

By post and by fax at 2147 5770

8 March 2019

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

Dear Mr CHAN

Views on 2019-20 Budget

The Hong Kong Institution of Engineers welcomes the initiatives set out in the 2019-20 Budget to promote the long-term development of Hong Kong and enhance the livelihood of our citizens. Further to our submission on 14 February 2019 expressing our views to the Administration to facilitate formulation of the 2019-20 Budget, we are pleased to submit herewith our further views and suggestions on relevant issues for your consideration.

The Institution is pleased to work closely with the Administration on the areas of concern for the benefits of the profession and the society as a whole.

Thank you.

Yours sincerely



Ir Ringo S M YU
President
The Hong Kong Institution of Engineers

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RSMY/WC/ML

Enclosure

**Views from the Hong Kong Institution of Engineers
to the Financial Secretary on the 2019-20 Budget**

The Hong Kong Institution of Engineers (“the HKIE”) supports in general the proposed measures in the 2019-20 Budget (the Budget) delivered on 27 February 2019. We agree that pursuing a prudent financial management strategy is instrumental in building up the overall capacity of Hong Kong against the future challenges and uncertainties. We welcome the Administration’s determination to enhance public services, support enterprises, relieve people’s burden and invest for the future with new resources of about \$150 billion earmarked for various purposes. Further to the submission of the Institution on 14 February 2019 expressing our views to the Administration to facilitate formulation of the Budget, we would like to invite the Administration to consider our views with regard to the measures proposed in the Budget and our further suggestions.

Land and Housing

2. The HKIE holds the view of adopting a multi-pronged approach to expand land resources for the development needs of Hong Kong. We are pleased to see that in the Budget, it states that adequate resources are to be provided to support fully the short, medium and long-term measures to increase land and housing supply. We expect that sufficient resources should be set aside for early launching of detailed planning and studies for the Lantau Tomorrow Vision and the development of brownfield sites. We would also like to highlight that investment in upgrading the infrastructure facilities on the relevant sites, including road networks, drainage systems and flood control measures against extreme weather, would be essential. The Administration is suggested to plan for resources to conduct corresponding studies and make reserve for future construction of these facilities.

3. For the projects relating to New Development Areas, we are pleased to note the determination of the Administration of pressing ahead the infrastructure works in Kwu Tung North/Fanling North, Hung Shui Kiu, and Yuen Long South as well as the reclamation works for Tung Chung New Town Extension. The commencement of these works not only provides around 210,000 residential units but also a wider choice of social and community facilities as well as an overall improved transport network.

Economy and Innovation

4. We believe that development of the Greater Bay Area and the Belt and Road Initiatives will bring enormous opportunities to different sectors in Hong Kong. The HKIE is looking forward to seeing more new initiatives and resources to be introduced to facilitate our talents and local professional services to leverage the development to gain more opportunities in the Mainland and other Belt and Road economies.

5. The HKIE has long been advocating for enhancement of R&D and innovation to

enrich our economy, and is pleased to note that the Budget has measures to support further development of pillar industries, in particular their innovation and new technology initiatives. We welcome the measures of injecting \$2 billion into the Innovation and Technology (I&T) Fund to support re-industrialisation, regularising and doubling the funding ceiling of the Technology Voucher Programme as well as expanding the Corporate Venture Fund to support the growth of the tenants and incubatees. To further promote I&T development and application, we hope that the Administration can provide financial support to award-winning innovative solutions for commercialising their ideas and help match I&T startup companies with suitable organisations for scaling their businesses.

Nurturing Talent

6. We welcome the initiative in the Budget for the implementation of the IT Innovation Lab in Secondary Schools Programme in the coming three school years to help young people build a good IT foundation, and hope that the funding will become regular in future to sustain the long-term talent development in Hong Kong. As STEM (science, technology, engineering, and mathematics) education could nurture students' innovative thinking as well as collaboration and problem-solving skills, the Administration is invited to consider our earlier proposal of expanding the scope of procurement of the funding from IT equipment and services to also cover STEM-related facilities and software support.

7. In response to our concern about the foreseeable shortage of skilled construction workers, we are pleased to note the allocation of \$200 million to expand the apprenticeship scheme for the construction industry and increase the allowances for new trainees pursuing one-year full time programmes, which is beneficial to attract and retain the new and existing labour force in the construction industry. We would also like to invite the Administration to further consider allocating additional funding to extend the Continuing Education Fund to encourage continuous development of professionals and acquisition of advanced knowledge for application to their jobs.

Improving People's Livelihood

8. Alongside the measures for redevelopment or expansion of the existing public hospitals and the direct subvention for human resources, we consider that sufficient resources should also be reserved to augment the hospital capacity in terms of developing and adopting smart health facilities as well as equipping healthcare manpower with relevant training on new medical technologies to meet the challenges of increasing demand and the ageing population.

9. For developing Hong Kong as a Smart City, we look forward to seeing more resources input and progress in implementing the smart city initiatives in the upcoming New Development Areas as well as in redevelopment of old districts to allow our citizens to share the benefits of modern technology in their daily lives.

Liveable City

10. The HKIE shares the views that "digital infrastructure is essential for a smart

city to develop” as mentioned in the Budget Speech and supports expediting the development of digital infrastructure. We welcome the Administration to allocate \$120 million to extend the public electric vehicle (EV) charging networks at government car parks and on-street parking spaces. More funding support should be considered for research on EVs technology, training of EVs technical personnel and facilitating private property owners to install EV charging facilities. Apart from EVs, the HKIE invites the Administration to further consider putting more resources in exploring the feasibility of introducing other types of new vehicles with low or zero emissions into Hong Kong.

11. Apart from promoting the development of green finance and diversification of related products as mentioned in the Budget, we hold the view that building a low-carbon Hong Kong by enhancing the energy efficiency of buildings is also important. The HKIE hopes to see that further tax reduction measures on purchasing and using renewable energy and energy-efficient building installations could be considered for the purpose of improving the overall living quality.

12. The HKIE shares with the Administration that prudent and strategic resources allocation would be necessary to prioritise policy initiatives and take care of the best interests of all. We welcome the Administration to continue maintaining close collaboration with stakeholders to ensure that the new resources allocated would yield the best impact on the overall development of our society. The HKIE is always ready to join hands with the Administration to provide our expertise for the effective implementation of the proposed measures for a better Hong Kong.