THE HONG KONG
INSTITUTION OF ENGINEERS
香港工程師學會

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By Hand and Email at policyaddress@cepu.gov.hk

26 August 2026

The Honourable John KC Lee, GBM, SBS, PDSM, PMSM
The Chief Executive, Hong Kong Special Administrative Region
c/o Policy Address Team, Chief Executive's Policy Unit
26/F, West Wing, Central Government Offices
2 Tim Mei Avenue, Tamar

Dear Mr Lee,

POLICY ADDRESS 2026

On behalf of the Institution, I am pleased to present to you our submission as per attached for your consideration.

In essence, our submission focuses on Northern Metropolis development, carbon market architecture, fiscal alignment, industrial upgrading, digital transformation, energy transition, regional cooperation and talent development. We are more than pleased to provide more information if required.

The Institution welcomes the opportunity to work with the Government on the areas of concern for the ongoing development and prosperity of Hong Kong.

Yours sincerely,

Ir Prof Frank CHAN, GBS, JP
President, The HKIE

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Policy Address 2026
Submissions of The Hong Kong Institution of Engineers

Executive Summary

Introduction

Following its earlier submission on Hong Kong's alignment with national Five-Year Planning, The Hong Kong Institution of Engineers (the HKIE) respectfully presents this further set of recommendations for consideration in the formulation of the Policy Address 2026.

This Executive Summary highlights the Institution's key proposals for placing engineering at the centre of Hong Kong's next stage of high-quality development, with emphasis on the Northern Metropolis, carbon market development, zero-carbon transition, artificial intelligence adoption, productivity enhancement, cost-effective infrastructure delivery and engineering-led governance modernisation. It also sets out cross-cutting priorities to strengthen Hong Kong's economic resilience, regional integration, energy security, climate responsibility and long-term talent capacity.

Northern Metropolis: Hong Kong's primary engine of economic, carbon and governance transformation

The Northern Metropolis should be positioned not merely as a land supply initiative, but as Hong Kong's primary platform for economic transformation, zero-carbon transition, AI-enabled smart city development, productivity enhancement and governance modernisation. Its planning should adopt an integrated and phased approach, aligning infrastructure, digital governance, industrial clustering, ecological systems and regional cooperation from the outset.

Key enabling measures should include consolidated underground utility corridors, digital twin systems, cross-utility coordination, advanced energy infrastructure, smart logistics, construction industrialisation facilities and ecological resilience measures. These would reduce repeated excavation, improve infrastructure reliability, accelerate housing and infrastructure delivery, enhance whole-life asset management and strengthen climate resilience. The district should also pilot zero-carbon industrial parks, data centres, supercomputing facilities and circular energy integration to support new quality productive forces.

Carbon markets and sustainable finance: from green claims to verified carbon assets

Hong Kong should strengthen the connection between sustainable finance and measurable engineering outcomes. Carbon markets, green finance and transition finance require credible, traceable and verifiable physical carbon reductions. The

Government should develop unified carbon verification and third-party certification systems integrating lifecycle carbon accounting across buildings, infrastructure, manufacturing and energy systems.

Professional engineers can provide technical assurance for lifecycle carbon performance, energy efficiency, hydrogen readiness, carbon capture, advanced cooling systems, refrigerant management and other hard-to-abate transition measures. An engineering carbon database and recognised certification framework would support green bond issuance, carbon asset registration, pricing, settlement and financial innovation. The sustainable finance taxonomy should be further aligned with national and international classifications, while carbon-linked incentives should reward verified lifecycle carbon reductions.

Industrial upgrading and innovation deployment

Engineering should be recognised as a principal driver of new industrialisation. The Government should establish a City Engineering Innovation Adoption Framework to consolidate public-sector platforms into structured open testbeds, enabling universities, start-ups, research bodies and industry partners to validate technologies under professional governance and progress towards fast-track procurement where appropriate.

Artificial intelligence should be adopted as a practical productivity enabler across government and industry, covering design review, statutory checking, predictive maintenance, construction optimisation, site safety, energy management, transport modelling, emergency response, defect detection and lifecycle asset management. Common data standards, secure data-sharing protocols and validation safeguards are essential to support trusted adoption. Hong Kong should also advance the Blue Economy, green maritime services, smart logistics, aviation engineering and medical product regulation as high-value growth areas.

Whole-life decarbonisation and infrastructure modernisation

Hong Kong should adopt a whole-life cycle zero-carbon roadmap for the construction sector, covering carbon management from raw material extraction to decommissioning. Lifecycle carbon assessments should be integrated into public works planning and tender evaluation, supported by an internationally aligned database to provide consistent benchmarks.

To improve productivity and cost-effective delivery, the Government should scale up industrialised construction through wider adoption of MiC, MiMEP, robotics, digital workflows, AI-assisted construction management and Design for Manufacture and Assembly. Procurement and approval systems should give greater weight to buildability, standardisation, speed, maintainability, digital readiness, safety, carbon reduction and total cost of ownership. Incentives, streamlined approvals, technical standards, professional oversight and Smart Construction Training Centres should

support wider adoption.

Energy diversification and resilient transition

The Policy Address 2026 should set out a transparent long-term energy mix roadmap covering imported nuclear energy, regional renewable electricity, local distributed renewables, hydrogen and emerging zero-carbon technologies. Energy mix optimisation should be treated as strategic economic security, linked to industrial competitiveness, carbon pricing stability, data centres, building electrification, EV charging and export compliance.

Structured electricity cooperation with Guangdong, including cross-boundary grid coordination and clean energy procurement, would enhance reliability, affordability and price predictability. Floating solar, building-integrated photovoltaics, hydrogen pilots and Sustainable Aviation Fuel integration should also be advanced. AI-enabled grid management, demand-side response and district energy optimisation should strengthen reliability, resilience and cost efficiency during the energy transition.

Urban safety, resilience and smart governance

Urban safety and climate resilience should be strengthened through smarter asset management and proactive risk prevention. AI-enabled inspection, IoT sensors, drone analytics, thermal imaging and digital maintenance records can support early defect identification in ageing buildings, slopes, drainage systems, lifts, façades, bridges, utilities and other public assets, enabling predictive and prioritised intervention.

Blue-green infrastructure, multifunctional public spaces and sponge-city drainage should be expanded to enhance flood resilience. Smart monitoring platforms integrating rainfall, drainage and environmental data would support dynamic control, targeted alerts and more effective protection of communities and infrastructure assets. A cross-sector climate resilience mechanism should coordinate stakeholders, while cybersecurity and operational technology resilience must be embedded in smart infrastructure systems.

Regional cooperation and standards alignment

Regional cooperation should move beyond physical connectivity towards standards alignment and institutional integration. Hong Kong can serve as a bridge within the Greater Bay Area and beyond in carbon verification, green finance taxonomy, medical device certification, marine fuel standards, smart construction, digital twin interoperability, AI governance and engineering professional mutual recognition.

Collaboration on clean energy trading, hydrogen pilots, Blue Economy initiatives, cross-boundary innovation, low-carbon materials, MiC and MiMEP standards, green maritime fuel certification and data arrangements would reinforce Hong Kong's role as both super connector and super value-adder.

Talent pipeline and professional capacity

Hong Kong's engineering talent pipeline should be upgraded to support an AI-enabled, low-carbon and productivity-driven economy. Engineering education, professional training and continuous upskilling should cover artificial intelligence, machine learning, digital twins, robotics, automation, smart construction, systems engineering, sustainable finance, energy transition, climate resilience, cybersecurity, AI ethics and cross-boundary regulatory knowledge.

A coherent pathway from secondary school outreach to university reform and professional development is essential to translate strategic ambitions into executable systems. Flexible admission pathways, interdisciplinary curricula and exposure to system-level engineering challenges would broaden access and attract diverse talent. The Scheme "A" training subsidy should be expanded to 1,000 annual places, with enhanced support, while Smart Construction Training Centres should strengthen practical workforce skills.

Engineering as strategic partner in high-quality development

The Policy Address 2026 presents an opportunity to establish a coordinated governance framework linking Northern Metropolis development, carbon market architecture, fiscal alignment, industrial upgrading, digital transformation, energy transition, regional cooperation and talent development into a unified strategy. Through integrated planning, professional validation and measurable implementation pathways, Hong Kong can strengthen its role within national development while enhancing global competitiveness.

By embedding Blue Economy advancement, energy mix optimisation, regional cooperation, engineering education reform, AI adoption and cost-effective project delivery as mutually reinforcing pillars, the framework can align economic growth, energy security, climate responsibility and talent sustainability. The Institution stands ready to collaborate with the Government in translating strategic ambition into executable systems and contributing professional expertise to Hong Kong's long-term prosperity and the nation's high-quality development.

Policy Address 2026
Submissions of The Hong Kong Institution of Engineers

Introduction

Following the submission of our earlier views on Hong Kong's Five-Year Planning alignment, The Hong Kong Institution of Engineers respectfully presents this further set of views for consideration in the formulation of the Policy Address 2026. This submission consolidates and refines key strategic priorities, with particular focus on the Northern Metropolis, carbon market architecture, zero-carbon industrial transition, artificial intelligence adoption, productivity enhancement, cost-effective infrastructure delivery and engineering-led governance modernisation. It aims to provide an integrated execution framework that translates strategic vision into measurable systems, supporting high-quality development, economic resilience, and deeper alignment with national objectives.

2. In addition, the Institution recommends that four cross cutting strategic pillars be explicitly embedded within the Policy Address 2026: the advancement of the Blue Economy, optimisation of Hong Kong's long term energy mix, deepened regional cooperation within the Greater Bay Area and beyond, and systematic upgrading of engineering education. Artificial intelligence, construction productivity and cost-effective delivery should be treated as horizontal enablers across all four pillars. These pillars form the structural foundation linking industrial growth, energy security, international competitiveness and long-term talent sustainability.

Northern Metropolis: Hong Kong's primary engine of economic, carbon and governance transformation

3. Hong Kong stands at a defining juncture in its development trajectory. With the commencement of the National 15th Five-Year Plan and the formulation of Hong Kong's first Five-Year Plan, the Policy Address 2026 represents a structural inflection point. At the centre of this transformation lies the Northern Metropolis. It should be positioned not as a conventional land supply initiative, but as Hong Kong's primary economic engine, zero-carbon transition platform, AI-enabled smart city testbed, productivity accelerator and governance modernisation blueprint for the coming decade.

4. The Northern Metropolis provides the spatial and institutional foundation through which Hong Kong can deepen integration with the Greater Bay Area, cultivate new quality productive forces and accelerate industrial upgrading. Its planning should follow an integrated and phased implementation model, aligning infrastructure, digital governance, industrial clustering and ecological systems from inception. Through coherent long-term systems design, the district can function as a flagship demonstration zone for zero-carbon industry, smart governance, AI-assisted urban management and sustainable economic expansion.

5. The Northern Metropolis should also serve as a pilot platform for advanced energy system integration and cross-boundary industrial collaboration. By aligning zero-carbon manufacturing clusters, innovation and technology industries, and regional electricity coordination, the district can embody a systems-level model of economic and energy transformation. To support computing-intensive industries, supercomputing and data centres should be recognised as strategic digital infrastructure, with coordinated planning for land, power supply, cooling systems, grid reinforcement and approval workflows.

6. Consolidated underground utility corridors should be incorporated at the land-formation stage, accommodating water supply, sewage, electricity, gas and telecommunications within unified infrastructure. This integrated approach would reduce repeated excavation, enhances maintenance efficiency and strengthens long-term asset resilience. Such corridors would enable utilities to be planned, installed, maintained and upgraded in a coordinated manner, thereby reducing interface risks among different utility undertakers and improving the overall reliability of essential infrastructure services**.** A cross-utility coordination framework and streamlined digital approval mechanisms would accelerate project delivery and improve development certainty. Rationalisation of design and Operations & Maintenance requirements would ensure cost-effectiveness in implementation. They would also reduce duplication of road opening works, minimise disruption and improve whole-life infrastructure performance.

7. Digital twin technology should be embedded at the earliest planning phase. Integration of three-dimensional geographic information systems, real-time sensor networks and cross-departmental data sharing would enable predictive maintenance, infrastructure risk modelling and precision planning approvals. This virtual-physical platform would strengthen resilience and operational efficiency while supporting data-driven urban governance. It would provide a common data environment for project planning, design coordination, construction sequencing, asset handover and long-term operation, enabling government departments, utility undertakers and project proponents to work from a shared and up-to-date source of information. The digital twin should be further enhanced with AI analytics to support automated clash detection, programme optimisation, asset condition prediction, emergency response planning and lifecycle cost control for major projects. The platform's architecture should be modular and extensible to support an evolving ecosystem of multi-stakeholder innovations, both governmental and non-governmental. Clear data governance, cybersecurity and interoperability standards should be established to ensure reliability, accountability and future scalability.

8. To strengthen productivity and cost-effective delivery, the Government should consider establishing a dedicated construction industrialisation hub in the Northern Metropolis. This may include automated prefabrication facilities, MiC and MiMEP production lines, logistics staging areas and quality assurance facilities. A transparent implementation timetable should be formulated to support the development of such facilities, together with suitable land and economic incentives to anchor high-value

construction supply chains in Hong Kong.

9. The Government should also develop a network of logistics testpoints within the Northern Metropolis to support inspection, temporary storage, quality control and just-in-time delivery of large prefabricated components. These logistics nodes would help reduce on-site congestion, improve safety, shorten construction programmes and enhance certainty in public housing and infrastructure delivery.

10. Designated zero-carbon industrial parks within the Northern Metropolis should anchor Hong Kong's export-oriented advanced manufacturing strategy. The overall design of the parks should give priority to access to zero-carbon electricity, spatial coordination with the main power grid and nearby electricity demand, and the reservation of land for energy infrastructure, such as energy storage facilities, thermal networks, smart load management and hydrogen-ready infrastructure and real-time carbon monitoring platforms. Carbon performance would form part of the district's economic operating system, linking production competitiveness with transparent emissions management under global carbon disclosure frameworks.

11. Circular energy integration should form a structural pillar of the district. Data centre clusters, particularly in areas such as Sandy Ridge, could incorporate heat-recovery infrastructure that recycles waste heat for suitable on-site or adjacent industrial applications. In addition, expansion of floating solar photovoltaic systems at appropriate existing reservoir sites, coupled with green hydrogen development, can strengthen renewable supply and system flexibility at the territory-wide level. Through compute–power–heat coordination and distributed renewable integration, Hong Kong can demonstrate scalable circular-energy architecture. AI-enabled energy management systems should be integrated with the wider digital twin and smart district framework to optimise cooling loads, electricity demand, energy storage, renewable generation and waste heat utilisation across district-scale developments.

12. Ecological infrastructure must be embedded into the district's master planning. Continuous wetland conservation areas, ecological corridors and blue-green networks can enhance biodiversity and climate resilience. Sponge-city drainage systems and multifunctional public spaces capable of temporary flood retention would strengthen adaptation capacity while maintaining urban vibrancy. Environmental monitoring and flood-risk modelling should be incorporated into the district's digital management platform to support adaptive management of drainage, ecology and climate resilience assets.

Carbon markets and sustainable finance: from green claims to verified carbon assets

13. The acceleration of global climate action and the nation's reaffirmation of the "3060 Dual Carbon Targets" require structural reform in how Hong Kong manages energy, construction and finance. Carbon auditing and carbon trading have become core economic instruments shaping global competitiveness.

14. Hong Kong can position itself as a regional carbon asset pricing, verification and settlement centre grounded in scientific engineering standards and internationally aligned methodologies. Unified carbon verification and third-party certification systems should integrate lifecycle carbon accounting across buildings, infrastructure, manufacturing and energy systems. An engineering carbon database can provide traceable and verifiable baselines that support green bond issuance, carbon asset registration and financial innovation.

15. Carbon assets generated from zero-carbon industrial parks, hydrogen pilots, Sustainable Aviation Fuel initiatives and whole-life construction carbon management should be measurable, registrable and verifiable. Financial innovation would thus be directly connected to physical emissions reductions, strengthening credibility and market trust.

16. Acceleration of the ongoing expansion of Hong Kong's sustainable finance taxonomy, aligned with national classifications and inclusive of zero-carbon technologies such as nuclear energy and carbon capture, would provide clarity and policy coherence. Registered Professional Engineers can serve as authorised certifiers of technical transition feasibility within green finance schemes, reinforcing transparency through measurable engineering standards.

17. To further strengthen green finance credibility, professional engineers should be recognised as technical certifiers for hard-to-abate transition projects, including industrial electrification, hydrogen adoption, carbon capture, energy efficiency upgrades, advanced cooling systems and refrigerant management. For data centres and high-density cooling facilities, technical assurance on power usage effectiveness, water usage effectiveness and refrigerant impact would help ensure that green capital is directed towards genuinely efficient and sustainable infrastructure.

18. Carbon-linked fiscal instruments, including incentives tied to verified lifecycle carbon reductions and preferential arrangements for enterprises operating within certified zero-carbon zones, can complement carbon pricing mechanisms and existing offerings in green finance. Alignment between taxation, carbon markets and international trade carbon requirements strengthens export competitiveness while deepening Hong Kong's leadership in sustainable finance.

Industrial upgrading and innovation deployment

19. Engineering remains a principal driver of new industrialisation. A unified City Engineering Innovation Adoption Framework should consolidate government platforms into structured open testbeds across public assets. Universities, start-ups and applied research bodies would be able to validate technologies under professional governance, followed by fast-track procurement pathways to accelerate adoption.

20. Artificial intelligence should be positioned as a major driver of productivity, service transformation and economic competitiveness. The Government should

establish AI-ready public-sector testbeds across infrastructure, buildings, transport, energy, healthcare technology, public safety and environmental management. These testbeds should provide structured opportunities for universities, start-ups, professional institutions and industry partners to validate AI applications under clear engineering, cybersecurity, data governance and public-interest safeguards.

21. Priority AI applications should include AI-assisted design review, automated statutory checking, predictive maintenance of public assets, construction programme optimisation, smart site safety monitoring, digital permit-to-work systems, energy optimisation, traffic and logistics modelling, emergency response coordination, building defect detection, drone inspection analytics and AI-supported lifecycle asset management. These applications can directly enhance productivity, reduce operating costs, improve safety and shorten delivery time for major projects.

22. The Government should develop common data standards, secure data-sharing protocols and model validation arrangements to support trusted AI deployment in engineering and public works. Professional institutions can assist in establishing validation frameworks to ensure that AI tools used in safety-critical and infrastructure-related applications are reliable, explainable, auditable and aligned with public accountability requirements.

23. Beyond land-based industries, Hong Kong should systematically advance the Blue Economy as a diversified growth engine. Leveraging its deep-water port, maritime services expertise and proximity to the Greater Bay Area port cluster, Hong Kong can develop green shipping corridors, low carbon bunkering services, offshore renewable support engineering and marine technology innovation. The integration of shore power infrastructure, alternative marine fuels such as green methanol and hydrogen, and digital port optimisation would reinforce Hong Kong's strategic position as an international green maritime hub.

24. Given Hong Kong's land constraints and strong professional services base, policy emphasis should also cover green maritime fuel trading, fuel certification, testing and quality assurance, maritime engineering consultancy, risk management, finance, insurance, legal and arbitration services. Through collaboration with the Greater Bay Area on supply, maintenance, training and operational infrastructure, Hong Kong can capture high-value opportunities in the global shipping decarbonisation market without relying solely on large-scale local physical bunkering facilities.

25. Dedicated funding streams for hardware and engineering ventures with longer realisation timelines are necessary to support deep-tech commercialisation. A coordinated computing-power co-ordination mechanism can streamline approvals for supercomputing and data centres while integrating energy and land-use planning.

26. Strategic redevelopment of Tsing Yi West into a smart logistics and innovation hub would modernise supply chains through automation, digital tracking and

low-carbon energy integration. Development of an aviation industrial park supporting aircraft maintenance, component recovery and engineering services would reinforce Hong Kong's role as a high-value engineering services centre.

27. A robust and internationally aligned medical products regulatory system would leverage Hong Kong's strengths in testing, certification and legal governance, strengthening national integration and global competitiveness in biomedical technology.

Whole-life decarbonisation and infrastructure modernisation

28. A whole-life cycle zero carbon roadmap for the construction sector should extend carbon management from raw material extraction to decommissioning. Lifecycle carbon assessments integrated into public works planning and tender evaluation would elevate industry standards. An internationally aligned life cycle assessment database would provide consistent and verifiable benchmarks.

29. Expanded adoption of Modular Integrated Construction and Multi-trade Integrated Mechanical, Electrical and Plumbing systems enhances productivity, safety and environmental performance while supporting supply chain industrialisation. The Government should further promote MiMEP adoption in both public and private developments through suitable incentives, streamlined statutory approvals and clear technical standards. Wider use of MiMEP, robotics, digital workflows and AI-assisted construction management would reduce on-site labour demand, improve quality assurance, shorten construction programmes and lower whole-life costs.

30. For MiMEP-enabled projects, the Government should strengthen professional oversight by considering suitable roles for Registered Professional Engineers as technically competent persons in relevant disciplines. In parallel, Smart Construction Training Centres should be established or expanded to upskill the workforce in robotics, digital workflows, off-site assembly, AI-assisted quality control and advanced construction logistics.

31. Productivity enhancement should become a core evaluation criterion for major public works. Procurement and approval mechanisms should give appropriate weight to construction speed, buildability, standardisation, lifecycle maintainability, digital readiness, safety performance, carbon reduction and total cost of ownership, rather than focusing narrowly on initial capital cost.

32. Feasibility studies on landfill mining and advanced thermal treatment of closed landfills could convert legacy waste into energy resources and unlock land for productive redevelopment under stringent environmental monitoring.

Energy diversification and resilient transition

33. Expansion of floating solar photovoltaic systems, building-integrated photovoltaics promotion and green hydrogen development diversify renewable capacity. A phased hydrogen roadmap including pilot deployments in transport and public facilities strengthens system resilience. Sustainable Aviation Fuel blending facilities and regional supply-chain integration support Hong Kong's green aviation ambitions.

34. The Institution recommends that Hong Kong articulate a transparent long-term energy mix roadmap, clearly defining the proportional roles of imported nuclear energy, regional renewable electricity, local distributed renewables, hydrogen and emerging zero-carbon technologies. Energy mix optimisation should be treated as a matter of strategic economic security, directly linked to industrial competitiveness, carbon pricing stability and export compliance requirements. Structured regional electricity cooperation with Guangdong, including cross-boundary grid coordination and clean energy procurement mechanisms, can further enhance supply stability and price predictability.

35. AI-enabled grid management, demand-side response, predictive asset maintenance and district energy optimisation should be promoted to strengthen reliability and improve cost efficiency during the energy transition. In new development areas and major urban redevelopment projects, power infrastructure, EV charging facilities, data centre requirements and building electrification should be planned concurrently to avoid costly retrofitting and delivery delays.

Urban safety, resilience and smart governance

36. Predictive maintenance systems supported by artificial intelligence and IoT sensors can transform ageing infrastructure management from reactive repair to proactive intervention. Smart Site Safety Systems embedded at the design stage of projects elevate safety governance and risk mitigation.

37. The Government should accelerate the use of AI-based inspection and monitoring systems for ageing buildings, slopes, drainage systems, lifts, façades, bridges, utilities and other public assets. AI-supported image analytics, drone inspections, thermal imaging, sensor networks and digital maintenance records can help identify defects earlier, prioritise interventions and reduce lifecycle maintenance costs.

38. Blue-green infrastructure, multifunctional public spaces and sponge-city drainage enhance flood resilience and climate adaptation. Smart monitoring platforms integrating rainfall and drainage data enable dynamic operational control and targeted alerts, strengthening community protection.

39. To strengthen climate resilience, a cross-sector climate resilience mechanism should be considered to coordinate government departments, utilities, building owners, professional bodies and industry stakeholders. Priority should be given to ageing buildings and customer-side electrical installations that may be vulnerable to extreme weather. AI-enabled risk mapping can support district-based pilot projects and progressive scaling-up across Hong Kong.

40. Cybersecurity and operational technology resilience should be embedded in all AI-enabled and smart infrastructure systems. As public assets become increasingly digital and interconnected, engineering governance must cover data integrity, system redundancy, incident response, professional accountability and protection of critical infrastructure.

Regional cooperation and standards alignment

41. Deepened regional cooperation should extend beyond project connectivity to institutional and standards integration. Hong Kong can serve as a bridge for carbon verification standards, green finance classification alignment, medical device certification, marine fuel standards and engineering professional mutual recognition within the Greater Bay Area. Structured collaboration on clean energy trading, hydrogen pilot corridors, Blue Economy initiatives and cross boundary innovation platforms would reinforce Hong Kong's dual role as both super connector and super value-adder.

42. Regional cooperation should also include AI governance, smart construction standards, digital twin interoperability, low-carbon materials, MiC and MiMEP supply chain standards, green maritime fuel certification and cross-boundary data arrangements where appropriate. This would allow Hong Kong to combine Mainland scale and implementation capability with Hong Kong's professional standards, international connectivity and governance credibility.

Talent pipeline and professional capacity

43. Digitalisation of tertiary engineering education and interdisciplinary curricula integrating data science prepare future professionals for complex societal challenges. Flexible admission pathways broaden access and strengthen talent diversity.

44. Outreach initiatives introducing secondary students to system-level engineering challenges build long-term interest. Expansion of the Scheme "A" training subsidy to 1,000 annual places, with enhanced monthly support aligned to market conditions, reinforces SMEs' capacity to recruit and retain emerging professionals.

45. Engineering education should be elevated as a strategic enabler of Hong Kong's Blue Economy development, energy transition and carbon market leadership. Curriculum modernisation integrating systems engineering, digital twin technology, sustainable finance fundamentals and cross boundary regulatory knowledge will

ensure that future engineers possess both technical depth and governance literacy. A coherent talent pipeline spanning secondary exposure, university reform and continuous professional development is essential to sustain long term competitiveness.

46. To support the next stage of AI-enabled development, engineering education and professional training should place stronger emphasis on artificial intelligence, machine learning applications, data governance, cybersecurity, robotics, automation, digital twins, smart construction, AI ethics and safety-critical system validation. Engineers should be equipped not only to use AI tools, but also to assess their reliability, limitations, accountability and suitability for deployment in infrastructure and public service environments.

47. Smart Construction Training Centres should be supported to strengthen practical skills in robotics, off-site assembly, digital workflows, AI-assisted quality assurance and advanced logistics management. This would help address manpower shortages while improving productivity and creating higher-value technical employment opportunities.

Engineering as strategic partner in high-quality development

48. The Policy Address 2026 presents an opportunity to articulate a coordinated governance framework linking Northern Metropolis development, carbon market architecture, fiscal alignment, industrial upgrading and digital transformation into a unified strategy. Through integrated planning, professional validation and measurable implementation pathways, Hong Kong can strengthen its distinctive role within the national development landscape while enhancing global competitiveness.

49. By embedding Blue Economy advancement, energy mix optimisation, regional cooperation and engineering education reform, AI adoption and cost-effective project delivery as mutually reinforcing strategic pillars, the Policy Address 2026 can establish a structurally coherent development matrix that aligns economic growth, energy security, climate responsibility and talent sustainability.

50. The Institution stands ready to collaborate with the Government in translating strategic ambition into executable systems. By aligning institutional reform with technical rigour and lifecycle governance, engineering will continue to evolve from foundational support to strategic engine, contributing sustained professional strength to Hong Kong's long-term prosperity and to the nation's high-quality development.