



Press Release

The Hong Kong Institution of Engineers Responses to the 2026-27 Budget

(Hong Kong, 3 March 2026) The Hong Kong Institution of Engineers (HKIE) welcomes the 2026–27 Budget announced by the Government. Centred on “Driving High-quality, Inclusive Growth with Innovation and Finance”, the Budget advances forward-looking, strategic resource allocation and policy support to reinforce innovation and technology (I&T) as a pivotal engine for economic transformation, while actively aligning with the National 15th Five-Year Plan to enhance Hong Kong’s integration into the broader national development landscape.

The HKIE’s responses to the Budget are as follows:

Sustained Prosperity with Diversified Development

The HKIE considers that the Budget lays a solid foundation for Hong Kong’s long-term competitiveness and sustainable development by advancing industrial upgrading, nurturing emerging industries and promoting economic diversification, thereby enabling the community at large to share in the benefits of economic progress.

The HKIE supports the Government’s initiatives to proactively align with the proposed National 15th Five-Year Plan, in particular the cross-bureau, cross-departmental task force being led by the Chief Executive to guide Hong Kong’s comprehensive integration with the country’s development blueprint. For the first time, the formulation of an overarching five-year development plan for Hong Kong will provide a strategic roadmap to steer economic restructuring and industrial upgrading in a systematic and coordinated manner.

The Five-Year Plan provides clear support for Hong Kong to better integrate into and contribute to the country’s overall development, to consolidate and enhance its status as an international financial, shipping and trade centre, and to develop it into an international innovation and technology centre and a global magnet for high-calibre talent. We believe that Hong Kong should more actively integrate into the broader national development landscape, adopting a dual-engine approach combining an effective government with an efficient market to propel the economy towards high-quality, high-value-added and diversified development.

In terms of the sector’s development, the Government is actively exploring with the Qianhai Authority the pilot implementation of Hong Kong’s New Engineering Contract form and Smart Site Safety System (4S) in Qianhai to align the Mainland’s engineering contracts and management systems with Hong Kong and international standards. The



Government will also further enhance local construction standards and specifications by referencing Guobiao (GB) and overseas standards, and leverage Hong Kong's international standing and expertise in co-establishing the Greater Bay Area (GBA) Construction Standards and help GB gain access to the global market. The HKIE believes these measures will help consolidate the institutional and technical advantages of Hong Kong's engineering profession in regional cooperation, driving synergic developments of the Mainland and Hong Kong engineering sectors with the city and its industry leveraging their “super connector” strengths.

Drive Infrastructure Development with Robust Public Finances

The HKIE is pleased to note the Government's commitment to maintaining a stable annual Public Works Programme, with capital works expenditure remaining at a steady level over the coming years. The transfer of HK\$150 billion from the Exchange Fund to the Capital Works Reserve Fund over two years will support the Northern Metropolis and other strategic infrastructure projects. These measures underscore the Government's commitment to investing in future development under prudent fiscal principles, thereby strengthening industry confidence and sustaining engineering capacity.

Amid expectations of interest rate cuts, the Government will issue longer-term bonds to reduce short-term refinancing needs and broaden funding sources. The HKIE considers this will help stabilise the provision of infrastructure funding, ensure orderly project progression, and is in line with the financing principle that infrastructure projects would yield long-term asset benefits.

The Government will also inject HK\$1 billion into the Construction Innovation and Technology Fund and have earmarked HK\$100 million for the Building Technology Research Institute to conduct studies that include reviewing construction standards and exploring AI applications. The HKIE recognises that the measures will help drive the industry's smart transformation, enhance construction efficiency and safety standards, and further strengthen Hong Kong's capabilities in construction technology research and development.

The HKIE is pleased to note the Government's proactive efforts in advancing the developments of Northern Metropolis, which is pivotal in driving Hong Kong's future economic growth. Such efforts include the additional injection of HK\$10 billion into the Hetao Hong Kong Park, the establishment of a dedicated company to take forward the development of the San Tin Technopole with HK\$10 billion in initial capital, and the provision of HK\$10 billion in initial funding to Hung Shui Kiu Industry Park Company Limited. The Northern Metropolis Project Supervision Office will also strengthen coordination, impose time limits on the approval process, and expedite the implementation of large-scale projects, demonstrating the Government's determination to enhance efficiency, accountability and delivery quality in taking forward this strategic initiative.



I&T Lead the Way in Promoting New Industrialisation

The HKIE is delighted to note the Government’s establishment of the “Committee on AI+ and Industry Development Strategy”, which will steer industrial transformation through top-level planning. The Hong Kong Artificial Intelligence Research and Development Institute will commence operation in the second half of the year to promote AI+ development, as well as transformation of research and development outcomes. The Government will also adopt a multi-pronged approach to provide AI training for all, laying the foundation for a comprehensive AI ecosystem in Hong Kong.

The Government is taking a demonstrative and catalysing role with its HK\$100 million allocation to introduce leading technologies, accelerate the digital intelligence transformation of the Government, and enhance AI training for civil servants. The HKIE believes these measures will help consolidate Hong Kong’s competitive edge in artificial intelligence and hard technology sectors. Together with strategic sectors such as life and health technology and advanced manufacturing, these initiatives will strengthen the upstream-midstream-downstream I&T value chain, advance new industrialisation, and cultivate internationally competitive industry clusters.

In the realm of the new economy, the HKIE supports the Government’s proactive development of the low-altitude economy, promoting the establishment of supporting infrastructure, regulatory frameworks and technology applications to open up new opportunities in areas such as logistics, emergency response, and smart city management.

Smart City and Sustainable Development

As private electric vehicles steadily gain traction, the HKIE considers that future resources should be focused on enhancing charging infrastructure and expediting the development of a comprehensive charging network, thereby facilitating the natural phase-out of conventional fuel-powered vehicles. The HKIE also supports the Government’s proactive promotion of hydrogen and other green energy technologies, optimising relevant testing, certification and application standards, and formulate standards and certification regime for hydrogen energy that align with both Mainland and international systems to foster energy transition and low-carbon development. By organising events such as Hydrogen Week, Hong Kong can strengthen international exchange and cooperation, promote technological applications and industry collaboration, and position Hong Kong as an important showcase for the export of hydrogen-related technologies. This will open new avenues for more forward-looking and sustainable development of Hong Kong.

The Institution supports the Government’s plan to develop Hong Kong into a green maritime fuel bunkering and trading centre. Through reducing port charges and introducing relevant incentives, vessel operators will be encouraged to bunker green



fuels in Hong Kong, thereby accelerating the fleet’s green transition. The Government will also take forward a legislative amendment exercise this year to provide more anchorages for green maritime fuel bunkering operations.

The Government’s launch of the Future Innovative Logistics Acceleration Scheme, alongside the development of modern logistics sites in the Hung Shui Kiu/Ha Tsuen New Development Area, will help sharpen the competitive edge of the logistics sector. The HKIE also supports expanding the recycling network, progressively turning GREEN@COMMUNITY locations into round-the-clock self-service recycling facilities, and leveraging technology to improve recycling efficiency and cost-effectiveness, thereby advancing the circular economy.

Talent Cultivation

The Government’s allocation of HK\$65 million to continue nurturing construction professionals with additional government-funded training places will help meet future manpower demand and support graduates in obtaining professional qualifications. To ensure that the engineering sector maintains long-term competitiveness and innovation capacity, the HKIE believes that talent development must progress in tandem with industry advancement through industry-academia-research collaboration and alignment with professional training pathways.

Enhancing Building Safety and Safeguarding the People’s Well-being

Regarding building safety and maintenance regulation, the HKIE considers that in addition to reserving resources to address the long-term housing arrangements for residents affected by the Tai Po fire, it is more important to strengthen building maintenance and fire-safety management at the institutional level to reduce the risks of bid-rigging and substandard workmanship.

The HKIE welcomes the Government’s allocation of HK\$300 million to the Urban Renewal Authority for an enhanced version of “Smart Tender”, which will improve transparency and oversight in construction procurement through a more rigorous pre-qualified list of contractors and professional support. The Government’s comprehensive review of Operation Building Bright 2.0, which will be allocated HK\$3 billion for a new subsidy scheme, coupled with the HK\$1 billion to extend the Lift Modernisation Subsidy Scheme, will help mitigate potential risks in ageing buildings and improve overall building safety.

It is the HKIE’s view that post-incident enforcement alone is insufficient. A review of existing regimes should be conducted with reference to “defence-in-depth” principles to establish a more robust risk management mechanism by reinforcing multi-layered safety safeguards spanning design, construction, oversight and maintenance. In parallel, clear and practical guidance should be provided to the public, particularly small property owners, to assist them in making informed decisions during building



maintenance processes.

The HKIE has established a task force to comprehensively review relevant systems and practical arrangements of construction works, and will submit concrete professional recommendations and operational guidelines to enhance industry standards, improve construction quality, and better safeguard public safety.

Moving Forward Together to Shape Our Future

Hong Kong alongside our country is embarking on a new stage of high-quality development with deepening collaborations with the Mainland and the Greater Bay Area. The HKIE and the engineering community will continue to leverage their professional strengths, collaborating with the Government and various sectors of society to support I&T development, infrastructure developments, and urban safety enhancement, contributing professional expertise to building a more resilient, innovative, and sustainable Hong Kong to keep it on track for continuing prosperity.

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