

Press Release

HKIE Proposes Strategic Recommendations for Hong Kong's Economic Development in 2025-26 Budget

(28 January 2025, Hong Kong) The Hong Kong Institution of Engineers (HKIE) has submitted recommendations to the Financial Secretary for consideration in formulating the 2025-26 Budget. Focused on bolstering Hong Kong's economy, promoting development, and addressing external uncertainties, HKIE's submission underscores key concerns and suggests strategic measures to uphold a resilient public finance system and leverage Hong Kong's pivotal role between the Mainland and the global community.

1. Development Priorities and Strategies

HKIE stresses that infrastructure development is vital for economic growth, societal investment, and job creation. To address economic challenges in development projects, HKIE recommends:

- Prioritising transportation networks, public housing, sustainability initiatives, and new industrialisation efforts;
- Exploring flexible adoption of Public-Private Partnership (PPP) and Private Finance Initiative (PFI);
- Government adjustment of project timelines and temporary expansion of public work projects; and
- Implementing a centralised “one-stop” interdepartmental approval system for further streamlined processes.

2. New Industrialisation and Innovation & Technology (I&T)

I&T and new industrialisation are key drivers of the city's long-term prosperity. HKIE proposes:

- Establishing a dedicated task force for low-altitude economy and social consensus, emphasising investment in essential infrastructure;
- Providing additional subsidies for local companies employing Hong Kong engineers and technologists; and
- Enhancing customisation, accessibility, and targeted outreach of existing funds and accelerator schemes supporting I&T initiatives.

3. Sustainability and Carbon Neutrality

While addressing development needs, HKIE emphasises the importance of sustainable practices and carbon neutrality. Recommendations to achieve these goals include:

- Advancing the digital water roadmap to conserve water resources crucial for high-tech industries;
- Allocating funds for the research and development (R&D) of green fuel technology and pilot projects demonstrating its viability in maritime operations;
- Providing tax incentives to encourage the adoption of green fuel technologies;
- Explore the feasibility of utilising reservoir surface areas for solar power, which could be harnessed for green hydrogen generation;
- Investing in recycling infrastructure, promoting carbon capture projects, and advancing recycling technologies;
- Enhancing electric vehicle (EV) charging infrastructure and incorporating it into urban planning in new development areas, as well as extending the First Registration Tax concessions for EVs and streamlining the “One-for-One Replacement Scheme” application;
- Strengthening Hong Kong’s carbon trading market with a professional trading platform, robust regulatory framework, and unified carbon auditing standards aligning with international standards;
- Developing and promoting standards, guidelines, and assessment tools for evaluating performance against sustainability practices;
- Diversifying the range of green financial products; and
- Shifting procurement processes towards a value-based tendering approach that prioritises overall quality, sustainability, and lifecycle costs considerations.

4. Enhance Capacity and Availability of Engineering Workforce

To meet Hong Kong’s future manpower needs and enhance the expertise of the engineering workforce, HKIE suggests:

- Increasing the monthly subsidy for Scheme “A” Training from HK\$5,610 per registered trainee to HK\$10,000 or more;
- Introducing clauses in major contracts mandating the employment of a minimum number of young engineers;
- Breaking down high-value contracts to create opportunities for small- and medium-sized subcontractors; and
- Allocating dedicated funding for training in New Quality Productive Forces and New Industrialisation.

5. Support Outbound Construction Industrial Initiatives

Given the significant growth in the Greater Bay Area (GBA), HKIE sees the opportunities available for the local engineering sector with enhanced integration. HKIE proposes:

- Enhancing building standards and benchmarking international standards and

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- Establishing GBA standards to facilitate local use of high-quality, cost-effective construction materials;
- Collaborating with the Mainland to create more job opportunities; and
- Expanding the scope of “Professional Title” evaluation to include additional engineering disciplines.

HKIE, together with the engineering community in Hong Kong, remains committed to offering expertise for the city’s long-term prosperity and well-being.

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