

Press Release

The Hong Kong Institution of Engineers Proposes Key Measures to Foster Economic Growth and Development in 2024-25 Budget

(Hong Kong, 1 February 2024) The Hong Kong Institution of Engineers (HKIE) has submitted a set of recommendations to the Financial Secretary for consideration in formulating the 2024-25 Budget. With a focus on improving Hong Kong's economy, promoting development, and addressing crucial current and future challenges, the HKIE's submission highlights key areas of concern and proposed strategic measures to sustain economic recovery and consolidate Hong Kong's position as a global financial and innovation hub.

1. Infrastructure Development

Recognising the significance of infrastructure development in driving economic growth and addressing the society's needs, the HKIE emphasises the importance of

- coordinated and prioritised development plans;
- cost-effectiveness and optimal resource allocation for large-scale infrastructure projects;
- careful examination of the total estimated construction expenditure to maintain healthy public finance amidst Hong Kong's declining fiscal reserves;
- considering the adoption of Public-Private Partnership (PPP) and Private Finance Initiative (PFI).

2. Trawling for Talents

To address the projected manpower shortage in the engineering sector by nurturing and retaining local talents as well as attracting overseas professionals, the HKIE recommends:

- raising financial subsidies for eligible Scheme "A" companies employing graduates under the Engineering Graduate Training Scheme (EGTS) to HK\$10,000 per month;
- expanding the quota for EGTS to encourage companies to hire more engineering graduates at competitive salaries;
- strengthening collaboration with the Mainland to open more career opportunities for engineers in the GBA;
- offering a two-year subsidy of approximately HK\$10,000 per month to companies employing each overseas graduate;
- establishing a dedicated fund to support professional bodies in their initiatives to attract talented individuals to Hong Kong

The HKIE also anticipates its Mutual Recognition Area (MRA) with the Guangdong Institution of Engineers to expand to more engineering disciplines, facilitating greater mobility for engineering talents.

The HKIE is actively collaborating with the Education Bureau on the “Engineers on Campus” programme, which pairs primary and secondary schools with engineers to promote STEAM education. To enhance the programme’s impact, the HKIE calls for increased funding and support from the Administration. We also suggest allocating more resources to programmes like “One School One Engineer” and “Back to School Programme” to generate greater interest in engineering among students.

3. Land and Housing Supply

The HKIE recommends adopting PPP and PFI approaches for expediting land reclamation, the development of the Northern Metropolis and transport networks, to reduce the Government’s upfront costs and improve the overall cashflow.

On safety concerns related to ageing buildings, the HKIE proposes

- implementing innovative methods such as drone supervision systems to identify higher-risk buildings and issue Mandatory Building Inspection Scheme notices; and
- allocating necessary resources of the Authority and recovering the costs from building owners, along with penalties, to safeguard public safety effectively.

4. Innovation and Technology Development

Recognising the role of innovation and technology as the new engine of Hong Kong’s growth, the HKIE suggests

- establishing a two- or three-tiered taxation benefit system that offers increasing benefits corresponding to the number of recruits, to incentivise enterprises to employ local talents;
- pursuing legislative amendments to facilitate the production, storage, transportation and application of hydrogen fuel;
- providing land to support the R&D of the full hydrogen fuel production chain; and
- providing subsidies for Hong Kong companies employing local engineers and technologists so that companies may provide employees with a more favourable package and thus attract more talents to join the engineering industry.

5. Building a Smart, Green, and Resilient City

Concerning environmental protection, the HKIE recommends

- reserving space for electrical vehicle (EV) chargers in new development areas and ensuring a robust charging network to encourage the use of EVs;
- the Administration provide support for small- and medium-sized enterprises transitioning to green practices and formulate regulations that facilitate long-term sustainability;
- providing financial resources, interest-free loans, rent and rate relief, and tax concessions to incentivise and stimulate recycling businesses; and
- expanding the scope of Producer Responsibility Scheme to cover more products and packaging materials.

As a professional body representing engineers in Hong Kong, the HKIE will continue to engage with the Government, industry stakeholders, and the public to provide professional advice and recommendations and contribute to the long-term prosperity and well-being of Hong Kong.

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