborations, the city possesses strong potential and advantages to capture emerging market opportunities. It is recommended that the Government promote the application of "satellite + 5G" technologies in smart city development and cross-border agricultural monitoring, establish a "Space Economy Development Fund" and explore asset securitization models, as well as launch relevant academic programs at universities and attract overseas talent in the space industry to create a comprehensive industrial and talent ecosystem. These measures are expected to accelerate the localization and industrialization of Hong Kong's space economy, further consolidate its position as a regional innovation hub, and drive economic growth and employment transformation.

Recommendation 6: Enhance Market Vitality and Promote Innovation and Intergenerational Collaboration

Small and medium enterprises (SMEs) and startups often lack strategic support, while public awareness of financial technology remains limited. To address these challenges and unlock economic potential, the following measures are proposed: it is essential to promote digital asset education, establish a DAO regulatory framework, and set up a corporate mentorship platform. These measures can enhance industry ethics, encourage innovation and knowledge transfer, and invigorate market vitality and economic potential.

Recommendation 7: Create Cultural and International Exchange Platforms for Youth

Young people face limited access to participation platforms and lack international exposure, which restricts their opportunities for creative development. To address these challenges, the following measures are proposed to empower youth and foster their growth: Optimize "Youth Hub" and "Youth Ambassador Program" respectively ; Expand Training and Exchange Opportunities. These initiatives will help youth build a stronger sense of belonging to their city, expand their international networks, and develop creative careers, ultimately contributing to a vibrant and globally connected youth community.

Recommendation 8: Strengthen Regional Governance Collaboration and Youth Participation

There is an imbalance in community resource allocation, leading to low youth engagement in local affairs. Reforms to the funding system should be implemented, clarifying the roles of three parties (district councilors, care teams, and NGOs), and

establishing district councilor-initiated platforms for youth participation and feedback mechanism by district councilors. This will facilitate cross-agency collaboration, enhance local governance efficiency, and instill a sense of public responsibility among youth.

Recommendation 9: Enhance Government Administrative Efficiency and Policy Accountability Mechanisms

Current policy oversight and accountability systems for politically appointed officials lack effectiveness, leaving room for increased departmental coordination and transparency. A "Policy Effectiveness Promotion Office" should be established, along with KPI evaluation systems and reforms to civil service promotion and accountability mechanisms. This will improve government effectiveness, save resources, rebuild public trust, and enhance inter-departmental coordination.

Recommendation 10: Implement a Pilot Program for a Centralized Sick Leave Monitoring System

Sick leave abuse undermines institutional credibility and the efficiency of public resource utilization. By utilizing a central data platform, AI analysis, and monitoring within pilot departments, an abnormal sick leave alert mechanism can be implemented. This will enhance administrative efficiency, strengthen a culture of integrity, and increase public trust in government systems.

Recommendation 11: Establish a Government-Citizen Communication Mechanism to Promote Understanding and Consensus Between National Security and Creative Freedom

The creative sector has insufficient understanding of the National Security Law, raising concerns about limitations on creative freedom and creating social tensions. A government-citizen dialogue platform should be established, legal guidelines published, and third-party monitoring of the state of creative freedom commissioned. This will help mend misunderstandings, build mutual trust, and achieve a balance that safeguards national security while respecting artistic creation.

Introduction

Upholding the Mission of “One Country, Two Systems” with Pragmatism to Promote High-Quality Development in Hong Kong

As a think tank rooted in Hong Kong, *Path of Democracy* remains committed to contributing to the country’s development through pragmatic and rational policy advocacy. At this juncture, “One Country, Two Systems” has entered a new stage, with Hong Kong’s integration into the national development framework becoming increasingly clear. Its governance structure now faces a critical opportunity for deep transformation. We firmly believe that, with the support of the Central Government, Hong Kong can leverage its institutional strengths and governance know-how to once again rise amid global competition and reaffirm its irreplaceable status.

The Central Government has repeatedly emphasized that “maintaining Hong Kong’s long-term prosperity and stability” is the core objective of implementing “One Country, Two Systems.” On this basis, *Path of Democracy* is equally convinced that although Hong Kong is small in size, it bears key responsibilities in national development and plays a unique role in the mutual complementarity of the two systems. This is not only a historical responsibility but also an opportunity for Hong Kong to reassert its value.

To ensure the long-term and steady implementation of “One Country, Two Systems,” we believe three core considerations must be met:

1. Hong Kong’s institutional characteristics must align with international standards.
2. Improving people’s livelihoods must address the fundamental need for social stability.
3. Local governance must stay synchronized with national development strategies.

These principles are embodied in our *2025 Policy Address Proposals*, organized under the framework of *Three Strategic Areas, Seven Pillars, and Eleven Recommendations*.

First, Hong Kong's institutional strengths still hold a leading edge globally, and its legal and human capital continue to carry strategic value for the nation. Despite the narrowing economic gap between Hong Kong and the Mainland after the handover, Hong Kong remains the only common law jurisdiction in China and one of the world's top three international financial centres. The decision to establish the International Organization for Mediation in Hong Kong, as well as to pilot stablecoin initiatives locally rather than on the Mainland, reflects the Central Government's strong confidence in Hong Kong's legal system and its capacity to connect with the world. This "special functional role" aligns precisely with our three economic pillars: strengthening Hong Kong's international standing, advancing industrial upgrading, and revitalizing market dynamism.

Second, true development must improve the well-being of the people. We recognize that political stability is a prerequisite for economic development, but it is people's livelihoods that underpin lasting stability. Thus, "improving livelihoods" is a core component of our policy framework. Our proposals include measures to boost youth participation, foster creative opportunities, and enhance both local and international connectivity. These are designed to ease public anxieties about the future and rebuild a shared sense of purpose and positive momentum.

Third, high-quality development requires high-efficiency governance. Only with effective governance can social harmony and stability be maintained. The Hong Kong SAR Government must first address internal governance bottlenecks and build a sound system that ensures accountability, interdepartmental synergy, and optimal resource allocation. Our key governance proposals—such as reforming the accountability system for senior officials, establishing performance monitoring mechanisms for recent policy reforms, and dismantling entrenched vested interests—aim to rebuild public confidence in government effectiveness.

Looking back, Hong Kong's prosperity was made possible by seizing historical opportunities and benefiting from the economic gap with the Mainland. This enabled it to evolve into the world-renowned "Pearl of the Orient." However, since China joined the WTO and fully opened its economy, Hong Kong has lost its status as the sole external gateway to China. Today, Hong Kong should not compete with the

Mainland, but rather position itself on the front line of China's external strategy, acting as a bridge between the nation and the world.

In conclusion, for Hong Kong to find its footing in the national development framework, it must possess both a "bird's-eye view" and "institutional resilience": it must orient itself with a global perspective while deeply understanding the evolving co-governance arrangements between the Central Government and the Special Administrative Region. With this vision, *Path of Democracy* sincerely puts forward eleven actionable recommendations to support the SAR Government in charting a path of high-quality development that is globally attuned, locally grounded, and institutionally robust.

Policy Recommendations

Economic Development: Consolidating International Status

Recommendation 1: Enhancing English Proficiency Among Primary and Secondary Students to Strengthen Hong Kong's Global Competitiveness

Proficiency in English has long been one of Hong Kong's key competitive advantages as an international hub for finance and professional services. However, according to the *2024 English Proficiency Index* (EF EPI) published by EF Education First, Hong Kong now lags behind Singapore, Malaysia, and the Philippines, revealing a concerning downward trend in local language education.

In response, the research team at Path of Democracy interviewed three veteran English educators, who identified several underlying causes for the decline in student performance:

- **Student-related factors:** A lack of motivation and perseverance, along with significantly reduced opportunities and time for English use in daily life. Overuse of smartphones and social media further crowds out time for language learning.
- **Systemic issues:** Frequent curriculum reforms have weakened schools' and teachers' focus on language education. In some cases, schools have lowered English standards to avoid putting pressure on students, prioritizing emotional well-being over academic rigor.
- **Teacher supply:** Originally, the Native-speaking English Teacher (NET) Scheme provided an immersive language environment. However, due to budget constraints, the scheme is now shrinking, undermining teaching quality.

If this trend is not addressed promptly, it may erode students' capacity to thrive in higher education, compete in the workforce, and connect with the global community.

Policy Measures

- **Curriculum Reform: Introduce a Practical, Application-based English Framework**
 - Implement an applied English curriculum from primary through secondary levels that emphasizes listening, speaking, reading, and

writing for real-world scenarios—daily life, international communication, and the workplace.

- Adopt a “support the weak, stretch the strong” policy by allocating additional resources to students with weaker learning abilities, ensuring they are not left behind.
- **Teacher Supply Enhancement: Recruit Local Graduates with International School Backgrounds**
 - Launch a “Local International School English Teacher Scheme” to attract young talents with strong language skills and international school experience into the teaching profession.
 - Provide relevant pedagogical training and certification programs to accelerate the transformation and development of the teaching workforce.
- **Technology Integration: Use AI Language Tools to Strengthen Listening and Speaking**
 - Encourage schools to adopt AI-powered language learning apps (e.g., ByteDance’s free “Doubao” app with voice recognition and interactive conversation features, providing voice output with pronunciation accuracy) to improve students’ listening and oral proficiency beyond the classroom.
 - Organize professional development workshops to help teachers become proficient in digital learning tools, fostering a blended learning culture.

Expected Outcomes

- **Improved Overall English Proficiency and Motivation**
 - A curriculum that aligns with real-life needs will inspire students to learn proactively, motivated by future workplace requirements rather than exam pressure.
 - Additional support for disadvantaged students will reduce learning gaps and promote equity.
- **Stabilized and Expanded Pool of Quality English Teachers**
 - Recruiting locally fluent young teachers will help establish a sustainable teaching ecosystem.
 - Reduced reliance on expatriate teachers will mitigate the impact of teacher attrition on teaching quality.
- **Promote Technology Integration in Education to Expand Learning Spaces and Efficiency**

- Students will be able to extend learning beyond the classroom, enhancing their linguistic sensitivity and practical use of English.
- A collaborative digital learning culture involving both teachers and parents will accelerate pedagogical innovation.

In light of the continuing decline in students' English proficiency, Hong Kong must act decisively through a three-pronged strategy of curriculum revamp, teacher development, and technological adoption. This approach will foster a more flexible and modern English learning ecosystem, reinforcing not only students' global competitiveness but also Hong Kong's linguistic foundation and its standing as a bridge between China and the world.

Recommendation 2: Promote the Internationalization of Education in Hong Kong and Broaden Students' Global Perspectives

To align with Hong Kong's goal of high-quality development and building an international innovation and talent hub, it is recommended that the SAR government comprehensively promote the internationalization of the education sector and expand students' international perspectives and global experiences through diverse strategies.

Policy Measures

- **Expand the International School Network to Attract High-Caliber Families to Settle in Hong Kong**

With the implementation of various talent immigration schemes, nearly 180,000 applications had been received as of April 2025, with 120,000 high-end talents having moved to Hong Kong, a significant proportion of whom are family migrants, creating new demands for local primary and secondary education resources. It is suggested that the government proactively introduce well-reputed international school brands that have yet to establish campuses in Hong Kong (e.g., Avenues, Green School, Rugby School) to provide more diverse educational options, enhancing Hong Kong's appeal as an international education hub and consolidating its talent aggregation advantages.

- **Fund Local University Students for Overseas Internships and Exchanges**

Implement a "University Student Overseas Internship Subsidy Program" to allow local youth to engage with different cultures and work environments, building international perspectives and diverse thinking. This program can collaborate with major mainland enterprises' overseas sites in countries along the "Belt and Road" to help students acquire global operational capabilities

and align with the government's "going out" strategy to enhance the international competitiveness of Hong Kong's younger generation.

- **Enhance Attraction and Support for Non-Chinese International Talent**

Further optimize visa application processes, provide tax incentives and living support services to attract more professionals from around the world to settle in Hong Kong. Establish an "International Talent Support Center" to assist expatriates and their families in adapting to Hong Kong's living and educational systems, promoting educational diversification and cultural exchange.

- **Strengthen Hong Kong's Educational Foundation as a Connector Between China and the Global South**

Hong Kong should leverage its bilingual and dual-system advantages to further develop a "Global South Regional Studies" university curriculum system covering language, economics, policies, and cultural aspects. Drawing on examples from institutions like the National University of Singapore, interdisciplinary research centers and modular courses should be developed to cultivate complex talents for strategic cooperation between China and regions in Asia, Africa, and Latin America.

- **Deepen Mechanisms for Cultivating International Perspectives Among Secondary School Students**

As the Liberal Studies subject transitions to Citizenship and Social Development, students' opportunities to engage with international issues may be limited. It is recommended to enhance global issue modules within the curriculum and encourage schools to offer more extracurricular learning programs related to current affairs and international relations. Additionally, establish platforms for short-term exchanges, overseas volunteer opportunities, and inter-school joint Model United Nations activities to guide students in paying attention to global trends and developing a sense of international responsibility.

Expected Outcomes

These comprehensive recommendations will enhance the internationalization of Hong Kong's education system, attract more foreign talent, and broaden students' international perspectives, thereby strengthening Hong Kong's strategic role as a bridge between China and the world in education and talent, injecting a new generation of individuals equipped with global vision, cultural adaptability, and innovative thinking into future societal development.

Economic Development: Promoting Industrial Upgrading

Recommendation 3: Promote the Development of Hong Kong's Tourism and Events Economy

In response to the national designation of Hong Kong as a "East-meets-West Centre for International Cultural Exchange," and to solidify its status as Asia's events capital and tourism hub, it is recommended that the SAR government introduce new elements to comprehensively promote the integrated development of tourism and events economy, enhancing the city's attractiveness and international image. This can be achieved through the following four directions:

- **Develop a Unique Water Events Blueprint for Hong Kong, Creating a New Marine Cultural Brand for Victoria Harbour**

Conduct a "Feasibility Study for Water Events at Victoria Harbour," establishing water management regulations, safety measures, and environmental guidelines to plan a sustainable framework for water activities. Build coastal stages and temporary docks in the waters from Central to Causeway Bay, regularly hosting water music festivals, light and shadow boat parades, and international sailing competitions. Upgrade the traditional Dragon Boat Festival to the "Victoria Harbour Water Carnival," incorporating fishing culture. Additionally, it is suggested to establish an "Event Economic Impact Assessment Framework" to carefully evaluate the inputs and outputs of each event, prioritizing funding for those with cultural and economic radiance while avoiding resource misallocation.

- **Develop a National Football Economy, Creating a New Engine for Sports Tourism**

Utilize the Kai Tak Sports Park as Hong Kong's home ground, forming a local team to participate in the Chinese Super League, thereby integrating into the national sports market through professional development and increasing domestic and international attention on the events. It is advised to plan a "Sports Tourism Package" that combines hotels, dining, retail, and nightlife activities, creating multi-layered economic benefits and transforming sports activities into tourism consumption hotspots to drive regional development.

- **Enhance Co-Creation of Tourism Content and Promotion through Social Platforms**

Introduce a "Co-Creation Promotion Pilot Program" where local tourism stakeholders and overseas youth receive small tokens of appreciation to create short videos introducing Hong Kong's urban culture, traditional arts, and

creative attractions. Strengthen collaborations with social platforms like TikTok, Instagram, and Xiaohongshu, using algorithms for precise content promotion to attract more young travelers. This initiative will deepen the city's impression and enhance the diversity and vitality of tourism branding.

- **Establishing an Internationally Renowned Hong Kong Celebrity Cultural Tourism Landmark**

Taking inspiration from the success of the “Takeshi Kaneshiro Tree” in Taitung, Taiwan—which generates tens of millions in annual tourism revenue—Hong Kong can capitalize on its rich cultural legacy of film and music icons such as Leslie Cheung, Anita Mui, Andy Lau, and G.E.M. to develop celebrity-themed cultural landmarks across the city. It is proposed to launch a pilot project centered around the Tsim Sha Tsui Promenade and the Hong Kong Film Archive, creating a “Hong Kong Celebrity Culture Park.” Key features would include a celebrity statue promenade, a Star Archway Street, interactive experience zones, and cultural exhibition halls. By integrating digital technologies and creative exhibitions, the park would offer an enhanced visitor experience. A dedicated agency should be tasked with its operation and the implementation of a performance evaluation mechanism, ensuring the attraction upholds cultural significance, commercial sustainability, and global appeal.

Expected Outcomes

This comprehensive recommendation will effectively expand the types of tourism products in Hong Kong, enhance cultural soft power and the scale of event economy, drive local consumption, create job opportunities, attract global travelers, and deepen Hong Kong's image as an international cultural city. Through institutionalized assessments, platform co-creation, and the packaging of local cultural elements, Hong Kong can redefine the cultural connotations and economic potential of being an "Asian International Metropolis."

Recommendation 4: Position Hong Kong as an International Innovation Center and Technology Trading Hub

Amidst intensifying global technological competition and the accelerated reshaping of innovation ecosystems, Hong Kong serves as a "super connector" and "super value creator," possessing the key conditions in terms of systems, resources, and geography to become an international innovation center and technology trading platform. In light of geopolitical instability and global industrial chain restructuring, Hong Kong's advantages are becoming increasingly evident:

- A sound rule of law environment and intellectual property protection system.

- One of the world's freest economies, having retained its status as the largest air cargo port globally for several years.
- Home to six national-level research and development centers and five of the world's top 100 universities, boasting strong research capabilities.
- The government has promoted mechanisms such as the "Innovation and Technology Fund," "Industry-Academia-Research 1+ Plan," and the InnoHK platform to support the commercialization of research.

On this basis, if Hong Kong can simultaneously promote the establishment of a "Technology Trading Center" and a "Drug Development Center," it can further strengthen its strategic position in the global technology transfer chain and consolidate its international advantages in the new round of innovation and technology competition.

Policy Measures

- **Establish the "Hong Kong Technology Exchange": Building an International Technology Transfer and Trading Platform**
 1. **System Design and Platform Construction**
 - Reference the experience of Japan's MITI to establish a government-led technology database and supply-demand matching platform.
 - Establish systems for technology assessment, standard agreements, and intellectual property valuation to support technology commercialization and transfer processes.
 2. **Technology Matching and International Cooperation**
 - Hold an annual "International Technology Fair" to facilitate the connection of Hong Kong's research outcomes with the mainland and international markets.
 - Develop a cross-border technology trading system, expanding the existing "InnoHK" platform's functionality to cover regions such as RCEP, the EU, and the Middle East.
 3. **Focus on Key Technology Areas**
 - Green Technology (carbon capture, energy-saving technologies)
 - Smart Cities (sensors, traffic data platforms)
 - Industry 4.0 (smart manufacturing, robotics)
 - Medical Technology and Digital Health (telemedicine, biosensing)

4. Source of Technology and Capital Attraction

- Introduce high-potential technologies from Israel (medical), Europe (industry and environmental), and Southeast Asia (infrastructure and energy).
 - Develop a patent transfer system and a "patent box" preferential tax system to attract overseas R&D companies to establish operations.
- **Establish a "Drug Development Center": Building the Core of the Life and Health Industry Chain**
 1. **Integrate R&D and Clinical Resources**
 - Leverage the existing "Life and Health Research Institute" established by the government to build a drug development platform with the Hospital Authority, universities, and medical technology companies.
 - Focus on key areas such as aging, cancer, and rare diseases, promoting the connection between new drug trials and clinical applications.
 2. **Cultivate Local Pharmaceutical and Research Talent**
 - Strengthen clinical participation by pharmacists and establish a dedicated training mechanism for research functions.
 - Provide training in practical drug development operations, efficacy assessment, and safety risk analysis to enhance local clinical evidence capabilities.
 3. **Promote Public-Private Partnerships and Cross-Border Transformation**
 - Encourage international pharmaceutical companies and mainland drug enterprises to jointly establish R&D and manufacturing bases in Hong Kong.
 - Utilize CEPA provisions to achieve a transformation pathway for new drugs with "R&D in Hong Kong, clinical trials in Hong Kong, and applications in the mainland."
 - Provide rental incentives, tax reductions, customs facilitation, and expedited patent approvals in designated areas.

Expected Outcomes

- **Construct a Closed Loop for Technology Transformation, Enhancing Economic Benefits**

The technology trading platform will facilitate the transition of research

outcomes from the laboratory to the market, accelerating the export of high-value technology products and driving new economic growth points.

- **Stimulate High-End Industry Clustering, Creating Employment and Investment Opportunities**

The Drug Development Center will promote collaborative development across multiple sectors, including healthcare, biotechnology, logistics, legal, and financial services, forming an industrial chain cluster effect.

- **Strengthen Hong Kong's Role as an International Innovation Hub, Reshaping the City's Brand**

Consolidate Hong Kong's core position in the global technology value chain while aligning with the Greater Bay Area strategy to establish Hong Kong as an "International Technology Transformation Hub" and "Asia-Pacific Medical Innovation Center."

Economic Development: Strengthening Market Vitality

Recommendation 5: Recommendation 5: Developing the Space Economy

Policy Background

Hong Kong's space economy is entering an initial phase of development. According to available data, Interstellar Aerospace Technology Group currently manufactures satellites at the Tseung Kwan O Satellite Manufacturing Center, with an annual production capacity of 200 units, projected to increase to 500 units by 2025. The production cost per satellite is expected to drop to USD 2 million.

At the policy level, the 2025 Budget proposes to streamline the licensing process for low Earth orbit (LEO) satellites and establish the "Hong Kong Robotics and Energy Center for Space," which will be responsible for developing lunar robots for the Chang'e 8 mission. These robots will feature dual robotic arms and wireless charging technology, and the initiative will involve technology transfer in collaboration with the Shanghai Academy of Spaceflight Technology and the South African National Space Agency.

On the international cooperation front, Interstellar Aerospace signed a USD 21 million satellite order with the United Arab Emirates in February this year, participating in a 600-satellite constellation project for agricultural monitoring in Africa. In March, it also signed a strategic cooperation agreement with the Arab

Information and Communication Organization (AICO) to co-develop a 6,000-satellite constellation project covering the Middle East and Africa.

Global market forecasts predict that the space economy will reach USD 1.8 trillion by 2035, and Hong Kong is actively striving to secure a foothold in this emerging sector. Hong Kong holds three major competitive advantages in developing high-tech products:

- A geographically strategic location adjacent to the Greater Bay Area, enabling deep collaboration and promoting an “R&D in Hong Kong + manufacturing in the Mainland” model;
- An abundant talent pool and well-developed infrastructure, with local universities possessing expertise in attitude and orbital control, energy systems, communications and data transmission, payload technologies, materials for extreme environments, and system integration and testing;
- A globally recognized professional workforce that can significantly reduce transaction costs, supported by a robust financial, legal, and accounting services ecosystem that ensures a stable, secure, and trusted business environment for international enterprises.

Policy Measures

- Promote Implementation of Applied Technology Scenarios
 1. *Empowering Smart Cities*: Collaborate with Greater Bay Area authorities to deploy enhanced satellite navigation systems, integrating LEO satellite communications to enable low-cost positioning and real-time communications. Pilot a “satellite + 5G” integrated network to provide emergency communication services in remote signal blind spots such as Lantau Island.
 2. *Expanding Cross-Border Services*: Leverage local telecom operators with networks covering 160 countries to build a “Hong Kong–Southeast Asia” satellite communication corridor, providing tailored remote sensing and monitoring services for agricultural enterprises in the region.
- Build a Diversified Financial Support System
 1. *Establish a Dedicated Fund*: Allocate HKD 2 billion from the HKD 10 billion Innovation and Technology Fund to create a “Space Economy Development Fund,” focused on supporting satellite manufacturing, space data services, and rewarding companies involved in the development of international standards.

2. *Innovative Financial Instruments*: Launch a pilot program for the securitization of space assets, allowing companies to issue ABS (asset-backed securities) backed by future revenue streams from in-orbit satellites. Drawing reference from Singapore’s Seraphim Space Fund, set up a USD 1 billion sovereign space investment fund targeting key sectors such as satellite internet and space tourism.

- Enhance Talent Development and Attraction Mechanisms

1. *Upgrade Academic Programs*: Support the University of Hong Kong and Hong Kong University of Science and Technology in launching dual-degree programs in “Space Engineering and Business,” and co-establish a practical training base with Interstellar Aerospace. Following Singapore’s “Space Internship Programme,” select 50 students annually to participate in hands-on projects at Mainland aerospace institutions.
2. *Attract Global Talent*: Proactively include space technology professionals in the Top Talent Pass Scheme, offering settlement subsidies of up to HKD 2 million. Launch a “Space Innovation Scholar Programme” to invite fellows from the International Academy of Astronautics for collaboration.

Expected Outcomes

The proposed policies are expected to accelerate the development of Hong Kong’s space economy and solidify its role as a regional innovation hub. By promoting cutting-edge technologies—such as enhanced satellite navigation and integrated “satellite + 5G” networks—Hong Kong will not only enhance smart city operations in the Greater Bay Area but also expand cross-border satellite services to Southeast Asia and encourage industry localization.

In the financial domain, Hong Kong is actively constructing a diversified support ecosystem that includes a HKD 2 billion dedicated fund, a satellite asset securitization pilot, and a USD 1 billion sovereign investment fund, aimed at attracting global capital into emerging sectors like satellite internet and space tourism.

Meanwhile, the city is committed to strengthening talent development by upgrading higher education programs and attracting international professionals, which is expected to enhance local technological capabilities, drive knowledge transfer, and accelerate the commercialization of space technologies. With the global space economy projected to reach USD 1.8 trillion by 2035, Hong Kong is well-positioned

to capture a share of this growth, thereby supporting economic expansion and transforming employment structures.

Recommendation 6: Enhance Market Vitality, Promote Innovation, and Foster Intergenerational Collaboration

In the face of rapid changes in the digital economy and the era of innovation, Hong Kong must enhance its competitive advantages as an international financial and innovation center through three key approaches: improving citizens' financial technology literacy, establishing a new regulatory framework to support financial innovation, and promoting intergenerational knowledge transfer and the growth of small and medium enterprises (SMEs).

Policy Measures

- **Promote Digital Asset Education to Enhance Financial Literacy and Investment Fraud Prevention**

With the stablecoin regulation officially taking effect on August 1, 2025, Hong Kong's virtual asset market is moving toward institutional development. However, public understanding of stablecoins and virtual assets remains weak, making citizens vulnerable to blind investments and fraud. It is recommended that the government enhance public awareness of digital assets and their risks through community lectures, online courses, and multilingual promotional materials. This will improve financial literacy, protect investors' rights, and promote healthy market development.

- **Implementing Soft Regulation for Decentralized Autonomous Organizations (DAOs) to Foster Web3.0 Innovation in Hong Kong**

As a core organizational form of Web3.0, Decentralized Autonomous Organizations (DAOs) hold immense potential for innovation. It is proposed that Hong Kong adopt a “regulatory sandbox + soft regulation” approach, allowing DAOs to experiment and innovate within a controlled environment. For DAOs that involve financial operations, clear requirements should be established regarding fund security and information transparency, along with well-defined governance responsibilities to ensure legal compliance.

In simple terms, financial-type DAOs engaged in fund management should be subject to stricter oversight to guarantee the safety and transparency of their assets. Furthermore, to address potential governance risks within DAOs, initiators or developers should be held accountable under specific legal obligations, ensuring the organization's operations remain compliant with relevant laws.

This initiative would enhance Hong Kong's appeal to international capital and talent, contributing to a vibrant and diversified innovation and technology ecosystem, and injecting new momentum into the city's economic development.

- **Establish a "Corporate Mentorship Platform" to Activate Retired Executives in Supporting SME and Startup Development**

While local SMEs and startups have potential, they often lack operational experience and strategic support. It is recommended to establish a "Corporate Mentorship Platform" led by the government, inviting retired corporate executives to serve as volunteer mentors, providing one-on-one coaching, themed seminars, and online consultations. The platform should include a recognition mechanism to enhance participation willingness, leveraging intergenerational wisdom and networking resources to improve the survival and development capabilities of local enterprises.

Expected Outcomes

Through these three strategies, Hong Kong can simultaneously enhance citizens' financial technology skills, improve innovative regulatory systems, and promote intergenerational collaboration, creating a resilient and forward-looking market ecosystem. This will not only help position Hong Kong as a hub for Web 3.0 and innovation in Asia but also enhance the operational capabilities and innovative potential of SMEs, fully activating market vitality and driving high-quality overall economic development.

Improving Livelihoods: Addressing Deep-Seated Contradictions

Recommendation 7: Create a Youth Cultural and International Exchange Platform to Increase Youth Participation and Address the Fundamental Issues of Insufficient Development Opportunities

Hong Kong youth, in the face of globalization and local developmental bottlenecks, commonly encounter three major challenges: limited opportunities for cultural participation, a lack of support for developing international perspectives, and a growing sense of disconnection from society. Amidst soaring living costs and declining social mobility, even those with creativity and ambition struggle to find platforms to realize their potential. While existing initiatives such as the “Youth Post” and the “Hong Kong Young Ambassadors Programme” serve specific functions, they fall short of systematically addressing young people's deeper needs in areas such as creative development, cultural engagement, international connectivity, and a sense of belonging to the city.

Policy Measures

(1) Upgrade the " Youth Post " into Creative and Co-Creation Hubs

- **Establish Permanent Creative Spaces and Residency Programs**
Set up permanent spaces for art, technology, and social enterprise workshops at the Youth Post, open to local and overseas youth for co-creation projects. Implement low-cost short-term residency programs to attract international creators to Hong Kong for cultural innovation and social experiments, promoting multicultural exchanges.
- **Create a Digital Community Platform and Content Network**
Build a digital community platform centered on youth, documenting activity outcomes, maintaining cross-national networks, sharing practical knowledge, and regularly publishing youth creative achievements to enhance influence and sense of participation.
- **Collaborate with NGOs to Promote "Temporary Use" Projects**
Activate idle urban spaces by trialing temporary exhibitions, outdoor workshops, and mobile art initiatives, referencing Seoul's "Cultural Station 284" model to develop a sustainable operational mechanism that allows youth creativity to coexist with community spaces.
- **Connect Greater Bay Area Startup and Internship Opportunities**
Liaise with universities and businesses in the Greater Bay Area to provide

internships, entrepreneurship training, and project incubation resources, assisting youth in developing careers and creative projects at the regional level, enhancing their mobility and competitiveness.

(2) Optimize the "Hong Kong Young Ambassador Program" to Create a New Model for Youth Cultural Exchange

- **Relax Application Requirements and Expand Scale**

Extend the age limit from 25 to 30 years, allowing part-time students to apply, and expand recruitment to 400 participants, increasing the program's inclusivity to cover a wider range of backgrounds and abilities among youth.

- **Introduce Language and Cultural Skills Bonus System**

Include proficiency in a second language as a bonus criterion, encouraging youth to enhance their cross-cultural communication skills, laying a foundation for representing Hong Kong in international cultural promotion.

- **Deepen Training in Guided Tours and Cultural Interpretation**

Collaborate with local cultural institutions (e.g., PMQ) to arrange for youth to participate in guided tours and interpretation services in real-life settings, strengthening their ability to interpret local history, design, and urban characteristics.

- **Promote Youth Cultural Exchange Cooperation Programs**

Combine resident creators with local youth ambassadors to conduct bi-directional cultural exchange experimental projects, such as cross-cultural guided tours and art co-creation, fostering interaction and mutual learning between local and overseas youth.

Expected Outcomes

- **Enhance Youth Public Participation and Cultural Confidence**

By engaging in creation and guiding activities, youth will transition from consumers to cultural producers, enhancing their identification with and interpretative abilities regarding local culture, thereby strengthening their sense of belonging and self-confidence in the city.

- **Expand Youth International Networks and Regional Cooperation Opportunities**

The residency program and ambassador platform can establish long-term cross-border connections and partnerships, increasing the international exposure and mobility of Hong Kong youth within the Greater Bay Area.

- **Promote Urban Space Activation and Creative Industry Development**
Youth participation in revitalizing idle spaces and creating cultural content will drive the community's creative economy, enhancing the overall cultural appeal and innovative atmosphere of the city.
- **Strengthen Youth Upward Mobility and Soft Skills**
Through internships, training, guiding, and exchange platforms, youth can accumulate cross-cultural abilities, social skills, and entrepreneurial experience, aiding their future career development.

Improving Livelihoods: Building Social Consensus

Recommendation 8: Strengthen Local Governance Collaboration and Youth Participation to Promote Community Co-Building and Grassroots Involvement in Local Affairs

In recent years, Hong Kong communities have faced challenges such as an aging population, resource misallocation, and insufficient social participation. The funding mechanisms for community development projects often overlap and suffer from uneven resource distribution, affecting policy efficiency and residents' perceptions. At the same time, the younger generation generally has low awareness and participation in local affairs, failing to establish a long-term sense of public responsibility and community belonging.

Currently, "Care Teams," district councilors, and local non-governmental organizations (NGOs) each play a role in community governance. However, the lack of clear distinctions in the resource application system can lead to overlapping roles and collaboration gaps. Additionally, as elected representatives, district councilors lack regular platforms for engaging and communicating with youth, hindering young people's understanding and participation in local governance, making it difficult to cultivate community successors with public spirit.

Therefore, it is necessary to optimize the system and establish mechanisms for youth participation to reshape the collaborative structure of grassroots governance, enhance the quality of community development, and strengthen intergenerational communication, promoting sustainable grassroots governance in Hong Kong.

Policy Measures

(1) Optimize the Funding System for Community Development Projects

- **Refine Funding Categories:** Classify existing community development funding projects by target groups (e.g., elderly, youth, disadvantaged communities) and regional characteristics, establishing dedicated funding categories.
- **Function-Oriented Application Mechanism:** Allow "Care Teams," district councilors, and local NGOs to propose project suggestions based on their respective functions and areas of expertise, achieving resource division and reducing overlapping applications.
- **Introduce Cross-Agency Collaborative Project Categories:** Encourage tripartite co-building plans to promote collaborative community service projects.

(2) Empower District Councilors to Promote Youth Participation in Community Affairs

- **Establish Permanent Youth Participation Platforms:** District councilors should set up youth issue workshops, community forums, and hands-on experience activities to provide opportunities for youth to understand local operations and policy-making.
- **Create a Youth Feedback Mechanism:** Transform specific suggestions from youth during activities into local policy recommendations.
- **Institutionalize Performance Reporting Requirements:** All interactive activities should be recorded as case studies and reported to the Home Affairs Department, included in the performance evaluation criteria for district councilors to enhance accountability and transparency.

Expected Outcomes

- **Enhance Resource Allocation Efficiency and Synergy of Community Development Projects**
A refined funding system will improve resource utilization efficiency, avoid application overlaps and administrative waste, promote complementary cooperation among various stakeholders, and strengthen overall coordination in regional governance.
- **Expand Opportunities for Youth Public Participation and Intergenerational Dialogue**
Systematically promoting youth engagement with local issues and policy planning will enhance their interest and sense of responsibility for public

affairs, cultivating youth talent with community vision and social responsibility.

- **Strengthen the Role of Councilors and Enhance Accountability**

Mechanisms

District councilors will be assigned specific responsibilities to promote community participation. Coupled with the activity case reporting system, this will enhance their interaction and trust with youth in their constituencies, further solidifying their role as bridges for communication between the public and the government.

- **Establish a Sustainable and Consensus-Driven Grassroots Governance**

Framework

Through institutionalized collaboration models and youth participation mechanisms, a regional governance culture centered on co-building and sharing can gradually be formed, laying a solid foundation for Hong Kong's future social stability and policy continuity.

This recommendation balances institutional design with social participation, aiming to achieve a new governance model characterized by efficiency, accountability, and vitality through a dual-track strategy of "collaboration + participation."

Good Governance: Administrative Systems and Accountability

Mechanisms

Recommendation 9: Strengthen Government Administrative Efficiency and Policy Accountability Mechanisms to Establish a Modern and Efficient Government

In the context of societal expectations for greater transparency and effectiveness in government policies, the current resource utilization and departmental coordination systems are struggling to meet the demands for efficient, accountable, and innovative governance. Many past policies have measured success primarily by "participation numbers," lacking long-term tracking and empirical validation, as seen in initiatives like the "Greater Bay Area Youth Employment Scheme" and the "Student Mainland Exchange Program," which have not effectively captured actual outcomes and impacts.

On the other hand, the existing accountability system for senior officials tends to be superficial, with promotions and performance evaluations lacking specific criteria. Additionally, departments operate independently, resulting in insufficient cross-departmental collaboration, leading to low policy implementation efficiency and resource duplication.

Therefore, it is essential to establish a systematic, data-driven mechanism for policy monitoring and enhancing administrative efficiency, along with optimizing the accountability framework to improve the overall governance capacity and public trust in the government.

Policy Measures

(1) Establish the "Policy Effectiveness and Efficiency Office" (PEEO)

- **Integrate Policy Monitoring and Administrative Efficiency Functions:** Reference Singapore's PS21 and the UK's Cabinet Office systems.
- **Implement a Scientific Policy Evaluation System in Collaboration with the Digital Government Office:** For current key policies (e.g., youth employment, social welfare, regional support), develop clearer KPIs (Key Performance Indicators) and mid-term evaluation systems.

- **Apply Data-Driven Management:** Utilize surveys, longitudinal studies, and big data analysis to assess program effectiveness, moving away from superficial metrics based solely on participation numbers.
- **Optimize Administrative Resource Allocation:** Conduct a systematic review of departmental expenditures and efficiency, eliminating ineffective funding and idle leases, streamlining redundant or ineffective positions, and promoting precise use of public funds.

(2) Reform the Civil Service System and Accountability Mechanisms for Senior Officials

- **Strengthen Performance Management for Politically-appointed Officials:** Establish specific, quantifiable KPI indicators for key decision-makers and link performance to promotions and renewals.
- **Introduce a Dual-Track System for Promotions and Accountability:** Create clear accountability processes and independent review mechanisms to address significant policy failures or inefficiencies.
- **Establish a "Cross-Departmental Coordination Commissioner" System:** Appoint empowered commissioners to oversee cross-departmental projects, breaking down departmental silos to enhance policy coordination and execution.
- **Regularly Publish Performance Reports:** Report key policy implementation results to the Legislative Council and the public to strengthen social oversight and transparency.

Expected Outcomes

- **Enhance Policy Implementation Transparency and Public Trust**
An evidence-based policy monitoring system will enhance the government's credibility and accountability in the eyes of the public, reducing the occurrence of "empty policies."
- **Precise Resource Allocation and Reduced Waste**
Through systematic efficiency reviews and resource integration, unnecessary expenditures can be saved, directing financial resources to areas with social returns.
- **Promote Internal Cultural Transformation within the Government**
Establishing a public administration culture focused on "efficiency, effectiveness, and accountability" will drive a comprehensive shift in systems and mindsets.

- **Strengthen Interdepartmental Coordination and Policy Execution**

The "Cross-Departmental Coordination Commissioner" system will help break down departmental isolation effects, improving overall policy coherence and implementation speed.

In summary, this recommendation combines the establishment of the PEEO with the optimization of the civil service system, integrating "policy monitoring," "efficiency enhancement," and "accountability culture" into a cohesive framework, propelling Hong Kong toward a modern, professional, and results-oriented government model.

Recommendation 10: Launching a Pilot Program for a Centralized Sick Leave Monitoring System

In recent years, there has been growing public concern in Hong Kong over the abuse of sick leave among civil servants. Although the proportion of offenders may not be high in absolute terms, the widespread perception of misuse and its corrosive impact on institutional credibility cannot be overlooked. Based on interviews conducted by our think tank with a senior civil servant and an assistant primary school teacher with 28 years of experience, it was revealed that many of those suspected of abusing sick leave often cite vague or hard-to-verify ailments such as physical pain or mental health issues to exploit gaps in the system. Currently, sick leave approvals rely mainly on internal departmental processes and individual medical certificates, lacking cross-departmental coordination or a centralized monitoring mechanism. As a result, abnormal patterns are difficult to detect, and the effectiveness of supervision and investigation is limited.

Poor governance of the sick leave system not only undermines the efficient use of public resources but also erodes a culture of integrity. Abusers have even been mockingly labeled “White Card Civil Servants” by the public, severely damaging trust in government systems and creating an unfair environment for conscientious employees. To address this, there is a pressing need to adopt technological solutions to enhance oversight by establishing a centralized platform equipped with early-warning capabilities and cross-departmental comparisons.

Policy Measures

- Pilot Implementation of a “Centralized Sick Leave Monitoring System”

1. Establish a centralized data platform to consolidate sick leave records from all government departments;
 2. Introduce AI-powered analytics to detect abnormal leave patterns, frequency, and trends;
 3. Integrate automated approval suggestions and exception alerts for departmental reference.
- **Phased Rollout with Departmental Pilots**
 1. Initially select departments with high sick leave rates or manpower shortages for pilot testing;
 2. Collect feedback from end users—such as departmental heads and HR managers—to refine system functionality and user interface;
 3. Conduct policy impact assessments during the trial period to safeguard privacy and protect employees' legitimate rights.
 - **Continuous Enhancement and Full-Scale Implementation**
 1. Improve technical architecture and operational guidelines based on pilot feedback;
 2. Expand system application across all government departments to institutionalize sick leave monitoring.

Expected Outcomes

- **Curbing Abuse and Reinforcing a Culture of Integrity**
 1. Effectively identify and deter sick leave abuse, thereby strengthening the culture of honesty and discipline within the civil service;
 2. Foster a fairer work environment and protect the legitimate rights of responsible employees.
- **Optimizing Resource Allocation and Administrative Efficiency**
 1. Reduce administrative costs and manpower waste in sick leave approvals;
 2. Improve human resource deployment and enhance overall departmental performance.

Enhancing Transparency and Public Confidence

1. Demonstrate the government's commitment to active oversight and institutional reform;
2. Rebuild public trust in the competence and fairness of public sector governance.

Good Governance: Safeguarding Human Rights and Freedoms

Recommendation 11: Establishing a Government–Civil Society Communication Mechanism to Foster Mutual Understanding Between National Security and Creative Freedom

Amid ongoing Sino–US tensions and the persistence of anti-China “soft resistance” within society, national security remains a high-priority concern. This has had a significant impact on civil arts and cultural sectors—such as theatre, journalism, film, and multimedia—many of which continue to struggle with understanding and adapting to the boundaries set by the National Security Law, particularly in relation to incitement and red lines. As a result, some creative groups feel oppressed and accuse the government of stifling artistic expression and creative freedom. If such misunderstandings persist, they risk weakening social cohesion and undermining the long-term development of cultural diversity and the creative industries.

To address this, it is necessary to institutionalize a communication platform that facilitates mutual understanding, diffuses tensions, and promotes collaboration between the government and creative communities—ultimately seeking a sustainable balance between creative freedom and national security.

Policy Measures

1. Establish a “Government–Civil Society Dialogue Platform”
 - Led by the Home and Youth Affairs Bureau and the Culture, Sports and Tourism Bureau, regular “Policy Briefing and Feedback Sessions” should be organized, involving representatives from creative sectors, legal experts, and government officials.
 - These sessions should focus on key cultural and artistic sectors such as journalism, theatre, film, music, and animation, offering legal guidance and real-world case interpretations.
2. Launch a “National Security and Creative Freedom Guidelines” Initiative

- Publish a user-friendly *Handbook on Creative Expression and Legal Boundaries*, clearly outlining the bottom lines and safeguards under the National Security Law and Article 23 of the Basic Law.
- Supplement the handbook with workshops and legal consultation days to help creators understand how to exercise their freedom within a lawful framework.

3. Create a “Cultural Freedom Monitoring Mechanism”

- Commission a neutral think tank or academic institution to regularly assess the state of creative freedom in Hong Kong following the implementation of national security laws, and publish reports for public and government reference.
- Government authorities should provide timely public responses and justifications for any necessary administrative interventions.

Expected Outcomes

1. Clarifying Misunderstandings and Rebuilding Government–Civil Relations

- Structured dialogue fosters mutual understanding and helps dispel misinformation and emotional polarization.
- Enhancing creators’ legal awareness reduces the likelihood of inadvertently crossing legal boundaries.

2. Restoring Social Trust and Expanding Cultural Space

- Clearly defined legal boundaries can boost creators’ confidence and reduce the chilling effect often associated with vague regulations.
- Upholding lawful creative freedom helps sustain Hong Kong’s competitiveness as an international cultural metropolis.

3. Promoting a Win–Win Outcome Between National Security and the Creative Industry

- This approach will cultivate a forward-looking, sustainable model of cultural governance.
- It will simultaneously reinforce national security and social stability, while enabling the healthy growth of Hong Kong’s creative economy.

In conclusion, establishing a communication mechanism between the government and civil society is not merely a short-term remedy for current tensions—it is a reflection

of Hong Kong's long-term governance wisdom. Through systematic dialogue and transparent guidance, the government and the creative community can jointly navigate the delicate balance between legal compliance and freedom, paving the way for a new, mutually beneficial societal norm.

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Path of Democracy (PoD) is a mission- and action-driven think tank that strives to create maximum room for democratic development under the principles of “One Country, Two Systems”, “Hong Kong people ruling Hong Kong” and a high degree of autonomy.

We believe that communication with mutual trust, conducted with a moderate attitude, is essential for the development of democracy. To this end, we have established PoD as a platform to:

1. Consolidate the majority of supporters of the democratic camp in society;
2. Promote a moderate political approach in a proactive manner, and carve out new political horizon in society;
3. Formulate agendas and construct systematic political discourse;

4. Establish new ideological dimensions in the politics, society, economics and culture of the Hong Kong Special Administrative Region together with different stakeholders through research, dialogue and engagement.

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