



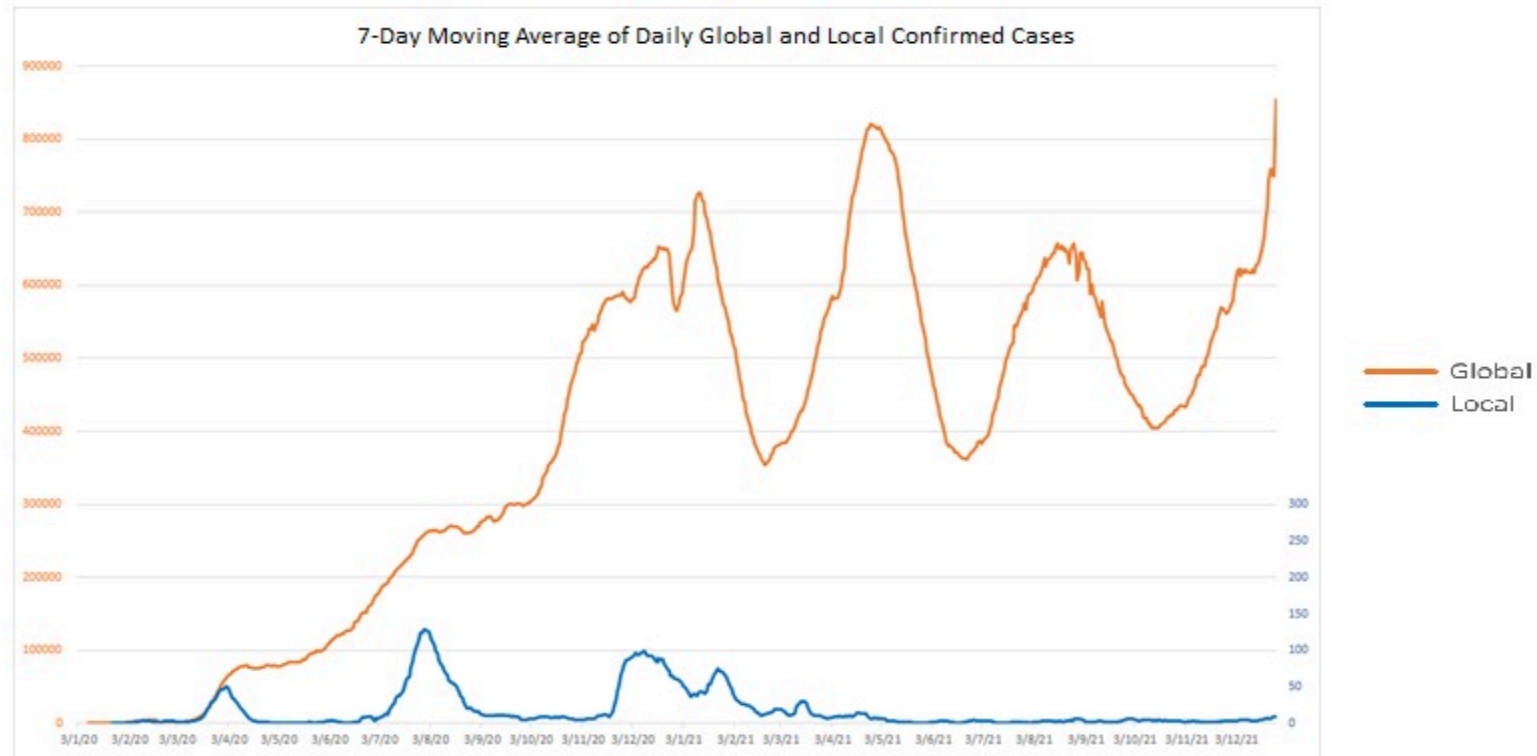
# Review and Outlook

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Mrs Carrie Lam  
Chief Executive, Hong Kong Special Administrative Region  
30 December 2021

# 2021 – a year of fighting against COVID-19

- As at 29 December, the total number of confirmed cases was 12 619, which is among the lowest in the world. The number of cases per million people was around 1 683, which is about 4.7% of the global average. The number of deaths was 213, 88.3% of which were elderly aged 65 or above



# 2021 – a year of fighting against COVID-19 (cont'd)

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- The fourth wave of epidemic which broke out in November 2020 ended in April 2021. There has not been another wave since then. Hong Kong has basically maintained “zero local infection”
- Virus testing has been enhanced (over 23.5 million tests were conducted in 2021, three times more than that in 2020) and efforts were made to detect COVID-19 cases in the community through sewage surveillance (112 regular sewage sampling sites in Hong Kong, covering more than 5.3 million people)
- Since February 2021 (as at 29 December), nearly 10 million doses of vaccine have been administered to citizens for free. 69.1% of the eligible population has received two doses of vaccine. Nearly 370 000 people have received the third dose

# 2021 – a year of improving the implementation of “One Country, Two Systems”

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- Continuously enforced the Hong Kong National Security Law to effectively prevent, suppress and impose punishments for acts and activities endangering national security
- Revived, reviewed and revised existing legislation related to safeguarding national security (e.g. the Personal Data (Privacy) Ordinance, the Film Censorship Ordinance and the introduction of the Real-name Registration Programme for SIM cards)
- Completed the oath-taking by public officers (political officials, civil servants, other government employees, Election Committee Members and District Council Members)
- Widely promoted the Constitution, Basic Law, Hong Kong National Security Law and national education
- Implemented the improved electoral system of the HKSAR; completed local legislation in accordance with the Decision of the National People’s Congress (NPC) as well as the amended Annex I and Annex II of the Basic Law approved by the Standing Committee of the NPC; and successfully conducted the Election Committee Subsector Ordinary Elections and Legislative Council (LegCo) General Election

# 2021 – a year of strengthening the rule of law in Hong Kong

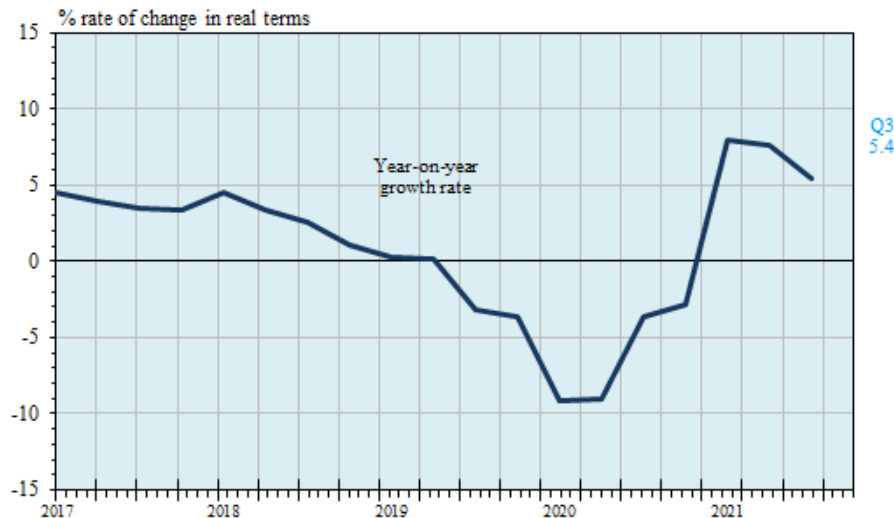
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- Fully supported the Chief Justice of the Court of Final Appeal who assumed office in January 2021, including by providing additional court facilities to shorten the case processing time; the Department of Justice obtained an injunction to restrain doxxing against judges
- Continued to appoint a new overseas non-permanent judge and re-appointed a number of overseas judges of the Court of Final Appeal
- Continued to take forward the “Vision 2030 for Rule of Law” Initiative to enhance the law-abiding awareness of the community
- Promoted international legal co-operation to enhance Hong Kong’s status as a legal hub
- Improved the legal aid system

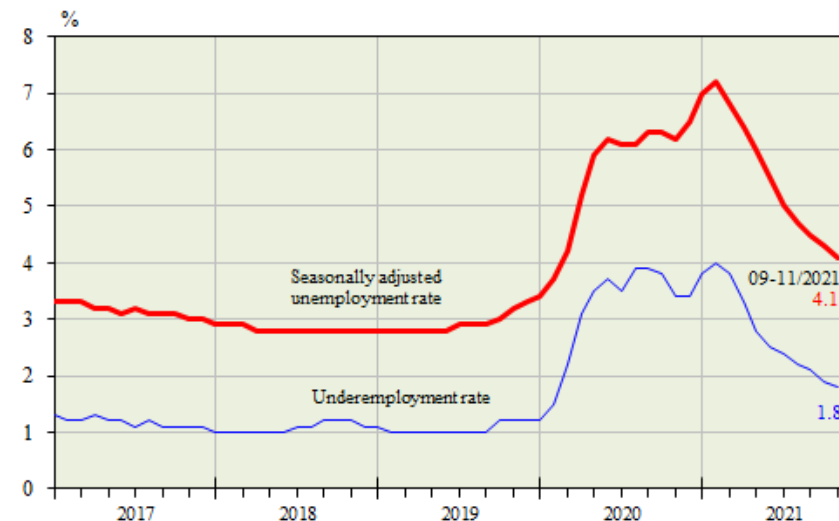
# 2021 – a year of paving the way for Hong Kong's economic recovery

- The Gross Domestic Product (GDP) for the first three quarters increased by 7% year-on-year and is expected to grow by 6.4% for the whole year
- The unemployment rate dropped significantly from 7.2% at the beginning of 2021 to 4.1% in September to November; the underemployment rate for the same period also dropped from 4.0% to 1.8%

Gross Domestic Product



Unemployment and underemployment rate



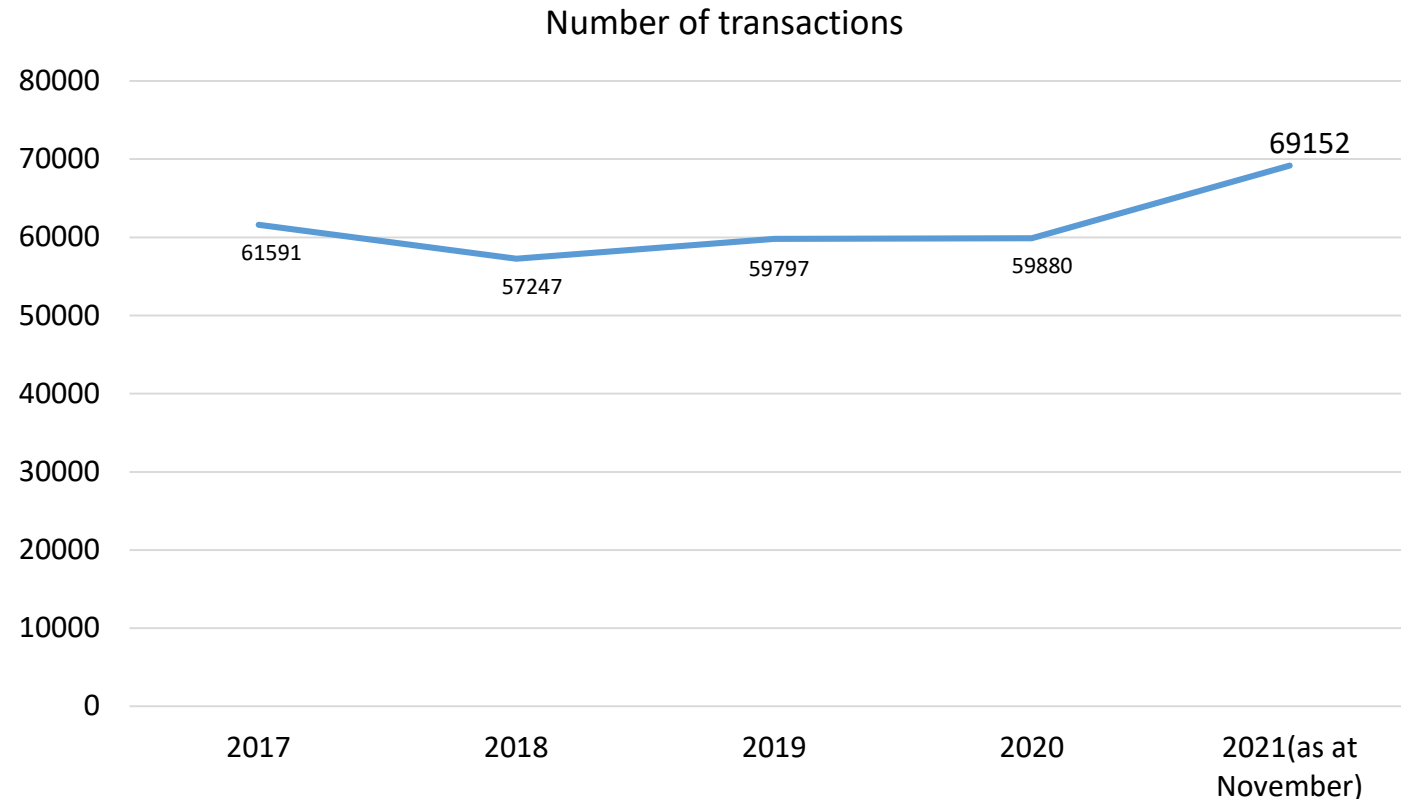
# 2021 – a year of paving the way for Hong Kong's economic recovery (cont'd)

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- A strong rebound in imports and exports of goods, with a year-on-year increase of 26.5% (exports) and 24.9% (imports) in the first 11 months, and a total value amounting to \$9,258.4 billion, 13.6% higher than the historical peak in 2018
- Securities market: As of 28 December, the IPO funds raised amounted to US\$41 billion (around HK\$320 billion, ranking fourth in the world). The average daily turnover from 1 January to 28 December was HK\$168 billion, increased by 29.8% compared to the annual average daily turnover in 2020
- Bond market: The Asian international bonds which Hong Kong arranged for issuance amounted to US\$198.3 billion in the first 11 months, increased by 6.5% year-on-year

# 2021 – a year of paving the way for Hong Kong's economic recovery (cont'd)

- An active residential property market: The number of transactions in the first 11 months was 69 152, increased by 29% year-on-year; property prices increased by 3% in the first 11 months of 2021





# 2021 – a year of integrating into national development and deepening exchange and co-operation with the Mainland

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- The National 14th Five-Year Plan supports the development of eight centres in Hong Kong
- The Plan for Comprehensive Deepening Reform and Opening Up of the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone has brought ample opportunities to Hong Kong's modern service industry
- HKEX introduced the MSCI China A-share index futures contract in Hong Kong. The GBA Wealth Management Connect Scheme in the Guangdong-Hong Kong-Macao Greater Bay Area and the Southbound Trading under Bond Connect were launched. The Shenzhen Municipal Government issued bonds in Hong Kong for the first time
- Pressed ahead with the development of the Guangdong-Hong Kong-Macao Greater Bay Area, strengthened Guangdong-Hong Kong, Shenzhen-Hong Kong and Zhuhai-Hong Kong co-operation, worked with Shenzhen to take forward the development of “One Zone, Two Parks” in the Shenzhen-Hong Kong Innovation and Technology Co-operation Zone and the implementation of co-location arrangement at the new Huanggang Port
- Established the Hong Kong/Hubei High-Level Meeting cum Co-operation Conference mechanism and convened the Guangdong/Hong Kong, Shanghai/Hong Kong and Sichuan/Hong Kong Co-operation Conferences to promote co-operation in different fields
- Organised and participated in a number of activities to celebrate the centenary of the Communist Party of China

# 2021 – a year of constructive and fruitful interaction between the executive authorities and the legislature

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- The sixth-term LegCo duly performed its duties during its extended one-year term. Scenes such as filibustering and headcounts were no longer seen. The efficiency of LegCo improved significantly
- 46 bills submitted by the Government have been passed during the year, doubling the average number of 20 bills per year in the past. These bills include the introduction of admission of non-locally trained doctors, municipal solid waste charging and a total ban on e-cigarettes, etc. which will improve people's livelihood
- The Finance Committee approved a total funding of over \$320 billion during the year
- The Chief Executive also approved two bills introduced by LegCo Members, showing her respect for LegCo

# 2021 – an inspiring and encouraging year

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- Hong Kong athletes achieved the best results in history in the Tokyo Olympic Games: 1 gold, 2 silver and 3 bronze medals; and further won a total of 29 medals in the Tokyo Paralympic Games, the 14th National Games and National Games for Persons with Disabilities
- The Government unprecedentedly purchased the broadcasting rights of the Tokyo Olympic Games and Tokyo Paralympic Games so that 5 television stations were able to provide all Hong Kong people over 3 000 hours of coverage of the events for free, raising their passion for sports
- The Central Government has agreed that Guangdong, Hong Kong and Macao jointly host the 15th National Games. This will be the first time Hong Kong has taken part in hosting the National Games
- Hong Kong swimming athlete Siobhan Bernadette Haughey broke the world record in Women's 200m Short Course Freestyle
- The visits of Tokyo Olympic Games Mainland Olympians and aerospace scientists to Hong Kong, the exhibition of lunar soil in Hong Kong, the video dialogue between Hong Kong students and astronauts in outer space, etc. have lifted the hearts of Hong Kong people

# Our priorities in 2022 include the following:

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- Continue to keep the epidemic under control, strive for early resumption of normal travel between Hong Kong and the Mainland, and boost the vaccination rate as soon as possible
- Actively implement the some 310 new initiatives mentioned in the 2021 Policy Address and Supplement
- Take forward the Northern Metropolis Development Strategy
- Continue to fulfill the constitutional responsibility of the HKSAR in safeguarding national security, including the enactment of local legislation to implement Basic Law Article 23 in Hong Kong
- Organise the election of the sixth-term Chief Executive and the transition to the new term
- Establish a good relationship between the executive authorities and the legislature
- Take forward the 14th Five-Year Plan's support towards Hong Kong and the development of the Guangdong-Hong Kong-Macao Greater Bay Area
- Formulate a proposal for re-organisation of policy bureaux by end of March
- Organise the HKSAR 25th anniversary celebration events
- Speed up flat production to address people's housing needs

# Speed up flat production to address housing needs

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After the delivery of the 2021 Policy Address in October:

- The Chief Executive has examined the first quarterly report in respect of the second 5-year period of the 10-year housing programme submitted by the Development Bureau (DEVB) and Transport and Housing Bureau (involving 120 projects), striving to compress the construction workflow
- Specific proposals on reviewing land development legislation to streamline relevant procedures will be submitted to LegCo by DEVB in the first quarter of 2022. The legislation includes the Town Planning Ordinance, Lands Resumption Ordinance, Foreshore and Sea-bed (Reclamations) Ordinance, Environmental Impact Assessment Ordinance and Roads (Works, Use and Compensation) Ordinance
- DEVB will include a requirement on minimum flat size in the 4th quarter of the 2021-22 Land Sales Programme
- The Secretary for Home Affairs has convened the first meeting of the Working Group on Review of Tso/Tong Administration

## Speed up flat production to address housing needs (cont'd)

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- The Housing Department will adopt the modular integrated construction (MiC) method more extensively to shorten the building process; some more projects suitable for using MiC method have been identified which will provide about 20 000 flats
- A total of 8 900 Home Ownership Scheme (HOS) flats and 4 700 Green Form Subsidised Home Ownership Scheme (GSH) will be sold in 2022, raising the total number of subsidised sale flats rolled out by the current-term Government to 38 300, about four times more than that by the Government of the last term
- HOS 2022 involves 7 estates with 8 900 flats located in various parts of Hong Kong Island, Kowloon and the New Territories, with about half of them located in urban areas. There are various choices of flat size and the selling price will be set favourably according to the new pricing mechanism established in 2018 (be delinked from the market price and determined by using the median monthly household income of non-owner occupier households as the reference point for assessing affordability)
- GSH 2022 involves three estates with 4 700 flats in Yau Tong, Ma On Shan and Fanling



## 「居屋 2022」 推售屋苑 HOS Developments under HOS 2022

1	東涌 裕雅苑 Tung Chung Yu Nga Court	3 300 單位/flats
2	沙田 愉德苑 Sha Tin Yu Tak Court	543 單位/flats
3	北角 驥華苑 North Point Kei Wah Court	248 單位/flats
4	馬頭角 冠山苑 Ma Tau Kok Kwun Shan Court	495 單位/flats
5	觀塘 安秀苑 Kwun Tong On Sau Court	1 906 單位/flats
6	將軍澳 昭明苑 Tseung Kwan O Chiu Ming Court	594 單位/flats
7	啟德 啟欣苑 Kai Tak Kai Yan Court	1 840 單位/flats

Total 合共  
**8926**  
單位/ flats

## 綠置居 2022 推售屋苑 GSH Developments under GSH 2022

8	粉嶺 清濤苑 Fanling Ching Tao Court	776 單位/flats
9	馬鞍山 錦柏苑 Ma On Shan Kam Pak Court	1 896 單位/flats
10	油塘 高宏苑 Yau Tong Ko Wang Court	2 021 單位/flats

Total 合共  
**4693**  
單位/ flats

## Speed up flat production to address housing needs (cont'd)

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- The provisional discount rate for HOS 2022 is 49% (reflecting a drop in the median monthly household income of non-owner occupier households in the past few years despite a rise in the price of private properties), which is the biggest discount since the resumption of the sale of HOS flats in 2014. The lowest selling price of flats is \$1.24 million
  - Example - On Sau Court, Kwun Tong: The price of a flat of about 400 square feet is \$2.79 million only (\$3.83 million under old mechanism); with mortgage loan at 90% of the property price and a 25-year repayment period at an interest rate of about 3%, down payment is \$279,000 and monthly repayment is \$11,900
- The provisional discount rate for GSH is 59%, the biggest discount for GSH since its launch in 2016. The lowest selling price is \$790,000
  - Example - Ko Wang Court, Yau Tong: The price of a flat of about 290 square feet is \$1.77 million only (\$2.6 million under old mechanism); with mortgage loan at 95% of the property price and a 25-year repayment period at an interest rate of about 3%, down payment is \$88,500 and monthly repayment is \$8,000



## Speed up flat production to address housing needs (cont'd)

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- It is proposed that unsold GSH flats currently put up for sale be open for application to purchase by persons holding a valid public rental housing (PRH) application for more than 1 year
- Adhering to the belief that “housing is not a simple commodity” and “flats are for accommodation, not speculation”, alienation restrictions will be tightened from 2022:
  - the restriction period of re-selling at not more than the original price in the Secondary Market be extended from 2 years to 5 years (from the 6th year onwards, owners can sell their flats in the Secondary Market at a freely negotiated price)
  - the restriction period of re-selling in open market at a negotiated price after payment of the premium be extended from 10 years to 15 years
- I have asked the Housing Authority to prepare the sales arrangements according to the above policy and suggestion

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**Thank You**