

(Translation)

**Dr Hon Wendy HONG's motion on
"Making good use of the Future Fund and the Hong Kong Growth
Portfolio to promote the diversification of industry structure"**

Wording of the Motion

That the SAR Government set up the \$220 billion Future Fund ('FF') in 2016 and allocated \$22 billion from it in 2020 to establish the Hong Kong Growth Portfolio ('HKGP') to make strategic investments with a Hong Kong nexus, to reinforce Hong Kong's status as a financial, commercial and innovation and technology ('I&T') centre; HKGP will be allocated an additional \$10 billion by the SAR Government to make investments in the development of the I&T industry and the Greater Bay Area; currently, FF is placed with the Exchange Fund ('EF'), invested by the Hong Kong Monetary Authority ('HKMA') and subject to the existing EF's investment management regime, adopting a conservative approach; although HKGP breaks through the restriction that EF does not invest locally and on the Mainland, the SAR Government is neither directly involved in the vetting of any investment projects nor influences individual investment decisions, but selects general partners in the market to make investments for it, with HKMA acting as the administrator; under the current operation mode, the progress of FF and HKGP is slow, and it is difficult to make strategic investments from a pioneering, holistic and forward-looking perspective or from the angle of driving the transformation of Hong Kong's economic structure and opening up new room for development for young people; in this connection, this Council urges the SAR Government to, by capitalizing on FF and HKGP, actively nurture new economic growth spots such as I&T industry, strategic emerging industries and manufacturing industry, so as to promote the diversification of Hong Kong's industry structure; the SAR Government should:

- (1) request investment institutions not only to focus on investment returns, but also to take long-term improvements of Hong Kong's industry structure and employment structure as their investment objectives;
- (2) play a more proactive and active role in investment operations and consider, by following the practices of neighbouring regions including the Temasek Holdings wholly owned by the Government of Singapore, and the Shenzhen Capital Group Company Limited co-founded with joint funding from the Shenzhen Municipal Government and the market, setting up an investment institution with direct involvement of the SAR Government in investments; and

- (3) formulate expeditiously a blueprint for industrial development to guide the direction of future investments.