

## Press Release

### **The Hong Kong Institution of Engineers' response to the 2023-2024 Budget**

(Hong Kong, 22 February 2023) In regard to the 2023-2024 Budget delivered by the Financial Secretary on 22 February, the Hong Kong Institution of Engineers (hereafter “the HKIE”) welcomed the Administration’s adoption of some of the recommendations that the HKIE submitted to it earlier, believing that the Budget would help Hong Kong overcome the gloom cast by its return to normality and by the uncertainty of the global economic environment. The HKIE’s response to the Budget are as follows:

#### **Competing for talents**

The HKIE understands that the Labour and Welfare Bureau will update the Talent List and will commence a new round of manpower projections in the middle of this year. The HKIE wishes to point out the profundity of the impact made by the manpower of the engineering and construction industries upon Hong Kong’s future development in infrastructure, innovation and technology, manufacturing, and various other areas. The HKIE hopes that the Administration can consider its earlier recommendation to increase the governmental subsidy and quota for engineering companies joining the HKIE Formal Training Schemes (Scheme “A” / AM Training) and can incentivise the employment of overseas graduates by offering short-term subsidies to companies that employ them. At the same time, the HKIE also hopes the Administration will consider launching appropriate schemes to retain talents by safeguarding and enhancing the treatment of working professionals and prevent further talent wastage caused by the rapid deterioration of manpower shortage in the engineering industries. In this regard, the HKIE submitted the report on the “Research on Procurement Policy Review for Works Contracts and Consultancy Contracts” in March last year, recommending implementation of measures to eradicate certain states of affairs involving unreasonably low bids.

The HKIE also welcomes the Administration’s auxiliary \$600-million capital injection into the Gifted Education Foundation (GEF), which strengthens the support for the Hong Kong Academy for Gifted Education (HKAGE) and related services in extramural education, thereby furthering STEAM education. The HKIE expects the Administration to put in more resources to promote STEAM education in primary and secondary schools, especially at the junior secondary level. The HKIE stands ready to continue its collaboration with the Education Bureau and applicable departments to advance the relevant schemes, building the engineering profession’s reserve of talent in the long run.

#### **Planning for infrastructural development**

The HKIE welcomes the Administration’s acceptance of its recommendation to map

out a plan to set up an Infrastructure Bond Scheme to better manages the cashflow needs of major infrastructure projects. The HKIE holds that as infrastructure is a long-term investment for the territory, there is a need to build developmental capacity. The Infrastructure Bond Scheme is of use to the Administration in reducing the relevant investment of financial resources, while providing institutional investors and citizens with a fine investment option.

At the same time, the HKIE holds that the Administration needs to press ahead with the developments of the Northern Metropolis and the Kau Yi Chau Artificial Islands, to formulate an Infrastructure Development Blueprint for the relevant projects, and to coordinate the planning and infrastructure of different development areas so that the competitions for resources among these areas may be prevented. This will facilitate the wholesome development of the industry and preclude the progress of the projects from being impeded.

### **Promoting land and housing supply**

Despite attempts by the Administration to expedite land production, housing construction and development take time at bottom. Apart from building Light Public Housing and reviewing statutory processes, the HKIE expects the Administration to step up assistance to applicants who satisfy certain necessary criteria and augment the government’s role as a “regulator”, but also as a “facilitator” provided, of course, that quality and safety are not compromised. Approval processes should also be streamlined to accelerate the progress of the projects. Detailed recommendations were made earlier in the HKIE’s report in September 2022: [Recommendations on Streamlining Building Works and Infrastructure Development Processes](#) (English only)

The HKIE is glad that the Administration has accepted its earlier recommendation to study and put in place measures that strengthen the supply chain of the Modular Integrated Construction (MiC) modules, and to conduct a study on establishing the Building Testing and Research Institute and construct the first advanced construction industry building. The HKIE wishes to point out that the industry, as well as Hong Kong as a whole, is confronted with a reduction of its workforce. Employing technology to boost efficiency would mitigate the manpower issue while fostering the development of the whole production chain and attaining the effect of achieving more with fewer resources.

### **Fostering the developments of innovation & technology and New Industrialisation**

The HKIE supports the Administration’s development of digital infrastructure, the promotion of digital transformation, the fortification of Hong Kong’s advantages in scientific research, the cultivation of technological startups and talents, and the advancement of “New Industrialisation”. The HKIE is pleased that the Administration, with its regard for greater financial affordability, has implemented support measures that encompass the digital economy, Web3, scientific research, and “Patent Box” Tax Incentive etc. The HKIE is of the view that these measures will help

consolidate the leading edge that Hong Kong enjoys in area such as artificial intelligence and biotechnology, and that “Patent Box” tax concessions boast a certain attractiveness in their ability to help lower the research costs that businesses need to pay. Nevertheless, the tax rates involved must be competitive on the international scene. The HKIE’s expectation is that the Administration will expedite its study and will make every effort to submit the legislative amendments before the first half of next year.

### **Building a Smart, Green and Resilient City**

The Administration has reserved resources for the advancement of various kinds of New Energy Transport. These advancements include the commencement of trials for hydrogen fuel cell electric double-deck buses and heavy vehicles, the provision of subsidies to ferry operators for the construction and trials of electric ferries and the related charging facilities, and the granting of loans with 100% guarantees to taxi owners to encourage them to exchange their taxis for battery-powered electric ones. The HKIE opines that, after the trials, their subsequent wide applications should be promoted more. The HKIE suggests stating, in the terms and conditions of the tender documents for land sale and short-term tenancies, that the successful tenderers or tenants should provide a certain number of electric vehicle (EV) charging facilities.

The HKIE is delighted by the all-out efforts made by the Administration and the Airport Authority Hong Kong to pursue the “Airport City” development strategy and to perfect the Aircraft Leasing Preferential Tax Regime—efforts that give impetus to Hong Kong’s transformation into an aircraft leasing and services hub. The HKIE believes that the measure would help Hong Kong’s aircraft engineering industry to make headway in its development, consolidating Hong Kong’s status as an International Aviation Hub continually.

Regarding waste management, the Administration has allocated an additional \$62 million to food waste collection in a greater number of public and private premises, while extending the food waste collection trial scheme for public rental housing estates. Beyond the allocations of financial resources, the HKIE hopes that the Administration can expand the provision of land for the recycling industry, which will not only encourage a decrease in waste disposal but also stimulate businesses in the recycling industry.

### **Leveraging Opportunities in the GBA**

The economy within the Greater Bay Area abounds with novelty and vitality, with many of its cities having their respective edges in different industries. To assist professionals in “going global”, the HKIE expects the Administration to take the lead in discussing qualification benchmarking and professional practice with mainland authorities to allow more engineers to practise in the Mainland via CEPA or other related agreements.

Given the uncertainty of the external environment, the collaboration between Hong Kong and the Mainland, particularly the Greater Bay Area, is all the more important. The HKIE and the engineering industry will continue to make contributions with their professional engineering knowledge and capabilities and join hands with all sectors to build a better Hong Kong.

For media enquiries, please contact:

The Hong Kong Institution of Engineers  
Corporation Communications Section

Tel: 2895 4446

Fax: 2882 6825

Email: [corpcom@hkie.org.hk](mailto:corpcom@hkie.org.hk)