

COMMENTHK

Budget formulation requires broad perspective, long-term planning

Tu Haiming says established procedures are handy when things run smoothly, but new challenges demand innovative strategies

With the public consultation process for the fiscal year 2025-26 Budget having started over two weeks ago, attention has been focused on balancing revenue and expenditure of the Hong Kong Special Administrative Region government.

As far as I am concerned, a broader perspective is needed in contemplating the issue of revenues and expenditures. The government should look beyond the current year to the future when drafting the next budget; it should also look beyond the economic benefits of expenditures to the positive effects of expenditures on people's livelihoods. Only by taking into account these two factors can the government formulate a budget that ensures the best value for money.

Consecutive budget deficits in recent years have eaten into the government's fiscal reserves, while high public expectation for reliefs or "sweeties" makes it challenging for the government to curtail expenditures. Therefore, formulating the next budget is akin to walking a tightrope, requiring a delicate balance in the following aspects.

Balance the need for fiscal prudence with proactive governance by taking into consideration medium- and long-term planning.

Over the past five fiscal years up to March this year, the government is estimated to have accumulated a total deficit of HK\$600 billion (\$77.16 billion). As a result, the fiscal reserves will have contracted 45 percent from HK\$1.17 trillion in 2019 to HK\$633 billion by March 2025.

Public funds are supposed to be used for improving people's well-being instead of "sitting idly" in the Treasury. However, Hong Kong has always practiced a prudent fiscal policy of living within its means; the upcoming budget should take future risks into account. In other words, it should strike a balance between fiscal prudence and proactive fiscal policy based on medium- and long-term planning. For example, the financial secretary should have a vision for achieving fiscal balance in three years or five years when drafting the new budget.

This evaluation process essentially involves many long-term projects, for which huge investments have been made by the government. They will be completed with additional investment of much smaller amounts and will generate significant economic benefits in a short time. Therefore, fiscal



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deficit should not constitute a legitimate reason to abandon these projects halfway; rather they should be followed through as long as they prove to be viable.

Hong Kong International Airport's three-runway system is a case in point. The project, which cost HK\$14.5 billion and recently went into operation, has the potential to boost capacity by 50 percent.

However, the airport faces fierce competition from its neighbors in the Guangdong-Hong Kong-Macao Greater Bay Area. The government should invest further to optimize the airport's ancillary facilities and services to increase passenger traffic. "Big money" has been spent on the project; it makes no sense to withhold the "small money" needed to complete the last phase of its development to reach profitability. Other similar projects include the Kai Tak Sports Park, which will soon come into operation.

Investment for the future must be sustained and even strengthened no matter what.

China's great scientific achievements, including producing alleged sixth-generation jetfighters, new-type amphibious assault warships and the Chang'e 6 mission, have amazed global audiences. These achievements are the result of the country's relentless efforts that overcame numerous challenges. These achievements should remind Hong Kong that no matter how difficult the current situation, it must not scale back investment for the future. For example, even if it takes a long time for investments in science and technology to yield economic benefits, the upcoming budget should strengthen financial support for emerging strategic industries.

The fledgling low-altitude economy is another area with enormous potential. In his 2024 Policy Address, Chief Executive John Lee Ka-chiu outlined strategies for the development of this sector. The forthcoming budget should make substantial invest-

ment in necessary infrastructure to boost the development of the low-altitude economy.

Further expenditure on improving people's well-being with an innovative approach.

The consecutive fiscal deficits are primarily the result of the devastating impact of the three-year COVID-19 pandemic, compounded by stagnant post-pandemic domestic consumption. As many businesses have yet to regain vitality, the government has spent heavily on relief measures. The surge in this year's fiscal deficit arises mainly from the introduction of stimulus measures and the lower-than-expected revenues from land sales, stamp duties on property and stock transactions.

The vitality of most sectors in Hong Kong has yet to rebound to pre-pandemic levels; it is, therefore, inadvisable to slash expenditures on the area of livelihood improvements.

Financial Secretary Paul Chan Mo-po may find that formulating the next budget could be his most difficult one since he took office. However, the huge challenge also presents an opportunity to adopt a new mindset and innovative solutions.

For instance, relief funds intended for small- and medium-sized enterprises could be designated for specific projects. Given the challenging business environment, government support is essential. Projects that demonstrate innovative capacity, have the potential to propel industry development, or offer substantial employment opportunities, should be given more financial support.

Furthermore, as Hong Kong grapples with a mounting aging problem and rising eldercare expenditure, the government will need to revise its financial strategy and encourage more seniors to retire to mainland cities in the Greater Bay Area.

When meeting HKSAR governmental officials, Xia Baolong, director of the Hong Kong and Macao Work Office of the Communist Party of China Central Committee, emphasized the need to realize better development through reform. His words deserve the deliberation of HKSAR officials. Established procedures are handy when things are running smoothly, but emerging challenges demand bold and innovative strategies. Indeed, many effective policies have emerged as a result of the pressure to cope with challenges. Formulating the next budget is no doubt a challenging task, but by thinking out of the box and adopting an innovative approach, the challenges can be tackled.

The views do not necessarily reflect those of China Daily.



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China's visa-free policy helps clear up misunderstandings

The ancient Chinese saying, "It is better to see something once than to hear about it 100 times," (*Bai wen bu ru yi jian*) aptly underscores the importance of firsthand experience in dispelling myths and fostering genuine understanding. With China's recent welcome announcement of its expanded visa-free travel policy — offering 10-day entry for travelers from 38 countries — this wisdom takes on renewed relevance as an enlightened step toward dismantling antiquated misconceptions and promoting people-to-people connections.

This policy is not just a boon for global tourism; it serves as a crucial mechanism for cross-cultural exchanges, economic cooperation, and creation of new friendships. It is also a tacit acknowledgment that in an increasingly fragmented world plagued by geopolitical tensions, mutual understanding and dialogue are more urgent than ever. By opening its doors wider, China has demonstrated an admirable willingness to engage with the world on its own soil — a significant gesture that demands recognition and appreciation.

For too long, the narrative surrounding China has been unfairly dominated by shockingly outdated stereotypes and Cold War-era biases, particularly in North America and Western Europe. These skewed narratives often paint an incomplete, inaccurate, and at times grossly misleading portrait of a nation with a splendid 5,000-year-old civilization — a civilization rich in art, philosophy, science and cultural heritage. Too many people in the West know of China through secondhand accounts, filtered through geopolitical lenses or media narratives that prioritize sensationalism over substance.

A visit to China offers a reality that is far more dynamic, nuanced and inspiring than these superficial portrayals. From the breathtaking ingenuity of the Great Wall, the pandas of Sichuan province, the amazing Terracotta Warriors of Xi'an, the different regional flavors of multifaceted and exquisite Chinese cuisine, the Minnan culture of the coastal Fujian province and the thriving technological marvels of cities like Shenzhen and Shanghai, to the peaceful serenity of ancient temples and the bustling streets of modern metropolises, China is a study in contrasts and continuities. It is home to a noble people whose warmth, creativity, industriousness and resilience are often overshadowed by geopolitical headlines. To see this firsthand — whether over a bowl of steaming dumplings in Harbin or on a high-speed train traversing the vast countryside — is to gain a perspective no article, video or politician can truly offer.

Tourism is more than an economic driver; it is a tool for diplomacy. By inviting visitors into their country, the Chinese people open up opportunities for genuine human interaction, fostering friendships that transcend political and cultural divides. The ancient Silk Road was not just a conduit for goods; it was a bridge for ideas, cultures and understanding. China's new "open door" tourism policy mirrors this ethos, allowing modern travelers to act as bridges in an increasingly polarized world.

This move comes at a time when global tensions threaten to fracture international cooperation. Misunderstanding breeds fear, and fear breeds division. By encouraging people from 38 nations — including long-time partners and even countries with whom relations have been historically complex — to experience China directly, the country is demonstrating confidence in its vibrant ancient culture, society and bold vision for the future. The policy signals that China is not merely open for business but open to dialogue, friendship and shared growth.

The benefits are multifaceted. Tourism boosts local economies, revitalizes cultural landmarks, and strengthens China's ties with the global community. For the travelers themselves, the experience will foster deeper understanding and appreciation for the complexities of modern China. More importantly, these travelers will return home as informal ambassadors, equipped with firsthand insights to counter prevailing misconceptions.

It is tragic, however, that many in the West — politicians, media and ordinary citizens — cling to wrong perceptions of China that are decades old. This phenomenon, what some might call the "China paradox," is rooted in an unwillingness to see China as a partner in progress rather than a competitor or adversary. Yet history has shown that isolationism and misunderstanding yield no winners; engagement and openness, on the other hand, create pathways to peace and progress.

China's decision to broaden visa-free access to more countries is a reflection of its longstanding belief in hospitality and exchange. The Tang Dynasty (618-907), often regarded as a golden age of Chinese civilization, welcomed traders, scholars and travelers from across the world to its cities. This open-minded spirit led to flourishing exchanges of knowledge, art and commerce. Today, China's new "open door" echoes this legacy while embracing the realities of the 21st century.

At a time when some other nations are tragically tightening borders and retreating into protectionism, China's policy stands as a bold and refreshing reminder that global challenges require global solutions and international cooperation. Whether in tackling economic recovery, climate change or cultural misunderstandings, China is extending an invitation to engage, learn and build together, which the West should ideally welcome and reciprocate.

As borders reopen and international travel rebounds, the expanded 10-day visa-free entry is an opportunity not to be missed. For those who have long wanted to see China but were deterred by the past hurdles of visa applications, now is the time to seize the chance. For many North Americans and Europeans who have only "heard" about China, there is no substitute for direct experience. A single visit can challenge preconceived notions, foster understanding, and open hearts to the beauty and depth of a nation often misunderstood.

To travel is to overcome fear of the unknown. To engage is to embrace possibility. And to see something with one's own eyes, as the Chinese proverb reminds us, is to know its truth. China's "open door" policy is not just a gift to global travelers — it is an act of trust and hope for a more-connected, harmonious world.

Now is the time to visit fascinating China — and to see in person what many have only heard about.

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US' double standards weaken its global credibility

A double standard is regarded by philosophers as a logical fallacy. The theory of double standards posits that individuals apply varying principles or rules to different individuals, groups and situations, leading to unfair or unequal treatment and inconsistent judgments. In response to the invasion of Gaza by Israel, activists organized anti-Israel protests in some American universities in 2024. These protests have attracted strong condemnation from some American politicians. Republican Senator Tom Cotton, for example, argued that the National Security Guard of the United States should "restore law and order" on these campuses. But in late 2019, he stood on the opposite side and condemned the Hong Kong Special Administrative Region government for taking law enforcement action to end the rioters' occupation of the Hong Kong Polytechnic University campus during the height of the "black-clad riots".

The US' increasingly transparent double standards continue to weaken its global credibility, influence and soft power. According to an online think-piece dated Nov 3, 2023 in Time magazine, "America's increasingly transparent double standards are losing the Global South." In particular, the US has been criticized by many developing countries for providing weapons, intelligence and special forces for Israel to enable a scorched-earth siege of Gaza. The US also supported Israeli military action in Lebanon. Some human rights activists even call the US president "Genocide Joe".

When we respond to American criticisms of the National Security Law for Hong Kong (NSL) and Washington's attacks on Hong Kong's legal system and human rights records, we should lift our assessment above the prejudicial reasoning deployed by these hypocritical double-standard holders. We start our discussion with the enactment of the Safeguarding National Security Ordinance (SNSO) in March 2024. The US State Department claimed that the ordinance could potentially accelerate the closing of Hong Kong's once-open society. US politicians have relentlessly attacked the city's national security regime. In response to such groundless accusations, the Commissioner's Office of China's Foreign Ministry in the Hong Kong Special Administrative Region said certain countries and politicians had turned a blind eye to their own nations' extensive and stringent security laws.



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According to former Hong Kong chief executive, Leung Chun-ying, Hong Kong's domestic security legislation is milder than that of Singapore with "a world of difference" as the city's independent Judiciary, rather than an executive body, will determine what amounts to external interference rather than an executive body (SCMP, Mar 9, 2024). The case of Philip Chan Man Ping, a businessman who was designated by the Singapore Ministry of Home Affairs as a "politically significant person" under the country's Foreign Interference (Countermeasures) Act 2021, shows that the power in Singapore has been vested in a ministry, whereas the power under the SNSO and the NSL is vested in an independent judiciary, according to Leung. But Singapore's security legislation has not sparked a storm of controversy in Western media.

The "black-clad riots" of 2019 were the most violent and dangerous political movement that Hong Kong has seen since the 1967 riots. At the eye of the storm was an attempt by rioters to destabilize the HKSAR government. It was reported that former US House speaker Nancy Pelosi glorified the riots as the pursuit of democracy and freedom and as a "beautiful sight to behold". And we cannot ignore the fact that some other US politicians have openly given support to the rioters.

The promulgation of the NSL in June 2020 enraged Washington. In addition to condemning the NSL, the US took hostile legislative and executive actions against Hong Kong. The Hong Kong Autonomy Act and Executive Order 13936 came about under Donald Trump's administration, while Joe Biden's administration has since followed suit with several hostile actions. The US has also criticized the legal

actions against 47 individuals involved in the "35+" subversion case.

The imposition of harsh penalties on Capitol Hill rioters by American courts has exposed the US' double standards. The American mainstream view is that harsh penalties should be imposed on rioters who have posed a threat to American security. Some Republicans share the same view.

More than 1,230 people have been charged with federal crimes for their involvement in the Capitol Hill riot of Jan 6, 2021, ranging from misdemeanor offenses to seditious conspiracy against the state. In May 2023, Stewart Rhodes, who is the founder of the Oath Keepers, was sentenced to 18 years' imprisonment for terrorism-related seditious conspiracy. Another leader of the Oath Keepers, Kelly Meggs, was sentenced to 12 years in prison because he was charged with seditious conspiracy. Five members of the Proud Boys were also indicted for seditious conspiracy. Enrique Tarrío, the Proud Boys' former national chairman, was imprisoned for 22 years for seditious conspiracy.

The discrepancy in American responses to the "Occupy Wall Street" movement (OWS) in 2011-12 and the "Occupy Central" movement in Hong Kong in 2014 has launched the US on the road to becoming a hypocritical country ingrained with a deep sense of hypocrisy. In mid-October 2011, the American police arrested some radical protesters and used anti-terrorist tactics to suppress them. The violent suppression has opened a painful chapter in American social movements. Unlike its hardline attitude toward local protesters in New York, the US adopted an accommodative attitude toward the "Occupy Central" protesters in Hong Kong. Regardless of the serious disruptions the "Occupy Central" movement caused to the Hong Kong economy and residents' daily lives, the US voiced its support for the Hong Kong protesters' right to protest for their political cause.

Apart from taking unfriendly steps that have been disruptive to Sino-US relations, the US has undermined its credibility, soft power and moral authority in the international arena by using a narrative of double standards to defame China and its HKSAR. The price attached to the double-standard fallacy is too high to be borne by the US government.

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