



Mr John Lee Ka-chiu SBS PDSM PMSM JP

Chief Executive

Office of the Chief Executive
Hong Kong Special Administrative Region
People's Republic of China
Tamar, Hong Kong

21 July 2022

Dear Chief Executive

The Australian Chamber of Commerce in Hong Kong (AustCham) congratulates you on your appointment as Chief Executive of the Hong Kong Special Administrative Region. AustCham has worked collaboratively with Hong Kong S.A.R Governments over many years and we look forward to a constructive dialogue with you and your administration.

AustCham was established 35 years ago to facilitate and support business, trade and investment by Australian companies in Hong Kong, and for Hong Kong companies seeking to do business in Australia. Our membership today represents more than 230 companies – from leading Australian firms to Hong Kong companies investing in Australia, SMEs doing business in Hong Kong and Australians involved in many facets of the city. The Chamber's mission is to promote and represent Australian business and values, while enabling members to connect, engage and grow bilateral relationships.

AustCham recognises the many challenges facing Hong Kong – from the short-term need to remerge from the pandemic, to the medium to longer term issues impacting business and society. Our members are committed to the future of Hong Kong and AustCham will continue to provide you and your administration with recommendations from our community on significant policy issues.

In the short-term, AustCham is seriously concerned about the impact of Hong Kong's travel and entry restrictions on Hong Kong's international reputation and viability as a global business centre. After more than two years of travel restrictions – and no firm end-date in sight – international business is by-passing Hong Kong to pursue opportunities in markets open to the reality of living with Covid-19.

The recent removal of the circuit breaker flight ban mechanism was a step in the right direction. Unfortunately, the remaining measures – especially the seven-day compulsory hotel

quarantine – continue to adversely impact international travellers, both residents and potential visitors. Critically, key talent has left (and continues to leave) Hong Kong which diminishes our communities and results in a shortage of skills.

Our members have told us that global business leaders and investors are by-passing Hong Kong due to the burden of hotel quarantine requirements. Furthermore, I advise that many of our directors and members are unable to travel to Hong Kong because quarantine hotel rooms are not available or if they are available, the cost is prohibitive.

As almost all other global and regional hubs have removed barriers to entry, the continued restrictions for entry to Hong Kong continue to diminish our standing as an international business hub. Without significant changes to the current regime, international business will continue to stay away from Hong Kong, move operations to more accessible locations and decrease their footprint in the city.

We urge Hong Kong to adopt measures that demonstrate the city is ‘open for business.’ In our view, the remaining restrictions need to be relaxed **with urgency** in order for Hong Kong to remain relevant to international business and retain talent needed to support its position as an International Financial Centre.

With economic headwinds bearing down on all major economies, including China, the role of Hong Kong as a capital centre and gateway for international business could not be more important. Hong Kong is stymied in that role when borders are closed and is losing ground to other regional and global centres. We fear that the ‘closed-loop’ or exemption arrangements which have been suggested for international events and conferences in late 2022 will be too little, too late for Hong Kong.

There are many examples from other countries that relaxed their border controls as they emerged from strict pandemic control measures. As a first step, we recommend the Hong Kong Government consider implementing measures such as a fast-track or exemption to quarantine for business travellers, similar to that previously adopted in Singapore (24-hour test and hold) or Japan (business travel visa). We would further recommend that the restrictions are removed entirely without delay as has already been the case in almost all countries outside China.

AustCham acknowledges the importance of ongoing healthcare measures to manage the impacts of Covid-19. We support the government’s efforts to increase vaccination coverage among all Hong Kong people, especially those most vulnerable. In our view, the government should continue to focus on the functioning of the health care system, as well as other measures that best position Hong Kong to deal with the inevitable future waves of Covid-19 in the community.

Finally, AustCham is not speaking alone on these matters. We acknowledge and support the calls from other chambers of commerce and business associations, both local and international, seeking amendments to the current regime.

We urgently seek an opportunity to meet with you and senior members of your administration for constructive consultation on the impact of the travel restrictions and a pathway to remove them as soon as possible. Your office may contact the AustCham Secretariat through Chief Executive Stefanie Evennett (stefanie.evennett@austcham.com.hk) to make arrangements.

Yours sincerely



Robert Quinlivan
Chairman

cc.: Chief Secretary, Mr Eric Chan Kwok-ki, SBS, IDSM, JP
Financial Secretary, Mr Paul Chan Mo-po, GBM, GBS, MH, JP
Secretary for Commerce and Economic Development, Mr Algernon Yau
Secretary for Financial Services and the Treasury, Mr Christopher Hui Ching-yu JP
Convenor of the Executive Council, The Honourable Mrs Regina IP LAU Suk-ye, GBM, GBS, JP