

By Hand and by fax at 2840 0569

26 January 2017

Mr Paul M P CHAN GBS MH JP  
Financial Secretary  
25/F Central Government Offices  
2 Tim Mei Avenue  
Tamar Hong Kong

Dear Mr CHAN

**2017-18 Budget**

On behalf of the Institution, I am pleased to submit herewith our views and suggestions as set out in the enclosure for your consideration in the preparation of the 2017-18 Budget.

For the welfare of the community as a whole and the development of the profession, the Institution, with the expertise of our members, welcome the opportunity to support the constructive initiatives of the Administration on areas of concern.

Thank you.

Yours sincerely



Ir Joseph K H CHOI  
President  
The Hong Kong Institution of Engineers

Enc

KHC/WC

Cc: Mr Gregory SO GBS JP, Secretary for Commerce and Economic Development  
(by fax) Ir Eric MA JP, Acting Secretary for Development  
Mr Eddie NG SBS JP, Secretary for Education  
Mr WONG Kam Sing GBS JP, Secretary for the Environment  
Prof K C CHAN GBS JP, Secretary for Financial Services and the Treasury  
Mr LAU Kong Wah JP, Secretary for Home Affairs  
Mr Stephen SUI JP, Acting Secretary for Labour and Welfare  
Prof Anthony CHEUNG GBS JP, Secretary for Transport and Housing  
Mr Nicholas YANG JP, Secretary for Innovation and Technology

## Enclosure

### **Views from the Hong Kong Institution of Engineers for the Formulation of the 2017-18 Budget**

The Hong Kong Institution of Engineers (HKIE) hopes that the Administration can sustain a prudent yet developmental perspective in setting the financial and economic policy of Hong Kong. We believe that the Budget should focus on building Hong Kong's future. With the aspiration of strengthening Hong Kong's economy and betterment of citizens' livelihood, the HKIE would like to provide our views and suggestions to the Administration for the formulation of the 2017-18 Budget.

#### **Building Foundation for the “Belt and Road” Initiative**

2. The HKIE expects that the “Belt and Road” Initiative will fuel Hong Kong economy with tremendous opportunities to thrive. For facilitating Hong Kong as the “super-connector” to exploit the lucrative potential brought from the Initiative, the HKIE urges the Administration to invest on the hardware and software to lay down a favourable foundation.

3. Infrastructural readiness is essential to prepare Hong Kong in handling increasing global businesses and interactions brought from the Initiative. The Administration is recommended to continue upgrading the infrastructures, especially in respect of transportation network, information technology foundation, logistics handling facilities, and meeting/ convention accommodations to cater for related business and development needs.

4. The Administration should assign optimal resources for land creation to address the residential needs and to support the increasing economic activities. Sufficient financial reserves should be made available to facilitate the necessary study, planning, design and prompt implementation of the initiatives of increasing land supply in Hong Kong.

5. Moreover, the Administration is suggested to consider setting up new fund and optimising the Mega Events Fund to facilitate various Hong Kong sectors in organising and hosting international events, conventions, meetings and exhibitions, as well as cultivating Hong Kong as the breeding ground for creativity and cultural exchanges.

6. The Administration is suggested to enhance the liaison networks in other countries to promote the “HK Brand” of our professional services and expertise. With the renowned expertise of the Hong Kong engineering professionals, the HKIE invites the Administration to provide more assistance to Hong Kong engineers in pursuing development opportunities under the “Belt and Road” Initiative.

## **Strengthening Human Capital**

7. The HKIE holds a strong belief in empowering every citizen to excel for a better future. Endeavour should be made to enable our citizens to have opportunities to develop their general capabilities in early years, and to enhance their multiple skill sets and expertise throughout their career path. Consistent investment by the Administration in education and manpower training is therefore indispensable.

### High Quality STEM Education

8. Fostering high quality human capital is always the sustainable means to develop our economy and uplift the living standard of all citizens, in particular combating cross-generation poverty. The Administration should inject optimal resources for providing quality education with enrichment and varieties to the young generation. This is particularly essential to enable our next generation to excel in the information-based and technology-driven future society. In this connection, the HKIE advocates the Administration to enhance the STEM (Science, Technology, Engineering & Mathematics) education in primary and secondary schools.

9. It is strongly suggested that more funding should be provided to enable the frontline teaching professionals to be well trained for delivering high quality STEM education to the students. Persistent funding should also be available to facilitate the schools in obtaining support for the design, sourcing and preparation of relevant course materials and activities for STEM education. Outside the classroom, we believe that resources should also be provided to different sectors in the community to organise technology and engineering-related activities to enlighten the young and their parents in STEM.

10. To sustain fostering sufficient professionals and researchers in engineering, science and technology, the HKIE recommends the Administration to maintain strong support to the tertiary institutions in providing subsidised post-secondary programs to the aspiring students. To enhance the standing and expertise of engineering in Hong Kong, the HKIE further suggests the Administration to step up grants for more graduate studies and research on engineering and technology.

### Continuing Development

11. Apart from the young generation, the HKIE believes that the Administration should instill hope and empower everyone to enhance the capabilities and employability for lifelong career development. The HKIE welcomes the Continuing Education Fund (CEF) which subsidises those who aspire to enhance their competitiveness in the knowledge-based economy through pursuing continuing education. However, while the tuition fees of various courses have been rising in recent years, the ceiling of subsidies appears not adequate, and this may have demotivated people from pursuing continuous development. In this connection, the HKIE urges the Administration to consider increasing the subsidies and extending the coverage of the CEF to include wider scopes of disciplines including courses in engineering, IT and technology subjects to encourage all to continuously develop new

skill sets and/or enhance own expertise and advanced skills to contribute to new economic development.

### **Fostering Innovation and Entrepreneurship**

12. The HKIE suggests that the Administration should continue to foster a constructive environment to support R&D and innovation development in Hong Kong. We recommend for more measures to attract private sectors to collaborate with the tertiary institutions in conducting applied research and in converting research outcomes into practical use and business opportunities. Hong Kong needs a pool of quality talents in creativity and innovation, and we must allocate funding to develop suitable sites to facilitate local and international technology enterprises to develop their base and business in Hong Kong so as to create more job opportunities for technology and innovation.

13. More tailor-made support, however, is necessary to facilitate the small-and-medium enterprises (SMEs) in pursuing ventures in innovation/ creative industries and application of technology in conducting their business. The Administration is recommended to continue its support to promote technology to the SMEs. More consulting services should be provided. Meanwhile, it is suggested that the criteria of application for financial subsidies for the use of technology by SMEs should also be reviewed with due consideration of the circumstances and difficulties of them.

14. The HKIE also suggests that more funding should be provided to promote and cultivate a culture of innovation and entrepreneurship in Hong Kong. Support should be provided to community groups and professional bodies to organise relevant promotional and knowledge sharing activities to the public. Grants to technology practitioners for outreach activities to local neighborhood and schools in promoting the technology and innovation should be enhanced.

### **Investing for Desirable Urban Living**

15. Good environment and high livability are some of the integral elements for desirable urban living that the Administration should aim at. We aspire for more measures to facilitate everyone to assume the mission of protecting the environment and to empower all stakeholders to engage in the enhancement of living condition.

#### **Environment Protection**

16. Concern on the air quality is not a new subject. Roadside air pollution has been a major threat to the health of Hong Kong people. The HKIE has been advocating the electric vehicles (EVs) as a means to curb roadside emission. We believe that there is still ample room for the Administration to actively promote EVs in Hong Kong. We suggest the Administration to consider maintaining suitable level of tax reduction or subsidies in encouraging both the individual and commercial vehicle users to adopt using EVs. To address the users' concern, more support should be provided to increase provision of charging facilities for EVs. Advocating a holistic

policy of promoting EVs that suits Hong Kong condition, the HKIE suggests that more funding support should be considered for applied research on EVs technology, as well as for training sufficient EVs technical personnel.

17. The HKIE hopes that more focus should be placed on promoting reduction from source. More support should be provided to the community in organising related educational activities and practices. Measures encouraging schools, buildings, and households in implementing waste reduction and segregation practices should be enhanced.

18. The HKIE hopes that the Administration can continue to introduce new technology and enhance the provision of Integrated Waste Management Facilities in effectively handling the municipal waste. As to complement the promotion initiative of reuse and recycling in the community, the HKIE also recommends that sufficient assistance should be provided to enable the recycling industry to survive, such as providing more sites with affordable rent and encouraging the use of high value-added process in the operation.

19. The HKIE hopes that more financial reserves can be allocated in long term to facilitate the development of green technology. We also look forward to more commitment from the Administration on initiatives that would encourage adopting best environmental practices in procurement, construction, building management and service operations etc. in Hong Kong.

#### Smart Living

20. The HKIE supports investment in Hong Kong infrastructures and software to bring smart city concepts into our people's living. We aspire for more public investment in research and leveraging technology collaborations for smart city living. We advocate more measures to meet the needs of the community and support smart city initiatives driven by the community. The Administration is suggested to fund for collaboration among the institutions, professional bodies, entrepreneurs, and non-profit making organisations in sharing views and knowledge for creating smart city foundation for Hong Kong. There should be more incentives to support academic-industry collaborations to convert research and emerging technologies into smart service systems that can be applicable to public transportation and utilities.