



Mr John Lee Ka-chiu SBS PDSM PMSM JP
Chief Executive

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

16 September 2022

Dear Chief Executive,

The Australian Chamber of Commerce in Hong Kong (AustCham) is writing to you to share our members' views on Hong Kong's ongoing COVID-19 related restrictions, particularly those for in-bound travellers to Hong Kong. We will also advise the impact these restrictions are having on the business environment and Hong Kong's international standing, together with our recommendations for a way forward.

We appreciate the positive development regarding the recently introduced "3+4" quarantine and surveillance arrangements. This change has made travel easier for our members. However, our members and the international business community have advised us that the ongoing COVID-19 related restrictions are continuing to drive business, investment and talent away from Hong Kong. Accordingly, we urge the government to eliminate all quarantine and surveillance measures and provide the community with a framework or roadmap as to how this could be achieved, together with an estimate of the timeframe.

As a global business hub and international financial centre, Hong Kong is now completely out of step with almost the entire rest of the world, including our major competitors and significant trade and investment partners. Outside of Greater China, no developed economy requires solitary quarantine for inbound travelers.

With your administration's support for major international events in October and November, particularly the international financial forum and Rugby 7s, there is limited time for international business travellers to plan their travel. We fear that the 'closed-loop' or waiver arrangements which have been suggested for these events will not be sufficient to draw the intended audience and truly demonstrate that Hong Kong is 'back in business.' Although some prospective visitors have advised that they will endure quarantine or try to work with certain quarantine

waivers, several have advised us that they will not travel if quarantine is in place or if they need to receive a waiver.

Our consultation with our members informs us that one of the biggest hurdles to resumption of more frequent travel to Hong Kong is the uncertainty caused by the chance that inbound travellers will test positive on arrival and be placed in mandatory detention at a government quarantine facility (Community Isolation Facility). This prospect is a major deterrent to international business travellers coming to Hong Kong and we request that the government remove this threat in order to aid in the return of business to the city.

Further, we urge the government to reconsider the length of time inbound travellers are subject to restrictions of movement. Under the current arrangements, inbound travellers are unable to move freely in the community under the Amber Code for four days following their quarantine period. We also understand that, based on government scientific data, international arrivals pose no greater COVID-19 spread threat than the local population. Accordingly, we believe that international business arrivals should have flexibility to meet with their clients, partners, colleagues and staff without restriction. We therefore recommend that, in addition to the removal of quarantine requirements, the government reduce or preferably eliminate the length of time that inbound arrivals are subject to Amber Code restrictions.

An additional concern for our members is the uncertainty caused by potential school closures and restrictions placed on schools regarding how they are allowed to operate, particularly limits on extra-curricular activity. These restrictions and uncertainties, together with the loss of teacher talent, are causing our members to either not return to Hong Kong or to place their children in overseas boarding schools. The loss of expertise, networks and goodwill will not be easily or quickly replaced. We recommend that the government confirms that schools will not be subject to the risk of closure and that normal activity can resume.

The impact on Hong Kong's international image from the travel and other restrictions is being played out in the talent market. As talent from all levels, sectors and backgrounds take up opportunities elsewhere, Hong Kong is losing one of the key pillars to our historical success. Companies are struggling to replace this talent from within Hong Kong. In order to attract inbound talent, some businesses have positioned Hong Kong as a 'hardship' posting, adding to the cost of doing business.

AustCham and our members support the Hong Kong Government's promotion of Hong Kong as a premier destination for business and investment in Asia. We acknowledge that significant work must be done for Hong Kong to regain the confidence of international business. In AustCham's consultation with the business community in Australia, we believe that real-life success stories delivered directly by international businesspeople based in Hong Kong are a very effective method for demonstrating the business opportunities in Hong Kong. However, delivering those messages without an accompanying roadmap to reopening undermines the confidence we are trying to rebuild.

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.

AustCham recognises the importance of reopening the border to Mainland China and we support measures that help to facilitate that two-way flow of people, especially to the Greater Bay Area. However, we note that uncertainty regarding waivers on vaccination requirements for arrivals from the mainland are undermining community trust in the government's COVID related arrangements and recommend that this situation be clarified without delay.

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 restrictions. Together with other chambers, we believe the International Business Committee ("IBC") is a very useful forum for engagement between international business bodies and the administration. A swift re-establishment of the IBC would be very welcome.

We urgently seek the opportunity to meet with you and senior members of your administration for constructive consultation on this and other matters 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