The Hong Kong Special Administrative Region
of the People's Republic of China

The Chief Executive's 2026 Policy Address

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A Strategic Vision for a Bright New Era
Driving Reform and Boosting Development
Unleashing Opportunities and Enhancing Livelihood

The Chief Executive's 2026 Policy Address Contents

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Annex: Indicators for Specified Tasks

Chapter I Formulate the First Five-Year Plan and Start a New Chapter for Hong Kong

(A) Four-Year Review

1. The current-term Government has been in office for four years. During those four years, Hong Kong's economy has gone from negative growth of minus 3.7% to positive growth of 3.6% last year. For the first half of 2026, the economy even grew 5.1% year-on-year, marking the strongest half-year performance in almost five years. Total exports of goods also grew by over 26% year-on-year. Our Gross Domestic Product surpassed $3.3 trillion in 2025. The numbers of registered local and non-local companies both hit record highs, and the total amount of funds raised through initial public offerings (IPOs) is ranked among the world's top. Median monthly employment earnings among citizens have risen by a cumulative 20% over the past four years. Our achievements have won recognition around the world. We are consistently ranked as the world's freest economy. We have become the largest cross-boundary wealth management centre globally, and reclaimed our position as the world's third-largest international financial centre. Our world competitiveness ranking has climbed to second place, while we have jumped 10 places to rank fourth globally in talent competitiveness. We have been ranked third in education competitiveness, with five of our universities among the world's top 100.

2. Over the past four years, the Government has worked to resolve many deep-seated and long-standing problems, including regulating ride-hailing services by legislation to fill the legal vacuum that has existed for years; rationalising traffic flow among the three harbour crossings to relieve the chronic cross-harbour traffic congestion; enacting the Basic Housing Units Ordinance to eradicate substandard subdivided units (SDUs) in residential buildings in an orderly manner; launching Light Public Housing (LPH); shortening the Composite Waiting Time for Subsidised Rental Housing (CWT) by 1.3 years, from 6.1 years to 4.8 years, setting the lowest level in over eight years for two consecutive quarters; and combating the abuse of public rental housing (PRH) with over 10 000 units recovered, equivalent to two large public housing estates, enabling people to move into their flats sooner.

3. We have fully implemented the principle of "patriots administering Hong Kong" and strengthened interactive exchanges between the Executive and the Legislature. We have improved governance at the district level, set up District Services & Community Care Teams (Care Teams) and visited more than 600 000 elderly households and households in need to enhance district support services.

4. We have introduced reforms to the approval system for drugs and medical devices, by establishing "primary evaluation" and preparing for the establishment of the Centre for Medical Products Regulation, enabling people to gain earlier access to more advanced treatment. We have also advanced primary healthcare development and strengthened chronic disease management, so that the public can benefit from early prevention and early treatment. In addition, we have introduced a reward scheme for the Elderly Health Care Voucher Scheme, allowing shared use of vouchers between spouses, and extending its application coverage to the Guangdong-Hong Kong-Macao Greater Bay Area (GBA). Furthermore, we have also improved manpower for public healthcare, brought in talent and started the preparation for establishment of the third medical school. The Chinese Medicine Hospital of Hong Kong (CMHHK) also commenced services.

5. We have abolished the Mandatory Provident Fund (MPF) offsetting arrangement; changed the Statutory Minimum Wage review frequency from biennial to annual; and improved the threshold under the continuous contract requirement from what has been commonly referred to as the "418" requirement to the "468" requirement. This enables more workers to receive greater protection.

6. The National Games was co-hosted by Guangdong, Hong Kong and Macao for the first time and with great success. Kai Tak Sports Park (KTSP), following its grand opening, has quickly become one of the most popular sports and entertainment venues in the world. This has enhanced Hong Kong's capability and attractiveness in hosting large-scale sports events, concerts and other activities, boosting our mega-event economy.

7. Embracing a result-oriented approach, I transformed government culture, establishing a government-wide mobilisation mechanism. It has been activated in the aftermath of extreme weather and for large-scale drills, raising the Government's overall preparedness and emergency response capabilities.

8. The Government has brought violence to an end and restored social order and is handling key cases concerning offences endangering national security in accordance with the law. The Government has also completed local legislation for Article 23 of the Basic Law, gloriously fulfilling its constitutional responsibility, which took more than 26 years to accomplish, and establishing a comprehensive and effective shield for safeguarding national security. Hong Kong has further strengthened national security, maintaining the city's prosperity and stability, and creating a more stable and predictable environment for business and development.

(B) Hong Kong's First Five-Year Plan

9. By formulating successive national Five-Year Plans, our country has thrived through sustained endeavour, and enhanced social development and livelihoods in each of its five-year periods, realising significant achievements that are impressive at a global level.

10. This year marks the opening year of the National 15th Five-Year Plan. The Hong Kong Special Administrative Region (HKSAR) Government has formulated our first Five-Year Plan (the Five-Year Plan) to proactively align with the National 15th Five-Year Plan, seizing opportunities for development while better integrating into and serving the overall national development. In the thick of accelerating global changes not seen in a century, the vibrant momentum driven by our country's robust strength, enormous market and high-quality development presents Hong Kong with boundless opportunities. We will better develop our economy and boost social well-being, starting a bright new chapter for Hong Kong.

11. The Five-Year Plan is a forward-looking, strategic, and directional guiding document for Hong Kong, a blueprint for the city's economic and social development over the next five years. The Policy Address, meanwhile, is an annual report on the implementation of the Five-Year Plan, together with the Chief Executive's policy priorities for the year having regard to actual circumstances. The two documents are interconnected and inextricably related.

12. The Five-Year Plan is the blueprint for economic and social development. The Policy Address seeks to realise the blueprint by adjusting policy agenda and formulating work indicators annually, in response to the global environment as well as economic outlook and dynamics. It also sets out details of the key policy priorities, major works and infrastructure projects for the year.

13. Over the coming year, as we move ahead with the implementation of the Five-Year Plan, the Government will focus on the key policies and major projects set out in the Policy Address. Through the allocation of resources in the Budget and a cross-departmental co-ordination mechanism, we will regularly review progress and ensure the orderly implementation of objectives.

Chapter II Fully, Faithfully and Resolutely Implement the "One Country, Two Systems" Principle

(A) Fully and Faithfully Implement "One Country, Two Systems"

14. "One Country, Two Systems" is the cornerstone of Hong Kong's long-term prosperity and stability, and we must stay committed to the cause. With a resolute commitment, we will continue to fully and faithfully implement the principles of "One Country, Two Systems", "Hong Kong people administering Hong Kong" and a high degree of autonomy. Practical experience has proven that by upholding the principle of "One Country" and leveraging the advantages of "Two Systems", Hong Kong is able to make better use of its strengths and seize the opportunities presented by our country's development, ensuring the steadfast and successful implementation of "One Country, Two Systems".

(B) Safeguard National Security

15. The fundamental premise of the "One Country, Two Systems" principle is to safeguard national sovereignty, security and development interests. In the face of intricate risks and complex challenges amid the accelerating changes not seen in a century, we must establish a bottom-line mindset to mitigate risks and hidden threats. Safeguarding national security is a never-ending process and a continuing mission of the HKSAR.

16. The successive implementation of the Hong Kong National Security Law and the Safeguarding National Security Ordinance has provided better protection for the security of our country and Hong Kong. We will continue to improve the legal system and enforcement mechanisms for safeguarding national security, upholding the unity of the Central Government's fundamental responsibility and the HKSAR's constitutional responsibility for safeguarding national security.

17. We will follow a holistic approach to development and security. Security must never be overlooked in promoting development. High-quality development must be safeguarded by high-level security; in turn high-level security must be underpinned by high-quality development.

18. Our implementation of measures safeguarding national security has brought a sense of stability, certainty and predictability to the market. Hong Kong is a "safe harbour", and a "safe harbour" is a "harbour for development". Security has become a clear advantage for Hong Kong's development.

19. To respect and abide by the national security laws is not only a responsibility, but also an obligation of each and every one of us. The HKSAR Government will continue to reinforce promotional and educational efforts in respect of national security. The National Security Exhibition Gallery, the first physical national security education base in Hong Kong, has attracted over 1.9 million visitors since its launch in August 2024. The Government will expand the gallery and enrich its contents to promote the concept that "security brings prosperity".

(C) Uphold and Enhance the Executive-Led System

20. The HKSAR Government will uphold its executive-led system and assume its main responsibility. It performs the roles and functions of a co-ordinator, facilitator and enabler, and enhances its working mechanism for advancing various areas of work through pragmatic and effective measures. These measures maintain social stability, support high-quality economic development, and enhance people's well-being.

21. Under the principle of executive-led governance, the executive authorities and the legislature check and balance and co-operate with each other. Both focus on jointly addressing social issues, developing the economy and improving people's livelihood.

(D) Implement the Principle of "Patriots Administering Hong Kong"

22. Since the improvement of the HKSAR's electoral system in 2021 and district governance system in 2023, the principle of "patriots administering Hong Kong" has been fully implemented, providing solid institutional safeguards for the steadfast and successful implementation of "One Country, Two Systems".

23. The HKSAR will devote its efforts to preparing for the Election Committee Subsector Ordinary Elections to be held on 22 November this year, as well as the Chief Executive Election and the District Council Ordinary Election next year. We will ensure that these elections are conducted in a fair, just, honest, safe and orderly manner.

24. We will strengthen patriotic forces with affection for the country and our city, placing particular emphasis on nurturing young people and uniting patriots from all sectors in the community. By establishing communication platforms, we will create a more extensive network of patriotic groups, working in unison to resolve challenges.

(E) Promote Patriotic Education

Strengthen Affection for and Sense of Belonging to the Country

25. We will align with the strategic initiative of "fostering virtue through education in the new era" under the 15th Five-Year Plan, as well as enhancing students' sense of national identity and building their cultural confidence. To that end, we will extend the promotion of activities for the Constitution and Basic Law Student Ambassadors Training Scheme to all publicly-funded primary and secondary schools. We will also launch a new national security education online platform to tie in with the updated Curriculum Framework of National Security Education in Hong Kong, and provide more learning and teaching resources as well as teacher training courses on national geography.

26. We will deepen patriotic education for young people by making good use of the Mainland's resources to deliver multi-faceted and content-rich exchange and internship activities as well as designating annual themes, such as the country's aerospace achievements and the supply of Dongjiang water to Hong Kong. This will enable young people to witness first-hand the country's development and achievements, deepening their understanding of the nation's history and culture as well as its enduring bond and kinship with Hong Kong.

Promote Hometown Culture

27. Since the launch of the Clansmen Culture Promotion Scheme in 2024, annual funding of $10 million has been provided to subsidise the organisation of activities in promoting hometown culture. The Scheme has so far funded over 100 such activities of clansmen associations.

Starting from the 2027-28 financial year, the Government will continue to earmark funding of $10 million annually to support clansmen associations in organising more activities, with particular emphasis on deepening young people's understanding of and sense of belonging to their hometowns.

Enrich Patriotic Education Resources

28. This year marks the 90th anniversary of the victory of the Long March. Yan'an is a sacred place of the Chinese revolution and the cradle of New China. With the support of the Central Government, we will list the Yan'an Revolutionary Memorial Hall in Shaanxi Province as the second patriotic education base for the youth of the HKSAR in the Mainland, and encourage students and young people to visit the place for study. We will continue to communicate with relevant Mainland departments on the inclusion of more patriotic education facilities to enrich Hong Kong's patriotic education resources.

Establish a Museum to Showcase the Development and Achievements of Our Country

29. The Leisure and Cultural Services Department (LCSD) is collaborating with relevant national museums, including the National Museum of China and the Museum of the Communist Party of China, to take forward the preparatory work for the establishment of a museum in Kwu Tung North. The museum will focus on the development and achievements of our country, showcasing our country's rapid progress and remarkable achievements in such areas as technology, sports and culture. It will also highlight Hong Kong's role in national development and the unique advantages of "One Country, Two Systems".

Promote Chinese Culture

30. The Chinese Culture Promotion Office has since its establishment in April 2024 organised various well-received exhibitions, with the Chinese Culture Festival and the General History of China Exhibition Series curated as annual flagship brands. The Chinese Culture Festival will continue to feature high-quality projects, showcasing profound traditional Chinese culture to tell the good stories of China to the world.

Chapter III Strengthen the Four Centres and Develop the Hub for High-calibre Talent

(A) International Financial Centre

31. We will consolidate and enhance Hong Kong's status as an international financial centre, and stay committed to our global positioning. Hong Kong will deepen the development of its global offshore Renminbi (RMB) business and capital market, develop an international asset and wealth management centre and international risk management centre, enhance the securities market and expand fixed income and commodity trading. Through upgrading our real economy with the introduction of green elements, digitalisation and innovation, and reinforcing our connection with the Mainland and the world, we will cement our status as a global capital financing hub.

Global Offshore Renminbi Business Hub

32. In 2025, offshore RMB lending in Hong Kong registered a record high of RMB 935 billion, while bond issuance reached RMB 1 trillion for two consecutive years, consolidating the city's status as a global offshore RMB business hub.

33. We will continue to boost our market development:

Enhance Liquidity

(i) The RMB Business Facility introduced last year provides banks with a stable and relatively lower-cost source of RMB funds, supporting the wider use of RMB in the real economy and radiating funds to regions such as the Association of South East Asian Nations (ASEAN), the Middle East and Europe. The facility size has been expanded to RMB 500 billion, with loan tenor extended up to three years. The Hong Kong Monetary Authority (HKMA) is exploring enhancements of the Currency Swap Agreement with the People's Bank of China to strengthen offshore RMB market liquidity and consolidate Hong Kong's position as a global offshore RMB hub.

(ii) The HKMA will introduce a tendering mechanism of seven-day offshore RMB liquidity to expand channels for banks to meet their short-term financing needs. It will also explore the issuance of offshore RMB short-term debt instruments, to provide more high-quality investment and liquidity management products for the market, while supporting the building of an offshore RMB yield curve.

Expand the Dim Sum Bond Market

(iii) Expand dim sum bond issuance with an enhanced tenor structure in due course, seek support from the Ministry of Finance to increase the scale and frequency of bond issuance in Hong Kong, encourage policy financial institutions to issue bonds in Hong Kong.

(iv) The Hong Kong Exchanges and Clearing Limited (HKEX) will launch the HKEX Offshore RMB Bond Index as a reference for market trends and an underlying index for exchange-traded funds (ETFs).

Diversified Products

(v) The HKMA will explore expanding product scope under the Southbound Bond Connect to include products with Hong Kong Dollar bonds and RMB bonds as underlying assets.

(vi) The Securities and Futures Commission (SFC) is preparing for the inclusion of RMB counters under the Southbound Trading of Stock Connect, while the HKEX will encourage listed companies to set up RMB counters.

Diversify Risk Management Tools and Asset Uses

(vii) Following the official launch of China Government Bond Futures, the SFC will support the HKEX to enrich its RMB foreign exchange futures products.

(viii) The scope of acceptance of Northbound Bond Connect bonds as collateral will be expanded to the three clearing houses under the HKEX; a bond repurchase business using Southbound Bond Connect bonds as collateral will also be developed, with a view to vitalising the assets of local and non-local investors.

Deepen External Collaboration and Promotion

(ix) The HKMA, the People's Bank of China and Bank Indonesia are expected to kick-start the bilateral currency transaction framework between offshore RMB and Indonesian Rupiah this year, and the HKMA will explore arrangements for direct exchange between offshore RMB and other currencies.

(x) The HKMA will encourage more foreign banks in Hong Kong to directly join the Cross-border Interbank Payment System (CIPS) to expand the clearing network, and will deepen collaboration with the central banks in such areas as ASEAN and Middle East countries, forge closer ties with regions including Central Asia and Latin America, and visit Indonesia with the Hong Kong Association of Banks to promote Hong Kong's offshore RMB services.

Develop New Growth Areas in Fixed Income Markets

34. Hong Kong is the largest hub for arranging international bonds issued by Asia-based entities, with the volume of issuance arranged in Hong Kong accounting for about a quarter of the global total in 2025. We will further consolidate Hong Kong's position as an international fixed-income hub:

(i) The SFC will refine the regulatory framework for the fixed income market by formulating internationally aligned standards for issuance and trading practices.

(ii) The Bond Connect Company Limited, a joint venture established by the China Foreign Exchange Trade System and the HKEX, will develop an electronic fixed income and currency trading platform in Hong Kong. It will initially support bond trading, gradually expanding to money market and foreign exchange trading.

(iii) The SFC will encourage the HKEX to include a new reference rate[1] under Swap Connect in the fourth quarter of this year. The rate, which reflects interbank financing costs in the Mainland, will help global investors manage RMB interest rate risks. The HKEX will also explore the introduction of a central clearing mechanism for bond repurchases to enhance market liquidity.

35. Between 2025 and the first half of 2026, digital bonds issued in Hong Kong captured nearly 50% of the global market, reflecting our leading position in the area. The Government will work to broaden use cases and popularise digital bonds through the following measures:

(i) The issuance of digital bonds will be regularised to drive innovation, such as using digital currencies for settlement and exploring their full-cycle application for digital bonds (such as dividend payment and redemption).

1 "The 7-day fixing repo rate between banks in the Mainland" (FDR007)

(ii) The HKMA will conduct tests on the operation of the tokenisation of Exchange Fund Bills by year's end to facilitate banks to further harness the advantages of tokenisation technology to make efficient, round-the-clock use of more than $1.3 trillion worth of Exchange Fund Bills to boost the efficiency of asset and liability management.

(iii) The HKMA's Tokenised Bond Expert Group will explore innovative solutions and launch its second-phase legal review in collaboration with the Financial Services and the Treasury Bureau (FSTB) to facilitate the application of Distributed Ledger Technology (DLT) in the capital market.

(iv) CMU OmniClear Limited (CMU Omniclear) will establish a digital asset platform this year, providing one-stop service in areas such as the issuance and settlement of digital bonds.

Enhance the Securities Market

36. The performance of Hong Kong's stock market has been strong. As of the end of August, funds raised through IPOs amounted to over $340 billion, surpassing last year's total. To further enhance the stock market regime:

(i) The SFC will begin consultation on streamlining prospectus disclosure requirements in 2027 to facilitate the listing of quality overseas enterprises in Hong Kong.

(ii) The SFC and the HKEX will promote dual primary and secondary listing of overseas enterprises, including enterprises from places including Southeast Asia and Belt and Road (B&R) countries, in Hong Kong, and advance the inclusion of Kazakhstan's qualifying exchanges to the list of recognised stock exchanges.

(iii) The SFC and the HKEX will begin second-stage consultation on increasing the competitiveness of the listing mechanism in the third quarter of this year to refine requirements concerning notifiable transactions, connected transactions and spin-offs. The goal is to reduce compliance costs and increase the flexibility of listed companies in corporate mergers and acquisitions, re-structuring and spin-offs.

(iv) Technology stocks listed in Hong Kong have accounted for over 40% of overall market liquidity. The HKEX will launch a consultation in the first half of next year on amendments related to specialist technology listing, including a review of the market capitalisation threshold.

(v) The HKEX is conducting preparations with the market for launching a "T+1" settlement cycle for the cash market upon co-ordination with relevant Mainland units. It is also collaborating with the HKMA to introduce a wholesale central bank digital currency (i.e. an e-HKD payment solution) for after-hours trading of derivatives. Real-value transactions are targeted for this year.

37. We will deepen cross-product and cross-market integration, as well as the liquidity of capital markets:

(i) The Central Moneymarkets Unit (CMU), operated by CMU OmniClear, will launch global securities services in phases. It will also strengthen connectivity with markets in Europe and America, the Middle East, Central Asia and ASEAN, to facilitate investors' global asset allocation through the CMU.

(ii) The HKMA and the HKEX will promote mutual access between CMU OmniClear and Depository and Nominee System (DNS) to pursue institutional and technological breakthroughs for exploring the establishment of a unified asset management framework for bonds and stocks, thereby creating cross-asset synergy.

38. The Government will develop a multi-tiered derivatives system, with strengthened risk management and price discovery functions, to raise the efficiency of the market's asset allocation:

(i) The HKEX will support the industry in developing a variety of thematic indices, broaden the diversity of bond indices, explore the development of commodity indices and launch more index-based ETFs and derivatives, to foster a financial index ecosystem.

(ii) The Derivatives Market Consultative Panel of the HKEX will explore enriching derivatives further, including launching more short-dated stock options and thematic futures and options.

39. The SFC will encourage and support the HKEX to continue to boost market liquidity and improve capital flexibility:

(i) Enhance the margin arrangement across clearing houses and conduct overall assessments on participants' offsetting position risks in different markets, lowering costs and improving efficiency.

(ii) Expand eligible non-cash collateral types and reduce related fees.

International Asset and Wealth Management Centre

40. Hong Kong has become the world's largest cross-boundary wealth management centre this year. We will continue to develop a more attractive asset and wealth management ecosystem. This includes stepping up promotion following the passage of a bill on the enhancement of preferential tax regimes for funds, single-family offices and carried interest. The goal is to attract funds and family offices to establish a presence in Hong Kong and more global capital to be managed in the city, while also promoting product innovation and market upgrading:

(i) We will introduce a bill this year to enable the privatisation or restructuring of real estate investment trusts (REITs), and another bill in the first half of 2027 to provide a stamp-duty waiver for the transfer of non-residential properties into REITs seeking to list.

(ii) The SFC will streamline its procedures to attract quality overseas REITs to Hong Kong for dual-listing. It will also revise the codes in the fourth quarter of this year to promote innovation in fund products and broaden investor choices.

(iii) We will continue to seek early inclusion of REITs under mutual-market access.

41. Attracting allocation of diverse capital to quality assets in Hong Kong:

(i) Promote investment by Mainland insurance funds in Hong Kong ETFs through mutual market access, expand the scope of eligible ETF products under the scheme, and promote cross-listing of ETFs on the HKEX and Southeast Asian exchanges.

(ii) Lift the total investment limit on eligible index-tracking ETFs by MPF funds, facilitating MPF funds to take advantage of quality local ETFs.

International Risk Management Centre

42. Hong Kong will further enhance its insurance regulatory regime and establish a multi-layered risk management system to develop a leading risk management centre in Asia, safeguarding the development of the real economy through financial security.

Strengthen the International Reinsurance Hub

43. The Insurance Authority (IA) is actively developing reinsurance and captive insurance businesses to enhance synergy between the capital market and the insurance industry in building an international risk-transfer platform:

(i) Three captive insurers have been authorised this year, bringing the total to nine. They help companies develop comprehensive global risk management capabilities.

(ii) Continue to promote insurance-linked securities (ILS), work to narrow the protection gap for catastrophe risk and review investor restrictions to invigorate the ILS fund trading market.

(iii) Explore legislative amendments to introduce a protected cell company (PCC) structure to lower the costs of establishing captive insurers and issuing ILS.

Develop Specialty Insurance to Meet the Needs of Emerging Industries

44. The development of emerging industries will generate increasing demand for new specialised insurance. The Government and the IA will suitably increase the insurance sector's underwriting appetite to cover such areas as gold storage, commodity trading and green-fuel bunkering.

Develop a Commodity Trading Ecosystem

Expedite the Development of an International Gold Trading Market

45. The Government will seize the gold trading market's momentum and strengthen its development:

(i) Officially launch Hong Kong's central clearing and settlement system for gold in the first quarter of 2027.

(ii) The HKEX will announce details of the new RMB-denominated and physically settled gold futures contracts this year to boost the global influence of the RMB in the pricing of precious metals.

(iii) The Mandatory Provident Fund Schemes Authority optimised its approval mechanism for gold ETFs in July this year, increasing the flexibility of MPF funds investing in gold ETFs.

(iv) The SFC will enhance the regulatory regime for over-the-counter derivatives to facilitate risk and capital management in gold and commodity trading.

(v) The IA will strengthen co-ordination with the industry in arranging insurance for precious metals, and has launched a dedicated specie insurance hotline to connect policyholders with insurers.

(vi) The HKMA is exploring the possibility of increasing the Exchange Fund's gold holdings and participating in Hong Kong's spot and futures markets. It is also considering gradually transferring its physical gold holdings to designated vaults appointed by the Hong Kong Precious Metals Central Clearing Company Limited.

(vii) The Government will set up a dedicated Gold Hotline to provide one-stop support for Mainland and overseas gold traders to take part in Hong Kong's gold trading ecosystem, while encouraging the sector to establish an industry association for gold and host a flagship event in 2027.

(viii) Collaborate with the Financial Services Development Council (FSDC) to launch gold trading-related courses featuring full-chain development and ancillary facility operations.

Expand the International Metal Trading and Delivery Network

46. Since the London Metal Exchange (LME) included Hong Kong in its global warehousing network in 2025, the city's storage area has exceeded 60 000 square metres, with an inventory of more than 20 000 tonnes of metal to date. We will accelerate the development of a secure and efficient commodity trading hub with international influence:

(i) Implement a half-rate tax concession for physical commodity trading to attract more commodity traders to set up or expand their businesses in Hong Kong; explore a proposal to provide tax concessions for qualifying activities within the gold and commodity trading ecosystem for consultation with the Legislative Council (LegCo) next year.

(ii) Facilitate the establishment of more LME-approved warehouses in the Northern Metropolis (NM) by warehouse operators to promote clustering of physical delivery, financing and risk management services.

(iii) The HKEX plans to launch the LME Steel HRC Shanghai contract on the LME in October to expand international application scenarios of onshore prices and enhance the international influence of China's futures.

(iv) The HKEX is striving to launch a pilot project for tokenised warehouse-receipt financing in collaboration with designated banks in 2027, using physical tracking technologies to promote the use of commodity inventories as collateral by enterprises in securing liquidity.

(v) The HKEX is establishing a blockchain-backed, multi-asset tokenisation platform, with carbon credits listed on Core Climate[2] already incorporated. It will also include commodity warehouse receipts from LME-approved warehouses for a pilot next year, to facilitate the flexible allocation of collateral and cross-collateralisation in the market.

(vi) The Customs and Excise Department (C&ED) will explore how to facilitate the customs clearance for commodities.

(vii) Encourage the International Organization for Mediation (IOMed) to explore the establishment of a special panel of mediators for commodity trading. This would lower the risk of cross-border transactions and attract more international traders and financial institutions to use Hong Kong as a base for trading and settlement.

47. The Government will establish a Joint Working Group on Commodity Trading to be led by the Secretary for Financial Services and the Treasury. In collaboration with relevant financial regulators, it will holistically identify market opportunities and prospects for cross-exchange collaboration.

Development of Green and Sustainable Finance

48. In 2025, green and sustainable bond issuances arranged in Hong Kong accounted for around 40% of Asia's total issuance volume. This year, the Ministry of Finance arranged its inaugural issuance of RMB sovereign green bonds in Hong Kong. Measures for further expanding sustainable finance include:

(i) Achieve full adoption of the International Financial Reporting Standards – Sustainability Disclosure Standards (ISSB Standards) by large publicly accountable entities by 2028 to improve the quality of market disclosure.

(ii) The HKEX will introduce a "Green Equity Designation Scheme" to raise the market profile of eligible green securities issuers. The HKMA will explore new application scenarios for the Hong Kong Taxonomy for Sustainable Finance.

(iii) The HKEX's Core Climate and the Hong Kong Quality Assurance Agency will explore Hong Kong's participation in cross-boundary carbon trading, in a bid to support the country in building a carbon market of greater international influence.

(iv) The HKMA will continue organising Hong Kong Green Week to promote Hong Kong's leading status as a sustainable finance hub.

Foster Fintech Innovation

49. The SFC will promote fintech to empower industry upgrading. Details include:

(i) Enhance virtual-asset licensing regimes and formulate specific regulatory guidelines to map a clear compliance pathway for virtual-asset service providers.

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2 Launched by the HKEX in October 2022, Core Climate is an international, voluntary carbon-credit-trading platform. It specialises in offering trading, custody and settlement functions for quality voluntary carbon-credit products and carbon-emission reduction projects to enterprises, investors and project owners around the world.

(ii) Improve the regulatory framework for tokenised investment products to facilitate the issuance and trading of tokenised products of gold and other suitable real-world assets on licensed platforms, as well as the launch of innovative products.

(iii) Promote the trading of regulated stablecoins on licensed virtual-asset trading platforms and their use in the settlement of tokenised money market funds, raising Hong Kong's competitiveness as an international digital asset hub.

50. The HKMA is planning to implement central bank digital currency (CBDC) settlement and 24/7 operations under Ensemble^{TX} by around the end of this year, and will continue to explore more use cases for tokenised deposits.

Co-ordinate the Management of New Financial Risks

51. Adhering to the principle of prudent risk management, the Government is committed to increasing the efficiency and security of fintech in serving the real economy:

(i) We will explore enhancing the legal framework to bolster the detection and removal of fraudulent content, including content generated through the misuse of artificial intelligence (AI) by sectors such as technology and telecommunications, launching a public consultation on the proposed legal framework by the end of the year. The HKMA is considering using AI technology to analyse payment data, enhancing the capabilities of banks in detecting suspicious transactions. The HKMA is driving the adoption of "iAM Smart" Step-up Authentication in banks and stored value facilities. The first phase of testing related to remote account opening has commenced.

(ii) While quantum computing can enhance financial services in the future, cryptography will need to be upgraded. The HKMA has launched the Quantum Preparedness Index to guide the industry in this regard. It will work with research institutes to facilitate adoption progressively.

(iii) The SFC will begin operation of the digital-asset custody surveillance system in the second half of the year, and will activate the CrypTech initiative's big data market surveillance and anti-money laundering surveillance components in 2027.

52. In addition, the FSTB will consult the public on a legislative proposal enhancing beneficial ownership transparency of companies and express trusts this year, with a view to implementing the latest international standards for anti-money laundering and counter-terrorist financing.

(B) International Maritime Centre and Aviation Hub

International Maritime Centre

53. As our country's sole international maritime centre operating as a separate customs territory, Hong Kong has ranked fourth globally in maritime comprehensive strength for seven consecutive years. We will drive a "volume to value" transformation of the Hong Kong Port, capitalising on our strengths in high value-added maritime services, to develop Hong Kong into a "Global Maritime Capital".

Develop a Green Fuel Bunkering and Trading Centre

54. We will ensure a stable supply of green maritime fuel, providing additional facilities and promoting trading:

(i) Announce the first "Green Energy Corridor" in collaboration with a Mainland city later this year, with plans to develop a network of Hong Kong-centric "Green Energy Corridors" in the future, with Mainland cities supplying green maritime fuel for bunkering or trading in Hong Kong.

(ii) Begin the planning application and other statutory procedures regarding green maritime fuel-storage facilities in Tsing Yi South next year, with tenders to be invited in early 2028; and facilitate the development of new storage facilities and the retrofitting of existing oil storage tanks.

(iii) Support the industry in conducting preliminary studies on establishing a green maritime fuel-trading platform and in strengthening related promotional efforts.

(iv) In collaboration with local universities, establish a clear and transparent carbon-emission calculation framework for the bunkering and trading of green maritime fuels.

Strengthen the Ecosystem of High Value-added Maritime Services

55. The Government has introduced an amendment bill into the LegCo to enhance the tax-concession regimes for maritime services and introduce a half-rate tax concession for physical commodity trading, promoting the development of Hong Kong's high value-added maritime services industry.

56. We will revamp Hong Kong's ship registration system, introducing a dual registration arrangement[3] to increase flexibility in catering for the diverse commercial operating models of the international maritime sector.

Develop "Finance + Shipping"

57. Taking advantage of our well-established maritime finance, insurance and maritime arbitration under common law, we will build an integrated ecosystem under which Hong Kong-invested enterprises adopt Hong Kong law, take out Hong Kong insurance and choose for arbitration to be seated in Hong Kong. Hong Kong's international influence will be reinforced through the provision of comprehensive solutions for ship finance, contractual governance, risk management and dispute settlement. To promote the high-quality synergistic development of financial and maritime centres, we will work with the Hong Kong Maritime and Port Development Board and the industry to explore proposals for the synergies between financial and maritime services, with a particular focus on marine insurance and ship finance.

58. The IA will drive the expansion of the underwriting capacity of the industry's marine specialty risk pool to better manage risks. With the support of the China Shipowners Mutual Assurance Association and the assistance of the Government and the IA, the Hong Kong Shipowners Mutual Assurance Association will conduct international business in Hong Kong.

59. Maritime arbitration cases in Hong Kong have increased in recent years. The Government will continue to promote Hong Kong's maritime arbitration services.

Promote the Development of a Green and Smart Port and Green Corridor

60. The Government will, in collaboration with port operators, formulate a roadmap for the smart transition and green transformation of the Kwai Tsing Container Terminals. This will include introducing more autonomous electric vehicles, expanding the application of remotely-controlled cranes, supporting operators in developing onshore power-supply facilities, including exploring port dues incentives, to attract international liners to use these services.

61. We will announce the first green shipping corridor with a trading green port this year. Using green fuels and improving bunkering facilities will propel our maritime routes towards net-zero carbon emissions.

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3 The dual-registration arrangement to be introduced refers to the arrangement to suspend an original owner registration and undertake a demise charter registration at another ship registry.

Develop the Port Community System

62. Over 8 000 enterprises have registered with the Port Community System since its rollout this year. By using trusted cargo-flow data, there have been more than 20 successful applications in which enterprises have secured trade finance. We will further:

(i) Develop offshore trade-cargo tracking with blockchain technology to expand system coverage.

(ii) Launch the Port Community System Enabler Recognition Scheme to commend enterprises that actively participate in and promote the system's application.

(iii) Provide better support, with funding from the Future Innovative Logistics Acceleration Scheme, for small and medium enterprises (SMEs) to adopt innovative logistics solutions that interface with the Port Community System.

Enhance the Comprehensive "Rail-sea-land-river" Intermodal Transport System

63. We will strengthen the Chongqing-Shenzhen-Hong Kong[4] and Chengdu-Shenzhen-Hong Kong[5] scheduled freight train services, in combination with the Shenzhen-Hong Kong Connect feeder service, as a sea-rail intermodal network that shortens total cargo transportation time between the Chengdu-Chongqing region and Hong Kong from two to four weeks down to approximately three days. A container terminal operator has also launched the Chongqing-Qinzhou-Hong Kong sea-rail intermodal service, backed by daily liner service, to connect Hong Kong Port with the New International Land-Sea Trade Corridor.

64. The Government will continue to explore the development of inter-provincial land freight transport and direct river-sea intermodal transport modes to expand our cargo hinterland.

65. The Government will study application scenarios, regulatory considerations and other support measures in relation to autonomous ships in Hong Kong, to prepare Hong Kong for participation in the national development of a smart and green logistics model. It will use "water-to-water transhipment", which focuses on river-sea intermodality.

Expand the Partner Port Network

66. The Government will announce the second batch of partner ports, and channel more maritime routes from Central and South America to call at the Hong Kong Port. We will also expand collaboration with Mainland ports and promote the establishment of a "brother port" relationship with Shanghai this year.

Establish a Maritime Academy

67. We will promote the establishment of a maritime academy in Hong Kong, and support representative maritime institutions to establish a presence in the city. The goal is training high-calibre maritime talent under an "institution-enterprise collaboration" model. We will also work with the trade to formulate cross-disciplinary, career-progression pathways within the industry, while expanding talent development co-operation with international maritime organisations.

Promote Modern Logistics Development

68. A feasibility study on the development of a "business and trading zone for re-export" will begin this year to remove barriers and ease restrictions for the development of high value-added logistics services. We will also make preparation for the update of the Roadmap for ESG Development for Logistics Industry to promote green and sustainable logistics development.

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4 Connecting Chongqing, Shenzhen's Yantian Port and Hong Kong, the Chongqing-Shenzhen-Hong Kong freight train service provides scheduled and fixed-point freight operations under the sea-rail intermodal network.

5 Connecting Chengdu, Shenzhen's Yantian Port and Hong Kong, the Chengdu-Shenzhen-Hong Kong scheduled freight train service provides scheduled and fixed-point freight operations under the sea-rail intermodal network.

69. We are inviting the market to submit expressions of interest for the Hung Shui Kiu/Ha Tsuen modern logistics cluster. We will formulate the development mode, taking industry views into account, with the target of releasing the first batch of land parcels starting from the end of 2027 at the earliest.

International Aviation Hub

70. In 2025, Hong Kong's passenger throughput recorded a year-on-year increase of 15%, to 61 million, with flights to over 220 destinations. The city's air cargo throughput reached 5.07 million tonnes, making our airport the world's busiest cargo airport for the 15th year since 2010. Passenger departure facilities at Terminal 2 have begun operations, while the Terminal 2 Concourse will be commissioned before the end of next year, enhancing the airport's overall capacity.

Expand the Aviation Network

71. Since last year, the Government has updated or expanded existing bilateral air-services arrangements[6], or entered into new arrangements[7], with 20 aviation partners. We will continue to take the initiative to visit South America, Africa, Central Asia, the Middle East and the Caucasus to expedite the conclusion of new air services agreements and the expansion of traffic rights, thereby assisting the industry in exploring new passenger and cargo sources.

72. The Airport Authority Hong Kong (AAHK) will continue to encourage airlines to launch new routes and increase the frequencies of existing ones. As at the end of August, 40 airlines had launched 94 new routes covering regions in Asia, Europe, North America and Africa, while flight frequencies on 15 existing routes were increased.

Develop a New Ecosystem for the Aviation Industry

73. To support the large-scale development of home-grown aircraft, we will actively press ahead with the development of production of high-end parts, parts processing and storage, maintenance support and leasing and sale of aircraft and parts. We will also collaborate with international partners in the aircraft dismantling and recycling business, to develop a globally competitive aviation industry chain and enhance training for pilots and aviation professionals.

Foster the Development of the Sustainable Aviation Fuel Industry

74. The Government has spearheaded the establishment of Hong Kong's world-leading sustainable aviation fuel (SAF) production base in Dongguan, which will begin production by 2030. We are planning to construct the first SAF blending facility in Hong Kong, and are studying the establishment of a mandatory consumption-ratio mechanism and the development of a green energy certification system to boost our green energy value chain and maintain a long-term supply of competitive SAF.

(C) International Trade Centre

75. Hong Kong was ranked the world's fifth-largest entity in merchandise trade in 2025, two places up from the previous year, according to the "Global Trade Outlook and Statistics" report, published by the World Trade Organization (WTO). We will consolidate and enhance Hong Kong's status as an international trade centre, playing a greater role in the high-level opening up of our country.

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6 The Mainland, Israel, Malta, Turkey, Kazakhstan, Luxembourg, Vietnam, Qatar, Indonesia, Thailand, Brazil and Azerbaijan.

7 Chile, Peru, Poland, Togo, Argentina, Ecuador, Cuba and Uzbekistan.

Deepen the Work of the GoGlobal Task Force

76. Since the Task Force on Supporting Mainland Enterprises in Going Global (GoGlobal Task Force) was established last October, it has provided assistance, including listing and raising capital in Hong Kong, aligning with overseas standards, acquiring industry certifications and fulfilling compliance requirements for more than 340 Mainland enterprises. About 30% of them position Hong Kong as their regional/international headquarters or corporate treasury centre (CTC).

77. In June, I led a delegation, which included representatives of Mainland enterprises, to visit Central Asia, where we met with local enterprises to open up business opportunities. Many of the Mainland companies successfully matched with local partners for collaborative projects. The GoGlobal Task Force will continue to help enterprises expand their businesses into Central Asia.

78. The GoGlobal Task Force will further consolidate Hong Kong's role in helping Mainland enterprises establish their presence abroad. It will:

(i) Deepen collaboration with trade associations of both places to provide more targeted support services to Mainland enterprises.

(ii) Strengthen collaboration with professional organisations to train talent for the GoGlobal initiative and enhance professional services.

(iii) Extend the Cross-sectoral Professional Services Platform, adding a new sector to provide environmental, social and governance (ESG) services, with a view to leveraging Hong Kong's international expertise to assist Mainland enterprises in meeting the requirements of their target markets.

(iv) Enhance the platform's matching function to encourage connections between Mainland enterprises and Hong Kong professional service providers, and keep track of the effectiveness of individual cases.

79. The IA will promote the development of a specialty insurance business that aligns with the real economy to diversify and manage risks for enterprises to "go global".

80. The Government will continue to assist the local media to expand their network beyond Hong Kong, telling the good stories of Hong Kong.

Build a High Value-added Supply Chain Services Centre

81. As our country improves the comprehensive overseas services system and guides the orderly development of cross-border industry and supply chains, it creates enormous opportunities for Hong Kong. Since announcing the building of a high value-added supply chain services centre in the 2024 Policy Address, the Government has been enhancing strategies to encourage Mainland enterprises to leverage Hong Kong as their supply chain services centre.

82. Hong Kong will better align with our country's modern industrial system, including driving the upgrade and transformation of traditional industries, as well as cultivating emerging pillar industries, in order for enterprises to take advantage of our strengths in international finance, trade, shipping, scientific research, branding, design and exhibitions, as well as our global network, to connect with overseas supply chains and launch international businesses.

Encourage More Financial Institutions to Set Up Headquarters in Hong Kong

83. Mainland financial institutions with stronger capital strength and higher level of compliance and internal control standards are encouraged to set up international headquarters in Hong Kong, on the premise of compliance with laws and regulations in a risk-controlled manner and voluntary commercial participation, to consolidate their businesses and management functions

outside the Mainland. We support major Chinese securities firms' plans, in compliance with laws and regulations, to increase capital for their subsidiaries in Hong Kong, and utilise Hong Kong as a booking centre for risk management and capital market operations.

Encourage Enterprises to Establish Corporate Treasury Centres and Sourcing Centres in Hong Kong

84. The Government has completed its review of tax concessionary measures applicable to CTCs, as well as a public consultation on recommendations to provide pre-approved CTCs and their associated companies with additional tax benefits and flexibilities. An amendment bill is expected to be introduced into the LegCo in the first half of 2027.

85. A tax concession of 5%, or half-rate, may be offered under the preferential policy packages on attracting enterprises and investments, depending on the investment plan of individual enterprises and their actual contribution to Hong Kong's economy. This will attract high value-added enterprises to set up headquarters or regional headquarters in Hong Kong to manage their supply chain and sourcing businesses.

Strengthen Innovation and Technology Enterprises

86. The Government launched the Pilot Innovation and Technology Accelerator Scheme in January. It was designed to accelerate the growth of innovation and technology (I&T) companies, by attracting professional I&T enterprise service providers with proven track records in and beyond Hong Kong to set up accelerator bases in Hong Kong.

87. One of them has set up an accelerator base at Cyberport, serving nearly 100 member enterprises, including eight listed companies with a total market value exceeding $180 billion. Focusing on key industries such as AI, embodied intelligence and robotics, new energy and new materials, and biomedicine, the company assists I&T companies in going global by leveraging Hong Kong's I&T ecosystem, application scenarios, capital markets and overseas networks.

88. The Green Tech Fund also supports Hong Kong research institutions and companies in conducting research and development (R&D) in Hong Kong and the Mainland to develop low-carbon technologies with commercialisation potential, helping more green technologies and products to go global.

Empower the Transformation and Upgrading of Traditional Industries through Supply Chain Services

89. The Development Bureau (DEVB) has signed a co-operation agreement with the relevant Mainland organisation to establish a collaborative mechanism for construction standardisation and jointly formulate the GBA construction standards. This will help local and Mainland construction companies venture into the global market by making good use of Hong Kong's strengths in areas such as testing and certification. Advanced construction technology will be showcased by organising international conferences and large-scale events, reinforcing Hong Kong's position as an international infrastructure centre.

90. The Government will establish the Task Force on High Quality Development of Textile and Fashion Industry, to be led by the Secretary for Commerce and Economic Development. It will enhance collaboration between government and industry representatives to pursue high-quality development of the textile and fashion industry in areas including I&T, fashion design, supply chain management, sustainable development and brand promotion, as well as nurturing talent, thereby assisting the industry to connect with Mainland and overseas markets.

Pursue the Comprehensive Upgrade of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA)

91. Following the signing of an amendment agreement under the framework of CEPA in 2024, which further liberalised trade in services with the Mainland, the Commerce and Economic Development Bureau (CEDB) will sign a Memorandum of Understanding (MoU) with the Ministry of Commerce and continue to jointly pursue the comprehensive upgrade of CEPA, with a view to deepening co-operation with the Mainland services sectors, as well as further expanding the Mainland market access and liberalised areas.

Expand International Economic and Trade Network

92. We will continue to deepen our ties overseas, including the European, American, ASEAN and Middle East markets, while actively exploring emerging markets such as Central Asia and Africa, and focus on economies of high potential and strategic importance, with a view to forging closer economic and trade co-operation.

93. With the Economic and Trade Office (ETO) in Kuala Lumpur having officially commenced operation, the four ASEAN-based ETOs will deepen Hong Kong's trade and investment promotion in ASEAN and neighbouring Asian countries.

94. We are exploring the establishment of an ETO in Kazakhstan, and in the meantime leveraging the existing networks of the ETOs, the Hong Kong Trade Development Council (HKTDC) and InvestHK to step up trade and investment promotion work in priority Central Asian countries.

95. We signed an investment agreement with Bangladesh just last week, and will work towards signing investment agreements with Qatar and Peru as early as possible. We are negotiating new investment agreements with Saudi Arabia and Egypt. We are also exploring new investment agreements with Kazakhstan and Uzbekistan.

Promote the Development of Digital Trade

96. Upon coming into full operation, Phase 3 services of the Trade Single Window will provide a single consolidated platform for submission of import and export declarations and cargo information regarding different transport modes, to help the trade improve efficiency and reduce operating costs.

97. The Government will expand the "Single Submission for Dual Declaration" Scheme with the General Administration of Customs of the People's Republic of China to cover more trade documents and transport modes, and advance connectivity with ASEAN's Single Window. The Trade Single Window will also connect with the HKMA's Commercial Data Interchange (CDI) in mid-2027, facilitating banks in making reference to trade data for processing financing applications.

98. The Government will introduce, within this year, a bill on facilitating the digitalisation of "business-to-business" trade documents, to reduce the administrative costs of businesses and improve traceability of trading activities.

99. The HKMA will explore further applications of tokenised deposits, including collaborating with the Mainland to study trade-financing use cases, with pilot transactions to be completed by the end of the year.

Promote the Development of Convention and Exhibition Industry

100. The Government is taking forward the Wan Chai North Redevelopment project, as planned, for the expansion of the Hong Kong Convention and Exhibition Centre and related facilities[8]. A task force to be led by the Deputy Financial Secretary will be set up to steer the project. The HKTDC will submit a proposal on the development approach of the project to the Government early next year.

101. The Government has earmarked $100 million to attract high-quality, large-scale international exhibitions with new elements to Hong Kong. The first such international flagship exhibition brought to Hong Kong will be held in November, centred around super yachts, as well as premium lifestyle elements, and featuring international leading brands.

(D) International Innovation and Technology Centre

Application and Risk Management of Artificial Intelligence

102. Over the past few years, the Government has adopted development-governance and institution-industry strategies on AI. Measures include promulgating guidelines to provide risk management and application recommendations for society, the establishment of the Hong Kong Artificial Intelligence Research and Development Institute (AIRDI) to promote upstream R&D and outcome transformation, and the setting up of the Committee on AI+ and Industry Development Strategy, chaired by the Financial Secretary, to expedite the development and application of AI.

Deepen AI Application and Development

103. The Government will step up its efforts to promote AI applications across various trades, and continue to strike a balance between encouraging innovation and protecting security, thereby enhancing Hong Kong's international competitiveness in AI development.

AI Application in Finance

104. The HKMA's Generative Artificial Intelligence (GenA.I.) Sandbox was upgraded to the cross-sector GenA.I. Sandbox++, with use cases and participating sectors expanded beyond banking to include securities, wealth management, insurance and MPF. Testing of selected use cases in the new cohort will commence within this year.

105. The HKMA is also conducting assessments and responding to risks through the Joint Task Force on AI-Driven Cyber Risks. To strengthen risk management, it is also developing a Cyber Resilience Testing Framework for banks and regularising the cross-sectoral Cyber Mapping[9] exercise.

106. Ten major insurers have participated in the AI Cohort Programme of the IA and have committed to establishing their respective AI Centre of Excellence in Hong Kong, nurturing talent and sharing experience.

107. The SFC will foster a deeper understanding within the sector through training and development of regulatory technologies in collaboration with I&T enterprises.

AI Application in Healthcare

108. The Health Bureau (HHB) will co-ordinate the orderly introduction and effective use of AI technologies in the healthcare sector in collaboration with the Department of Health (DH), the Hospital Authority (HA), the Hong Kong Academy of Medicine and Institute for Medical Advancement and Clinical Excellence (IMACE), among others.

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8 All users in the sites of the Wan Chai Government Offices Compound and the Kong Wan Fire Station in Wan Chai North will be moved out within 2028.

9 The Cyber Map shows the business and technology connections between financial institutions and major third-party service providers.

AI Application in the Legal Sector

109. A short-term funding scheme will be launched by the Department of Justice (DoJ) to promote a wider application of LawTech (including the use of AI technologies) in the legal sector to enhance competitiveness.

AI Application in Construction

110. The Hong Kong Housing Authority (HKHA) will enhance the self-developed AI+ "HA-PIMAP" Project Information Management and Analytics Platform to adopt AI for analysis of site topography, terrain, landscape, views, wind and sunlight etc. to automatically adjust building layout. Starting from 2027-28, AI+ "HA-PIMAP" will be applied to the planning of all new projects.

AI Application in Transport

111. To advance the large-scale development of driverless autonomous vehicles (AVs) towards commercialisation, the Transport Department (TD) has issued nine pilot licences covering over 60 AVs for trials at various locations. As a next step, AV operators' applications for the commercial operation of individual projects will be accepted from this year onwards, while the Airportcity Link autonomous transport system will be put forward as the first commercially operated project in Hong Kong.

112. More AV application scenarios are coming into play. For example, the AV connection between the Express Rail Link at West Kowloon Station and the Airport Express at Kowloon Station is expected to begin operation in the second quarter of 2027. Also, passenger transfer vehicles at the SkyPier Terminal of Hong Kong International Airport (HKIA) will undergo autonomous driving trials along the Hong Kong-Zhuhai-Macao Bridge, which is a pioneering, cross-boundary application scenario taking place on an expressway.

AI Application in Social Welfare

113. A sum of $300 million will be allocated to set up the "AI for Welfare Lab" (WelfareHK.ai) to identify AI application scenarios in social welfare services, as well as fund the development and pilot implementation of AI solutions. These include analysing the usage of welfare facilities to meet user needs in a more targeted manner.

AI Application in Tourism

114. Starting from the end of this year, the Hong Kong Tourism Board (HKTB) will introduce an AI personalised travel recommendation function on Discover Hong Kong, and, by integrating with third-party data platforms, set up a dedicated HKTB smart travel page in map applications.

AI Application in Broadcasting

115. Radio Television Hong Kong will strengthen the use of AI technologies and new media platforms to enhance production quality and efficiency, and expand its audience reach.

AI Upgrading for Small and Medium Enterprises

116. The Government will enhance the Digital Transformation Support Pilot Programme (DTSPP) by providing subsidies, on a matching basis, to support more SMEs in applying AI and cybersecurity-related solutions. The BUD Fund[10] also provides more targeted funding support for enterprises in implementing projects involving AI elements.

10 The Dedicated Fund on Branding, Upgrading and Domestic Sales

117. The Hong Kong Productivity Council (HKPC) will expand the functions of its "Digital DIY Portal" to integrate AI-assisted advisory services for SMEs, and assist enterprises in assessing and addressing cybersecurity risks, as well as adopting AI. The HKPC will also enhance the awareness of AI and its application within the community, particularly among SMEs, through training and exhibitions under the "AI with HKPC" programme.

Promote AI Training for All

118. The Government will roll out more than 200 training courses and activities under the "AI for All" Inclusive Programme by the first quarter of 2028, promoting AI awareness and responsible use in a tiered manner. This will help the general public, university students, young researchers and professionals harness AI for professional empowerment, and support working people and SMEs in applying AI for practical enhancement.

119. The Government will also roll out the "Robots in the Community" Pilot Programme to raise citizens' awareness of embodied AI and promote digital inclusion.

120. Upskill Hong Kong, upon its upgrade, will launch an 18-month AI upskilling campaign in the first half of 2027, including a free online training course for all with a focus on the workplace application of AI. Participants who complete the course may enrol for free in short-term, advanced AI application courses across various industries. The initiative is expected to benefit around 40 000 employees.

Risk Governance

121. Ever-evolving AI technology is the core driving force of the digital era. While promoting industry upgrades and enhancing public convenience, AI also brings new challenges, including the misuse of AI to commit crime, user responsibilities, the protection of minors, the management and control of AI Agents and the impact of AI on employment.

122. To achieve technology for good and ensure safety and control, the Government's AI risk-governance strategy focuses on seven aspects: combating the use of AI in criminal activities; protecting underage users; establishing a governance framework to regulate AI ethics; promoting application safety; clarifying liability for accidents caused by AI products; formulating safety-management guidelines for AI Agents; and assessing the impact of the widespread use of AI.

123. The Government will take forward the following under the co-ordination of the Chief Secretary for Administration, with the creation of the post of Commissioner for AI under the Digital Policy Office (DPO) to assist various bureaux with the related work:

(i) **Combating the use of AI in criminal activities**:

(a) ***Studying regulation of deepfake by legislation***: The Cybercrime Sub-committee of the Law Reform Commission (LRC) is reviewing existing laws from the angle of cyber-enabled crimes[11], and will seek public views in due course on, among other things, ways to tackle the production of pornographic images, as well as online scams and fraud that involve the use of deepfake technology. The Government will, in accordance with the recommendations of the LRC, consider formulating relevant legislation.

(b) ***Legislative powers to remove online content that may constitute financial fraud (including AI-generated fraud)***: The FSTB will conduct public consultation later this year on expanding the legal framework to encourage sectors such as technology and telecommunications to enhance their ability to detect and remove fraudulent content (including content generated through the misuse of AI).

11 Traditional crimes that can be increased in scale or reach by the use of computers, computer networks or other forms of information and communications technology.

(ii) **Enhancing the Protection of Users who are Minors**: Under the Values Education Curriculum Framework (2026), the Education Bureau (EDB) will support schools in guiding students to make good and prudent use of AI tools and resources with proper values and attitudes. A dedicated task force on minors' use of social media will be established under the Working Group spearheaded by the DoJ. It will co-ordinate with relevant bureaux/departments to review the risks associated with the use of social media by minors (including interaction with AI), and assess the need for more targeted solutions, including legislative and administrative measures.

(iii) **Promoting Market Assessment of AI Ethical Risks**: The Innovation, Technology and Industry Bureau (ITIB) will select pilot departments requiring bidders to comply with AI guidelines issued by the DPO and submit safety and ethics compliance declarations for AI technologies used in procuring public-facing AI service projects. Subject to the pilot results, this requirement will be gradually extended to all bureaux and departments, ensuring that every AI service project implemented by the Government meets safety and ethical standards.

(iv) **Promoting the safe and orderly application of AI across industries**: The DPO will reach out to industry bodies to drive the industry-led development of sector-specific AI application guidelines, accreditation and governance frameworks, and to provide professional advice and support. The HKMA and the IA have drawn up respective action plans to foster responsible AI adoption and facilitate competency development among practitioners. The SFC will supervise the establishment of robust governance frameworks, as well as industry risk management and internal control measures.

(v) **Examining legal liability arising from accidents caused by AI products**: The Working Group to be spearheaded by the DoJ will review whether existing law is adequate in addressing liability issues arising from accidents or damage caused by AI products. It will also study ways to address these issues through legislative or regulatory measures (including soft law such as codes of practice, codes of conduct and guidelines).

(vi) **Introducing guidelines on AI Agent management**: AI Agents can autonomously integrate and execute multiple tasks to boost efficiency. The DPO is piloting the use of AI Agents in the Government and has incorporated provisions into an AI adoption guide for departments[12]. Based on the practical experience gained, the Government will promulgate, in collaboration with the AIRDI, AI Agent safety-management guidelines applicable to society at large next year.

(vii) **Examining the impact of AI on employment**: The Labour and Welfare Bureau (LWB) will soon publish the mid-term update of Manpower Projection, which will analyse the impact of AI adoption on Hong Kong's labour market. We will develop such measures as upskilling, manpower training and reskilling support accordingly.

Enhance the Institutional Framework for Innovation and Technology Development

124. Hong Kong is pressing ahead with the development of an international I&T centre, which is based in the GBA, serving the entire country and connected to the world. We aim to promote an accelerated transformation and industrialisation of R&D outcomes, expand the new industrialisation system and the layout of emerging industries, and bring in top talent from around the world. We will also expedite the development of smart government, digital infrastructure and application scenarios, drive the digital intelligent transformation of public services, and take forward digital education ranging from primary and secondary schools to the workplace. We will attract global capital for diversified financing, and make full use of the NM's development to expand the industry's capacity and economies of scale, consolidating our I&T industry's competitiveness.

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12 For instance, the application of an AI Agent should be confined to standardised and repetitive internal government tasks. It should neither be used in decision-making directly affecting the public, nor supersede the professional judgment of staff. Human oversight should be maintained for high-risk actions, while transmission of confidential or personal data to external platforms should be prohibited. AI Agents should undergo risk assessments before deployment, with access control strictly enforced, the execution environment isolated and operation logs retained to ensure security, controllability and traceability.

Press ahead with the Development of "Three Major Innovation and Technology Parks[13] and Five Key Research and Development Institutions[14]"

125. Hong Kong's three major I&T parks are located in the NM and Pak Shek Kok in the New Territories, and Pok Fu Lam on Hong Kong Island, forming a "north-central-south" layout.

(i) To the north, the Hong Kong Park of the Hetao Shenzhen-Hong Kong Science and Technology Innovation Co-operation Zone (Loop Hong Kong Park) officially opened at the end of 2025, driving the development of life and health technologies, AI and data science, advanced manufacturing and new-energy industries, as well as high-end productive services.

(ii) In the centre, gathering around 16 000 R&D professionals and about 1 800 enterprises, the Science Park, together with the InnoCentre in Kowloon Tong and the three InnoParks located in Tai Po, Yuen Long and Tseung Kwan O, accelerates the development of new industrialisation. The Hong Kong Science and Technology Parks Corporation (HKSTPC) will continue to provide infrastructure facilities, incubation programmes and one-stop support services for I&T enterprises.

(iii) In the south, Cyberport is positioned as Hong Kong's digital technology hub, AI accelerator as well as a State-level Scientific and Technological Enterprise Incubator. It has provided capital, office space, partnership networks, overseas market expansion and other forms of support for over 2 400 enterprises with a cumulative total of 29 onsite enterprises going public so far. Cyberport will continue to focus on the fields of AI, data science, blockchain, cybersecurity and fintech, supporting enterprises in raising capital for going global and nurturing talent.

126. Hong Kong has given rise to about 20 unicorns, engaging in emerging industries including fintech, AI, logistics innovation, Web3 and blockchain, biotechnology and smart manufacturing. We also boast approximately 5 200 start-ups. Many of them originate from local universities, and have established a presence in the Hong Kong Science Park and Cyberport. This is a manifestation of the effectiveness of synergistic collaboration among industry, academia and research sectors.

127. To promote industry-academia-research integration in support of our country's pursuit of breakthroughs in frontier technologies, the Government has made the five key R&D institutions a strategic priority. We have established three high-quality R&D institutions in addition to the HKPC and the Hong Kong Applied Science and Technology Research Institute. They include:

(i) The MRDI, established in 2024.

(ii) The AIRDI, expected to begin operation this year.

(iii) The LHTRI, whose preparatory work will be largely completed this year, will focus on "AI+life sciences". Local universities will lead three branches in setting key development directions based on their institutional strengths in scientific research, such as advanced diagnostic technologies, new-generation prevention technologies and therapeutics techniques, and ageing-related diseases.

Accelerate the Development of Hong Kong's New Industrialisation System

128. The Government's efforts to accelerate the transformation and realisation of midstream outcomes and support the development of downstream industries have begun to bear fruit. The New Industrialisation Funding Scheme has achieved its smart production lines target one year ahead of schedule. It has supported 80 applications to date, involving over 130 smart production lines and a total investment of nearly $1.7 billion. As for the New Industrialisation Acceleration

13 The three major I&T parks are the Loop Hong Kong Park/San Tin Technopole, Cyberport and Science Park.

14 The five key R&D institutions are the HKPC, the Hong Kong Applied Science and Technology Research Institute, the Hong Kong Microelectronics Research and Development Institute (MRDI), the AIRDI and the Life and Health Technology Research Institute (LHTRI).

Scheme launched in 2024 to support the setting up of new smart production facilities in Hong Kong by enterprises engaging in industries of strategic importance, such as life and health technology and advanced manufacturing, support for nine projects has been announced to date, involving a total investment amounting to over $4 billion.

129. To accelerate the development of the new industrialisation system, we have drawn reference from the Mainland's scheme on specialised, sophisticated, distinctive and innovative "little giant" enterprises, as well as overseas experience. We launched the New Industrialisation Elite Enterprises Nurturing Scheme in June to provide targeted support for high-growth enterprises developing in Hong Kong. Over 100 nominations have been received, and the results will be announced this year.

130. We will release a medium-to-long-term development plan for new industrialisation in Hong Kong this year, setting out a new industrialisation development pathway centred on "high technology, high value-added" activities, accelerating the growth of emerging industries and producer services of strategic value, laying the foundation for future industries.

Strengthen Support for Start-ups

131. The Government will step up support for local start-ups:

(i) The Innovation and Technology Industry-Oriented Fund is expected to launch this year. Around 20 fund managers have been preliminarily shortlisted to raise capital for the setting up of sub-funds.

(ii) An additional $1 billion has been earmarked for the Innovation and Technology Venture Fund's enhanced scheme, with a view to selecting more fund managers to participate.

(iii) Funding schemes under the Innovation and Technology Fund (ITF) for promoting new industrialisation[15] have been consolidated into the New Industrialisation Support Scheme. It will promote the realisation of R&D outcomes and new industrialisation in a more focused manner. Ongoing reviews will be conducted on other ITF funding schemes.

(iv) Build an I&T and financial ecosystem by leveraging patient capital. The Hong Kong Investment Corporation Limited (HKIC) has invested in over 200 projects, covering such areas as hard and core technology, life and health technology, new energy and green technology. Within the HKIC's investment portfolio, 11 enterprises have been listed in Hong Kong, and more than 30 others have applied or are planning to apply for listing in 2026. In addition, about 70% of them have set up or are expanding their business overseas. The HKIC will continue to mobilise international long-term capital to co-invest in its projects.

Support the Transformation of Universities' Research and Development Outcomes

132. The Government has been providing extra funding through the ITF for the Technology Transfer Offices of designated universities (the funding ceiling for each university in 2026-27 is $12.8 million). Support has also been provided for the transformation and commercialisation of R&D outcomes through the Technology Start-up Support Scheme for Universities (TSSSU)[16] and the $10 billion Research, Academic and Industry Sectors One-plus (RAISe+) Scheme. Since the launch of the RAISe+ Scheme in 2023, 73 projects in various technology areas have been approved, with the government funding commitment amounting to over $3 billion.

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15 The New Industrialisation Funding Scheme, the New Industrialisation & Technology Training Programme and the Pilot Manufacturing and Production Line Upgrade Support Scheme.

16 To date, the TSSSU has approved over $650 million in funding for more than 700 university start-ups, supporting teams from designated universities to start businesses and commercialise their R&D results.

Explore the Establishment of the Hong Kong Innovation and Technology Application Scenario Promotion Centre

133. The ITIB will support the HKSTPC in exploring the establishment of the Hong Kong Innovation and Technology Application Scenario Promotion Centre. Through applying precise matching between the application scenario needs of both the public and private sectors and the innovative technological solutions provided by I&T enterprises across the three major I&T parks and five key R&D institutions, it will become a premier launchpad for innovative technologies, and help companies align with industry standards to obtain market certification and assist I&T enterprises in going global.

Expedite Innovation and Technology Industry Development

Healthcare Innovation and Biomedical Industry Chain Development

134. We will accelerate the development of an international health and medical innovation hub and progressively optimise the drugs and medical-devices industry chain, spanning from R&D translation, clinical trial, regulatory regime to access to the GBA and international market, as well as the capital markets. Our aim is to expedite the development of a holistic ecosystem to achieve economies of scale. This involves pooling enterprises, talent and capital in the global medical-products sector and integrating with our "Finance+" strategy, to dovetail with our country's strategic development of the emerging industries of biomedicine and medical devices.

135. Regarding the promotion of registration, regulation and the R&D translation of drugs and medical devices:

(i) Hong Kong has become a participating authority of the Pharmaceutical Inspection Co-operation Scheme (PIC/S). Under the guidance of the National Medical Products Administration, Hong Kong is expediting the compliance of biomedicine manufacturers with international standards to facilitate the registration of their innovative drugs in Hong Kong. Hong Kong has also joined the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH) as an observer, and is preparing to become a regulatory member.

(ii) Over the past three years, the Government has driven the regulatory reform of drugs and medical devices by launching the "1+" mechanism and implementing, in phases, the "primary evaluation" for new drugs. Our next step is to set up the Centre for Medical Products Regulation (CMPR) and submit a legislative proposal on regulating medical devices within the year, to establish CMPR as an internationally recognised regulatory authority for medical products in the long run.

(iii) The Greater Bay Area International Clinical Trial Institute (GBAICTI) has been established. Taking advantage of the synergies of the "one zone, two parks" and "one institute, one centre" models in the Hetao area through the "Greater Bay Area Clinical Trial Collaboration Platform", it will promote exemplary multi-centre clinical trials, while enhancing clinical trial infrastructure. In conjunction with reform in medical products approval and regulation, the initiative will provide one-stop support for innovative pharmaceutical and medical-device enterprises.

(iv) Promote the use of real-world data in the industry through the Real-World Study and Application Centre under the GBAICTI. This will accelerate the registration of innovative drugs and medical devices in Hong Kong, the Mainland and overseas markets.

(v) The International Clinical Trial Academy will be established next year to build a Greater Bay Area Clinical Research Talent Pool.

(vi) The Government will allocate a total of $900 million in the coming three years, through the Health and Medical Research Fund, to continue funding innovative medical research with translation potential. Priority areas include prevention and treatment of cancers, clinical trials and digital healthcare.

(vii) We will host the annual meeting of the Global Harmonization Working Party in December. Coinciding with the 30th anniversary of the working party, the meeting will bring together experts from around the world for high-level professional discussions on global medical-device regulation.

136. The HA will set up the HA Technology Convergence Hub (HA-TCH), based on the demand-driven principle. Through interactions between real-world scenarios and clinical application, it will accelerate the adoption of innovative medical technologies. Besides, through co-operation with stakeholders, it will set up a healthcare technology demonstration base in HA facilities and bring in innovative drugs and medical equipment. It will also set up a demand-side feedback loop to relay clinical practical needs to the pharmaceutical and medical device industries in a timely manner.

Promote the Development of a Low-altitude Economy Ecosystem

137. The Government is committed to developing Hong Kong into the Asia-Pacific hub for innovative low-altitude applications. The low-altitude economy (LAE) "Regulatory Sandbox" has facilitated the regularisation of diverse applications. Over 140 regularised projects have been approved, covering the use of unmanned aircraft for façade cleaning, infrastructure inspection, facilities surveillance, drone shows, lifting materials and low-altitude technology evaluation. We will take further steps to implement pilot projects under the LAE "Regulatory Sandbox $\mathcal{X}$" and broaden application scenarios. About 10 projects have begun testing, including unmanned aircraft traffic management system demonstrations and unconventional aircraft.

138. At least 15 insurers are currently offering LAE products for various types of unmanned aircraft in the market. The IA and the industry will fully support the regulatory framework for unconventional aircraft (e.g. manned aircraft weighing over 150 kilograms) to be established by the Government.

139. The Government will formulate the Action Plan on Developing Low-Altitude Economy, including the following actions:

(i) Collaborate with the Mainland to launch cross-boundary, low-altitude logistics trial flights as early as possible, and progressively expand the low-altitude cross-boundary logistics network across the GBA.

(ii) Take forward the technical study on low-altitude infrastructure facilities and begin the development of the Smart Low-altitude Traffic Management System, with a target for progressive implementation from 2028. This will enhance low-altitude airspace management, with the support of relevant monitoring, law enforcement, meteorological observation and three-dimensional spatial data systems.

(iii) Begin drafting legislation for unconventional aircraft weighing over 150 kilograms.

Formulate the Development Plan of Frontier Technology

140. The ITIB will set up a new Task Group on Frontier Technology to plan for the development of frontier technologies covering AI, new energy, new materials, aerospace technology, quantum technology and other areas to explore technology and industry development. It will report its findings to the Committee on Innovation, Technology and Industry Development, assisting in policy formulation and industry planning.

Support Deep Space Exploration and Promote Commercial Aerospace Development

141. Aerospace technology is a key area in frontier technology development. With the staunch support of the country, Hong Kong's first payload expert, Lai Ka-ying, is taking part in the glorious national, manned spaceflight mission. This is testimony to the country's recognition of Hong Kong's efforts in advancing frontier technology and talent development. It also reflects its support and care for Hong Kong. We are all excited and inspired by this achievement.

142. To support the development of aerospace technology, the Government has funded more than 30 R&D centres covering various technology areas under the InnoHK Research Cluster (InnoHK), with two of them focusing on space missions. The Government has also launched the Frontier Technology Research Support Scheme to foster international co-operation and attract top overseas researchers to Hong Kong.

143. The scope of global aerospace development has expanded from scientific research and exploration to the transformation of R&D outcomes and commercial operations. The aerospace industry is undergoing a paradigm shift from government-led High-Earth Orbit staging to business-led Low-Earth Orbit (LEO) constellation. According to the latest statistics of the International Telecommunication Union, our country has filed plans to deploy over 200 000 satellites, entering a new stage of large-scale development, resulting in a much greater demand from Mainland enterprises for alignment with international rules, compliance standardisation and professional services.

144. Hong Kong maintains a mature common law system and an internationalised regulatory environment, as well as a wealth of professional expertise in law, finance and insurance, enabling the city to serve as a vital bridge for the global expansion of Mainland commercial aerospace enterprises. We will support aerospace science R&D and the commercial development of the aerospace industry. Relevant measures include:

(i) The Innovation and Technology Commission (ITC) will launch a new round of Special Call on Aerospace Technology, with an emphasis on supporting technology research related to national space missions, covering satellite technologies, space exploration instruments, aerospace materials, remote sensing and other areas.

(ii) The Government will announce this year arrangements for streamlining the vetting of LEO satellite licence applications to attract enterprises and talent to Hong Kong. The Office of the Communications Authority (OFCA) will assist satellite operators in international co-ordination in the use of satellite orbits and spectrums, while providing them with licence application support.

(iii) We will promote the development of future 6G application scenarios, including LAE and LEO satellites. The OFCA will adopt a multi-pronged approach to encourage mobile network operators to expedite the advancement of telecommunications technologies and spectrum refarming, expand mobile network infrastructure to tie in with future development needs, and facilitate the alignment of 6G technology and spectrum planning with the Mainland.

(iv) The HKEX will consider enhancements to Chapter 18C of the Listing Rules to attract enterprises in emerging industries such as aerospace to raise capital in Hong Kong, consolidating our position as a financing hub for new economy enterprises.

(v) The HKIC will leverage patient capital to engage in early strategic investment, paving the way for future industry development. This includes assisting Mainland commercial aerospace enterprises in going global through investment and ecosystem development.

(vi) The IA and the industry will study systemic risks arising from commercial aerospace development and the functional positioning of Hong Kong's market, so as to make proposals on the development of related insurance products based on the study results.

(vii) We will step up innovative popular science education and talent development in aerospace, including increasing the quotas for the Young Astronaut Training Camp organised by the Hong Kong Space Museum next year. This will enable 35 students to visit our country's key aerospace and astronomy facilities. We will also support local institutions in promoting aerospace-related programmes, nurturing future talent.

(viii) The Government Flying Service will set up a dedicated team in the second quarter of 2027 to co-operate with relevant organisations in taking forward the "Youth Aerospace and Aviation DreamChaser Programme", an education activity on aerospace and aviation technology. It will raise Hong Kong young people's understanding of the development and achievements of national aerospace endeavours, and foster their interest in pursuing a career in aerospace and aviation.

(E) International Hub for High-calibre Talent

145. Last year, Hong Kong placed fourth in the World Talent Ranking and third globally in education competitiveness, with five universities among the world's top 100. We will promote the integrated development of education, technology and talent, and improve strategic co-ordination and implementation mechanism, while strengthening the roles of institutions, research institutes, innovation platforms and enterprises in attracting and nurturing talent. We aim to cultivate talent in a co-ordinated manner for technological innovation, industry development and national strategic needs. We will also improve the process for identifying, selecting and nurturing young innovation talent. A targeted approach will be adopted to attract those with the skills required for the development of our country and Hong Kong. We will also strengthen our strategies in drawing overseas talent in a more proactive manner, and establish the "Study in Hong Kong" brand. These initiatives will enhance our competitiveness and build Hong Kong into an international hub for high-calibre talent.

Deepen the Development of an International Education Hub and Establish the "Study in Hong Kong" Brand

146. To promote post-secondary education in Hong Kong and attract outstanding students from around the world, the EDB has established the Task Force on Study in Hong Kong, and organised the first "Study in Hong Kong Week", as well as the largest-ever Asia-Pacific Association for International Education 2026 Conference and Exhibition. The first International Symposium of the Alliance of Universities of Applied Sciences (UAS) was also held, bringing global education leaders together to exchange views on critical issues and the latest trends in post-secondary education.

147. The Government makes every effort in developing Hong Kong into an international hub for post-secondary education and high-calibre talent through the following measures:

(i) Drive the "Hong Kong: Your World-class Campus" international promotion and organise exhibitions in target areas (such as countries and regions along the B&R).

(ii) The University Grants Committee (UGC)-funded universities plan to organise more than 160 recruitment activities in the Chinese Mainland and overseas in the 2026/27 academic year to attract outstanding students from around the world.

(iii) Extend for two years the pilot arrangement of including graduates from the GBA campuses of Hong Kong universities under the Immigration Arrangements for Non-local Graduates. This will allow more outstanding talent to remain in Hong Kong or come to our city for employment.

Promote the Quality and Quantity Development of Student Hostels

148. The Hostels in the City Scheme, launched by the DEVB and the EDB in July 2025, has removed barriers and eased restrictions to encourage the market to convert or redevelop existing commercial buildings into student hostels on a self-financing and privately-run basis. Since the launch of the Scheme, 41 applications have been confirmed, securing the provision of about 10 800 bed spaces. The DEVB will put the first student hostel site up for sale this financial year.

149. The thriving development of the private student hostel market reflects stakeholder confidence in Hong Kong's education. The EDB will support the Hong Kong Direct Subsidy Scheme Schools Council in formulating the Code of Practice for Operating Student Hostels. It will set standards for accommodation, hygiene, safety and warden arrangements for compliance by operators intending to provide accommodation facilities for non-local students (especially minors), so as to ensure suitable living conditions for incoming students.

Promote the Development of Schools under the Direct Subsidy Scheme and International Schools

150. The EDB will continue to take forward the "Direct Subsidy Scheme (DSS) Expansion", while strengthening publicity and attracting overseas students to encourage more DSS schools to admit non-local students. To date, 48 DSS schools have been allowed to participate in the programme. They will begin their intake of new overseas students progressively from September this year.

151. To meet society's demand and support talent development, the Government plans to allocate sites in the NM or other areas next year for the development of international schools.

Enhance Visa Arrangements for Talent

152. To focus our efforts in attracting the necessary talent for Hong Kong's development, and to promote talent exchange and training, we will:

(i) Consider adding more talent categories relating to AI application to enrich the Talent List. The current list covers 60 professions in short of local talent (including finance and healthcare, as well as I&T).

(ii) Relax the requirements on extension of stay under the Top Talent Pass Scheme (TTPS) for technology start-up talent. Incoming talent who establish start-up businesses in Hong Kong may face significant uncertainty when applying for extension of stay due to their lower income from unstable business during the initial stage of operation. Proprietors of technology start-ups supported by designated public sector organisations will be exempted from requirements such as providing proof of company income when applying for extension of stay under the TTPS, to facilitate their development in Hong Kong.

(iii) Expand the Immigration Facilitation Scheme for Invited Persons by extending its coverage from the current Member States of the ASEAN to countries and regions in Central Asia and the Middle East, and allowing all bureaux and departments to issue invitations under the Scheme. This will promote economic and trade interactions and exchanges.

(iv) Introduce a new visa category to allow non-locals to participate in short-term training programmes in Hong Kong, as recognised by bureaux and departments, advancing Hong Kong's development into a regional training hub.

Chapter IV Leverage Hong Kong's International Advantages

(A) Deepen the Development of an International Legal and Dispute Resolution Services Centre

153. Hong Kong gives full play to the unique advantages of its bilingual common law system with both Chinese and English under "One Country, Two Systems", contributing to the upholding of the impartial and reasonable international rule of law and order, with its dispute-resolution rules and mechanisms aligned with international standards. Hong Kong will also provide first-class international professional legal services for Mainland enterprises to "go global". It will do so by enhancing its diversified and high-end dispute resolution services, including litigation, arbitration and mediation, pooling top legal talent and promoting closer alignment of rules and mechanisms in the GBA.

Build a Global Capital of Mediation to Support the Work of the International Organization for Mediation

154. The Government will continue to render full support to the work of the IOMed headquartered in Hong Kong, including holding the Governing Council meeting for IOMed's Contracting States and the annual forum in Hong Kong by year's end. To include the IOMed as a dispute-resolution option in agreements, priority will be given to government contracts involving international commercial matters and international agreements to which the HKSAR is a party. We would welcome the IOMed to accept and handle disputes in emerging industries, including commodity trading and the space economy.

155. The Government will continue promoting "mediate first" to resolve disputes, including continuing to implement the incorporation of mediation clauses in all government contracts.

Expand the Mediation Culture

156. The Pilot Scheme on Community Mediation has been providing mediation skills training for property management personnel to help them resolve neighbourhood disputes, such as those arising from water seepage in buildings. To foster harmonious neighbourhood relations, the Home Affairs Department (HAD) will introduce a three-tier mechanism for resolving building management disputes next year:

(i) **Tier I**: District Council (DC) members will make early intervention to work with neighbours over building management issues and concerns, seeking to resolve disputes through amicable negotiations.

(ii) **Tier II**: If the issues remain unresolved, DC members will refer the parties concerned to the professional mediation services established by the HAD, including the Free Mediation Service Scheme for Building Management[17], the Panel of Advisors on Building Management Disputes[18] and the Building Management Dispute Resolution Service[19], enabling all parties to resolve their disputes in a time- and cost-saving manner.

(iii) **Tier III**: If the issues still cannot be resolved satisfactorily, consideration may be given to take cases to court.

17 Free professional mediation services provided by accredited professional mediators.

18 Free advisory services where professionals offer neutral, authoritative and professional advice.

19 Free dispute resolution services steered by a retired judge/judicial officer.

157. The Housing Bureau (HB) and relevant organisations will jointly introduce the "Pro-bono Mediation Service Scheme for the Basic Housing Unit Regime" by year's end to resolve disputes between stakeholders and enable the orderly implementation of the Basic Housing Unit (BHU) regime.

158. To protect consumers' rights and interests, the Consumer Council will launch a pilot scheme on mediation to help consumers and traders resolve consumer disputes.

159. The DoJ has accepted the seven recommendations made by the Working Group on Mediation Regulatory System. The Government will introduce a bill into the LegCo by the end of the year, allowing the parties involved to apply for the appointment of mediators by the Hong Kong Mediation Accreditation Association Limited when they fail to reach a consensus on the choice of mediators.

Support the International Institute for the Unification of Private Law in Establishing a Presence in Hong Kong

160. This year marks the centenary of the establishment of the International Institute for the Unification of Private Law. We will strive for the establishment of its inaugural overseas liaison office in Hong Kong. This will mark its first ever presence outside its seat in Rome since its founding, highlighting Hong Kong's strategic position.

International Commercial Court

161. The Government supports the Judiciary in advancing the development of the International Commercial Court and inviting judges from other common law jurisdictions to adjudicate international commercial cases through more efficient procedures, with a view to complementing Hong Kong's existing international arbitration and mediation services and further consolidating Hong Kong's status as a major jurisdiction for handling international commercial litigation.

Advance the Construction of the Hong Kong International Legal Service Building

162. The DoJ is pressing ahead with the preparatory work for the construction of the Hong Kong International Legal Service Building, with construction targeted to begin by the end of next year. The building will become a new landmark of Hong Kong's international legal hub, attracting international legal and dispute resolution services institutions to set up business as well as organise international conferences, exchanges and training activities in Hong Kong, thereby promoting the development of related industries.

Hong Kong International Legal Talents Training Academy

163. Since its launch, the Hong Kong International Legal Talents Training Academy has collaborated with about 30 international legal organisations, central ministries and professional bodies, providing training for more than 5 000 legal professionals.

164. The academy will organise a wider variety of programmes, explore conducting research on cross-jurisdictional topics covering common law and other legal systems and organise high-end international seminars on a regular basis. This will support its development into a legal capacity-building centre for our country and the international community, particularly for B&R countries, as well as a hub for the training, exchange and gathering of high-calibre legal talent.

Enhance Hong Kong's Status as World's Most Preferred Arbitration Seat

165. Hong Kong, together with Singapore, was ranked the second-most preferred seat for arbitration globally in the 2025 International Arbitration Survey. Hong Kong also retained its position as the most preferred seat for arbitration in the Asia-Pacific region. With its world-renowned arbitral institutions, coupled with experienced arbitrators and a globally recognised arbitration framework, Hong Kong has built a widely trusted arbitration ecosystem.

166. The DoJ will draw reference from the recommendations of the Working Group on Arbitration Law Reform and strive to complete legislative amendments for the Arbitration Ordinance within next year, as part of our ongoing efforts to enhance Hong Kong's arbitration legal framework.

167. The Government will continue to implement, in collaboration with the legal and sports sectors, the Pilot Scheme on Sports Dispute Resolution, exploring co-operation opportunities with international and regional sports associations to develop Hong Kong into an international sports dispute-resolution centre.

(B) Develop a Regional Intellectual Property Trading Centre

168. To ensure solid legal protection of outcomes from R&D, innovation and cultural and creative efforts, the Government continues to promote its patents, trademarks, registered designs and copyright regimes, strengthen the in-house examination capacity under the original grant patent (OGP) system and make registration more efficient and convenient. The Government also promotes intellectual property (IP) valuation and financing, reduces IP trading costs and nurtures talent skilled in IP management and commercialisation. The Government will continue to work towards consolidating the foundations for Hong Kong's development as a regional IP trading centre.

Promote Intellectual Property Valuation and Financing

169. Success cases have progressively been recorded since the launch of the IP financing sandbox[20] last year, unlocking a new financing channel for enterprises holding quality IP assets. We will, based on market response, prepare to launch the next phase of the sandbox with broader participation and more practical applications.

170. The Business of IP Asia Forum, scheduled for November this year, with IP financing as the theme, will bring together experts from different places to pursue development opportunities.

Develop and Expand the Patent Examination Team

171. The Intellectual Property Department will continue to develop and expand its patent examination team and strengthen its in-house examination capacity for OGP applications in major technology fields. The department will roll out pilot facilitation measures for the relevant OGP applications next year.

Launch the Hong Kong Intellectual Property Academy

172. The Hong Kong Intellectual Property Academy will be officially launched in the fourth quarter of this year. It will provide more systematic on-the-job, talent-training programmes with a higher level of recognition, raising the IP literacy of practitioners in sectors such as technological innovation, cultural and creative, commerce and industry, and professional services.

20 The IP financing sandbox provides a collaborative and risk-controlled environment for banks, enterprises and professional service sectors to jointly test IP financing arrangements.

Formulate a Regulatory Framework for Local Patent Agents

173. The Government has completed an industry consultation on the framework for regulating local patent agency services and the key issues involved. The industry generally supports the setting up of a registration regime for patent-agency services, and agrees that professional titles and qualification requirements for registration should be provided for. A public consultation will be launched this year, and specific legislative proposals will be formulated next year.

Reduce Intellectual Property Trading Costs

174. The Government will introduce a bill this year to implement tax-deduction arrangements for capital expenditure incurred for purchasing IP rights, or for the licence to use IP rights, in a bid to support IP trading's development.

Deepen Top-level Planning

175. The Government will establish the "Strategy Committee on Intellectual Property Trading Development". It will bring together representatives from innovation, technology and the creative industries, as well as from commerce and industry, IP professional services and other sectors, to assist the Government in formulating strategies and support measures for the promotion of IP trading.

(C) Develop an East-meets-West Centre for International Cultural Exchange

176. Since the promulgation of the 14th Five-Year Plan, our country has expressly supported Hong Kong's development as an East-meets-West centre for international cultural exchange. Hong Kong has a unique background as a cultural melting pot of East and West. Over the years, Hong Kong has served as a bridge linking China and the international community. The Government will expand the scale of arts and culture and the creative industries, while reinforcing Hong Kong's role as an international arts trading platform.

Support the West Kowloon Cultural District in Boosting the Development of the Cultural Industry

177. The West Kowloon Cultural District (WKCD) is Hong Kong's significant and strategic cultural infrastructure investment and one of the world's largest cultural hubs. In 2025, it attracted more than 17 million visitors. The WKCD has entered into nearly 50 collaborative agreements with renowned arts and cultural institutions around the globe, and successfully brought numerous exhibitions and performing arts programmes to the Mainland and overseas.

178. Scheduled to open next year, the WestK Performing Arts Centre will feature four performance venues built to the highest international theatre standards, including "Dancehouse", the first dedicated venue for dance art in Hong Kong. An extraordinary line-up of performances will be presented in its inaugural year, featuring the world premiere of a large-scale production by the resident company, as well as Hong Kong's debuts of internationally acclaimed dance, theatre and Broadway shows, and major co-productions with local and overseas art groups.

179. Over the next two years, the Hong Kong Palace Museum will take its precious collections on overseas tours, Australia and Uzbekistan included, bringing traditional Chinese culture to global audiences.

Advance the Establishment of a Premium Arts Trading Hub

180. Hong Kong is among the world's top three arts trading centres. To consolidate and enhance our advantages, the Government will complete a study on arts trading centres within this year. The WKCD is also set to welcome its first Mainland arts auction house later this year. The newly established WestK Academy will organise an international fellowship programme for auctioneers with a Mainland trade association and offer courses on Chinese arts and heritage conservation.

Reform the Funding Mechanism for Arts Groups

181. To promote sustainable development and the industrialisation of performing arts, we will inject $200 million into the Arts and Sport Development Fund (Arts Portion). While maintaining the current overall funding level for major performing arts groups (MPAGs), a funding and in-and-out mechanism tied to performance and artistic merit will be introduced. This will encourage innovation among MPAGs and provide opportunities for medium-sized arts groups with consistently outstanding performance to become MPAGs.

Construct a Second Campus for the Hong Kong Academy for Performing Arts

182. The Hong Kong Academy for Performing Arts ranked 10th globally and first in Asia in the 2026 QS World University Rankings for Performing Arts. The academy is taking forward the temporary campus extension in Chai Wan and its long-term plan to construct a second campus in the NM.

Chapter V Expedite the Development of the Northern Metropolis

183. The land area and projected population of the NM account for about one-third of Hong Kong's total. No longer merely a blueprint, it has begun to deliver tangible results and will gradually enter its maturity phase.

184. The NM will rise as an important strategic vehicle for advancing high-quality post-secondary education, integrating I&T and industry, and pooling international high-calibre talent. It will become a major platform for Hong Kong's deepening engagement with the GBA and integration into and serving the overall national development. It also serves as a new engine to develop new quality productive forces.

185. To foster the integrated development of education, technology and talent, the NM will take the university town as the main focus of its development, converging the five elements of education, technology, industry, talent and a suitable living environment. We will drive the NM's high-quality development, while facilitating the infrastructure links between the NM and the Harbour Metropolis to improve Hong Kong's spatial planning.

(A) Northern Metropolis University Town

Drive the Northern Metropolis Development with University Towns and Leading Industry Development through Technology

186. We will develop three university towns, which are the San Tin, Hung Shui Kiu and Ta Kwu Ling university towns in the NM, based on the concept of town area comprising campus area, technology area, industry area and living community area, and planned around "One Town, Five Elements" (education, technology, industry, talent and urban development), to drive the overall development of the Northern Metropolis University Town (NMUT). "Education – industry – urban development" will power the synergistic development of "technology – industry", establishing a talent hub for the GBA and the world. We will build high-quality university towns that are suitable for education, research, innovation and living. Adopting the strategic positioning that integrates the four pillars of "talent cultivation, scientific research, transformation of outcomes, industry development", we will drive the synergistic development among the Government, industries, academia, research and investment sectors, in a bid to achieve the integrated development of education, technology and talent.

187. The campus areas of the three university towns in San Tin[21], Hung Shui Kiu[22] and Ta Kwu Ling[23] amount to about 300 hectares. Together with the surrounding technology areas, industry areas and living community areas, the overall planned areas of the three university towns will exceed 1 000 hectares.

21 Located in the San Tin Technopole and Ngau Tam Mei New Development Areas (NDAs).

22 Located in the Hung Shui Kiu/Ha Tsuen NDA.

23 Located in the Ta Kwu Ling NDA (formerly known as the New Territories North New Town).

188. The San Tin University Town will focus on the development of medicine, life and health technology, AI, robotics, microelectronics and emerging industries, with its campus area covering the land near the future Northern Link's San Tin Station and Ngau Tam Mei Station. Its technology area and industry area will cover the Loop Hong Kong Park and San Tin Technopole. The Loop Hong Kong Park, which opened in 2025, is home to the established GBAICTI, which has been in operation. The GBAICTI is wholly owned by the Government, with the University of Hong Kong as the operator. The GBAICTI works in collaboration with the Greater Bay Area International Clinical Trials Center, located in the Shenzhen Park of the Hetao Shenzhen-Hong Kong Science and Technology Innovation Co-operation Zone, to promote medical innovation and clinical trial development. It also houses a biobank, jointly managed by the HA and the Chinese University of Hong Kong. Building 1 of the Loop Hong Kong Park, scheduled for completion by the end of the year, will be positioned as the flagship project for launching of the NMUT, bringing together the frontier research capabilities of leading local and non-local universities and institutions, including InnoHK and other new initiatives. It will promote interaction and connection between universities, R&D and industries. In line with its strategic positioning, the building will be named "Loop Academy One", which reflects the tripartite mission anchored by academia, with R&D a core part, and underpinned by technology. In addition, the Hong Kong Jockey Club Charities Trust will allocate $3 billion to support the construction of another integrated teaching and scientific research building. It will focus on educational and scientific exchange, as well as the cultivation of scientific research talent, and will make available its facilities for other institutions to use. The two buildings will complement one another, marking the start of a new chapter in the development of the NMUT.

189. The Government will invite the Hong Kong-Shenzhen Innovation and Technology Park Limited and the San Tin Technopole Company Limited to join the development of university towns and participate in related construction works, so as to accelerate such projects.

190. The campus area of the Hung Shui Kiu University Town and its adjoining technology and industry areas (including Hung Shui Kiu Industry Park, the Lau Fau Shan Digital Technology Hub, Yuen Long InnoPark and the MRDI) will be developed as a "Centre for Applied Post-secondary Education in Smart Manufacturing and Global Talent Cultivation". This year, the Government will invite applications from post-secondary institutions for the construction of campuses to kick-start Hung Shui Kiu University Town campus development.

191. The Ta Kwu Ling University Town will integrate arts and "blue-green" development elements. It will support comprehensively the development of emerging and traditional industries, as well as new industries. Strategic space will also be reserved for future development needs, establishing a university town with a unique style that integrates the "One Town, Five Elements", along with an arts and leisure ecosystem.

Innovation-driven Industry-academia-research Collaboration across Institutions

192. The Working Group on Planning and Construction of the University Town, led by the Chief Secretary for Administration, will be upgraded to become the Committee on Construction and Development of the University Town, and include non-official expert members. The Committee will provide high-level steer with respect to the long-term strategic development of the NMUT, while promoting inter-departmental collaboration, and facilitating the development of an internationally competitive university town.

193. The Committee will explore measures to facilitate and incentivise NMUT institutions to pursue the transformation of research outcomes. They include providing funding for technology transfer, introducing accelerators and incubators, and channelling capital input to promote the institutions' commercialisation and marketisation of research outcomes.

194. To dovetail with the development of the NMUT, and raise Hong Kong's scientific research capabilities, the Government will support the capacity expansion and enhancement of post-secondary education:

(i) Gradually increase the number of UGC-funded research postgraduate places by around 30% from the current level of 7 200 to 9 600 in the 2030/31 academic year, so as to support the vibrant development of basic research in Hong Kong.

(ii) Starting from the 2027/28 academic year, gradually increase the annual quota of the Hong Kong PhD Fellowship Scheme from 400 to 550 places by the 2029/30 academic year.

(iii) Starting from the 2027/28 academic year, an additional funding of $20 million per academic year will be provided to support knowledge transfer, thereby accelerating the transformation of innovative outcomes.

(iv) Starting from the 2029/30 academic year, $40 million a year will be provided under the Fund for Innovative Technology-in-Education to promote the widespread use of AI and emerging technologies in the higher education sector.

(B) Promote Development of Innovation and Technology and Industries

The Hong Kong Park of the Hetao Shenzhen-Hong Kong Science and Technology Innovation Co-operation Zone

195. Since the Loop Hong Kong Park was officially commissioned last December, over 100 I&T enterprises and institutions have been gradually moving in. The two wet laboratory buildings have been fully leased. The results of the two open tender exercises for the eight land parcels in the remaining batches of Phase 1 will be announced by the end of the year.

196. To implement "institutional innovation and alignment of rules and mechanisms" at Hong Kong Park and Shenzhen Park for realising the development concept of "one river, two banks" and "one zone, two parks" of the co-operation zone, the Government will advance the cross-river connection project on the western side of the Loop and related construction, and proactively facilitate the efficient, convenient and safe flow of researchers and data between the two parks of the Hetao Shenzhen-Hong Kong Science and Technology Innovation Co-operation Zone.

Establish the National Manufacturing Innovation Centre

197. The HKSAR Government and the Ministry of Industry and Information Technology (MIIT) signed the Co-operation Agreement on Advancing the Joint Establishment of Manufacturing Innovation Centre by the Ministry and Hong Kong in July, preparing for the establishment of Hong Kong's first national manufacturing innovation centre, which the MRDI will take the lead in operating. The MRDI has moved into the Microelectronic Centre in Yuen Long. Its two pilot lines, focusing on the R&D and trial production of third-generation semiconductors, are being set up in full speed with a target for commencing operation by the end of the year.

San Tin Technopole

198. The Government has established the San Tin Technopole Company Limited, which will adopt a multi-pronged approach for leveraging market forces in expediting land formation for the development of the 210-hectare I&T land.

Hung Shui Kiu Industry Park

199. The Hung Shui Kiu Industry Park Company Limited (Park Company) established by the Government is working to attract enterprises and investments. It has entered into substantive negotiations with several established companies, including those in areas of advanced construction, and testing and certification. The Park Company is also engaging with the Authority of Qianhai of the Shenzhen Municipality and will sign an MoU to establish a mutually beneficial collaboration model, capitalising on their combined industry strengths.

Sandy Ridge Data Facility Cluster

200. The construction works of the Sandy Ridge Data Facility Cluster have begun. The computing power of the cluster is expected to reach 180 000 peta-floating point operations per second by 2032. That is equivalent to 36 times Hong Kong's current computing power. It will support the development of Hong Kong's intelligent computing industry. Its estimated cumulative investment is expected to reach at least $23.8 billion.

201. The Government will inject $1 billion into the Artificial Intelligence Subsidy Scheme to support the AIRDI in applying high-performance computing power for frontier research, accelerating innovative breakthroughs. We will assess the market demand for computing power, adopting "high efficiency computing power, stable electricity supply, low-carbon transition" as our core direction. This will optimise the operation of Hong Kong's data centres and city-level layout of computing power, supporting the healthy development of the intelligent computing industry.

Advanced Construction Industry Park

202. We have earmarked 30 hectares of land in the NM to develop a large-scale, advanced construction industry park. It will accommodate steel reinforcing bar prefabrication yards and innovative concrete batching plants. The industry park will also introduce facilities for promoting testing and certification of Modular Integrated Construction (MiC) and Multi-trade Integrated Mechanical, Electrical and Plumbing (MiMEP), as well as R&D of the construction methods and their training, production and demonstration. In the first half of 2027, the Government will invite the market to submit expressions of interest for the development of an advanced construction industry park of about 10 hectares in Yuen Long South, with a view to commencing the tendering process for the first batch of land no later than the first half of 2028.

(C) Build a Northern Metropolis Ideal for Living, Work and Travel

Commencement of All Nine New Development Areas in the Northern Metropolis

203. Development of the NM is well underway. A cumulative total of about 120 hectares of "spade-ready sites" have been produced up to 2025-26, while no less than 200 hectares of "spade-ready sites" will be produced in 2026-27 and 2027-28.

204. Among the nine NDAs in the NM[24], construction works have begun at four of them: Kwu Tung North/Fanling North, Hung Shui Kiu/Ha Tsuen, Yuen Long South and San Tin Technopole and the Loop. Together, they involve about 800 hectares of land. Site formation and infrastructure works for the fifth NDA (Ngau Tam Mei) will start in the first half of next year, with "spade-ready sites" available progressively, starting at the end of 2028.

24 The nine NDAs are Kwu Tung North/Fanling North, Hung Shui Kiu/Ha Tsuen, Yuen Long South, San Tin Technopole and the Loop, Ngau Tam Mei, Lau Fau Shan, Ta Kwu Ling, Ma Tso Lung and Au Tau.

205. As for the remaining four NDAs, we will begin statutory planning and related procedures for Lau Fau Shan NDA this year, and progressively next year for the over 200-hectare Priority Development Area (including part of the university town) of Ta Kwu Ling NDA, Au Tau NDA and part of Ma Tso Lung NDA.

Enhance Development Speed and Efficiency

206. The Government will expedite innovative and diverse development to accelerate the development and attract industries to the NM. Various measures proposed in last year's Policy Address, including the "Pay for What You Build" Pilot Scheme, flexible land-grant arrangements and the arrangement of allowing land owners to voluntarily surrender land to offset payable land premiums, have been implemented in an orderly manner.

207. Following the August award of tender under large-scale land disposal in Hung Shui Kiu/ Ha Tsuen NDA, we will launch the tender for the second pilot area in Fanling North at the end of the year at the earliest.

208. The Government will continue to streamline procedures to cut the time and costs of the NM development:

(i) Chaired by the Deputy Financial Secretary, the Working Group on Planning and Development co-ordinates departments to expedite approval processes. Measures include using a digital platform to shorten the approval time for works projects by three to six months; reducing the time for the first approval for building plans of new railway projects by half to 30 days; boosting the bearing capacity of rock layers in foundation designs to save about $1.4 billion in the construction costs of NM public housing; and introducing time limits on approval processes and an escalation mechanism for private developments.

(ii) The Government will adopt a framework procurement model to increase cost-effectiveness, and other mechanisms such as Early Contractor Involvement to shorten construction time.

(iii) The Environmental Protection Department (EPD) will expand the application scope of the Hong Kong Environmental Database, consolidating over 200 environmental datasets and optimising planning with AI. The database significantly reduces the time needed for the environmental impact assessment (EIA) process to about 15 to 24 months from 36 to 48 months, significantly improving project efficiency and reducing costs[25]. For the NM-related projects, the time needed for the EIA process is targeted at about 15 to 20 months.

Introduce Dedicated Legislation for the Northern Metropolis

209. The Government is working to secure passage of the Northern Metropolis Development Bill in the LegCo this year, and will submit the first batch of five pieces of subsidiary legislation to cover town planning processes, land compensation, building works approval, noise control and cross-boundary flows of people, streamlining procedures to accelerate NM development and facilitating industry operation.

25 Take one of the road works in the NM as an example. By using the database to compare alignment proposals, the project team has reduced the affected ecologically sensitive area by nearly 70% while shortening the tunnel section length from about five kilometres to 0.8 kilometres, substantially reducing the project cost (about $40 billion) and its environmental impact.

Step Up Efforts to Attract Enterprises and Investments and Intensify Industry Development

210. The Government has implemented the mechanism on preferential policy packages to attract enterprises and investments, as announced in last year's Policy Address. The cross-departmental committee, led by the Financial Secretary, will consider factors such as resources invested by the enterprises, related economic benefits and development potential, to formulate dedicated preferential policy packages. These may cover land grant, land premium concession, financial subsidies and tax concessions, attracting international and national brands and strategic enterprises to establish business operations in Hong Kong. The committee is now reviewing relevant applications from strategic emerging industries, including aerospace and new materials, to establish business operations in Hong Kong.

211. The FSTB plans to introduce an amendment bill into the LegCo by year-end, providing preferential tax rates of 5%, or half-rate, for selected enterprises operating in key sectors such as finance, advanced manufacturing, R&D in I&T, headquarters activities and logistics and supply chain management.

212. The HKIC will continue, through investments, to mobilise market resources, supporting enterprises in establishing a presence in the NM and other GBA cities.

Step up Efforts to Attract Long-term Capital Investment to the Northern Metropolis

213. The Northern Metropolis Financial Advisory Taskforce, jointly established by the HKMA and the Hong Kong Association of Banks in April, will explore public-private partnership approaches and financing arrangements for NM development with the Government and industry park companies. The 23 banks participating in the Taskforce will offer tailored financing solutions for companies moving into the NM, so as to provide precise support for the NM development.

214. The IA will implement lowered capital requirements for eligible investment in infrastructure at the end of the year, releasing more insurance capital to participate in Hong Kong's infrastructure projects, including the NM development.

Achieve Higher Living Standards in the Northern Metropolis

215. For subsidised sale-flat (SSF) projects in the NM to be completed from 2031-32 onwards, the HKHA will increase the proportion of larger flats (those with a saleable area of about 45 square metres or more) from 20% to 25%. The public can enjoy more spacious housing, raising their overall living quality.

Establish the New Territories North Cluster

216. The HA will plan the establishment of the New Territories North Cluster from 2027 onwards, and press ahead with the construction of an integrated teaching and research hospital in Ngau Tam Mei. It will assess the need and feasibility of constructing Hung Shui Kiu Hospital.

Cultural Facilities in the Northern Metropolis

217. The LCSD will develop various cultural facilities in the NM, with construction of the Hong Kong Conservation Repository (formerly the Heritage Conservation and Resource Centre) in Tin Shui Wai and the New Territories East Cultural Centre in Fanling expected to be completed in 2028 and 2030 respectively.

Promote Urban-rural Integration

218. The Government has announced the launching of the $200 million NM Urban-rural Integration Fund. Applications will be invited and the first batch of projects approved next year, capitalising on community wisdom to promote rural tourism.

219. We will publish the Guidelines on Promoting Urban-rural Integration in the NM within this year. The first signature project to be launched next year, the "San Tin Timewalk", will link attractions with features of traditional rural architecture as well as historical and cultural heritage, creating distinctive landmarks and tourist attractions in collaboration with villagers.

Advance Transport Infrastructure

220. The Government is conducting an investigation for the Northern Metropolis Highway. It will prioritise the San Tin Section to serve NDAs, including Kwu Tung North, San Tin Technopole and Ngau Tam Mei, with the target of inviting tenders for the main construction works next year. Suitable national and overseas design standards, alongside advanced construction technologies, will be adopted, with a view to bringing forward the commissioning of the San Tin Section by two years to 2034.

221. The Government will take forward the Tsing Lung Bridge project at the southern end of Route 11, aiming for commissioning in 2033, to meet north-south transport demands arising from the NM development.

222. Kwu Tung Station is expected to begin operation next year and become the 100th heavy rail station. As for Hung Shui Kiu Station, an MiC method will be adopted to enhance speed and efficiency, with commissioning of the station targeted for 2030.

223. We will present a preliminary proposal for the southern extension of the Hong Kong-Shenzhen Western Rail Link next year to strengthen connectivity between HKIA and the NM, as well as the Mainland.

Chapter VI Better Integrate into and Serve the Overall National Development

224. This year marks the opening year of the National 15th Five-Year Plan, and Hong Kong has announced its first Five-Year Plan to proactively align with the overall national development. The Government will continue its efforts in fostering synergistic development of the GBA. We will strengthen co-operation in technological innovation, promote "hard connectivity" in infrastructure, foster "soft connectivity" by deepening the alignment of rules and mechanisms, and achieve "connectivity of hearts" among residents of the three places. At the same time, we will speed up development of major co-operation platforms, deepen regional collaboration with the Mainland, promote complementarity among industries and mobility of innovation factors, while strengthening cultural, youth and professional exchanges. We will deepen international exchanges and co-operation, actively participating in the affairs of international organisations to promote Chinese standards and the B&R Initiative.

(A) Deepen the Development of the Guangdong-Hong Kong-Macao Greater Bay Area

Support the High-quality Development of Major Co-operation Platforms in Qianhai and Nansha

225. The Government will support the Qianhai Shenzhen-Hong Kong Modern Service Industry Co-operation Zone to achieve early pilot implementation. Through key projects already in place, Hong Kong's modern service industry will establish a foothold in Qianhai to tap into Mainland markets. The projects include the Qualified Foreign Limited Partnerships (QFLP) mechanism; pilot projects adopting Hong Kong's construction systems; the Qianhai Shenzhen-Hong Kong Youth Innovation and Entrepreneur Hub; the Qianhai Mercantile Exchange; and a safe and convenient Shenzhen-Hong Kong cross-boundary data channel as well as cross-boundary infrastructure initiatives such as the Hong Kong-Shenzhen Western Rail Link.

226. The HKEX Technology (Shenzhen) Limited, established in Qianhai for years, has grown into one of the largest Hong Kong technology companies in Qianhai, with a talent pool of over 300 international fintech professionals. The company provides fintech support for the HKEX and its subsidiaries LME and Qianhai Mercantile Exchange, while serving as a crucial link aligning Mainland trading platforms with international fintech standards.

227. We will deepen Qianhai's position as a liaison point, strengthening connections between Hong Kong's legal and other professional services and go-global enterprises in the GBA, so as to leverage Hong Kong's professional services strengths to help enterprises "go global".

228. The Government will support Nansha in its role as a high-standard gateway for opening up. This includes encouraging the trade to participate in Nansha's infrastructure development and mutually-beneficial supply chain co-operation; encouraging start-ups with advanced technologies to establish their presence in Nansha via the HKIC; building a green finance centre in the GBA with Nansha as a national pilot area for climate investment and financing. We will also engage shipping operators and higher education and research institutions in areas such as resource sharing, to foster a two-way flow of talent and innovative resources.

229. To promote the co-ordinated development of rail transit in Guangdong, Hong Kong and Macao, we are pressing ahead with the Northern Link Project and the Hong Kong-Shenzhen Western Rail Link (Hung Shui Kiu-Qianhai), with target commissioning in 2034 and 2035 respectively, to fully connect the rail transit networks of Hong Kong and Shenzhen.

Advance the Development of Dongguan Logistics Park

230. HKIA Dongguan Logistics Park's Phase 1 facilities will officially begin operation next June, and the cargo-handling capacity will gradually reach one million tonnes a year.

231. To develop a cold chain hub, the Park established a designated supervision area this year for the import of overseas chilled aquatic products and fresh fruits to the GBA via Hong Kong, establishing a more efficient and convenient international cold-chain, air-cargo passage.

Jointly Develop a Sustainable Aviation Fuel Value Chain

232. To meet the country's "dual carbon" targets and fulfil Hong Kong's commitment to achieving carbon neutrality before 2050, we steered the establishment of a production base for SAF in Dongguan, leveraging the leading position of Hong Kong enterprises in the international SAF industry. By combining technology strengths with industrial foundation, Hong Kong and Guangdong will jointly develop a globally influential green industry.

233. The Government will take forward the construction of an SAF blending facility in Hong Kong to build an end-to-end SAF value chain and reduce logistics costs to make SAF prices more competitive. To achieve an SAF consumption ratio of 1% to 3% for flights departing from HKIA in 2030, as set out in Hong Kong's first Five-Year Plan, the Government will study the establishment of a mechanism for mandatory SAF consumption ratio, and launch publicity and education campaigns by 2028, to create favourable conditions for attaining the consumption ratio.

234. The HKEX's Core Climate is progressively exploring the possibility of offering green energy and other environmental equity products, including SAF Certificates and green hydrogen certificates, to the market. It will also look into appropriate options with industry stakeholders to better meet the needs of companies in respect of carbon emission reduction.

Participate in the Development of the Greater Bay Area Port Cluster

235. We will capitalise on the vast GBA market to expand high value-added maritime services such as marine insurance, maritime law (particularly contract formation and governance), arbitration, ship management and maritime financing. That will enhance Hong Kong's pricing, rule-making and institutional discourse power in the international maritime service chain, empowering a world-class GBA port cluster.

236. Hong Kong Port can function as an international logistics and transhipment hub to achieve mutual benefits and the creation of value among GBA cities and ports. We will strengthen port collaboration with Huizhou, Dongguan and other GBA cities, facilitating the transit from rivers to seas in the GBA. We will also improve our feeder network and explore the application of smart feeders to improve transportation efficiency and reduce costs. This will encourage the export of GBA cargo through Hong Kong and the convergence of Central and South American shipping routes in Hong Kong.

Foster Financial Development in the Greater Bay Area

237. Hong Kong will continue to capitalise on institutional innovation, financial infrastructure upgrading and enhanced regulatory alignment to encourage the orderly flow of financial elements among GBA cities:

(i) The HKEX's Core Climate, in collaboration with the Guangzhou Power Exchange Centre, is working towards the pilot trading of national renewable-energy, green electricity certificates (GECs) in Hong Kong in 2026. It encourages the use of such GECs by Hong Kong institutions as a compliant tool to offset electricity-related carbon emissions, supporting the country in expanding GEC applications outside the Mainland.

(ii) Discussions with the relevant Mainland authorities on enhancements to the Cross-boundary Wealth Management Connect Scheme in the GBA are ongoing.

(iii) Enhancements to cross-boundary credit referencing and Shenzhen-Hong Kong cross-boundary data-validation platforms, including their coverage and workflow, are being considered. We will develop a new cross-boundary data-validation platform with Chongqing to promote cross-boundary financing for enterprises and individuals with Chongqing.

Foster New Industrialisation Collaboration in the Greater Bay Area

238. Under the co-ordination of the MIIT, the Government will discuss action plans for promoting new industrialisation with Guangdong authorities. We will also sign, under the principle of "co-operation in R&D, collaborative transformation, and sharing of the benefits of development", an MoU with the Shenzhen Municipality, to promote the establishment of industrial innovation platforms and formulate mechanisms and models to achieve industry chain synergy for emerging and future industries.

Co-ordinate the Work of Bureaux for the Alignment of Rules and Mechanisms within the Greater Bay Area

239. We will set up a Task Force on Expediting the Alignment of Rules and Mechanisms in Guangdong, Hong Kong and Macao, where the Deputy Secretary for Justice will co-ordinate with relevant bureaux to explore ways to advance the alignment of rules and mechanisms within the GBA.

Deepen the Construction of Rule of Law in the Greater Bay Area

240. The DoJ will explore pathways to promote the formulation of the GBA model arbitration rules to improve the competitiveness of arbitration services in the GBA. It will also support and complement Mainland authorities' implementation work of the regularisation of the GBA Lawyers' Scheme for GBA lawyers to leverage their unique strengths.

Develop a Multi-trade Integrated Mechanical, Electrical and Plumbing Industry Chain in the Greater Bay Area

241. By combining the respective strengths of Hong Kong in MiC and the production of module assemblies of electrical and mechanical installations in the GBA, the Government will publish a Cross-boundary Trading Guidebook on MiMEP in collaboration with relevant Mainland authorities in the first half of 2027. The guidebook will consolidate information, including requirements regarding customs and excise, tax and industry regulations, to facilitate cross-boundary business development and promote the development of related industry chains in the GBA.

Enhance Greater Bay Area Standards for Construction Talent

242. Through ongoing collaboration with Guangdong Province and Macao, the Government last year established GBA skill standards for painters and bricklayers, as well as the civil engineering works supervisors' technician position. The "One Examination, Multiple Certification" arrangement was implemented to foster co-operation among GBA construction-training institutions for training quality enhancement. The Government plans to publish another three GBA skill standards for the respective trades of skilled workers and technician positions, and implement the corresponding "One Examination, Multiple Certification" arrangement this year.

Strengthen Co-operation between Higher Education Institutions in Hong Kong and other Greater Bay Area Cities

243. The eight UGC-funded universities of Hong Kong have all established industry-education-research bases, research institutes or scientific research laboratories in Shenzhen. Four of them have established campuses in the Mainland cities of the GBA. On the 10th anniversary of the Guangdong-Hong Kong-Macao University Alliance, the Government will continue to improve the mechanism for establishing alliances between higher education institutions in Hong Kong and the Mainland, deepening co-operation among member institutions in technological innovation and talent exchange.

(B) Deepen Regional Co-operation with the Mainland

Improve and Facilitate Hong Kong Residents' Development and Living in the Mainland

244. The Government continues to expand the Residential Care Services Scheme in Guangdong to more Mainland cities of the GBA, providing more care-home choices for Hong Kong's elderly persons.

245. The Government will make focused efforts to facilitate cross-boundary payments and safeguard people's livelihood:

(i) The HKMA will foster the linkage of the Faster Payment System with UnionPay (which, together with its partner payment networks, covers over 100 million merchants worldwide) to facilitate local and cross-boundary retail payments among users.

(ii) The HKMA will explore the feasibility of further expanding the user base of Payment Connect and developing more use cases to facilitate cross-boundary living, working and retirement for residents of both sides.

(iii) Since the third quarter, the HKMC Annuity Limited has allowed HKMC Annuity Plan policy holders to receive annuity income directly through designated Mainland bank accounts.

Facilitate Cross-boundary Transport Development

246. In light of the implementation situation, the governments of Guangdong and the HKSAR will improve the travel booking and renewal arrangements of "Northbound Travel for Hong Kong Vehicles", and will steadily expand "Southbound Travel for Guangdong Vehicles" to all Guangdong Province cities.

Enhance the Cross-boundary Service of Judicial Documents

247. The Government is implementing the new service arrangement signed with the Supreme People's Court to enhance the modes and efficiency for cross-boundary service of judicial documents between the Mainland and Hong Kong, resolving the challenges in effecting service under the existing arrangement for better protection of the rights and interests of parties in the two places.

Establish Medical Service Centres in accordance with National Standards

248. Following the establishment of the Chest Pain Centres and Stroke Centres after securing accreditation under national standards, the HA will further establish Integrated Cardiovascular Diseases Centres in accordance with national standards. This includes the setting up of a heart failure centre and a cardiac rehabilitation centre under the Hong Kong Island Cluster, as well as optimising the overall treatment processes and service network for patients suffering from general chest pain

and other cardiovascular diseases. The centres will improve patients' consultation experience and enhance clinical treatment. They will also help promote national medical accreditation as an international standard.

Hydrogen Standards

249. The Electrical and Mechanical Services Department (EMSD) has joined the National Standards expert groups to participate in the drafting of Guobiao (GB) standards for hydrogen. By aligning the standards of Hong Kong and the Mainland and promoting the co-ordinated development of hydrogen supply chains, technologies and safety standards, we will enable the application of GB standards in Hong Kong, showcasing our country's expertise in hydrogen to the international community.

250. The Government is developing a "Green Hydrogen Standard Certification Scheme" that aligns with international standards to certify the greenhouse gas emission performance of hydrogen products, connecting hydrogen projects with global green financing. The EMSD has begun the second phase of the study. Pilot projects in collaboration with major hydrogen enterprises will be launched in Hong Kong and the Mainland this year. The target is to implement a certification scheme recognised by the Mainland and the international community next year.

(C) Deepen International Co-operation and Exchanges

Build an International Exchange Platform

251. The Government will spare no effort in arranging and organising the Asia-Pacific Economic Co-operation Finance Ministers' Meeting to be held in the HKSAR in October. We will continue to organise the Asian Financial Forum, the Wealth for Good in Hong Kong Summit, the Global Financial Leaders' Investment Summit, Hong Kong Fintech Week, etc. to establish Hong Kong as a global platform for high-quality financial dialogue.

252. The DEVB will again host the International Infrastructure and Projects Leaders Summit in November, showcasing Hong Kong and the Mainland's advanced construction technologies. This will help competitive construction industry players in both places go global.

Attract More International Organisations to Establish a Presence in Hong Kong

253. The United Nations Industrial Development Organization (UNIDO), following a comprehensive assessment of 173 member states and regions, chose to establish in Hong Kong its first centre of excellence on global advanced manufacturing in the Asia-Pacific region. It is expected to begin operation in the second quarter of next year, demonstrating Hong Kong's strengths in the field. With a focus on AI+ manufacturing, robotics, new energy and industrial design, the centre will promote technology exchange, alignment of standards and talent training between the Mainland and overseas counterparts. It will also seek to host influential global events attracting leading enterprises as well as higher education and scientific research institutions, developing Hong Kong into a global hub for resource exchange and integration in advanced manufacturing.

254. The Government will deepen its co-operation with the International Chamber of Commerce (ICC)[26] in raising Hong Kong's status as a maker of international financial rules and persuading more international financial institutions to establish their presence in Hong Kong.

255. With the support of the country, the Independent Commission Against Corruption (ICAC) has successfully pushed forward the establishment of the United Nations Office on Drugs and Crime's GlobE Network Asia Pacific Regional Bureau in Hong Kong. This will consolidate Hong Kong's position as an international anti-corruption hub. Preparations are underway.

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26 ICC is the largest and the most iconic business organisation in the world, playing a leading role in the making of international trading and financial rules.

Establish the Hong Kong International Academy of Policing

256. The Hong Kong Police Force (HKPF) will establish the Hong Kong International Academy of Policing in November. Dedicated to organising international hallmark training programmes, police leadership forums and overseas outreach training programmes, the Academy will deepen international police exchanges, reinforcing the HKPF's brand as "Asia's Finest".

Establish a World Health Organization-accredited Emergency Medical Team

257. The HHB is working with the HA and co-ordinating the efforts of the relevant government departments to establish an Emergency Medical Team, and plans to apply to the World Health Organization next year for accreditation. This will promote Hong Kong's participation in and contribution to major global emergency medical rescues.

Boost the Global Influence of the Innovation and Technology Sector

258. In support of the country's Global AI Governance Initiative, the Government will organise a large-scale international AI conference in Hong Kong to promote open source and openness as well as co-operation and sharing, and to foster synergistic development of AI innovation and applications.

259. The ITC has launched the Special Call on Academic Journals and will soon announce the vetting results to support local universities and professional organisations in publishing internationally influential academic journals. It will also encourage them to continue their efforts to host international academic and professional conferences, raising Hong Kong's international influence in the technology field.

Attract Asian and International Sports Associations to Establish a Presence in Hong Kong

260. To strengthen Hong Kong's influence in the international sports arena, a pilot scheme was launched earlier this year to provide financial support for local national sports associations (NSAs) to participate in the work of Asian and international sports associations, as well as to attract Asian and international sports associations to establish a presence in Hong Kong. To date, four associations have set up their headquarters or regional headquarters in Hong Kong[27].

Consolidate Hong Kong's Position as an Asia-Pacific Broadcasting Hub

261. Hong Kong is a broadcasting hub in the Asia-Pacific region. To promote the sustainable development of the local television broadcasting industry, the Government will review the Generic Codes of Practice for Television. We aim to ensure that regulation keeps pace with the times, and that diversified and quality programmes are broadcast, expanding the reach of the "Hong Kong Brand" to the Asia-Pacific region.

(D) Pursue Co-operation under the Belt and Road Initiative

262. The HKSAR Government will continue to deepen international exchange and co-operation, and participate in high-quality co-operation under the B&R Initiative. With the "five areas of connectivity" as the focus of co-operation, the Government will promote diverse, comprehensive and pragmatic co-operation and support community organisations in broadening international exchange networks, to achieve extensive consultation, joint contribution and shared benefits.

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27 The Asian Bowling Federation, Asian Squash Federation, International Shuttlecock Federation and International Dragon Boat Federation have set up headquarters in Hong Kong.

263. I led a high-level business delegation to the Middle East in May last year and another to Central Asia in June this year. Both were successful in tapping into the respective markets, and a number of projects have since materialised. We will continue to organise business delegations to visit potential B&R markets, seizing new opportunities for enterprises and the professional services sector.

264. The Belt and Road Office has reached out to B&R countries over the past year, building a database of infrastructure projects for Hong Kong companies looking to participate in such projects. We will step up promotion of the "Hong Kong – Overseas Projects Platform" to help Hong Kong companies participate in signature and "small and beautiful" projects in B&R regions, while promoting Hong Kong's services and standards.

265. We will also strengthen Hong Kong's B&R Capacity Building Platforms, by co-ordinating and promoting capacity-building programmes offered by public organisations and institutions in Hong Kong. We will continue to host the B&R Summit[28] and elevate it to serve as an important platform for economic and trade co-operation to realise more deliverables.

266. To align with the green and high-quality development of the B&R Initiative, the Government:

(i) Will launch the Green Technology Bridgehead Programme to bring together Mainland and overseas technology companies that use Hong Kong as a springboard for "going global" or "landing" in the Mainland. By showcasing green solutions and technology applications through EcoPark, and taking advantage of Hong Kong's legal, financial and environmental expertise, these companies can export green solutions to B&R countries.

(ii) Has signed an agreement with the Ministry of Ecology and Environment to set up the B&R Green Development Co-operation platform. By connecting with the B&R Initiative International Green Development Coalition, it will facilitate technology exchange and co-operation along the B&R. The EPD has also set up a B&R sustainable green development training centre to provide high-level training for personnel from the B&R countries.

(iii) Will organise the B&R Green Innovation Conference with the Ministry of Ecology and Environment for the first time in Hong Kong in October. About 260 officials and experts from the Mainland and B&R countries will explore green technological innovation and opportunities for collaboration.

267. The HKEX's Core Climate is expanding co-operation with Brazil, Malaysia and Kazakhstan, and encouraging the carbon markets of B&R countries/regions to make better use of Hong Kong's professional strengths in finance and standard setting to align themselves with the international carbon market. It is also working on a pilot implementation of cross-border carbon trading to generate successful cases.

268. The Government's B&R Scholarship attracts outstanding students from B&R countries to pursue their studies in Hong Kong. It has benefitted students from 57 countries as of the 2025/26 academic year. We will increase the annual quota of the scholarships to 200 places, starting from the 2027/28 academic year.

28 The B&R Summit is a flagship event for Hong Kong's participation in and contribution to the B&R Initiative.

Chapter VII Enhance Social Well-being

(A) Advance Quality Education and Nurture a Diversified Pool of Talent

269. Quality education is the strategic cornerstone for enhancing competitiveness as well as the core engine propelling Hong Kong's rise as an international education hub and cradle for talent. The Government will expand the scope of the NMUT's development; raise the quality of school education and student development; strengthen digital and values' education at the kindergarten, primary and secondary levels; elevate the status of vocational and professional education and training; and adopt a systematic approach for strengthening the professional development of teachers.

Promote Digital and STEAM Education

270. To closely align with the National 15th Five-Year Plan on "advancing the digital transformation strategy for education", the EDB will follow its Blueprint for Digital Education Development in Primary and Secondary Schools, promoting digital and STEAM[29] education, including:

(i) Roll out a free digital-education learning resource platform equipped with AI Large Language Models, while progressively extending the "AI Teaching Assistant" to more subjects to provide teaching support.

(ii) Review technology education in primary schools to optimise the interface of Information and Innovation Technology curricula between primary and secondary levels, and revise the senior secondary mathematics and science curricula.

(iii) Earmark funding under the Quality Education Fund to take forward digitalisation in kindergarten education administration, including enhancing digital equipment and AI tools of kindergartens, promoting technological ethics and digital literacy to parents, and providing training for teaching and administrative staff.

Enhance the Operating Standards of Schools

271. We will refine the Code of Practice for Private Schools and update the Private School List, improving the operation standards and transparency of private schools.

272. We will launch the "Confluence and Elevation – School Excellence Project" for publicly-funded schools in the 2026/27 school year. This will encourage and support mergers of suitable publicly-funded primary and secondary schools, consolidating resources and raising the quality of education.

Strengthen Support for Student Development

273. The EDB will develop a one-stop, self-directed learning portal for Chinese Language Education, organise territory-wide, English-speaking activities for students, provide opportunities for junior secondary students to learn other languages and encourage schools to arrange diversified activities for students to use the languages. The EDB will also collaborate with companies and higher education institutions to enhance the financial literacy of students.

29 Science, Technology, Engineering, the Arts and Mathematics.

Enhance Teachers' Professional Development

274. We will amend the Education Ordinance to require a practising certificate as a prerequisite for teaching, to enhance teacher registration mechanism. We will also improve the teacher training framework, setting specific training requirements to raise the professional standards of teachers.

Advance the Development of Universities of Applied Sciences

275. In collaboration with the Alliance of Universities of Applied Sciences, we will conduct publicity work on vocational and professional education and training early in secondary schools, to promote diversified pathways for students. We will also deepen collaboration with the GBA to explore, among others, the provision of joint programmes, cross-boundary internship and research collaboration.

Training for Local Technical Experts

276. We will extend the provision of an additional monthly training allowance of $1,000 to registered apprentices for a period of two years in view of the persistent shortage of local technical professionals and to encourage more young people to undergo apprenticeship training.

Continuous Training for Construction Technology Talent

277. The Construction Industry Council (CIC) will continue to provide systematic training courses to upgrade manpower capabilities (especially frontline staff on construction sites) in construction technologies.

Strengthen Skills Training for All and Consolidate Local Training Resources

278. Upskill Hong Kong (upgrade of the Employees Retraining Board) will publish the first phase of a skill-based training framework in the first quarter of 2027. It will focus on sectors related to city operations, guide training bodies in developing corresponding courses and build skills' learning pathways.

279. The Government will begin a review of the Continuing Education Fund with Upskill Hong Kong within the first year after the latter's establishment to consolidate local training resources and increase efficiency.

(B) Foster the Development of Young People, Women, Families and a Harmonious Society

Create a Bright Future for Young People

280. Since the current-term Government announced the Youth Development Blueprint, more than 290 initiatives have been implemented. We will continue to support young people in broadening their international horizons and deepening their participation in the development of the GBA, so that they can better integrate into and serve the overall national development, and accumulate practical experience in emerging fields. They will then become a dynamic force contributing to the development of Hong Kong and our country.

Empower Youth to Go Global

281. The Home and Youth Affairs Bureau (HYAB) will launch an International Young Talent Exchange Base[30] this year to promote international exchanges and invite Youth Link members to participate. The HYAB and the Base will:

(i) Launch a new HYAB – United Nations Youth Leaders Internship Programme, offering internship placements in various United Nations agencies.

(ii) Sign co-operation agreements and set up regular exchange platforms with international organisations; make arrangements for young people to participate in large-scale international conferences to be held in Hong Kong and the Mainland.

(iii) Invite international experts and visiting guests to exchange views with young people who have participated in international exchanges and internships.

(iv) Continue to organise the Youth Development Summit, convening young people from around the world to exchange views with Hong Kong youth.

282. The Government will also explore more opportunities for young people to go global, including:

(i) Explore with the IOMed opportunities for more youth participation in related affairs.

(ii) Continue to support exchanges outside Hong Kong and expand campus cross-cultural exchanges. The Funding Scheme for Chinese Mainland and Global Engagement and Student Learning Experience has benefitted over 74 000 students over the past three academic years. Starting from the 2026/27 academic year, the UGC will inject $100 million into the Scheme to cover countries and regions along the B&R.

(iii) The EDB has allocated additional resources to support the Vocational Training Council in forming the 41-strong Hong Kong, China delegation to participate in the WorldSkills Competition. Hailed as the "Skills Olympics", it will be held in September this year.

Open Up New Frontiers for Youth Development

283. The HYAB will deepen its support for young people in opening up new frontiers:

(i) Introduce a new thematic finance internship programme in the Mainland, allowing young people to undertake internships in large Mainland financial institution(s).

(ii) Launch thematic aerospace training activities in the Mainland for young people to gain a deeper understanding of the latest developments of our country's aerospace technology and promote an interest in the field.

(iii) Increase thematic internship places relating to high-end scientific research at the Chinese Academy of Sciences, allowing more young people to take part in our country's top-notch scientific research.

(iv) Launch new AI experiential activities to increase young people's understanding of AI application and the industry.

284. We will strengthen support for young people to explore and pursue a career in new I&T disciplines:

(i) Introduce a young researcher category under the Innovation and Technology Support Programme.

(ii) The HKSTPC has expanded the Talent Foundry programme to provide training for local university students, researchers, career newcomers and professionals, focusing on AI+ and emerging technologies. Around 500 training opportunities are expected to be provided each year.

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30 It will include the Y Cube in Chai Wan, Youth Link · Nam Cheong, and the Youth Post in Kai Tak.

(iii) Continue to provide funding support for the HKPC to organise the Hong Kong Future Aerospace Technology Talents Training Programme for secondary students. Cyberport will also support I&T for young people through relevant programmes.

285. The HKHA will regularise the "Well Being · Start-Up 2.0" Programme, which provides rental concessions to encourage youth entrepreneurship. The programme will offer 15 shops and over 70 entrepreneurial opportunities, a sevenfold increase in scale compared to its pilot run. Referral efforts will also be stepped up to match promising projects with commercial partners.

"30 000 Youth Employment and Internship Programme"

286. The Government and the business sector will launch the two-year, "30 000 Youth Employment and Internship Programme" to facilitate youth employment and development, especially for those with limited or no work experience:

(i) The Government will mobilise the business sector, including major employer and trade associations, to provide an additional 10 000 full-time jobs lasting six months or more within a two-year period starting from the first quarter of 2027. The jobs will be open to young people newly entering the workforce, with the Government assuming part of the wages, i.e. $6,000 per month or up to one-third of the monthly salary, for six months.

(ii) The Government will expand the STEM Internship Scheme and enhance the HYAB Youth Start-up Internship Programme, providing more than 10 000 internship quotas within two years, with each intern receiving a subsidy of no less than $11,000.

(iii) In 2027 and 2028, the CIC and the Government will allocate funding to extend the on-the-job training subsidy scheme for professional graduates of relevant disciplines. A monthly salary subsidy of $5,000 will be provided for each graduate, offering a total of 10 000 training places over two years.

(iv) The FSDC will launch a two-year Financial Services Industry Youth Internship Programme together with industry, providing 1 000 youth internship placements related to financial services.

The Government will launch a "one-stop" dedicated webpage, making it easier for young people to access information about the programmes and apply for vacancies.

287. The Government will establish the "Youth Employment Link" online service portal to facilitate young people's access to employment information and support services. It will also launch the Shanghai-Hong Kong Youth Employment Scheme.

Eleven Measures to Promote Fertility

288. The current-term Government has shifted from a non-interventionist approach to actively promoting fertility, working to create a conducive environment for childbearing. An array of measures for promoting fertility and assisting families in taking care of their children have been introduced.

289. Measures initiated to create a conducive environment for childbearing include: Newborn Baby Bonus of $20,000; a double child allowance for newborns; increasing the child allowance; raising the tax-deduction ceiling for mortgage loan interest and rents; an allocation priority scheme for PRH applicants; a Home Ownership Scheme flat selection priority scheme; increasing the number of child care centres (CCCs) and the Child Care Centre Parent Subsidy; enhancing after-school care service; improving the Neighbourhood Support Child Care Project; a tax deduction for assisted reproductive services; increasing the service quota for assisted reproductive service at public hospitals; removing the statutory storage periods of gametes and embryos for own use; promoting the Good Employer Charter; and encouraging family-friendly employment practices.

290. To further promote a conducive environment for fertility, we will also introduce the following 11 measures under a multi-pronged approach:

(i) The $20,000, newborn baby bonus, which is due to expire on 24 October this year, will be extended for three years.

(ii) To encourage families to have more than one child, the newborn baby bonus for the second or subsequent child born today or after will be increased from $20,000 to $30,000 for three years.

(iii) If a taxpayer's second child and subsequent children are born today or after, the tax allowance for them will be increased from $140,000 to $160,000, and the allowance may be claimed until they reach the age of 25 following established procedures. This will take effect from the year of assessment 2026/27.

(iv) The additional allowance for the first two years following childbirth for the aforesaid second and subsequent child will also be increased, from $140,000 to $160,000, effective from the year of assessment 2026/27.

(v) Eligible families (whose children are born today or after in Hong Kong, with either parent a Hong Kong permanent resident), having purchased a residential property from one year before to two years after the childbirth, are entitled to a stamp duty waiver capped at $20,000. The concession will take effect upon passage of the amendment bill.

(vi) Starting from the next Home Ownership Scheme sale exercise, the maximum mortgage loan-to-value ratio for White Form family applicants with newborns will be raised to 95%, to ease their down-payment burden.

(vii) The HA will increase the service quota for in-vitro fertilisation in phases over the next three years, by 300 treatment cycles to 1 900 treatment cycles per year.

(viii) The Primary Healthcare Commission (PHC Commission) will gradually extend its free pre-pregnancy, antenatal and postnatal classes to all District Health Centres (DHCs) and DHC Expresses. The Family Planning Association of Hong Kong will launch publicity this year to promote healthy fertility.

(ix) Following last year's announcement to establish 15 new aided standalone CCCs, we will set up three more aided, standalone CCCs. These are expected to provide about 1 800 additional day-care service places by the end of 2030.

(x) The School-based After School Care Service Scheme will be regularised, starting from the 2027/28 school year and no quota will be imposed to continuously support families of primary school students with caretaking needs.

(xi) We will strengthen professional support for the After School Care Programme for Pre-primary Children, providing escort services and increasing service publicity.

Support Women's Development

291. We will extend the "She Inspires" Mentorship Programme by three years to broaden the horizons of female university students and promote high-quality career development.

Support Ethnic Minorities

292. Support Service Centres for Ethnic Minorities (EMs) will:

(i) Set up an Elder Harmony Network next year to increase support for EM elderly persons, and strengthen collaboration between the existing EM Care Teams and District Services and Community Care Teams, so that more EM elderly persons can be reached and referred for assistance, as needed.

(ii) Under the new Success Counsel Programme, outstanding EMs will be arranged to share their experience, and EM youth will be encouraged to join the District Youth Committees through the Member Self-recommendation Scheme for Youth.

293. The Government will regularise the EM District Ambassador Pilot Scheme, which engages EMs or designated persons to provide support and publicise welfare services for EMs. In addition, EMs with higher education or professional qualifications will be invited to serve as social welfare volunteers.

294. We will adopt learning materials tailored for non-Chinese speaking (NCS) students, including the Youth Chinese Test and the Hanyu Shuiping Kaoshi Chinese Proficiency Test, and provide after-school Chinese language courses to NCS students from Primary One to Secondary Three. We will also provide suitable learning materials for NCS students.

Strengthen Training for Care Team Services

295. The establishment of Care Teams is an integral part of the current-term Government's commitment to improving district governance structure. To enhance the service quality of Care Teams, the Government will deploy resources to enhance training for Care Teams covering practical skills such as emergency knowledge, communication skills and health support.

Deepen Collaboration and Exchange in Social Services with Mainland Counterparts

296. The LWB, together with Connecting Hearts, has fostered in-depth exchange and collaboration between the social welfare sectors in Hong Kong and the Mainland, and facilitated the launch of a total of 102 livelihood improvement projects between 46 Hong Kong social welfare organisations and 81 counterparts from other GBA cities.

(C) Deepen Healthcare System Reform

297. The Government is pressing ahead with healthcare system reform and restructuring the functions and division of work among the HA, the DH and the PHC Commission. The goal is to establish a new healthcare model that emphasises prevention and integrates prevention with treatment. We will continue to deepen the reform, fully aligning with the national health-first development strategy and the opportunities presented by the 15th Five-Year Plan, while taking active public health measures, to consolidate Hong Kong's status as an international health and medical innovation hub and ensure that the outcomes of the reform are widely shared.

Strengthen Primary Healthcare Services

298. The Government will improve community healthcare and disease-prevention services:

(i) Upgrade the DHC Expresses in Wan Chai and Kwun Tong to DHCs, starting next year, and continue to upgrade other DHC Expresses.

(ii) Implement the phased integration of Elderly Health Centre services from the end of this year. Measures include more than doubling the service capacity for elderly health assessments, reducing the maximum waiting time by two-thirds, and providing similar services for underprivileged elderly through designated HA Family Medicine Clinics (FMCs).

(iii) Provide about 220 000 additional HA's Family Medicine Out-patient service quotas each year, starting next year, including around 10 000 quotas for evening out-patient service, to meet local demand. We will improve the provision of preventive screening and care services targeting the "three highs", hepatitis B and women's health for underprivileged groups at designated FMCs. We will boost co-operation between primary and secondary healthcare. In parallel, training for primary healthcare professionals will be strengthened to raise service quality.

(iv) Set up a co-ordination platform for public and private primary healthcare services to pilot the unified release of evening and public holiday consultation information for public and private out-patient clinics.

(v) Roll out the Community Pharmacy Programme from the end of this year, with the first phase covering four districts[31] and progressively extending across the city. In parallel, launch the Community Drug Formulary and gradually increase the number of drugs covered.

(vi) Starting from next year, provide preventive primary oral healthcare services for specified high-risk groups at designated DHCs/DHC Expresses, and expand the Healthy Teeth Collaboration to offer outreach preventive oral healthcare services for residents of designated residential care homes for persons with disabilities (PWDs).

(vii) Publish the "Life-course Health Promotion Strategy" and monitor local health data, encouraging the public to accept primary responsibility for their own health and promote population-wide health management across different life stages.

Enhance Public Healthcare System

299. After the relocation of Queen Elizabeth Hospital to Kai Tak, the HA will develop Hong Kong's first integrated ambulatory care hospital at King's Park. The first phase will include a high-capacity ambulatory cataract surgery centre, a high-capacity ambulatory radiology centre and an ambulatory radiotherapy centre. With the commissioning of the cataract surgery centre in the fourth quarter of next year, annual service capacity will increase by about 5 500[32]. With annotation and triage at the ambulatory radiology centre to be carried out with AI, the annual service capacity for computed tomography and magnetic resonance imaging will increase by about 40% compared to general facilities. The increase in service capacity at the radiotherapy centre will also accelerate treatment procedures for cancer patients.

300. All hospital development projects under the Government's First Hospital Development Plan are expected to be completed by 2031. By then, the number of beds in public hospitals will increase by 17% to about 35 000, while the number of operating theatres will increase by 44% to around 360. We will publish the Second Hospital Development Plan during the current-term Government and initiate projects in an orderly manner.

301. The HA will implement the Hong Kong Cancer Strategy, raising diagnostic imaging capacity and applying AI to assist with diagnosis and advanced laboratory testing. It will increase radiotherapy service capacity and expedite the introduction of new cancer drugs through public healthcare fees and charges reform, while stable and low-risk cancer survivors will be referred to primary healthcare, with multi-disciplinary palliative care and end-of-life services to be strengthened.

302. The HA has set a target to shorten the waiting time[33] for the first consultation of stable new cases in specified specialist[34] out-patient services by half in five years, with the waiting time of specified specialties to be reduced by 10% in 2027-28 in the first phase. By "narrowing upstream, collaborating downstream, diverting midstream", unnecessary referrals will be avoided and stable follow-up cases diverted to primary healthcare. The HA will also expand multi-disciplinary, integrated clinical services, optimise appointment arrangements and enhance service capacity.

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31 Eastern District, Yau Tsim Mong District, Yuen Long District and Sha Tin District.

32 The number of cases waiting for cataract surgery recorded a downward trend instead of upward since the HA strengthened its cataract surgery service in 2024. The 90th percentile waiting time was also shortened from 37 months to 32 months. Waiting time is expected to be further shortened to 18 months by 2032.

33 The 90th percentile waiting time.

34 Ear, Nose and Throat, Ophthalmology, Gynaecology, Medicine, Orthopaedics and Traumatology, Psychiatry and Surgery.

303. The first phase of public healthcare fees and charges reform was implemented in January this year to increase protection for poor, acute, serious and critical patients, yielding immediate results, as follows:

(i) Accident and emergency services have become smoother, with a significant decrease in the number of non-urgent cases; fees for critical and emergency cases are fully exempted.

(ii) The number of beneficiaries of full medical fee waivers has surged, from under 14 000 a year in the past to more than 250 000, providing free medical services to more low-income families.

(iii) The burden on serious patients has been eased, with their annual spending capped at $10,000 and requiring no financial assessment. Over 17 000 patients have been granted a full medical fee waiver for the remainder, preventing impoverishment due to illness.

(iv) Accelerated the introduction and increased subsidisation for innovative drugs and medical devices. The HA has introduced 16 new drugs into the Drug Formulary and included 53 new drugs and medical devices[35] under the subsidisation scope of the Samaritan Fund safety net.

Strengthen Professional Regulation of Healthcare Services

304. The Government will introduce into the LegCo a regulation to improve the price transparency of private healthcare services by the end of the year and draw up codes of practice, setting out requirements on price information, budget estimates and billing statistics.

305. The Government will advance the scrutiny of the Medical Registration (Amendment) Bill 2026 by the LegCo to reform the Medical Council of Hong Kong (MCHK), and raise the manpower and system support for the MCHK and other healthcare professional regulatory bodies.

306. The Government will continue to support the IMACE in publishing clinical guidelines and devising service quality and efficiency standards for public and private healthcare sectors. The IMACE plans to publish clinical guidelines on the management of hyperlipidemia and percutaneous coronary intervention by the end of the year.

Continuously Implement eHealth+

307. Over 6.5 million citizens have registered with eHealth, accounting for 87% of Hong Kong's population. In the past year, the monthly number of electronic health records deposited by private healthcare providers increased by over 110%, to about 1.45 million. More than 44 000 citizens have used eHealth to enable the sharing of cross-boundary medical records.

308. The Government will further facilitate the deposit of electronic health records by private healthcare providers, expand the cross-boundary sharing of medical records and enhance the nine core functions, including eMedication and eMedical Certificate.

Press Ahead with the Establishment of the Third Medical School

309. The Hong Kong University of Science and Technology (HKUST) is moving ahead with the establishment of Hong Kong's third medical school. The Medical Education and Research Complex at the Clear Water Bay campus will be completed by mid-2028 to admit the first cohort of students.

310. On using Kai Tak Hospital as the interim teaching hospital, the Government is exploring teaching arrangements with the HKUST and the HA. We are also pressing ahead with the integrated design and co-ordinated construction of the medical school campus and the integrated teaching and research hospital in the San Tin University Town.

35 Including 27 new drugs/expanded clinical indications and 26 recommendations for out-of-pocket medical devices.

Promote the Development of Inheritance and Innovation in Chinese Medicine

311. The Government will continue to implement the Chinese Medicine Development Blueprint. The annual out-patient service volume of the CMHHK will be increased from 60 000 to over 140 000 attendances in the first year. The Government Chinese Medicines Testing Institute will continue to formulate Chinese *Materia Medica* Standards, which align with international standards and develop innovative Chinese medicine-testing technologies. Future development measures include:

(i) Starting from the end of the year, the CMHHK will launch 24-hour in-patient services, provide additional day beds, increase out-patient service capacity, introduce more special disease programmes, begin related research, and set up a clinical trial and research centre. In addition, clinical training opportunities for local students and more subsidised training posts for registered Chinese medicine practitioners will be provided. The International Consortium of Herb-Drug Interaction will be officially established to promote research and clinical application of herb-drug interactions.

(ii) The Chinese Medicine Clinics cum Training and Research Centres based in all 18 districts will roll out pilot out-patient services for special diseases.

(iii) We will continue to develop HA's integrated Chinese-Western Medicine (ICWM) services, including regularising a "knee osteoarthritis" pilot programme, expanding ICWM services to day-care services, and refining the "cancer care" pilot programme.

(iv) We will sponsor regional and international Chinese Medicine conferences and exhibitions.

Sustain Efforts in Tobacco Control

312. The Government will fully implement the duty stamp system by the end of next year to effectively distinguish duty-paid from duty-not-paid cigarettes. The plain-packaging requirement on conventional smoking products will be introduced at the same time.

Promote Mental Health

313. The Government will adopt an integrated approach to promoting 11 mental health measures:

(i) Continue to implement the Three-Tier School-based Emergency Mechanism in Primary Four to Six on a trial basis in the 2026/27 school year and enhance the related support services, strengthening training for school professionals to facilitate early identification of and support for students with higher suicidal risk.

(ii) Provide teacher training on catering for students' mental health needs, and organise programmes relating to the physical and psychological well-being of teachers.

(iii) Set up an additional Integrated Community Centre for Mental Wellness in the NM to dovetail with population growth.

(iv) Enhance the function of the Cyber Youth Support Teams by strengthening their co-operation with schools and community networks to support the emotional and psychological needs of students, conduct assessments and take follow-up action immediately after receiving cases involving students with higher suicidal risk and in emotional distress.

(v) Extend the Healthy Mind Pilot Project to all existing DHCs before mid-2027, improve frontline staff training, provide more timely assessments or referrals, organise more outreach activities and step up promotion and publicity.

(vi) The PHC Commission will study public-private partnerships and other approaches to encourage more cross-disciplinary professionals, including family doctors, to provide mental health services.

(vii) The Government has endorsed the framework for the Stepped Care Model on Mental Health submitted by the Advisory Committee on Mental Health. The next step is to consider setting competency standards and designing training courses for mental health practitioners, co-ordinating the distribution of duties among departments, and drawing up details for full implementation.

(viii) The Advisory Committee on Mental Health will explore the possibility of setting up a mental health experience exhibition in the urban area to promote mental health and eliminate social prejudices.

(ix) Through the Hong Kong Jockey Club "Chief Executive Community Project List", the Government will fund a series of mental health support projects enabling clear identification, early intervention and enhanced support. We expect the projects to benefit over 30 000 persons.

(x) Launch a Mental Health Literacy Resource Package for Parents and organise parent education programmes[36] relating to student mental health.

(xi) Attract more organisations and their staff to join the Mental Health Workplace Charter and encourage the organisations to optimise their staff training content.

(D) Enhance and Diversify the Housing System

314. The current-term Government is pressing ahead with a public housing policy geared towards advancing quantity, speed, efficiency and quality, to expedite the fulfilment of housing needs for low-income families and, in an orderly manner, tackle the big and difficult housing issues that have lingered for years. Since the implementation of the BHU regime in March this year, we have been steadily advancing towards the eradication of substandard SDUs.

315. We will continue to increase public housing supply on all fronts, while enhancing the housing ladder to enable people of different income groups to realise home ownership, thereby fundamentally building a new paradigm of more sustainable, multi-strata housing supply in Hong Kong.

Continuous Pursuit of Land Development

316. In the next decade (i.e. from 2027-28 to 2036-37), the Government will prepare about 2 500 hectares of "spade-ready sites" to build up the land reserve and meet the demand for economic development and the community's housing needs, thus retaining control over land supply. Of these sites, it is expected that some 1 400 hectares will be produced in the next five years, including about 1 000 hectares in the NM.

Supply of Land for Private Housing Development

317. The Government will take account the overall situation to determine the pace of land disposal and co-ordinate other land supply sources to meet housing demand in the next 10 years according to the Long Term Housing Strategy and other land requirements.

Release Industrial Land in Urban Areas

318. The DEVB will make reference to the Study on Utilisation of Existing Industrial Stock, which is underway, to explore the release of more industrial land in urban areas and make recommendations by the end of the year, including the way forward for the Revitalisation Scheme for Industrial Buildings.

36 Including digital health.

Review on Urban Renewal Policy

319. In August, the DEVB introduced measures to use newly developed land for urban renewal[37]. To enable the Urban Renewal Authority (URA) to pursue redevelopment in a sustainable manner, the DEVB and the URA are conducting a policy review, offering recommendations for commencing consultation in 2027.

Control Construction Costs

320. The DEVB has rolled out various initiatives to lower construction costs, achieving an annual saving of about $4 billion[38] for public works projects. Hong Kong's ranking has dropped to 16th globally this year, falling out of the top 10 for the first time, according to the International Construction Cost Index. The Government will, among others, adopt innovative procurement models, enhance Hong Kong's construction standards and introduce more AI solutions to further lower construction costs.

Increase Public Housing Supply

321. The current-term Government has laid a solid foundation for, and is entering the harvesting phase of, public housing production. In the next five years, from 2027-28, public housing production will exceed 35 000 units a year on average, an increase of about 73% compared with the five-year period since I took office.

322. Since the launch of the innovative LPH, upon my assumption of office, about 26 000 units have largely been completed with intake already underway, benefitting around 14 000 PRH applicants and their families. The remaining some 4 000 units will be successively completed before the end of March next year. All 30 000 LPH units will be completed in slightly over four years, ahead of the five-year target set out in my 2022 Policy Address.

323. The overall CWT was 4.8 years as of the end of June this year. That is more than one year shorter compared with the peak of 6.1 years before the current-term Government took office. Over the same period, there were about 100 500 general applications for PRH, and around 81 000 non-elderly one-person applications under the Quota and Points System. These numbers, when measured against their respective highest levels at 156 400 and 143 700, represent a significant drop by over 30% and over 40% respectively, demonstrating that the waiting queue for PRH is being effectively shortened.

324. The current-term Government has been combatting PRH abuse to prevent the mismatch and waste of PRH resources. As of June 2026, the HKHA has recovered around 10 500 PRH flats from tenancy abuse and breach of tenancy agreement or housing policies. This is equivalent to two large housing estates comparable to the size of Kai Ching Estate, and has enabled the early intake of over 10 000 families on the waiting list, yielding savings of over $10.5 billion in construction costs financed by public money.

Enhance Subsidised Sale Flats

325. The HKHA's new SSF projects, in accordance with the "Well-being" Design Guide, are equipped with multi-functional recreational and sports spaces, communal spaces, elderly-friendly facilities and green spaces designed for intergenerational integration. The HKHA will continue to improve the design of SSF to better meet modern living styles, including improving natural lighting and adopting an open kitchen design in suitable units for two-to-three-person households.

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37 Including the implementation of the Bonus Plot Ratio Pilot Scheme and the cross-district transfer of plot ratio scheme.

38 Accounting for about 3% of the total annual expenditure on public works projects.

326. Last year's Policy Address announced the relaxation of the alienation restriction period to 10 years for new SSFs offered for sale. To encourage upward mobility on the housing ladder, we will also shorten the alienation restriction period to 10 years for SSFs first put up for sale between 2022 and 2025.

Eradicate Substandard Subdivided Units and Implement the Basic Housing Unit Regime

327. Since March this year, the BHU regime has been rolled out in phases under the principle of "registration first, enforcement later". Responses to our call for grace-period registration have been positive. The HB will continue its registration and recognition work.

328. Starting from March next year, the HB will conduct inspections and take enforcement and prosecution action in an orderly manner against illegal letting of SDUs with no registration and no recognition, conducting joint operations with relevant departments to enhance deterrence. Upon the expiry of the grace period at the end of February 2030, the HB will rigorously combat illegal letting of substandard SDUs by owners or operators.

329. The HB will provide tenants in need with comprehensive, people-oriented support through its District Service Teams in various districts. This includes assisting eligible tenants to apply for traditional PRH and LPH, and flexibly co-ordinating resources such as transitional housing and Hostels for Single Persons, providing tenants in need with temporary shelters or helping them find alternative accommodation in the private market.

Promote the Scheme on Joint Property Management

330. From 2027-28, the HAD will continue to implement the Scheme on Joint Property Management in districts with needs for two years. Through the newly formed Working Groups on Building Management under all DCs, the HAD will continue to facilitate the execution of duties by DC members and enhance exchange.

Persistently Promote the Use of Building Technologies

331. The MiC approach reduces the construction time of a typical floor of public housing buildings by about 17%, and is effective in reducing water and electricity consumption and waste. The HKHA will adopt the AIoT[39] System for logistics and transport in the tender exercises for new projects to boost the transport efficiency and quality of modules.

332. The HKHA will identify more projects to apply the "Building Information Modelling (BIM)-enabled Systematic Approach to Foundation Design", saving about $1 million for each domestic block on average.

333. We injected $1 billion into the Construction Innovation and Technology Fund (CITF) this year. Together with the CIC's contribution of $400 million, a total of $1.4 billion will be used to support the wider application of I&T[40] in the construction industry, especially among SMEs.

334. The DEVB has required that MiMEP be adopted in suitable public works projects, as well as repair and maintenance works, since the middle of this year. A one-stop integrated information platform was launched to support the industry.

39 Artificial Intelligence of Things

40 Including new technologies such as construction robots, AI and digital construction technologies.

(E) Enhance Transport and Commuting Convenience

Transport Infrastructure

335. The Central Kowloon Bypass (Kowloon Bay Section) project will be completed this year, marking the full commissioning of Route 6 (including the Central Kowloon Bypass and Tseung Kwan O – Lam Tin Tunnel). It is anticipated that the journey time between Tseung Kwan O and Yau Ma Tei during peak hours will be substantially reduced from about 65 minutes before the commissioning of Route 6, to about 12 minutes.

336. The implementation milestones of smart and green mass transit systems are to:

(i) Award the contract for the Kai Tak project this year for completion in 2031.

(ii) Award the contract for the Hung Shui Kiu/Ha Tsuen NDA project next year for first-phase completion in 2031.

(iii) Award the contract for the East Kowloon project next year for completion by 2033.

Regulatory Regime for Ride-hailing Services

337. The current-term Government has successfully introduced the regulatory regime for ride-hailing services, with most of the legal provisions coming into effect on 3 August this year. The Government is now inviting applications for ride-hailing service licences, and will issue driving permits to drivers and vehicles beginning from the fourth quarter this year, providing the public with safe and compliant ride-hailing services. The TD is pressing ahead with the development of a ride-hailing vehicle data management system to monitor the compliance of operation, and comprehensively safeguard data security. We will also oversee market development and collect relevant data for the dynamic assessment of supply and demand to enhance personalised, point-to-point transport service.

Promote the Use of Automated Parking Systems

338. With a view to expanding the use of automated parking systems, the TD will establish a one-stop co-ordination office to co-ordinate the efforts of relevant departments in expediting the approval of automated parking-system applications submitted by operators of short-term tenancy car parks.

(F) Deepen the Integrated Development of Culture, Sports and Tourism

339. The Culture, Sports and Tourism Bureau (CSTB) is pressing ahead with the integrated and synergised development of culture, sports and tourism. It fosters sports development by promoting sports in the community, supporting elite sports, maintaining Hong Kong as a centre for major international sports events, advancing professionalism in sports and developing sports as an industry. In building facilities, implementing system reform, optimising resource allocation, nurturing talent and hosting mega events, the CSTB is deepening the integration of culture, sports and tourism to drive economic development.

Shape Tourism with Cultural Activities and Promote Culture through Tourism

340. Hong Kong is blessed with a unique cultural vision, shaped by both Chinese and foreign influences. We will continue to engage and collaborate with Mainland and overseas culture, arts and creative sectors to consolidate Hong Kong's role as a hub for the exchange, collaboration and promotion of culture, arts and creativity. We will also host international cultural and arts exhibitions and performances to attract visitors to Hong Kong.

Support Hong Kong's Film Industry and Promote "Film + Tourism"

341. We will conduct a comprehensive review of the Film Development Fund with a view to attracting more private investment to ensure sustainable development. We will also explore venue provision for constructing film sets to encourage local filming. The Cultural and Creative Industries Development Agency will set up the Support Unit for Non-local Film Productions, which will provide one-stop services for Mainland and overseas film crews filming in Hong Kong, attracting the production of more quality films to promote Hong Kong.

342. The HKTB will offer visitors an immersive experience of Hong Kong's unique urban landscape and lifestyle, weaving together classic Hong Kong films, district characteristics and local culture, including a route in Yau Ma Tei that integrates memorable scenes and locations from classic Hong Kong police-and-crime films, complemented by authentic local night markets and dining experiences.

Sports Development

Support the Kai Tak Sports Park to Promote "Sports + Mega Events"

343. The KTSP has substantially expanded Hong Kong's capacity to host international mega events. To date, more than 170 sessions of international and local sports and cultural entertainment mega events have been held there, attracting over 2.6 million spectators. In 2025, the KTSP's main stadium achieved the highest gross revenue and ticket sales in Asia.

344. To strengthen the promotion of "sports + mega events", we will explore the redevelopment of Victoria Park Centre Court and other ancillary facilities into an iconic all-weather, multi-purpose venue for holding larger-scale and higher-level sports events, as well as performance activities as required.

Training for Sports Executives

345. The Hong Kong Sports Institute will introduce a new three-year Sports Executive Training Programme. The programme will provide transformation opportunities for and expand the career ladder of retired athletes, while helping train professional management for the sports sector.

Promote Sports for All

346. To encourage the general public to exercise regularly, the Government will enhance outdoor basketball facilities and the content of the Hong Kong Games.

Participate in Our Country's Sports Events and Boost Co-operation and Exchanges

347. We will continue to send delegations and teams to participate in our country's sports events and promote sports exchange within the GBA, including supporting NSAs in the organisation of GBA leagues.

Strengthen the Governance of National Sports Associations

348. Early next year, the Sports Federation and Olympic Committee of Hong Kong, China will, taking into account NSAs' implementation of the Code of Governance promulgated earlier, issue certificates of compliance to NSAs meeting the governance standards. Future government funding will be linked to the compliance status to establish a fairer, more impartial and more transparent system for promoting sports development.

Tourism Development

349. Hong Kong's tourism industry is performing well. In 2025, the total number of visitor arrivals reached 49.9 million, a 12% year-on-year increase. Total tourism expenditure associated with inbound tourism is estimated at $238.1 billion this year, an increase of about 10% over last year.

350. The proportion of overseas visitors travelling onwards to the Mainland via Hong Kong has continued to rise, exceeding 20% in the first half of 2026. We will continue to capitalise on measures introduced by the Central Government to facilitate visits by foreign travellers to the Mainland, deepen collaboration with Mainland provinces and municipalities, and explore with the country additional immigration facilitation arrangements for international visitors. The HKTB will promote multi-destination travel itineraries to overseas visitors, partner with airlines to roll out relevant tourism products and promotional offers, and intensify publicity overseas.

Take Forward "+ Tourism" Joint Initiatives

351. We will integrate various events with tourism to raise their appeal, aiming to extend visitor stays in Hong Kong and generate value-adding momentum:

(i) **"Mega Events + Tourism"**: To solidify Hong Kong's reputation as the Events Capital of Asia, the HKTB will demarcate a period each year for the International Arts Season[41] (February to May), the Chinese Arts Season[42] (June to September) and the Festive Mega Events Season[43] (October to February the following year), setting a mega-event framework under these three themes to boost visitor spending and extend their stay in Hong Kong. Flagship events hosted by the HKTB attract millions of citizens and visitors each year. The Government will regularise the additional annual funding currently provided for hosting flagship events, allowing the HKTB to draw up and implement sustainable and forward-looking market promotion strategies in a more systematic manner.

(ii) **"Finance + Tourism"**: The refurbishment of the HKEX Connect Hall and the Museum of Finance at the HKEX is scheduled for completion next year. The Government will link up key financial landmarks around Central to create an urban landmark that showcases Hong Kong's status as an international financial centre and the city's cultural appeal.

(iii) **"Industrial brand + Tourism"**: We will continue to develop Hong Kong's industrial brand tourism routes with varying themes to promote more in-depth tour experiences.

(iv) **"Ecological conservation + Green tourism"**: The Government promotes eco-tourism that advances tourism alongside conservation, enabling the public to get close to and appreciate Hong Kong's unique and precious scenery in the countryside. In early September this year, the Government launched a trial online reservation system for visitors going to the High Island Geo Trail-Po Pin Chau Section of the High Island Reservoir East Dam in Sai Kung during weekends and long holidays. A visitor cap is set to alleviate ecological pressure while enhancing visitor experience. The pilot reservation arrangement will continue during the Golden Week in October this year. We will review the trial outcome and develop a long-term country park management strategy.

(v) **"Heritage + Tourism"**: The Government has opened over 200 Government-owned declared monuments and graded historic buildings to the public. It will upload more information to its websites and step up publicity, enabling the trade to develop and promote signature tourism products.

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41 During the International Arts Season, cultural mega events such as the Hong Kong Arts Festival, Art Basel, Art Central, the Hong Kong International Film Festival and the French May Arts Festival will be hosted, consolidating Hong Kong's position as the East-meets-West centre for international cultural exchange.

42 The Chinese Arts Season will cover the Chinese Culture Festival and the Hong Kong Intangible Cultural Heritage Month, promoting the sophisticated traditional Chinese culture for citizens and visitors to experience its charm.

43 The Festive Mega-Event Season will offer a line-up of festive events such as Mid-Autumn Festival and Halloween mega events, the Hong Kong Wine and Dine Festival, Hong Kong Winterfest, immersive light shows, Hong Kong New Year Countdown Celebrations and the International Chinese New Year Night Parade, showcasing Hong Kong's festive ambiance and convergence of Chinese and international cultures to visitors from around the world.

Ticket Stub Economy

352. We will promote ticket stub offers as a means of attracting visitors to extend their stay and increase their spending in Hong Kong, including announcing the calendar of mega events as soon as practicable. The HKTB will provide one-stop contact services to connect event organisers, retail and catering associations and tourism-related organisations, fostering a consumption chain that extends from the event venue to the community.

353. The HKTB will enhance Discover Hong Kong's digital platform, consolidate the ticket stub discounts of mega events hosted and promoted by the HKTB and launch a new mobile application to facilitate visitor access to, and merchant provision of, ticket stub offers.

Yacht Economy

354. Last year's Policy Address put forward the development of yacht economy. A variety of new yacht berth projects are now moving ahead, including the tender for the composite development project in Aberdeen comprising a marina, recreational facilities and residential development scheduled for the first half of 2027, and the yacht bay project under the Airport City "SKYTOPIA". In addition, starting from May, Hong Kong and Macao yachts may navigate in nine GBA cities, with the requirement for guarantee exempted and under temporary ship nationality registration. The first northbound travel of yachts from Hong Kong set sail in June. The Marine Department will soon sign an MoU with the Guangdong Maritime Safety Administration for the implementation of southbound travel for yachts from Guangdong, adding impetus to cross-boundary leisure consumption.

355. Following the introduction of the Marine Department's three facilitation measures[44], the first batch of Mainland yacht masters completed the examination and assessment in mid-June. We will extend our online, short-term training courses to overseas, enabling yacht masters of visiting yachts to obtain qualifications from abroad to navigate Hong Kong waters.

Renewal of Central

356. Phase 1 of the Lan Kwai Fong Streetscape Beautification Works will be gradually completed, beginning in October. The consultancy study for Phase 2 will start soon. We encourage private developers to participate in the renewal of Central, which will give Hong Kong's first-generation central business district a fresh face while preserving its heritage.

Muslim Tourism

357. Hong Kong's ranking as a Muslim-friendly destination has risen for two consecutive years, securing second place among non-Organisation of Islamic Co-operation destinations, according to the latest Global Muslim Travel Index. The HKTB will extend the Hong Kong Restaurants Halal Certification Funding Scheme to the end of 2027, encouraging the industry to provide more Muslim-friendly food options.

Facilitate the Operation of Home-stay Lodgings on the Outlying Islands

358. To facilitate the operation of home-stay lodgings on the outlying islands, the HAD will remove barriers by exempting consideration of use restrictions on guesthouse purposes in the deeds of mutual covenant of the buildings, when processing guesthouse licence applications for buildings of three storeys or less on the outlying islands.

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44 These include enhancing the Electronic Business System to allow one-stop online completion of arrival and port formalities, setting up designated anchorage areas and relaxing berthing requirements, and authorising Mainland institutions to conduct examinations and provide training for yacht masters.

Enhance the Professional Standards of Tourism Practitioners

359. To increase the supply of professional tourist guides, the Travel Industry Authority has launched the "specialised tourist guide licensing programme" this year for Geopark guides and reception services. The programme will be expanded to cover other fields, such as in-depth tours focusing on history and culture at the next stage.

Enhance Passenger Clearance Experience

360. The Immigration Department will launch the Automated Transportation On-board Clearance System ("AUTOS") Pilot Scheme at the Hong Kong-Zhuhai-Macao Bridge Hong Kong Port in December. It will use AI and facial recognition technology to automatically verify the identities of registered, eligible, cross-boundary private-car drivers and passengers, enabling "contactless on-board clearance".

361. The redeveloped Huanggang Port is expected to come into operation in the fourth quarter of this year, implementing the co-location arrangement and the novel "collaborative inspection and joint clearance" mode, to significantly enhance passenger clearance experience and efficiency.

(G) Support the Local Economy

Ten Measures to Support Small and Medium Enterprises

362. In the face of uncertainty over the global economy and trade, the Government will implement 10 measures to support the diversified development of SMEs, as well as their upgrading and transformation:

(i) The CEDB will expand the geographical scope of the BUD Fund to cover Uzbekistan and Qatar, encouraging SMEs to tap into emerging markets.

(ii) The Hong Kong Export Credit Insurance Corporation will extend the 20 free-buyer credit checks for one year to September 2027 to continue to cover all of its insured markets.

(iii) The HKTDC will strengthen the services of E-Commerce Express, promoting the awareness of Hong Kong brands and expanding their coverage in e-commerce markets outside Hong Kong. The Trade and Industry Department will co-ordinate with the "Four-in-One" Integrated Services of SME Centres to organise branding seminars and workshops to assist SMEs in formulating brand development strategies.

(iv) The Government will continue to encourage more government departments and institutions, including the Business Registration Office of the Inland Revenue Department and the eMPF Platform, to connect to the HKMA's CDI and explore the feasibility of automated payment. This will enable banks to conduct business registration search through CDI, enhancing efficiency in credit approval. The CDI has helped reduce the borrowing costs of companies by an average of 36 basis points.

(v) The HKMA, in collaboration with the Shanghai Data Bureau, will implement a pilot project on trade data connectivity this year, covering Hong Kong SME traders exporting goods from the Mainland. Starting from this year, Project Cargo^{X} will progressively connect the CDI with the Trade Single Window, the Port Community System and the Digital Corporate Identity (CorpID) platform. It will also explore connections with ASEAN's electronic port systems to enable the one-stop access to data for approval by banks.

(vi) Starting from this year, the Hong Kong Technology and Innovation Support Centre will provide qualitative, patent-evaluation services and offer funding support to SMEs for conducting valuation of their IP assets to facilitate relevant financing.

(vii) The Government raised the funding ceiling of "Easy BUD" applications under the BUD Fund to $150,000 in June. The BUD Fund also provides more targeted funding support for AI projects.

(viii) The Government will enhance the DTSPP by providing subsidies on a matching basis to support more SMEs in applying AI and cybersecurity-related solutions.

(ix) The HKPC will expand the functions of its "Digital DIY Portal" to integrate advisory services for SMEs. It will also assist enterprises in assessing and addressing cybersecurity risks, as well as providing professional advice and technical support on AI application scenarios.

(x) The Future Innovative Logistics Acceleration Scheme will provide subsidies to SMEs using innovative logistics solutions to interface with the Port Community System.

Report on Manpower Projection

363. Due to the structural impact of an ageing population, Hong Kong's labour force will gradually decline over the coming years, leading to manpower shortages. The current-term Government's measures to attract talent and allow the limited importation of labour, subject to appropriate approval, have relieved manpower shortages. The LWB will release a mid-term update of the Manpower Projection this month. It indicates that manpower remains tight across most key industries, including I&T, aviation, health services and construction.

Safeguard the Environment for Fair Competition

364. The Government will consult the LegCo this year on a legislative proposal to endow the Competition Commission with compulsory information-gathering powers for conducting market assessments. This will ensure that the Commission may, upon having reasonable cause to suspect that any feature in the market affects competition, mandate enterprises to submit information and identify potential issues, thereby maintaining a conducive environment for fair competition.

Promote Textiles and Fashion Brands

365. The Hong Kong Fashion Fest has recently been held in conjunction with CENTRESTAGE hosted by the HKTDC for an elevated scale and an enhanced business-matching platform. We will expand collaboration and exchange with fashion shows in the Mainland and overseas, promoting collaboration between fashion design and the textiles industry. This will promote the development of Hong Kong's fashion brands and strengthen Hong Kong's status as a fashion design hub in Asia.

Promote the Development of the Agriculture and Fisheries Industries

366. The Government will continue to offer the industry financial and technical support for the development of deep-sea mariculture, with a target of increasing local mariculture production to about 2 000 tonnes within five years. The Government will also set up a Fish Processing Centre in collaboration with the Fish Marketing Organization, to drive industrial upgrading.

367. The Government is facilitating the construction of the industry's first modernised and environmentally-friendly, multi-storey pig farm, in Sheung Shui. Site formation works will be completed this year. We will assist the selected organisation in finalising the design and financial arrangements next year.

368. The Modernised Techno-Agricultural Park, established through a public-private partnership, has been gradually leasing land to farmers. The Government will continue to take forward Agricultural Park Phase 2, while promoting the development of leisure farming and fisheries.

Promote Innovation in Municipal Services

369. In last year's Policy Address, I proposed three novel initiatives in response to public aspirations for greater benefits and convenience. These include allowing applications from restaurants for the admission of dogs, implementing the "joint-vetting" mechanism to expedite approval of applications for outside seating accommodation of restaurants, and leveraging technology and new investigation procedures to prompt owners to speed up water-seepage repairs in buildings.

370. Continuing this reformist spirit, and in view of structural changes in people's grocery shopping habits, the Secretary for Environment and Ecology will lead an inter-departmental working group to explore alternative uses for vacated market spaces (e.g. community facilities).

371. The Food and Environmental Hygiene Department (FEHD) also plans to try out the more agile single-operator model in individual new public markets, whereby operators enjoy greater flexibility in adjusting operating strategies to better meet public needs. Stall enhancement will also become a priority under the Market Modernisation Programme to improve customer experience.

(H) Strengthen the Protection for People's Livelihood

Targeted Support

372. The Government has been implementing a host of education, healthcare, housing and labour welfare measures to empower those who can help themselves achieve self-reliance and to provide a safety net for those unable to support themselves. The current-term Government has increased efforts to identify target groups according to the principle of targeted poverty alleviation, focusing resources on those most in need.

373. In June, the Commission on Poverty (renamed the Commission on Targeted Poverty Alleviation), led by the Chief Secretary for Administration published the Report on Impact of Targeted Poverty Alleviation Strategy in Hong Kong. The Report summarises the impact of and experience derived from the Strive and Rise Programme, the Pilot Programme on Community Living Room, the School-based After School Care Service Scheme and other initiatives. These projects have all achieved their key performance indicators, raising the standard of living and personal development of service beneficiaries.

374. The Report also highlights that we will shift from the traditional mindset of offering "relief" towards a strategy of proactive identification and targeted support. The new-term Commission on Targeted Poverty Alleviation has included carers in need (particularly elderly carers who look after elderly or disabled persons, and carers who look after children with special needs) among the groups for targeted poverty alleviation. It will provide specific services tailored to their needs.

375. The Government will:

(i) Following the launch of the 16 Community Living Rooms, launch two more by the end of this year, expanding the reach to about 10 000 SDU households.

(ii) Establish a Welfare Information Sharing E-platform in phases to integrate the social welfare data of relevant government departments and non-governmental organisations (NGOs) and use AI to enable the early identification of high-risk individuals or families, for timely intervention and targeted response. Data analysis would facilitate targeted support, resource allocation and service deployment in a scientific manner. We will initiate a trial of data integration and analysis, involving selected government departments and NGOs, in the first half of 2027.

(iii) Run the "Community Dining Hall" to optimise the use of Integrated Children and Youth Services Centres during off-peak hours, providing affordable and nutritious meals for elderly persons living alone and in couples, PWDs, carers, children with special needs and

their families. This will encourage them to integrate into the community, while giving social welfare organisations the opportunity to identify their needs and offer assistance. We will also launch the "Wellness-on-Wheels" project to provide more convenient service points via mobile service vehicles, for elderly persons and their carers living in aged buildings.

(iv) Spearhead the establishment of a matching platform to institutionalise tripartite collaboration among the Government, the business sector and the community in supporting the disadvantaged. The platform will enable the matching of resources from family offices and the business sector with community social welfare projects. The first round of matching will be arranged this year. The Commission on Targeted Poverty Alleviation will determine the target groups and themes before inviting NGOs to submit proposals.

(v) In collaboration with the HKEX, explore providing listed companies with further guidance on the preparation of ESG reports, encouraging them to engage in community and charitable activities, and promoting closer and more effective partnerships between the business sector and social welfare organisations.

(vi) Narrow the digital divide by organising more experiencing and training activities on I&T and AI for children and young people from grassroots families.

Support Carers

376. The Government will strengthen its support for carers:

(i) Increase the amount of allowance under the Scheme on Living Allowance for Carers of Elderly Persons from Low-income Families and the Scheme on Living Allowance for Low-income Carers of Persons with Disabilities by 10% to $3,300 per month. It is expected to benefit more than 10 000 low-income families.

(ii) Enhance the automated operation of the Carer Support Data Platform and expand its coverage.

(iii) Optimise the system of the Designated Hotline for Carer Support and enhance its efficacy.

(iv) Increase the manpower of the District Support Centres for PWDs for better early identification of and support for high-risk carers.

(v) Regularise the Pilot Scheme on Training for Foreign Domestic Helpers in Elderly Care and the Pilot Scheme on Training for Foreign Domestic Helpers in Care for PWDs, starting from April 2027.

Support Persons with Disabilities and Persons in Rehabilitation

377. To strengthen rehabilitation services for PWDs, the Government will provide about 460 additional places for day, residential and pre-school rehabilitation services.

Protect Children

378. The Government is closely monitoring the implementation of the Mandatory Reporting of Child Abuse Ordinance, which took effect in January, to ensure adequate support measures are in place.

379. Four new Community Parents and Children Centres have begun operation in the first half of this year, with an estimated 40 000 beneficiaries a year. We are closely monitoring service implementation to ensure that the families and children concerned receive suitable and effective support.

Support Students with Special Needs

380. The Government is committed to increasing the quotas for pre-school rehabilitation service to achieve zero-waiting time for on-site support. We will exempt kindergarten children with special needs from going through the Central Waiting List, so that they receive better and earlier support through personalised services designed by their kindergartens and multi-disciplinary service teams.

381. We will launch the "Enhanced Support for Students with Attention Deficit/Hyperactivity Disorder" Project in the 2026/27 school year and pilot the project for three years, starting from the 2027/28 school year. It will provide small-group training and other support services for students with attention deficit/hyperactivity disorder studying in public sector ordinary primary and secondary schools, thereby enhancing their performance in behavioural, social and learning adaptation.

(I) Enhance Labour Protection

Combat Illegal Employment

382. The Government will step up efforts to combat illegal employment on all fronts and reduce economic incentives for potential non-refoulement claimants to come to Hong Kong. Relevant measures include:

(i) Strengthen the functions of the Inter-departmental Task Force against Illegal Employment and review the membership of the task force in a dynamic manner.

(ii) Appoint industry representatives from specific sectors as "Anti-Illegal Employment Ambassadors" to assist in intelligence collection and step up publicity and education.

(iii) Leverage technology to enhance the effectiveness of "cyber patrol" and intelligence collection.

(iv) Review the penalty for illegal employment and strive for sentences with a greater deterrent effect to be handed down by courts.

(v) Enhance inter-departmental joint operations to combat illegal employment in a targeted manner.

Stringent Vetting of Applications for Limited Supplementary Labour

383. The Government has always been committed to ensuring employment priority for local workers, while allowing only employers facing genuine recruitment difficulties and shortages of local manpower to import labour, on a limited scale, following approval. Employers are granted approval for limited importation of labour only upon meeting the manning ratio of local employees to imported workers, and proving that vacancies could not be filled by local workers after undertaking local recruitment. The wages of imported workers should not be lower than the median wages of local workers. In addition, the Labour Department (LD) has, since June, implemented a tiered vetting mechanism under the Enhanced Supplementary Labour Scheme (ESLS). Job categories falling under the Tier 2 mechanism are subject to more stringent requirements in such areas as manning ratio and local recruitment, including a requirement for employers to attend in-person recruitment fairs held at designated job centres, and an extension of the local recruitment period from four weeks to six weeks. The Tier 2 mechanism is currently applicable to key posts in the kitchen and table services of the food and beverage services sector. The ratio of imported workers approved has fallen accordingly. The Government will closely and dynamically monitor the employment situation and include more industries and posts in the Tier 2 vetting mechanism, as necessary. The LD actively investigates and follows up on suspected violations of ESLS requirements. It imposes administrative sanctions on non-compliant employers, to ensure employment priority for local workers.

384. The LD is also developing a new digital application platform for ESLS with enhanced data collection and analysis, to strengthen the monitoring of applicant employers' compliance.

Formulate New Legislation to Strengthen Protection for Delivery Workers

385. The Government is developing new legislation to provide digital platform workers engaging in food and goods delivery services with statutory compensation for injuries at work. We will also strengthen communication with stakeholders.

Enhance Occupational Safety and Health

386. The Government is deeply concerned about occupational safety and health (OSH) issues in the construction industry. Apart from ongoing surprise inspections and enforcement actions against non-compliance, we are using innovative technologies to boost enforcement effectiveness and efficiency. We will also step up publicity and education efforts to raise safety and law-abiding awareness among contractors and workers.

387. The Government has launched the Smart Site Safety System (4S) labelling scheme in collaboration with the CIC. We will continue to fund private works projects through the CITF to enhance site safety by using innovative construction methods and new technologies (including 4S).

Enhance the Mandatory Provident Fund System

388. We will introduce an amendment bill into the LegCo by the end of the year, to enhance the process of recovering default MPF contributions from employers. With Phase One of MPF "Full Portability" scheduled for implementation this year, we are also preparing a legislative proposal on the implementation of Phase Two of MPF "Full Portability" to benefit the remaining employees.

Encourage Re-employment

389. As of July, the Re-employment Allowance Pilot Scheme had recorded over 53 000 placements, about a quarter of which were filled by individuals aged 60 and above. The Government will provide additional resources to disburse re-employment allowance to all eligible participants. The LD will also announce the results of the Scheme's mid-term review by the end of the year to facilitate the refinement of further measures to encourage re-employment.

(J) Concerted Efforts to Build a Thriving Age-friendly Society

Cope with an Ageing Society

390. Last year's Policy Address announced the establishment of the Working Group on Ageing Society Strategies, to formulate strategy responses and submit a report under the steer of the Deputy Chief Secretary for Administration.

391. The report is now completed and is set to recommend about 70 measures covering 11 areas, including healthcare, technology, economy, transport, elderly care, finance, learning, social life and age-friendly city design. The Deputy Chief Secretary for Administration will announce the report later this month.

Foster a Sense of Security among the Elderly

392. Adhering to the principle of "ageing in place as the core, with institutional care as back-up", the Government promotes ageing in place with the following measures:

(i) Increase the number of Community Care Service Vouchers for the Elderly by 2 000, to 18 000 in the 2027-28 financial year.

(ii) Increase the number of Residential Care Service Vouchers for the Elderly by 1 000, to 8 000.

(iii) Set up five new subsidised, day-care facilities for the elderly, providing about 200 service places.

(iv) Set up five new Neighbourhood Elderly Centres to support the elderly in integrating into the community. The facilities are expected to serve about 5 000 persons a year.

393. The Government will continue to set up new residential care facilities and improve relevant services, including:

(i) Set up three new residential care homes for the elderly (RCHEs), providing about 400 residential care places.

(ii) Provide newly built government RCHE premises for self-financed operation by the sector on a pilot basis, allowing greater flexibility in offering diversified residential care services for the elderly.

(iii) Continue to expand the Residential Care Services Scheme in Guangdong by identifying more RCHEs in the Mainland cities of the GBA to join the Scheme, providing more RCHE choices for Hong Kong's elderly persons. To date, the number of participating RCHEs in Guangdong has reached 29, accommodating over 1 400 Hong Kong elderly residents.

(iv) Explore further enhancement to the Incentive Scheme to Encourage Provision of RCHE Premises in New Private Developments, such as allowing developers to use part of the floor area exempted from the gross floor area calculation to provide day-care facilities for the elderly.

(v) Provide additional resources for subvented RCHEs to offer end-of-life care services over a three-year period.

394. To facilitate Hong Kong elderly persons to receive medical treatment in the Mainland cities of the GBA, the Government will explore extending the service points under the Elderly Health Care Voucher Greater Bay Area Pilot Scheme to cover the "community health centres" operated by the current participating medical institutions, and including additional pilot medical institutions in the scheme.

395. With reference to the existing regime for admitting foreign domestic helpers, the Government will admit foreign domestic carers with more advanced training and experience in elderly care on a pilot basis. This will help meet the care needs of elderly persons living at home.

Promote a Sense of Worthiness among the Elderly

396. We will launch a three-year "Young-Old Mentorship Programme", establishing a mutual support network for young-olds with vitality and the skills to make the most of their abilities, share their experience and integrate into society, raising their sense of self-worth and enjoying active ageing.

397. The LWB will collaborate with Octopus Cards Limited to launch the mobile version of JoyYou Card by the end of the year. It will offer elderly persons an option to enjoy the "$2 flat rate or 80 per cent discount" concession without a physical card. We will also explore making better use of the mobile platform in disseminating useful information to elderly persons via push notifications.

Continuously Build a Gerontechnology Ecosystem

398. The Government has been subsidising social welfare service units in procuring or renting relevant products under the Innovation and Technology Fund for Application in Elderly and Rehabilitation Care.

399. The HKHA will launch a pilot scheme introducing suitable household gerontechnology equipment to elderly singletons of advanced years and all-elderly households in selected public housing estates with a higher elderly population. The scheme will gradually be extended to other public housing estates.

400. The Government will earmark $100 million to launch the Gerontechnology Promotion Scheme. It will encourage and support local technology enterprises in developing elderly-care products and solutions, accelerating product optimisation for the benefit of the people of Hong Kong.

(K) Build a Green and Liveable City

401. To achieve carbon neutrality before 2050, the Government is committed to implementing Hong Kong's Climate Action Plan 2050, with measures including the use of zero-carbon energy, popularisation of electric vehicles (EVs) and promotion of waste reduction and recycling. Our per capita greenhouse gas emissions reached a new low of 4.41 tonnes in 2024.

Zero-carbon Energy

402. To boost the resilience of Hong Kong's power system, stabilise electricity prices and support emerging industries, the Government is pressing ahead with the reclamation project at Area 132 in Tseung Kwan O to accommodate new strategic electricity facilities, and is working with relevant Mainland counterparts and the two local power companies to explore options for transmitting electricity to Hong Kong. These efforts aim to increase the share of zero-carbon energy in our fuel mix for electricity generation from around 25% at present to between 60% and 70% by 2035, ultimately achieving net-zero electricity generation by 2050.

Development of Hydrogen Energy

403. The Government will continue to promote the development of hydrogen energy by advancing hydrogen trial projects in areas such as transport and power generation at construction sites. This will underline Hong Kong's role as a demonstration base for green technology and a platform for green finance and professional services.

404. The Government plans to submit the relevant subsidiary legislation under the Gas Safety (Amendment) Ordinance 2025 to the LegCo this year. It will set out implementation details for regulating the hydrogen supply chain, bolstering investor confidence in developing related businesses.

Enhance Waste Reduction and Recycling

405. The current-term Government promotes the circular economy. The disposal rate of municipal solid waste (MSW) has declined for four consecutive years, with an average of 10 326 tonnes per day last year, a decrease of 9.1% compared to 2021. The recovery amount climbed to about 2.02 million tonnes in 2024, a recovery rate rise from 28% to 34%.

406. I·PARK1 will come into full operation this year, processing 3 000 tonnes of MSW each day. The I·PARK2 project has also begun, with an operational target in the early 2030s, moving towards "Zero Landfill".

407. The Government has implemented the five-year waste reduction and recycling plan to optimise recycling facilities, starting in 2026-27. All Recycling Stores under GREEN@COMMUNITY across the territory have introduced self-service time slots since August this year and are being progressively upgraded into 24-hour, self-service smart facilities. The first 24-hour self-service smart Recycling Store will begin operation by year-end, and the rest will be completed in 2027. The number of smart recycling bins will gradually increase from about 140 sets at present to around 3 000 sets starting in mid-2027. The GREEN@COMMUNITY will also be consolidated into a district-based recycling network to create economies of scale.

408. Our average daily quantity of food waste collected increased from about 130 tonnes in 2021 to about 400 tonnes in the first half of this year. The number of food waste, smart recycling bins will increase by 600, to approximately 2 500 in the first quarter of 2028. We will achieve "one bin per block" in PRH estates across the city by the end of the year, as scheduled.

Promote the Popularisation of Electric Vehicles

409. The Government has been vigorously promoting the popularisation of EVs. There are now over 180 000 EVs in Hong Kong, and more than 7 out of every 10 first registered private cars are EVs. That growth rate ranks among the world's highest.

410. Parking spaces with charging-enabling infrastructure have increased from about 28 000 in 2021 to over 170 000. The number of public chargers has increased by more than twofold, from around 4 700 to approximately 17 300. The overall charging infrastructure is sufficient to support more than 270 000 EVs. We will continue to adopt fast chargers as the future backbone of our public charging network, with plans to increase the number of fast chargers to 5 000 within five years, supporting some 250 000 more EVs.

411. Our country leads the world in innovative charging technology. The megawatt-level, flash-charging technology can fully charge a private car in just nine minutes, while the battery swapping technology can replenish a vehicle in about 100 seconds at its fastest. With Government support, it is expected that these charging technologies will soon be adopted in Hong Kong. The Environment and Ecology Bureau, in collaboration with the National Energy Administration, will construct the first ChaoJi charging technology demonstration station in Hong Kong in 2027, showcasing its compatibility with national and European charging standards.

412. The Government will promote the adoption of electric commercial vehicles (e-CVs)[45] in a pragmatic manner. We have set up a working group to explore the introduction of suitable vehicle types for public light buses as a first step. We will also promote the use of mobile charging robots to offer a more flexible quick-charging solution for e-CVs.

Promote Animal Care and Control and Ecological Conservation

Animal Care and Control

413. The Government will consult the LegCo on legislative proposals to step up efforts to combat cruelty to animals, and the illegal possession or use of hunting appliance at the end of the year. It will work to complete the legislative amendment exercise in 2027. We will also review the provisions on pet ownership and control, including those under the Dangerous Dogs Regulation, to further optimise the regulatory framework while enhancing publicity and education on the proper care of animals by pet owners.

45 For example, medium and heavy goods vehicles and public light buses.

Align with the National Biodiversity Strategy in a Proactive Manner

414. We will proactively align with the national biodiversity strategy by implementing the priority actions outlined in the Hong Kong Biodiversity Strategy and Action Plan 2035. In addition, we will take forward various habitat conservation projects, such as beginning the first phase of construction for the Sam Po Shue Wetland Conservation Park, designating the Sharp Island Marine Park, consolidating local ecological conservation red lines, strengthening the conservation of wetlands and coral communities and offering a more diverse and high-quality eco-recreational experience. We will also begin the legislative process to amend the Wild Animals Protection Ordinance, to strengthen the protection of cetaceans in Hong Kong waters.

Underground Common Utility Tunnels

415. Hong Kong's roads are more than 2 200 kilometres long in total, with various utilities buried underground spanning an aggregate length of about 110 000 kilometres. The excavation and road works conducted for the laying and maintenance of utilities cause inconvenience to the public.

416. In recent years, the Government has started to design and construct underground common utility tunnels under selected suitable major roads in NDAs on a pilot basis. Appropriate utilities[46] will be centrally accommodated in these tunnels, enabling inspection and maintenance to be carried out without the need for excavation and road works. Real-time sensor monitoring systems and AI technologies will also facilitate the detection and identification of abnormal conditions, enabling the issuance of alerts to prompt early inspection and maintenance. They include:

(i) Construction of the first underground common utility tunnel in the Kai Tak Development Area has been completed.

(ii) An underground common utility tunnel in the Tung Chung New Town Extension is expected to be completed in phases, starting from year's end.

(iii) In the NM, a section of an underground common utility tunnel is under construction in Yuen Long South and one in San Tin Technopole is being designed.

417. In light of the relatively high construction cost of an underground common utility tunnel, the Government will assess the implementation of the projects and proceed in a pragmatic manner.

46 Including water supply pipes, cables, chilled water pipes of district cooling systems and communications facilities.

Chapter VIII Uphold a Reformist Mindset and Adopt a Holistic Approach to Development and Security

(A) Enhance City Governance, and Strengthen Disaster Prevention, Mitigation and Response Capabilities

Set up an "AI City Brain" Integrated City Management System

418. To enhance city management and strengthen emergency response capabilities, the Government will examine and set up an "AI City Brain" integrated city management system that links up and consolidates relevant big data of departments with city governance matters such as works, environment, transportation and emergency response, to create a data-sharing environment for multi-directional empowerment. Through big data analytics, departments will receive real-time information, improving their day-to-day city management and handling of emergencies.

419. I will set up a Task Force on the "AI City Brain" System, led by the Chief Secretary for Administration, with members from bureaux including the SB, the ITIB, the DEVB, the Transport and Logistics Bureau, to examine and develop the "AI City Brain" system. In the first phase, the digital infrastructure of the SB's Emergency Monitoring and Support Centre will be integrated into the system. That will provide early warnings of risks and trend forecasts powered by AI analysis, improving inter-departmental collaboration in response to situations such as extreme weather, major incidents and the daily maintenance of public order, with a view to developing the system progressively into a comprehensive and integrated city management system.

420. Government departments will concurrently develop or upgrade their existing digital infrastructure to integrate into the "AI City Brain" system, including:

(i) The DEVB will further upgrade the Common Spatial Data Infrastructure, and continue to enhance the 3D Digital Map by collecting and making use of more BIM data, facilitating the development of the digital twin city.

(ii) The HKPF will build a new "Inter-departmental Major Incident Platform" to support the exchange of real-time data from all emergency response units when handling major public incidents. This will enable more comprehensive information on casualties and missing persons. It will also make use of AI technology to expedite understanding regarding the circumstances of those affected by an incident and provide timely support.

(iii) The TD will study the setting up of a traffic management platform using AI and big data to access real-time traffic information and enable relevant departments and public transport operators to formulate contingency plans during extreme weather or major events. Aberdeen has been chosen as the first pilot site. The platform's function related to responses to extreme weather will be launched in 2027, and its remaining functions in 2028. The application will progressively be extended to other areas.

(iv) The DEVB will expand the cross-departmental, smart drone-management platform ("SmartAERO") to strategic regions throughout Hong Kong. The support of beyond-visual-line-of-sight inspections, automated surveillance and AI data analysis will speed up the response to emergencies such as landslides, flooding and fallen trees. It will also help to enforce the targeting of unauthorised building works and assist in the monitoring of safety of public works site. The data will be consolidated in the Common Operational Picture for rapid analysis with the use of AI tools, strengthening the cross-departmental co-ordination of emergency response and the deployment of resources.

Enhance Climate Adaptation and Resilience

421. In the face of global warming and extreme weather, we continue to enhance climate adaptation and resilience in Hong Kong, including:

(i) The Climate Change Working Group on Infrastructure, led by the Civil Engineering and Development Department, will co-ordinate with works departments in adapting to climate change. The Working Group has updated design standards to strengthen infrastructure and enhance its resilience. It will also share its findings with public organisations, public utilities, the AAHK and the MTR Corporation Limited.

(ii) In 2025, the Government published district-wide studies on flood risks due to extreme rainfall, storm surge, wave- and sea-level rise under the influence of climate change, as well as the impact on Hong Kong coastal areas. Flood- and coastal-management measures are being implemented in an orderly manner[47]. Among these, 14 on-going drainage improvement projects will continue in various districts across Hong Kong such as the Eastern District, Wong Tai Sin and northern New Territories. They include construction of stormwater storage tanks, barrages and drainage tunnels. The projects are expected to be completed progressively by the end of 2031. The Government has also identified 37 coastal low-lying or windy areas for improvement works, including the provision of wave walls and demountable flood barriers. Works for 20 areas have been completed, while the remaining areas are scheduled for progressive completion by the end of 2030.

(iii) The Hong Kong Observatory will apply new technologies to enhance its capabilities and accuracy in monitoring, warning and forecasting extreme weather.

(iv) The IA has set up a Climate Insurance Laboratory in collaboration with the industry, universities and stakeholders to improve risk-data analysis and encourage the industry to develop innovative insurance products.

(v) The HKMA will issue transition-planning guidance for the banking sector in the third quarter to boost the capability of banks in risk management. Through practical guidance and case studies, the HKMA will also scale up the development of transition and adaptation finance in Asia, while identifying financing needs and capability gaps.

Enhance the Programme on Replacing, Repairing and Managing the Water Supply Network

422. Hong Kong's water supply network is vastly extensive and complex. The conditions of some of the aged water mains have deteriorated, and those made of cast iron and asbestos, which was commonplace in the past, are relatively vulnerable. In response, the Government will launch a water supply network upgrading programme to accelerate the handling of aged water mains and upgrade the system, as follows:

(i) By adopting a risk-based approach, we will replace or rehabilitate a total of 350 kilometres of aged water mains with higher risk of leakage over the coming five years, at an average rate of 70 kilometres per year, double that for 2026-27. In the first few years, we will focus on replacing cast iron and asbestos cement pipes in areas such as Shau Kei Wan, Wong Tai Sin and Kwai Tsing, where there are more PRH estates and elderly residents. The target is to have all cast iron and asbestos cement pipes phased out over an estimated 10-year period. With the pipe replacement and other related improvement measures under the programme, we expect to reduce the number of water pipe bursts and serious leakage incidents by around 20 to 30 per cent in the first five years.

47 These measures will address flood risks up to the middle of this century (i.e. 2050). We will monitor climate change and review the flood risks of various districts, formulating appropriate measures and initiating necessary flood-prevention works to mitigate flood risks towards the end of this century (i.e. 2100).

(ii) We will replace existing valves and install additional ones for water pipes, lay two backup cross-harbour fresh water mains, and upgrade the salt water supply system to reduce the risk of failure.

(iii) We will establish an Intelligent Water Network Closed-loop Management Chain featuring real-time monitoring, intelligent prediction, precise leak detection and high-quality maintenance, and perform AI predictive maintenance in collaboration with universities and enterprises. We plan to fully implement dynamic pressure adjustment of the Government's water supply network within five years following the commencement of the Smart Water Supply System.

(iv) We will use the Underground Utilities Information System and 3D spatial analysis to raise the efficiency of inspection and maintenance.

(v) We will upgrade the existing inter-departmental task force to a steering committee led by the DEVB for more effective work co-ordination. An International Expert Group on Waterworks will also be set up, bringing together local, national and overseas experts to assist in reviewing the water supply network's long-term management strategy.

Reform the System for the Maintenance of Old Buildings

423. After the fire at Wang Fuk Court, I established an independent committee to investigate the causes of the fire and its rapid spread. I have also made it clear that we will pursue those responsible. The Police and the ICAC have so far laid prosecution charges against seven people and two companies with a total of 25 counts of offences, including suspected manslaughter, conspiracy to defraud and attempting to pervert the course of justice. The LD has initiated a total of 25 prosecutions against a contractor, a project consultant and so on for contraventions of OSH legislation. The Buildings Department has filed a total of 259 charges against four individuals and two companies, including the suspected use of materials which do not comply with the relevant provisions. I consider that some reform initiatives should be prioritised. Therefore, the Government has taken forward a number of enhanced measures to strengthen regulation and enforcement, and initiated legislative amendments, including:

(i) Implement a comprehensive smoking ban on construction sites after legislative amendments to the Construction Sites (Safety) Regulations and related anti-smoking legislation.

(ii) Embark on the amendment of the Fire Services Ordinance to enhance regulation on fire service installations and equipment (FSI) and their contractors, introduce the FSI responsible persons' regime, raise penalties and expand the enforcement powers of the Fire Services Department (FSD), with an aim to submit relevant proposals to the LegCo this year.

(iii) Expand the scope of amendments to the Buildings Ordinance, including the enhancement of the statutory control regime for major building maintenance works, imposing more stringent regulation and heavier penalties, and tightening the disciplinary mechanism for professionals and contractors to impose stringent penalties on non-compliance. The relevant proposals will be submitted to the LegCo this year.

(iv) Take forward legislative amendments to the Building Management Ordinance to impose a higher attendance requirement and voting threshold for decisions on large-scale maintenance procurement, improve the system for proxy instruments and optimise the system for declaration of interests. The relevant public consultation has been completed, with the target of submitting the proposal to the LegCo this year.

(v) Conduct a legal study on the criminalisation of bid-rigging in major building maintenance works and submit the relevant proposal to the LegCo this year.

(vi) Launch, for the first time, tender invitation and evaluation services for owners in engaging consultants and contractors.

(vii) Establish more rigorously vetted "pre-qualified lists" of consultants and contractors to complement owners' support services, including conducting background checks by law enforcement agencies. Invitation for applications will begin in September this year, and the lists will be available, progressively, from the end of 2026.

424. The Government is also looking into feasible options to better assist members of the public in handling matters involving professional knowledge in major building maintenance.

425. The independent committee is reviewing and analysing numerous written statements, reports and evidence, and will submit its report by the end of October. The Government will study the report and follow up on its recommendations, implementing reform and announcing the details.

Enhance Fire Safety and Emergency Response Measures

Promote the Internet of Things Fire Detection System Improve Building Fire Safety

426. The FSD will expand the scope of application of the Internet of Things (IoT) Fire Detection System to cover old buildings of seven storeys or above by the end of the year. Owners may choose to install the system as an alternative to traditional FSI[48]. It offers real-time detection and rapid transmission of fire-alarm signals, enhancing building fire safety.

Leverage Fire Technology Strengthen Cross-boundary Fire Services Co-operation

427. The FSD will optimise the mobilisation protocol, command systems and casualty handling procedures, upgrade the overall configuration of the Fire Services Communications Centre, and place special focus on introducing next-generation technological tools (such as lightweight firefighting robots) to improve its capabilities to respond comprehensively to ultra-large-scale incidents. The FSD will also explore the application of AI to raise decision-making efficacy.

428. The FSD has co-ordinated with the Fire and Rescue Corps of Guangdong Province and the Macao Fire Services Bureau to form a "Cross-boundary Firefighting and Rescue Team". It will ensure the swift activation of co-ordinated response plans in the event of ultra-large-scale fire incidents through regular joint exercises, technical exchanges and equipment alignments, thereby consolidating regional joint prevention and control capabilities.

Combat Illicit Fuelling

429. The FSD will combat illicit fuelling activities by introducing legislative amendments to raise criminal penalties. It will also leverage big data for intelligence analysis to step up law enforcement efforts (e.g. deploying drone fleets to patrol remote black spots). Inter-departmental collaboration will be expanded to improve the effectiveness of law enforcement.

Enhance 999 Emergency Call Services

430. We will introduce three new functions: providing real-time audio, image and video data to assist the console in appraising on-site situations; transmitting relevant reporting information to the FSD instantly to expedite rescue deployment; and employing new technology to triage incoming calls, prioritising the most critical cases in the event of major incidents or busy line conditions.

Further Enhance District Governance

431. The Steering Committee on District Governance and the Task Force on District Governance, chaired by the Chief Secretary for Administration and the Deputy Chief Secretary for Administration respectively, will continue to perform top-level supervision and co-ordination in addressing district issues of public concern and enhancing policy measures.

48 Fire hydrants/hose-reel systems and manual fire-alarm systems.

432. The HYAB and the HAD will continue to improve the effectiveness of DCs, "the three district committees" and Care Teams and strengthen their collaboration. A new district governance training programme for young people will be launched and "job shadowing schemes" will be implemented in District Offices and DC members' ward offices, to nurture more young people to engage in district work.

Enhance 1823 services to achieve the goal of "prompt referral and successful resolution"

433. Members of the public normally make requests to the Government via the 1823 Contact Centre. In the first seven months of this year, the centre received over 1.4 million calls and more than 600 000 written requests. The customer satisfaction rate is 4.6 points on a five-point scale.

434. With the target of ensuring "prompt referral and successful resolution", we have reviewed the current mechanism and considered that there is room for improvement in handling inter-departmental cases. The following enhancement measures will be adopted:

(i) A lead department will be designated to co-ordinate the handling of inter-departmental service requests and complaints. Departments will handle cases within their respective purview under the co-ordination of the lead department and report on case progress. The lead department shall promptly report any co-ordination issues to the Chairman of the Task Force on District Governance, i.e. the Deputy Chief Secretary for Administration, who will intervene and give instructions to ensure that departments will collaborate effectively to address the issue and inform the complainant of the result.

(ii) Each department will assign a directorate officer to monitor its efficiency and effectiveness in handling service requests and complaints lodged by members of the public.

(iii) The DPO will use AI technology to identify recurring problems among the cases received by 1823. Departments will review and formulate targeted solutions, shifting from post-complaint management to a proactive approach, whereby issues are managed even in the absence of complaints.

(iv) The Deputy Chief Secretary for Administration will review the implementation progress of the new initiative regularly and brief the Steering Committee on District Governance.

(B) Reinforce Public Integrity as the Bedrock of our Society

Promote Integrity Building

435. Integrity is a core Hong Kong value and a key element supporting Hong Kong's competitiveness. The ICAC will regularly update its strategies to consolidate integrity building in Hong Kong, including stepping up law enforcement efforts to combat corruption. It will use technology to assist in corruption prevention and strengthen internal supervision, enhancing organisational governance through advisory services. It will also boost the effectiveness of anti-corruption education and publicity by making good use of social media and promoting public engagement.

Preparatory Work for the GlobE Network Asia Pacific Regional Bureau of the United Nations

436. With the support of the ICAC, the United Nations Office on Drugs and Crime will establish in Hong Kong its GlobE Network Asia Pacific Regional Bureau. This will help deepen international co-operation in law enforcement against corruption, while confirming the international community's confidence in and recognition for Hong Kong's anti-corruption system.

(C) Enhance Governance Efficacy and Further Strengthen the Civil Service System

Optimise Government Services through "AI+"

AI in Public Services

437. In last year's Policy Address, I proposed establishing the AI Efficacy Enhancement Team to co-ordinate the departmental application of AI, making use of data to drive the efficacy of public services and social governance. To date, 30 projects have been implemented, including:

(i) The TD uses AI to tackle unfair online queuing, reducing by half the public's waiting time in making online bookings; the LCSD uses AI to tackle touting in leisure-facility bookings, giving the public fair access in booking leisure facilities.

(ii) The EMSD uses drones and AI to detect defects and facilitate maintenance.

(iii) The EPD has introduced technologies, including AI and light detection and ranging (LiDAR), to shorten by half EIA process time.

(iv) The FEHD uses AI to facilitate the handling of refuse-related complaints, reducing processing time by up to 70%.

438. The Government will apply AI to improve efficiency, including:

(i) **AI in Environmental Protection**: The EPD has developed the world's first Hong Kong Environmental Database. It provides data and analytical tools using AI and the Geographic Information System. In one case, a project's construction cost dropped by about $40 billion by reducing the ecologically sensitive area by nearly 70% and shortening the tunnel section from about 5 kilometres to 0.8 kilometres. The EPD will also expand the application of AI technology in ecological surveys and enrich the database content, including real-time monitoring of wastewater, air and noise, for the early identification of potential pollution risks.

(ii) **AI in Public Works**: The Electrical and Mechanical Services Trading Fund will expand its services to AI applications in project management, covering site supervision for public works and contract administration, as well as assistance in the procurement and tender assessment of public works projects.

(iii) **AI in Estate Management**: The HKHA will improve PRH estate management and service quality by using technologies, including the application of IoT real-time flooding alerts and AI video analytics for the speedy identification of misconduct such as throwing objects from height and illegal parking, as well as drone-assisted inspections of lift shafts and the external walls of buildings.

(iv) **AI in Healthcare**: The HA will use AI to compile clinical summaries and facilitate real-time diagnosis assistance, and apply an AI risk-prediction model for the early identification of high-risk patients. AI will also be used for facilitating service arrangements and reducing average time to triage. In addition, the HA will enhance the clinical applications of AI through the introduction of smart wearable devices, AI-assisted clinical information systems, risk prediction systems for clinical deterioration, as well as AI-assisted imaging services and medical report generation, etc., in a bid to develop global leading smart hospitals.

(v) **AI in Social Welfare**: The Social Welfare Department will upgrade its information technology (IT) infrastructure, enhancing service quality and efficiency through the application of AI and strengthening IT security.

Expand Drone Application in Emergency Response and Crime Prevention

439. Last year, the HKPF launched a pilot scheme for the deployment of drones to protect people's lives and properties. To date, nearly 60 cases have been detected and 150 traffic contravention cases handled, including possession of drugs, theft and dangerous driving. The HKPF will expand the application of drones in emergency response and crime prevention areas. Automatic drone patrol coverage will be increased through a centralised drone-management system and the installation of drone docks. Drones can quickly reach sites during the early stages of emergencies, providing real-time, aerial and panoramic viewing of the scene. Complemented by AI, drones can enhance on-site assessment and control and expand the area that can be covered, strengthening the security of the community.

Customs and Excise Anti-money Laundering Big Data Platform

440. The C&ED will consolidate existing systems to build an anti-money laundering, big-data platform, using technology to boost analytical capabilities and combat cross-boundary money-laundering activities and networks.

Defence against Cybersecurity Challenges

441. The Government will launch a Cybersecurity Defence Programme to provide cybersecurity certification for local organisations and develop shared defence tools and a mechanism for sharing threat intelligence, reinforcing society's digital security and resilience.

442. We will develop a Cybersecurity Threat Intelligence Analysis and Alert System following the requirements stipulated by the Protection of Critical Infrastructures (Computer Systems) Ordinance. We will adopt AI technology to collect international cyber-threat intelligence, analyse threats targeting local critical infrastructure and issue risk alerts to operators.

Further Strengthen the Civil Service System

443. We will continue to improve the efficacy of civil service governance, including:

(i) In July, the Public Service Commission (Investigation) Regulation came into operation. We will implement the Heads of Department Accountability System and the Tier II investigation mechanism under the Administrative Responsibility Two-tier Investigation Mechanism. We will devise the operational system and manpower deployment arrangements for the Public Service Commission's independent investigation.

(ii) We will improve the performance appraisal system for civil servants to differentiate the performance levels of staff more effectively, giving a clearer basis for reward and punishment. Its effectiveness will be reviewed after completing two reporting cycles. The Civil Service Bureau will continue to implement reforms.

(iii) The Government will complete the amendments to the Public Service (Administration) Order and the Public Service (Disciplinary) Regulation in the fourth quarter. They will improve the efficiency and effectiveness in handling disciplinary cases through streamlined disciplinary procedures and the extension of interdiction arrangements.

Chapter IX Closing Remarks

444. Through the concerted efforts of the HKSAR Government and all sectors of the community, Hong Kong has repeatedly scaled new heights in global rankings over the past four years. We have been consistently ranked the world's freest economy and have risen to become second in world competitiveness. We are the world's number three international financial centre and have jumped to fourth globally in talent competitiveness.

445. These objective rankings clearly demonstrate our development potential, promising outlook and the international community's confidence in Hong Kong. They also underline Hong Kong's long-term prosperity and stability under "One Country, Two Systems". We continue to make progress, with confidence but without conceit.

446. Today, Hong Kong is at a critical juncture in advancing from stability to prosperity. We are fully aware that formulating a comprehensive, strategic roadmap is integral to our long-term development. The Government has been persistent in mapping our way by driving development through reform. The primary goal of our policies is to enable economic development that can benefit the people of Hong Kong, and meet their aspirations for a better life.

447. Against the backdrop of accelerating global changes not seen in a century, there has been a profound shift in the global political and economic landscape. The next five years will be a crucial period for our country to advance Chinese modernisation. At the same time, it will also be a golden window for Hong Kong to achieve development of higher quality. The National 15th Five-Year Plan leverages the certainty of high-quality development to counter the uncertainties arising from the rapidly changing external environment, opening up boundless opportunities for Hong Kong.

448. The First Five-Year Plan of Hong Kong maps out the blueprint for how we can proactively align ourselves with the National 15th Five-Year Plan. This Policy Address, meanwhile, serves as the action agenda to propel the implementation of our own Five-Year Plan. It sets out our key policy priorities and major projects formulated in response to economic outlook and dynamics, such that we can seize both national and international opportunities. Deeply rooted in the same vision, the two documents are interconnected and inextricably related.

449. "One day the roc will rise with the wind, soaring ninety thousand miles up into the sky." At this juncture in history, I believe that, with the solid backing of our country, together with our good minds and hardworking hands, we can ensure that the fruits of our efforts reach and enrich each and every family, building Hong Kong, our home, into a better, more prosperous place to live and flourish.

Annex: Indicators for Specified Tasks

1. In the 2025 Policy Address, I set a total of 140 indicators for specified tasks, of which 79 were new, fostering the Government's result-oriented culture and assisting me to monitor work progress and outcomes.

2. I have reviewed the implementation of these indicators, including "tasks completed" (covering several tasks which have been completed by now but have seen delay in the interim), "tasks on track", and even "tasks exceeding targets"[49]. For the one single indicator that has yet to be completed as scheduled, there is a reasonable cause for the delay, as follows:

Indicators for Specified Tasks	**Progress**
Introduce a bill into the LegCo in the first half of 2026 to amend the Buildings Ordinance for enhancing building safety.	In response to the fire at Wang Fuk Court in Tai Po, the proposed building safety amendments have to be further enhanced. With the Chief Executive's agreement, the DEVB will introduce the amendment bill into the LegCo in the second half of 2026 after studying the report of the Independent Committee.

3. This year's Policy Address is the first to be delivered since the formulation of the First Five-Year Plan of Hong Kong, bearing symbolic significance to the full implementation of the blueprint for the city's economic and social development over the next five years. Therefore, I have decided to optimise the previous practice of categorising indicators by theme. The indicators will instead be itemised this year, such that the work progress for every item can be tracked more precisely, thereby aligning more effectively with the development directions under different policy areas as set out in the Five-Year Plan. I have set a total of 284 indicators covering 83 areas. They include new indicators for this year and those introduced in the 2025 Policy Address that span more than a year and remain valid. Details are as follows:

Indicators for Specified Tasks in 2026 Policy Address

(I) New Indicators

Safeguard National Security

1. Launch a set of national security education materials targeting kindergartens **in the 2026/27 school year**. (SB)

2. Launch an updated version of kindergarten workshop themed "Andy and Security Bear" **in the 2026/27 school year,** aligning with the national security education materials targeting kindergartens, with a view to reaching a cumulative total of **5 000** teachers and students. (SB)

3. Organise a national security drama design competition **in 2027**. (SB)

4. Launch a brand new national security education online platform **in the 2026/27 school year** for students' use. (EDB)

Strengthen Affection for and Sense of Belonging to the Country

5. Organise diversified learning activities **in the 2026/27 school year** for the Constitution and Basic Law Student Ambassadors, with an estimated student attendance of no less than **40 000**. (EDB)

6. Provide at least **1 000** teacher training places related to national geography education **in the 2026/27 school year**. (EDB)

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49 For example, the ITIB should increase the cumulative private investment attracted for local I&T start-ups under the Innovation and Technology Venture Fund to no less than $4 billion in 2027, and the related investment amount has reached about $5.5 billion as early as end-August. The LWB should increase 6 200 additional subsidised day care service places for the elderly by end-2027, and the target has been met and exceeded ahead of schedule, with 7 200 places added as of end-August 2026.

Promote Chinese Culture

7. Strengthen efforts on promoting profound traditional Chinese culture:

   - Present an additional large-scale arts project at the Chinese Culture Festival **in 2027**; and
   - LCSD museum will launch a major thematic exhibition **in 2027** to showcase the development and achievements of our country, with cultural and museum institutions in Chinese Mainland to be invited to collaborate in enriching the exhibition content and associated activities.

   The above initiatives are expected to attract a total attendance of no less than **100 000**. (CSTB)

International Financial Centre

8. Introduce an amendment bill into the LegCo **within 2026** to enable the privatisation or restructuring of real estate investment trusts (REITs). (FSTB)

9. Introduce an amendment bill into the LegCo **in the first half of 2027** to provide a stamp duty waiver for the transfer of non-residential properties into REITs seeking to list. (FSTB)

10. Officially commission the central clearing and settlement system for gold **in Q1 2027**. (FSTB)

11. Assist the industry in setting up an industry association for gold **in Q4 2026**. (FSTB)

12. Consult the LegCo **within 2027** on offering tax concessions for qualifying activities in relation to gold and commodity trading ecosystem. (FSTB)

13. Launch a public consultation **in Q4 2026** on the legislative proposal to enhance beneficial ownership transparency of companies and express trusts. (FSTB)

International Maritime Centre

14. Promulgate a development roadmap for port automation of the Kwai Tsing Container Terminals **in the first half of 2027**. (TLB)

15. Announce the partner port of Hong Kong's first green shipping corridor **within 2026**. (TLB)

16. Announce the second batch of partner ports **by end-2026**. (TLB)

17. Sign a Memorandum of Understanding with **one** additional international organisation **in 2027** for nurturing maritime talents. (TLB)

18. During the 2026 Hong Kong Maritime Week to be held **by the end of 2026**, the Hong Kong Maritime and Port Development Board, together with international, Chinese Mainland and local organisations, will host about **60** forums and other related activities, which are expected to attract the participation of over **18 000** industry leaders and relevant stakeholders from around **40** countries and regions. (TLB)

International Aviation Hub

19. Explore with **10** or more aviation partners **within 2027** on the enhancement of air connectivity, and support the HKIA in further expanding its route network to strengthen the global reach of our country's route network and its international cargo network. (TLB)

International Trade Centre

20. Introduce an amendment bill into the LegCo **in the first half of 2027** on the legislative proposal for enhancing the tax concessions for Corporate Treasury Centres in Hong Kong. (FSTB)

21. Establish the Task Force on High Quality Development of Textile and Fashion Industry **in the first half of 2027** and submit its report to the Chief Executive **within 2027**. (CEDB)

22. Full launch of Phase 3 of the Trade Single Window **in 2027**. (CEDB)

Deepen AI Application and Development

23. Introduce a short-term subsidy funding scheme **by the end of 2026** with a view to encouraging a wider adoption of LawTech by the legal sector. (DoJ)

24. **Starting from 2027-28**, the HKHA will apply AI+ "HA-PIMAP" platform to new public housing projects at the planning stage. (HB)

25. The TD will accept applications from autonomous vehicle operators for commercial operations of individual projects **from 2026 onwards**. (TLB)

26. Autonomous driving trials for cross-boundary passenger vehicles serving the SkyPier Terminal at the HKIA will commence on the Hong Kong-Zhuhai-Macao Bridge (Hong Kong Section) **in 2027**. (TLB)

Promote AI Training for All

27. Upskill Hong Kong, upon its upgrade from the Employees Retraining Board, will launch an 18-month AI upskilling campaign **in the first half of 2027**, including a free online training course for all with the focus on the workplace application of AI. Participants who have completed the course are eligible for enrolment in short-term advanced courses on AI application across various industries for free. The initiative is expected to benefit around **40 000** employees. (LWB)

Accelerate the Development of Hong Kong's New Industrialisation system

28. Strive to reach **3% after 2030** for the ratio of total domestic expenditure on innovation activities to GDP, with an increase of around **10%** in average annual expenditure. (ITIB)

29. Strive to reach **5.5% after 2030** for the ratio of the value added of Manufacturing and New Industrialisation-related Industries to GDP, with an increase of around **10%** in average annual value-added. (ITIB)

Healthcare Innovation and Biomedical Industry Chain Development

30. Establish the inspection system of Good Clinical Practice **in 2027** according to guidelines of the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use with a view to safeguarding the safety and rights of participants, while enhancing the quality of clinical trial data and its international recognition. (HHB)

31. Enhance the pre-submission consultation service for clinical trial applications **in 2027** by extending its scope to cover advanced therapy products, with a view to assisting innovative pharmaceutical companies to understand the requirements and procedures for applying a Clinical Trial Certificate. (HHB)

32. Strive to submit to the LegCo **in 2026** the Bill for establishing the statutory status of the Centre for Medical Products Regulation as the medical product regulatory authority of Hong Kong. (HHB)

33. HA-TCH (HA Technology Convergence Hub) will commence operation **in 2027**; smart wearable devices for health monitoring will complete its initial technical validation and enter clinical trial phase **in 2026-27**; AI-assisted imaging services and medical report generation will undergo trial in the high-capacity ambulatory radiology centre in King's Park **in 2027-28**. (HHB)

Promote the Development of a Low-altitude Economy Ecosystem

34. Progressively implement the Smart Low-altitude Traffic Management System **from 2028**. (TLB)

35. Complete the drafting of the relevant legislation for unconventional aircraft weighing over **150 kg within 2027**. (TLB)

Support Deep Space Exploration and Promote Commercial Aerospace Development

36. Complete the assessment under Special Call on Aerospace Technology **in 2027**. (ITIB)

37. Set up a dedicated team in the Government Flying Service **in Q2 2027** to collaborate with relevant organisations for rolling out the educational activities on aerospace and aviation technology under the "Youth Aerospace and Aviation DreamChaser Programme". (SB)

Advanced Mobile Network

38. Proactively promote and co-ordinate the orderly closure of the existing 3G network **by end-2027** to make available a total of about 30 MHz for the deployment of more advanced mobile network (including 5G and 6G). (CEDB)

International Hub for High-calibre Talent

39. Progressively drive the "Hong Kong: Your World-class Campus" international promotion **starting from the 2026/27 academic year**, which includes the production of a series of promotional materials and videos. (EDB)

40. **In the 2026/27 academic year**, target to increase the number of non-local students enrolled in locally accredited full-time post-secondary programmes in Hong Kong by **5%** to approximately **90 000**. (EDB)

41. Update the Talent List **in the first half of 2027**. (LWB)

42. Implement facilitation arrangement in visa extension **in the first half of 2027** for Top Talent Pass Scheme entrants who have established designated types of start-ups in Hong Kong. (LWB)

43. **In 2027**, the Hong Kong Talent Engage (HKTE) will conduct at least **25** outreach visits to the Mainland, Asia-Pacific, Europe and North America regions to organise promotional activities for attracting talent. (LWB)

44. **In 2027**, HKTE will, in collaboration with major Mainland cities, organise at least **one** promotional activity to promote regional development opportunities in attracting overseas talent. (LWB)

45. **In 2027**, HKTE will organise **60** thematic seminars, workshops, job fairs and integration activities to help incoming talent settle in Hong Kong. (LWB)

Deepen the Development of an International Legal and Dispute Resolution Services Centre

46. Complete the relevant legislative amendments **within 2027** in respect of the recommendations to strengthen the system regulating the accreditation and disciplinary matters of the mediation profession in Hong Kong. (DoJ)

47. Launch the "Three-tier mechanism for resolving building management disputes" **in 2027**. (HYAB)

48. Host the UNIDROIT Asia Pacific Liaison Office **in 2026** and hold its opening ceremony at the UNIDROIT Centenary Celebration during the Hong Kong Legal Week 2026. (DoJ)

49. After funding approval, commence construction of the Hong Kong International Legal Service Building **before end-2027**. (DoJ)

50. Consult stakeholders on the proposed amendments to the Arbitration Ordinance **within 2026**. (DoJ)

Develop a Regional Intellectual Property Trading Centre

51. Launch pilot facilitation measure to promote applications for Original Grant Patent in major technology fields **in 2027**. (CEDB)

52. Strive to acquire institutional autonomy in conducting substantive patent examination for major technology fields **by 2030**. (CEDB)

53. Establish the "Strategy Committee on Intellectual Property Trading Development", and to convene the first meeting **in the first half of 2027**. (CEDB)

54. Launch a public consultation on the regulation of local patent agency services **within 2026**. (CEDB)

55. Introduce into the LegCo the bill on the tax deduction arrangements for relevant capital expenditure incurred for purchasing IP rights or for the licence to use IP rights **within 2026**. (CEDB)

Develop an East-meets-West Centre for International Cultural Exchange

56. The East Kowloon Cultural Centre will organise an arts technology spotlight project **in 2027-28** with an expected attendance of no less than **10 000**. (CSTB)

57. The WestK Performing Arts Centre will commission **in 2027**. (CSTB)

58. The West Kowloon Cultural District Authority will tour around the world and in Chinese Mainland to showcase at least **two** exhibitions and performing arts programmes **in 2027**. (CSTB)

59. Take forward the reform of the funding mechanism for arts groups in a gradual manner **from 2027-28**. (CSTB)

Northern Metropolis University Town

60. Upgrade the current "Working Group on Planning and Construction of the University Town" to become the "Committee on Construction and Development of the University Town" **in Q4 2026** to provide high-level steer to the long-term strategic development of the Northern Metropolis University Town; and set up a "Dedicated Vetting Group" to be led by the Chief Secretary for Administration to vet the campus development applications submitted by institutions. (CSO, EDB)

Capacity Expansion and Enhancement of Post-secondary Education

61. Gradually increase the number of University Grants Committee-funded research postgraduate places by around **30%** from the current level of 7 200 to **9 600 in the 2030/31 academic year**. (EDB)

62. **Starting from the 2027/28 academic year**, gradually increase the annual quota of the Hong Kong PhD Fellowship Scheme from 400 to **550** places **in the 2029/30 academic year**. (EDB)

63. **Starting from the 2027/28 academic year**, an additional funding of **$20 million** per academic year will be provided to support knowledge transfer. (EDB)

64. **Starting from the 2029/30 academic year**, **$40 million** will be provided under the Fund for Innovative Technology-in-Education per year for promoting the widespread use of AI and emerging technologies in the higher education sector. (EDB)

Lau Fau Shan Digital Technology Hub

65. Commence the relevant statutory planning and related procedures for the Lau Fau Shan Digital Technology Hub **within 2026**, with completion expected **in 2027**. (DEVB)

The Hong Kong Park of the Hetao Shenzhen-Hong Kong Science and Technology Innovation Co-operation Zone

66. Commence construction of an integrated teaching and scientific research building **within 2027**, which will focus on educational and scientific exchange as well as the cultivation of scientific research talent. (ITIB)

San Tin Technopole

67. Announce the first batch of land development plans for the San Tin Technopole **within 2027**. (ITIB)

Advanced Construction Industry Park

68. Invite the market to submit expressions of interest for developing the Advanced Construction Industry Park in Yuen Long South **in the first half of 2027**. (DEVB)

Commencement of all nine New Development Areas in the Northern Metropolis

69. Expect to meet the target of producing about **900** hectares of "spade-ready sites" and about **70 000** residential units in the NM within the five year period **from 2026-27 to 2030-31** under the Five-Year Plan, including producing no less than **200** hectares of "spade-ready sites" and about **28 000** residential units **in 2026-27 and 2027-28**. (DEVB)

Step Up Efforts to Attract Enterprises and Investments and Intensify Industry Development

70. Introduce an amendment bill into the LegCo **in Q4 2026** to provide tax concessions under the preferential policy package for high-value-added and high-potential enterprises. (FSTB)

Cultural Facilities in the Northern Metropolis

71. The Hong Kong Conservation Repository in Tin Shui Wai is scheduled for construction completion **in 2028**. (CSTB)

72. The New Territories East Cultural Centre is scheduled for construction completion **in 2030**. (CSTB)

Deepen the Development of the Guangdong-Hong Kong-Macao Greater Bay Area

73. To support the target set in the Hong Kong's First Five-Year Plan that flights departing from HKIA will achieve a **1-3%** SAF usage **by 2030**, the Government will complete a study on establishing a mandatory SAF consumption ratio mechanism **by 2028** and launch public awareness and education campaigns. (TLB)

74. Set up a special task force to accelerate the alignment of rules and mechanisms among Guangdong, Hong Kong and Macao **by Q1 2027** and to conduct studies with relevant Mainland and Macao authorities on the subject. (DoJ)

75. **Between 2026 and 2027**, jointly with the Department of Justice of Guangdong Province and the Office of the Secretary for Administration and Justice of the Macao SAR, explore pathways for the establishment of the GBA arbitration model rules. (DoJ)

76. Host two exchange events **between 2026 and 2027** with Qianhai as the liaison point, strengthening connection between Hong Kong's legal and other professional services and enterprises from the Greater Bay Area seeking to go global. (DoJ)

77. Promulgate the GBA standards on the skill levels for two new trades of skilled construction workers and one new technician position and take forward the "One Examination, Multiple Certification" arrangement **in 2026**. (DEVB)

Facilitate Cross-boundary Transport Development

78. To facilitate cross-boundary transport, **by Q1 2027**:

- increase the days without booking requirements for "Northbound Travel for Hong Kong Vehicles"; and
- expand "Southbound Travel for Guangdong Vehicles" to all cities in the Guangdong Province. (TLB)

Establish Medical Service Centres in accordance with National Standards

79. The HA prepares to seek accreditation under national standards for the heart failure centre and the cardiac rehabilitation centre **in 2027**, and continues to establish the atrial fibrillation centre and the heart valve centre in accordance with national standards, in order to advance the overall establishment of Integrated Cardiovascular Diseases Centre, with a view to continuously optimising the services and enhancing effectiveness. (HHB)

80. The Pre-hospital Stroke Diversion Scheme will be launched in all Kowloon Clusters **within 2026**. (HHB, SB)

81. The Pre-hospital Stroke Diversion Scheme will be further launched in the Hong Kong Island Cluster **within 2027**. (HHB, SB)

82. The first phase of the Pre-hospital Chest Pain Diversion Scheme will be launched in the Hong Kong Island Cluster **within 2027**, and the Scheme will be extended to other Clusters of the HA afterwards. (HHB, SB)

Hydrogen Standards

83. Establish a mechanism **by 2027 or earlier** for professionals from the HKSAR Government to participate as experts in the formulation of national hydrogen energy standards, thereby promoting the joint development of hydrogen supply chains, technologies and safety standards. (EEB)

84. Professionals from the HKSAR Government will participate in multiple national expert groups in relation to hydrogen energy, covering areas such as technical requirements and testing methods for hydrogen production, storage, transportation and refuelling, as well as hydrogen quality **in 2027**. (EEB)

85. Launch pilot projects for the "Green Hydrogen Standard Certification Scheme" in collaboration with major local and Chinese Mainland hydrogen enterprises and stakeholders in different regions **within 2026**. (EEB)

86. Develop a green and low-carbon hydrogen standard certification scheme that connects with Chinese Mainland and the world **by 2027 or earlier**. (EEB)

Deepen International Co-operation and Exchanges

87. The Hong Kong Police Force will establish the "Hong Kong International Academy of Policing" in November this year, and organise over **20** international hallmark training programmes and forums **by the end of 2027**, with the target of training around **1 000** officers every year, including around **200** overseas law enforcement officers. (SB)

88. The "Hong Kong International Academy of Policing" will organise "ConvergeHK", a police leadership forum, every year **starting from 2027**. Police leaders from ASEAN, Belt and Road and Middle East countries will be invited to participate in the forum. (SB)

89. Host a large-scale international artificial intelligence conference **by 2027**. (ITIB)

90. Complete assessment under the Special Call on Academic Journals **in 2026**. (ITIB)

Pursue Co-operation under the Belt and Road Initiative

91. To press ahead alignment with the National 15th Five-Year Plan and green and high-quality development objectives of the Belt and Road Initiative:

    - Establish the one-stop display platform and integrated office under the "Green Technology Bridgehead Programme" **in 2027**.
    - At least **five** companies to join the "Green Technology Bridgehead Programme" **in 2027** and be provided with relevant training in going global. (EEB)

Promote Digital and STEAM Education

92. Progressively roll out a digital education learning resource platform equipped with Large Language Models **in the 2026/27 school year**, and develop "AI Teaching Assistants" for use in at least **two** different subjects. (EDB)

93. Launch the Information and Innovation Technology Curriculum Framework for Primary Schools **in the 2026/27 school year**. (EDB)

94. Release the revised curricula of senior secondary Physics, Chemistry and Biology **in the 2026/27 school year**, and the revised curriculum of the Extended Part of senior secondary Mathematics **in the 2027/28 school year**. (EDB)

95. **By 2027**, announce relevant support measures to promote digitalisation in kindergarten education administration. (EDB)

96. **By the end of the 2028/29 school year**, at least one teacher or administrator in every kindergarten joining the Kindergarten Education Scheme will have participated in training on innovative technologies/AI. (EDB)

Enhance the Operating Standards of Schools

97. Finalise the Code of Practice for Private Schools (Pilot Version) **in the 2026/27 school year** to establish regulatory standards. (EDB)

98. Launch the "Confluence and Elevation – School Excellence Project" for publicly-funded schools **within the 2026/27 school year** to facilitate the consolidation of schools by School Sponsoring Bodies, strengthening the scale of publicly-funded secondary and primary schools, and promoting high-quality development of basic education. (EDB)

Strengthen Support for Student Development

99. Launch a one-stop self-directed learning portal for Chinese Language Education **in the 2026/27 school year** and provide multi-modal learning resources for primary and secondary students. (EDB)

100. Establish dedicated social media channels **in the 2026/27 school year** to showcase English-language videos featuring primary and secondary students; and to engage **3 000** students in English-speaking activities. (EDB)

101. Organise activities **in the 2026/27 school year** for junior secondary students to showcase their achievements in learning other languages. (EDB)

102. Organise no fewer than **20** student activities related to values education **in the 2026/27 school year**. (EDB)

103. Announce the details of "Bringing Financial Education to Schools" Scheme **in the 2026/27 school year**. (EDB)

Expand Teachers' Professional Development

104. Introduce the Education (Amendment) Bill on enhancement of the teacher registration mechanism to the LegCo **within 2026**. (EDB)

105. Introduce an enhanced teacher training framework **in the 2026/27 school year**. (EDB)

Advance the Development of Universities of Applied Sciences

106. **In the 2026/27 academic year**, the Alliance of Universities of Applied Sciences will organise **three** major promotional events targeting secondary schools, promoting the articulation between applied learning, vocational and professional education and training programmes, and applied degrees. (EDB)

Training for Local Technical Experts

107. Provide extra monthly training allowances of **$1,000** for no fewer than **5 600** registered apprentices for the two financial years **from 2027-28 to 2028-29**. (LWB)

Continuous Training for Construction Technology Talent

108. The Construction Industry Council to provide approximately **4 000** construction technology training places for technicians and professionals **in the 2026/27 academic year**. (DEVB)

Strengthen Skills Training for All and Consolidate Local Training Resources

109. Upskill Hong Kong will promulgate the first phase of the skill-based training framework **in Q1 2027**. (LWB)

110. The Government will kick-start a review on the Continuing Education Fund with Upskill Hong Kong **within the first year** after the latter's establishment. (LWB)

Open Up New Frontiers for Youth Development

111. Introduce a young researcher category under the Innovation and Technology Support Programme for applications by young researchers in universities **in mid-2027**. (ITIB)

"30 000 Youth Employment and Internship Programme"

112. **Starting from Q1 2027**, create an additional **10 000** full-time posts with a duration of six months or longer over a two-year period for young people with no employment experience to apply. (LWB)

113. Expand the STEM Internship Scheme by providing about **10 000** internship opportunities within two years, with each intern receiving a subsidy of no less than **$11,000**. (ITIB)

114. Enhance the HYAB Youth Start-up Internship Programme by providing internship positions at the Hong Kong-Shenzhen Innovation and Technology Park and increasing the number of places from existing 200 to a total of **300 in 2027**. (HYAB)

115. Launch the "Financial Services Industry Youth Internship Programme" **in the first half of 2027**. (FSTB)

Promote Fertility

116. Extend the $20,000 Newborn Baby Bonus Scheme, which is due to expire on 24 October 2026, **for three years** till 24 October 2029. For the second or subsequent child born on or after 16 September 2026, the bonus will be increased from $20,000 to **$30,000** for three years till 24 October 2029 to encourage families to have more than one child. The target is for **90%** eligible applicants to receive their bonuses within three weeks from submitting required information. (DCSO)

117. Introduce an amendment bill into the LegCo **in the first half of 2027**. For taxpayers who have claimed child allowance for two or more children in the same year of assessment, the child allowance and additional child allowance (if applicable) of their second and subsequent children born on or after 16 September 2026 to whom allowance is granted will be raised from $140,000 to **$160,000** respectively. This measure will be implemented with effect from the year of assessment 2026/27. (FSTB)

118. Introduce an amendment bill into the LegCo **in the first half of 2027** to reduce stamp duty up to **$20,000** for home buyers who purchase residential property within one year before or two years after childbirth, if the relevant child is born in Hong Kong on or after 16 September 2026 and either parent of the child is a Hong Kong permanent resident. (FSTB)

119. **Starting from the next Home Ownership Scheme (HOS) sale exercise**, the maximum mortgage loan-to-value ratio for White Form family applicants with newborns will be raised from 90% to **95%**. All families with children aged three or below on the application form as at the application deadline of the relevant HOS sale exercise will benefit from this measure. (HB)

120. The Family Planning Association of Hong Kong will launch publicity **within 2026** to promote healthy fertility. (HHB)

121. To strengthen support for assisted reproductive services, HA will increase the annual service quota for in-vitro fertilisation (IVF) by **300** by phases from 1 600 to **1 900** treatment cycles within three years starting **from 2026-27**. (HHB)

122. Set up **four** new aided standalone child care centres **by the end of 2027** to additionally provide **400** new service places. (LWB)

123. Regularise the School-based After School Care Service Scheme **from the 2027/28 school year**. (LWB)

Strengthen Primary Healthcare Services

124. **By 2027**, the cumulative membership of District Health Centres/Expresses will reach **700 000**. (HHB)

125. Start providing preventive primary oral healthcare services at designated District Health Centres/Expresses **within 2027**. (HHB)

126. Issue the "Life-course Health Promotion Strategy" **within 2026**. (HHB)

127. Complete a baseline health literacy survey among Hong Kong citizens **in 2027**. (HHB)

128. Raise the awareness of weight management by **10%** from baseline **on or before 2028** after implementation of the Weight Management Action Plan. (HHB)

Enhance Public Healthcare System

129. Kai Tak Hospital is scheduled to commence services in phases **starting from the second half of 2026**. (HHB)

130. All hospital development projects under the Government's First Hospital Development Plan are expected to be completed **in 2030**. By then, the number of beds in public hospitals will increase by 17% to about **35 000**, while the number of operating theatres will increase by 44% to around **360**. (HHB)

131. The HA will develop Hong Kong's first integrated ambulatory care hospital in King's Park. The first phase of which will include a high-capacity ambulatory cataract surgery centre, a high-capacity ambulatory radiology centre and an ambulatory radiotherapy centre, scheduling to commence service **in 2027-28**. With the commissioning of the cataract surgery centre, the annual service capacity will increase by about **5 500**. As annotation and triage at the ambulatory radiology centre will be carried out with AI, the annual service capacity for computed tomography and magnetic resonance imaging will increase by about **40%** compared to general facilities. (HHB)

132. The HA has set a target to shorten the 90th percentile waiting time for stable new cases first consultation in the specified specialist (Ear, Nose and Throat, Ophthalmology, Gynaecology, Medicine, Orthopaedics and Traumatology, Psychiatry, and Surgery) out-patient services by half in five years, with the waiting time of specified specialties to be reduced by **10% in 2027-28** in the first phase. (HHB)

133. Regarding the evaluation of new drug applications for listing on the HA Drug Formulary, the target is to increase the annual number of new medications assessed from the current 25 to over **40**, **starting from 2027-28**. (HHB)

134. Enhance the overall computed tomography and positron emission tomography-computed tomography service capacity: **in 2026-27 and 2027-28**, around additional **12 000** and **16 000** computed tomography attendances (i.e. the annual service capacity will increase by 28 000 attendances two years later) and around **3 000** and **2 000** positron emission tomography-computed tomography attendances (i.e. the annual service capacity will increase by 5 000 attendances two years later) will be added respectively. (HHB)

135. Commission the Kowloon East Oncology Centre and adding new linear accelerators **in 2026-27**. (HHB)

136. Extend the cancer case manager programme to provide service for lung cancer patients in Hong Kong Island and New Territories East **in 2026-27**; extend to provide service for urological cancer patients in Hong Kong Island and Kowloon West **in 2027-28**. (HHB)

137. Stable thyroid and prostate cancers survivors will be referred to the family medicine out-patient service for survivorship care, through establishing standardised care protocol and enhancing cross-specialty multi-disciplinary collaboration **by 2027**. (HHB)

Promote the development of inheritance and innovation in Chinese medicine

138. The CMHHK will launch its 24-hour inpatient services in **December 2026**, providing approximately **90** inpatient beds, an additional **10** day-patient beds and further increasing outpatient service capacity, with the annual outpatient service volume in the first year after service commencement exceeding **140 000** attendances. (HHB)

139. The CMHHK will commence multiple special disease programmes in phases **over the next four years**. A total of **12** special disease programmes will be launched **between July and the end of 2026**, alongside a series of clinical training and research programmes. (HHB)

Promote Mental Health

140. Continue to implement the Three-Tier School-based Emergency Mechanism in Primary Four to Six on a trial basis **in the 2026/27 school year**. (EDB)

141. Extend the Healthy Mind Pilot Project to all existing DHCs **by mid-2027**. (HHB)

142. Launch a Mental Health Literacy Resource Package for Parents **in the 2026/27 school year**. (EDB)

143. Organise parent education programmes on supporting parents in catering for the mental health of their children **in the 2026/27 school year**. (EDB)

144. Provide teacher training on catering for students' mental health needs **in the 2026/27 school year**. (EDB)

145. Organise programmes relating to teachers' physical and psychological well-being **in the 2026/27 school year**. (EDB)

146. **In 2027**, the number of organisations participating in the Mental Health Workplace Charter record an increase for the eighth consecutive year. (HHB, LWB)

Enhance and Diversify the Housing System

147. **In 2026-27**, taking into account Light Public Housing, the total public housing production in Hong Kong is estimated to be around **50 000 units**. (HB)

148. To ensure the effective implementation of the Basic Housing Unit regime, the Subdivided Unit (SDU) District Service Teams will visit no less than **6 000** SDU households, organise no less than **24** seminars/ briefing sessions and no less than **120** street counters/exhibitions **in 2027-28**. (HB)

149. As **from 2027-28**, continue to implement the Scheme on the Joint Property Management in districts with service needs for two years. (HYAB)

150. **Starting from 2027-28**, HKHA will adopt AIoT logistics and transport systems in new works tenders, so to promote the intelligent management of Modular Integrated Construction (MiC) module transportation. (HB)

Enhance Transport and Commuting Convenience

151. Award the contracts for the two Smart and Green Mass Transit System projects in East Kowloon and Hung Shui Kiu/Ha Tsuen New Development Area **within 2027**. (TLB)

152. The TD will establish a one-stop co-ordination office to co-ordinate with the relevant departments to expedite the approval of applications for automated parking systems from operators of short-term tenancy car parks. The office is expected to assist in handling applications of over **100** automated parking spaces **by end-2027**. (TLB)

Deepen the Integrated Development of Culture, Sports and Tourism

Support Hong Kong's Film Industry and Promote "Film + Tourism"

153. Complete the review of the Film Development Fund **in 2027**. (CSTB)

154. Launch venue for construction of film sets **in 2027**. (CSTB)

155. Establish a one-stop "Support Unit for Non-local Film Productions" **in Q1 2027**. (CSTB)

156. Launch the second phase development of the film exhibition at the Old Yau Ma Tei Police Station **in early 2027**. (CSTB)

Sports Development

157. Resources allocated to sports development will have a **3.5%** year-on-year increase **in 2027-28**. (CSTB)

158. Commence a study on the redevelopment of Victoria Park Centre Court **within 2027**. (CSTB)

159. Enhance outdoor basketball facilities with a target to replace approximately **100** sets of basketball stands within three years **starting from 2027-28**. (CSTB)

Tourism Development

160. The value added of the tourism industry in **2027** will show a cumulative growth of approximately **20%** compared with 2024. (CSTB)

161. AAHK will commence the advance works for the Yacht Bay project **in 2027**. (TLB)

162. The Marine Department will complete the recognition process for overseas short-term training courses **in 2027** to facilitate visiting yacht masters from overseas regions to obtain qualifications for navigating in Hong Kong waters. (TLB)

163. A new "specialised tourist guide licensing programme" for in-depth tours focusing on history and culture will be launched **by the end of 2027**. (CSTB)

164. To launch the Automated Transportation On-board Clearance System ("AUTOS") Pilot Scheme at the Hong Kong-Zhuhai-Macao Bridge Hong Kong Port **in December 2026**. (SB)

165. The redeveloped Huanggang Port is expected to come into operation **in Q4 2026**, implementing the "collaborative inspection and joint clearance" mode. (SB)

Support Small and Medium Enterprises

166. Expand the geographical scope of the BUD Fund to cover Uzbekistan and Qatar **within 2027**. (CEDB)

167. Support the enhancement of "E-commerce Express" services under the HKTDC and the organisation of the "Hong Kong Shopping Festival" in Mainland and ASEAN markets **from 2026 to 2028**, assisting SMEs to further develop e-commerce markets outside Hong Kong and to promote Hong Kong brands. (CEDB)

168. Approve the first batch of funding applications from third-party logistics service providers under the Future Innovative Logistics Acceleration Scheme **in 2026** so as to expedite the digitalisation of the operations of SMEs in the logistics industry. (TLB)

Support Students with Special Needs

169. Launch the "Enhanced Support for Students with Attention Deficit/Hyperactivity Disorder" Project **in the 2026/27 school year** and pilot the Project for three years starting **from the 2027/28 school year**, to support a total of approximately **200** public sector ordinary primary and secondary schools, benefitting a total of about **6 500** students. (EDB)

Enhance the Mandatory Provident Fund System

170. Introduce an amendment bill into the LegCo **by the end of 2026** to enhance the recovery process of default MPF contributions from employers, and to increase the flexibility of trustees and relevant service providers in the investment and management of MPF funds. (FSTB)

171. Implement Phase One of MPF "Full Portability" **by the end of 2026**, and introduce an amendment bill into the LegCo **by mid-2027** for implementing Phase Two Proposal of MPF "Full Portability". (FSTB)

172. Complete the review of the relevant regulatory framework regarding Index-tracking Collective Investment Schemes (ITCIS) under the MPF System **by the end of 2026**, and consult stakeholders on proposals to enhance the framework. (FSTB)

Foster a Sense of Security among the Elderly

173. Provide **3 500** additional places for subsidised long-term care services for the elderly **by end-2027**. (LWB)

Continuously Build a Gerontechnology Ecosystem

174. **In 2027-28**, HKHA will first identify five public housing estates with a higher elderly population and subsidise about **1 500** elderly households in these estates to adopt a home fall detection system. (HB)

175. Launch the "Gerontechnology Promotion Scheme" within **the first half of 2027**. (ITIB)

Build a Green and Liveable City

176. **12.6% reduction** in carbon emission per unit of Gross Domestic Product (i.e. carbon intensity) **in 2026** against the 2024 level. (EEB)

177. Increase the share of zero-carbon energy in the fuel mix for electricity generation to **28% by 2026**. (EEB)

178. Annual average concentration of PM2.5 in the ambient air **less than 15 µg/m^3 in 2027**. (EEB)

Enhance Waste Reduction and Recycling

179. I·PARK1 to achieve full operation **within 2026**, processing **3 000 tonnes** of municipal solid waste daily. (EEB)

180. Extend smart recycling bins to all public rental housing estates **in Q1 2028**. (EEB)

181. Increase the total number of food waste smart recycling bins in Hong Kong to approximately **2 500 by Q1 2028**. (EEB)

182. Progressively upgrade all Recycling Stores across the territory into 24-hour self-service smart recycling facilities **in 2027**. (EEB)

Promote the Popularisation of Electric Vehicles

183. Steer the implementation and development of megawatt-level flash charging and rapid battery swapping facilities in Hong Kong with the target of completing the first batch of projects **within 2027**. (EEB)

Promote Animal Care and Control and Ecological Conservation

184. Introduce an amendment bill into the LegCo **within 2027** on stepping up efforts to combat animal cruelty and related offences. (EEB)

185. Take forward **three** cross-boundary ecological co-operation projects in order to proactively align with the national biodiversity strategy **in 2027-2028**. (EEB)

Enhance City Governance

186. Conduct no fewer than **100** counter-terrorism (CT) exercises of various types **by end-2027**, including the large-scale inter-departmental CT exercise co-ordinated by relevant working groups under the CT Three-tier Prevention Framework, with a view to continuously strengthening inter-departmental co-ordination and co-operation, and enhancing Hong Kong's overall CT deployment and preparedness. (SB)

Set up an "AI City Brain" Integrated City Management System

187. Set up a Task Force on "AI City Brain" System **in Q4 2026** to take forward the development of the "AI City Brain" Integrated City Management System. (CSO, SB, ITIB and relevant bureaux)

188. Complete the basic design and kickstart the development of the first phase of the "AI City Brain" Integrated City Management System **in Q2 2027**. (CSO, SB, ITIB and relevant bureaux)

189. Complete the development of the first phase of the "AI City Brain" Integrated City Management System and commence operation **in Q1 2028**. (CSO, SB, ITIB and relevant bureaux)

190. Establish **50** fixed or mobile automated drone docks **within 2027** to support departments under Development Bureau in carrying out flight missions. (DEVB)

191. The Hong Kong Police Force targets to launch the "Inter-departmental Major Incident Platform" **in 2028**. (SB)

Enhance the Programme on Replacing, Repairing and Managing the Water Supply Network

192. Under the water supply network upgrade plan, replace or rehabilitate a total of **350 km** of aged water mains with higher risk of leakage **in the next 5 years**; commence **in the first half of 2027** the smart water supply system – main works, which includes the dynamic pressure control in the government water mains, and target for complete implementation **by 2032**. (DEVB)

Enhance Fire Safety and Emergency Response Measures

193. Submit the amendment bill to the LegCo **within 2026** to enhance fire safety governance efficacy. (SB)

194. **By end-2026**, expand the scope of application of the "Internet of Things (IoT) Fire Detection System" to approximately **6 000** target buildings of seven storeys or above, allowing owners to opt for this system as an alternative to traditional fire service installations and equipment. (SB)

195. Complete the review of the activation and operational mechanisms of the Support Centre **by end-2026**, and increase the number of telephone lines at the Fire Services Communications Centre to over **100 by the first half of 2027**. (SB)

196. By **end-2026**, formulate guidelines on casualty handling procedures, including the detailed arrangements for the handover of casualties by frontline personnel. (SB)

197. Introduce equipment to enhance the operational efficiency in firefighting and rescue operations **by end-2027**. (SB)

198. Conduct no fewer than **2 800** inspections and surprise operations targeting illicit fuelling activities **throughout 2027**. (SB)

Enhance 999 Emergency Call Services

199. Enhance 999 emergency call services with three additional functions, targeting to launch **in 2028**. (SB)

Further Enhance District Governance

200. Since the establishment of the Steering Committee on District Governance, it has formulated measures for addressing 12 district issues, with a plan to tackle at least **eight** new district issues **in 2026-27**. It will leverage technology and data analysis to effectively identify recurring district issues and matters of concern in the public's daily life, and strengthen co-ordination among bureaux and departments in formulating countermeasures to further enhance the effectiveness of district governance. (CSO, HYAB)

201. Launch "job shadowing schemes" in various District Offices and District Council members' ward offices **in 2027**, with **180** quotas for district youth to participate, providing young people with first-hand experience and better understanding on the work of district governance, so as to nurture the district governance team. (HYAB)

202. The Government will enhance the complaint handling mechanism, including designation of a lead department to co-ordinate the handling of inter-departmental service requests and complaints; each department to assign a directorate officer to monitor its efficiency and effectiveness in handling service requests and complaints lodged by members of the public; and the Digital Policy Office to use AI technology to identify recurring problems among the cases received by 1823 for departments to review and formulate targeted solutions. The Government will need to update the relevant systems and aims to implement the enhanced mechanism **in Q1 2027**. (DCSO)

Optimise Government Services through "AI+"

203. Complete the phased development of the upgraded online air quality, noise, 3D visualisation and AI environmental monitoring models **by 2026-27**. (EEB)

204. Target to complete the overall environmental impact assessment process for relevant projects in the NM **within 15 to 20 months**. (EEB)

205. Using 2025 as the baseline, improve the efficiency of handling environmental pollution complaints by **15%** through the application of smart technology **by the end of 2027**. (EEB)

206. Introduce a performance-based management approach with real-time on-site environmental monitoring in specified areas of NM **in 2027**, with a view to streamlining the application and assessment procedures for construction noise permits (CNP), targeting to shorten the processing time for CNP from 18 days to **14 days**. (EEB)

207. **From Q2 2027 onwards**, progressively support works departments through the Electrical and Mechanical Services Trading Fund to expand the application of AI on works management, including the site supervision, contract administration, as well as assistance in procurement and tender assessment process of public works projects. (DEVB)

Expand Drone Application in Emergency Response and Crime Prevention

208. Develop a centralised drone management system connecting all drone docking stations of the Hong Kong Police Force **in 2028-29**. (SB)

Customs and Excise Anti-money Laundering Big Data Platform

209. The C&ED will further upgrade "Smart Customs Information Technology Infrastructure" (Customs Cloud), and integrate five AML related systems by phases:

- Phase 1 (**by 2028**) – develop a compliance module in "Money Service Operators Licensing System (MSOS)" to collect transaction records for remittance and money exchange into the Customs Cloud.
- Phase 2 (**by 2029**) – launch "Digital Asset Transaction Analytics System (DATAS)" and "Anti-Money Laundering Analytics System (AMLAS)" to collect and analyse digital asset and financial intelligence data.
- Phase 3 (**by 2030**) – integrate "Currency and Bearer Negotiable Instruments Declaration System (CDS)", "Dealers in Precious Metals and Stones Registration System (DRS)" and the above systems in Phase 1 and Phase 2 into Customs Cloud, to process hundreds of millions of transaction records annually. (SB)

Defence against Cybersecurity Challenges

210. Launch the "Cybersecurity Defence Programme" to strengthen the cybersecurity resilience of local ogranisations **in the second half of 2027**. (ITIB)

211. Completion of the Cybersecurity Threat Intelligence Analysis and Alert System **in Q2 2027**. (SB)

(II) Ongoing and Valid Indicators for Specified Tasks Introduced in the 2025 Policy Address[50]

Promote Patriotic Education

1. Continue to promote patriotic education in the community:

   - Organise no less than **50** activities to promote Chinese culture and history annually; and
   - Organise **one** major thematic exhibition to showcase the development and achievements of our country annually.

   A total attendance of no less than **700 000** per year is expected for the above initiatives. (CSTB)

50 Some of the ongoing and valid indicators introduced in 2025 have been updated or enhanced in light of the latest situation.

Strengthen Affection for and Sense of Belonging to the Country

2. Continue to promote patriotic education on and off campus to strengthen students' sense of belonging to our country. Provide **1 500** teacher training places and continue to provide learning and teaching resources for the senior secondary Chinese History and History curricula **in the 2026/27 school year**. (EDB)

International Financial Centre

3. Assist no less than **220** family offices in setting up operations or expanding businesses in Hong Kong **from 2026 to 2028**. (FSTB)

International Aviation Hub

4. Take forward the expansion of the Airport City development. The AAHK will complete the AsiaWorld-Expo Phase 2 **by end-2028**. (TLB)

International Trade Centre

5. Attract at least **1 200** Mainland or overseas enterprises to set up or expand businesses in Hong Kong **between 2026 and 2027**, thereby bringing in direct investment of at least **HK$120 billion** and creating at least **12 000** job opportunities. (CEDB)

International Innovation and Technology Centre

6. Commission **two** pilot lines for research, development and trial production of third generation semiconductors by the Hong Kong Microelectronics Research and Development Institute **within 2026**. (ITIB)

Accelerate the Development of Hong Kong's New Industrialisation system

7. Increase under the New Industrialisation Funding Scheme the cumulative number of funded smart production lines in Hong Kong from about 30 in 2022 to no fewer than **130 in 2027**, with the corresponding cumulative skilled employment opportunities increasing from about 260 to no fewer than **1 050**, and the cumulative matching private investment rising from about $340 million to no less than **$1.3 billion** during the same period. (ITIB)

8. Double the supply of floor area for advanced manufacturing in the InnoParks from no less than 100 000 square metres in 2022 to no less than **200 000 square metres in 2027**. (ITIB)

9. Attract **50 to 100** enterprises to set up new smart production facilities in Hong Kong with a corresponding direct investment of no less than **$20 billion** from these enterprises under the New Industrialisation Acceleration Scheme **starting from 2024-25** over a period of five to eight years. (ITIB)

Strengthen Support for Start-ups

10. To promote start-up and talent development, the cumulative number of applications approved for subsidising the recruitment of R&D talents under the Research Talent Hub Scheme will be increased from around 10 500 in 2022 to **18 500 in 2027**. (ITIB)

Expedite Innovation and Technology Industry Development

11. Host at least **one** regional clinical trial conference and one clinical trial summit with international influence **by 2027**. (HHB)

12. Establish the "International Clinical Trial Academy" **in 2027**. (HHB)

13. Around **50** radio base stations subsidised under the Subsidy Scheme to Extend 5G Coverage in Rural and Remote Areas to be completed and put into service **by 2029**. (CEDB)

International Hub for High-calibre Talent

14. Participate in **three** international education exhibitions annually to promote the "Study in Hong Kong" brand via collaboration with local post-secondary institutions, with a view to promoting the development of an international hub for post-secondary education. (EDB)

15. To attract talents, approve at least **50 000** visa extension applications annually for talents admitted through talent admission schemes **from 2025 to 2027**, an increase of no less than **40%** over the annual average from 2021 to 2023. (LWB)

Deepen the Development of an International Legal and Dispute Resolution Services Centre

16. Continue to implement the Pilot Scheme on Community Mediation, with no fewer than **12** training sessions expected to be conducted **within 2026-2027**. (DoJ)

17. Collaborate with the legal and sports sectors to organise no fewer than **three** promotional and talents training activities on sports dispute resolution **within 2026-27**. (DoJ)

Develop an East-meets-West Centre for International Cultural Exchange

18. The Cultural and Creative Industries Development Agency (CCIDA) will support cultural IP creators and producers to propel no less than **34** cultural IP projects cumulatively within five years **starting from 2025**. (CSTB)

19. The CCIDA will drive Hong Kong design industries to participate in around **20** design weeks/fashion weeks/expos/exhibitions every year in the Mainland and overseas. (CSTB)

20. The CCIDA will promote **60** industry delegation trips, exhibitions and showcases each year in Chinese Mainland and overseas, so as to open up more business opportunities for Hong Kong's cultural and creative industries by assisting them to conduct business negotiations and organise exhibitions and showcases. (CSTB)

21. The CCIDA will subsidise around **50** projects under the CreateSmart Initiative each year. (CSTB)

22. Continue to implement the 10-year development blueprint for arts and cultural facilities for the improvement and development of culture facilities with the following proposals:

    Phase 1 (2022-2027)

    - The total number of seats in performance venues is expected to increase from 30 000 to **34 000** (increase by 13%); and
    - The average annual attendance of performance venues is expected to increase from about 3 million to about **3.4 million** (increase by 13%).

    Phase 2 (2027-2032)

    - The number of museums (including those under planning) is expected to increase from 15 to no less than **20** (increase by more than 33%);
    - The average annual museum attendance is expected to increase from 5 million to **9 million** (increase by 80%);
    - The total number of seats in performance venues (including those under planning) is expected to increase from 30 000 to about **50 000** (increase by 67%); and
    - The average annual attendance of performance venues is expected to increase from about 3 million to about **5 million** (increase by 67%). (CSTB)

23. Promote the safeguarding and passing on of intangible cultural heritage (ICH), as well as the integrated development of culture and tourism by undertaking the following measures each year:

    - Review the bearers of the items on the Representative List of the ICH of Hong Kong and organise no less than **30** activities focusing on passing on, training, promotion, and cultural exchange; and
    - Organise Hong Kong ICH Month to promote Hong Kong's ICH to locals and tourists.

    It is expected that no less than **100 000** participants will join these activities each year. (CSTB)

Deepen the Development of the Guangdong-Hong Kong-Macao Greater Bay Area

24. The Permanent facilities of Phase 1 of the Hong Kong International Airport Dongguan Logistics Park will officially commence operation **on 1 June next year**. (TLB)

Deepen International Co-operation and Exchanges

25. The Hong Kong International Academy Against Corruption will continue to organise about **20** professional anti-corruption training programmes for anti-corruption and related organisations worldwide and about **10** training programmes for local public and private sectors by **within 2027**, benefitting around **2 000** members of these parties in total. (ICAC)

Advance Quality Education and Nurture a Diversified Pool of Talent

26. Promote digital education. **40** primary and secondary schools to participate in a pilot scheme on the promotion of AI education in the **2025/26 and 2026/27 school years**, with the scheme gradually expanding to cover more than **200** schools. (EDB)

27. Promote STEAM education in primary and secondary schools. At least **700** schools to participate in the Quality Education Fund e-Learning Funding Programme annually from the **2025/26 to 2026/27 school years.** (EDB)

28. Arrange for at least **40** Mainland expert teachers to come to Hong Kong every school year and introduce cross-curricular support initiatives. (EDB)

29. Implement the Navigators for Excellence in Education Training Programme on a three-year pilot basis **starting from the 2024/25 school year** for **50** potential leading teachers and principals each year. (EDB)

30. Provide training allowance for no fewer than **7 000** registered apprentices and subsidise graduated apprentices in undertaking upskilling courses of relevant trades over a three-year period starting **from the 2024-25 financial year**. (LWB)

31. To promote the development of the construction industry, the Construction Industry Council has been utilising government funding and its own resources to increase the training quota for skilled construction workers to at least about **12 000 places** in each of the academic years **from 2023/24 to 2027/28** (including construction technology training). (DEVB)

32. Collaborate with the Employees Retraining Board (ERB) to take forward reform in the medium to long term, including renaming the ERB and amending the Employees Retraining Ordinance to reflect its new positioning, with the target of completing the legislative exercise **by mid-2027**. (LWB)

Create a Bright Future for Young People

33. Nurture positive thinking of young people through youth-led projects involving cross-sectoral efforts to benefit no less than **30 000** attendances. (HYAB)

34. Provide systematic and quality adventure training activities to young people for no less than **50 000** attendances. (HYAB)

35. No less than **70%** of responding participants to consider themselves having developed a positive outlook on life after joining any of the above projects or activities[51]. (HYAB)

36. To enhance support for youth development, no less than **70%** of responding schools to consider the activities under the HYAB JC Scheme for Youth Life Planning (2025-28) useful in assisting participants in life planning and deepening their understanding of the opportunities brought by national development. (HYAB)

37. Continue to implement the Funding Scheme for Youth Entrepreneurship in the GBA, with no less than **80%** of the participants surveyed to consider their understanding of business start-up to increase after joining the scheme. (HYAB)

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51 Please refer to items 33 and 34.

38. Expand the Youth Hostel Scheme to hotels and guesthouses with a view to providing around **3 000** additional places **between 2022 and 2027**. (HYAB)

Promote Fertility

39. Strengthen child care. Further increase the number of Aided Standalone Child Care Centre service places for parents who cannot take care of their young children temporarily to about **2 000 by end-2027**, an increase of 94% over 2022-23. (LWB)

Strengthen Primary Healthcare Services

40. Advance primary healthcare development. Launch the community pharmacy programme by phases starting **from Q4 2026**. (HHB)

Enhance Public Healthcare System

41. Implement the hospital accreditation programme at Kwong Wah Hospital and Princess Margaret Hospital **in 2026-27**. (HHB)

42. Fully implement the "Degenerative Knee Joint Management Programme" across various clusters **in 2026-27**. (HHB)

43. The HA to set up integrated multi-disciplinary team diagnostic and treatment pathways for patients suspected of or diagnosed with cancer, and augment the number of day beds and manpower in different clusters in order to increase service capacity **by Q1 2027** to provide **12 000** additional Specialist Out-patient attendances annually, over **5 000** additional chemotherapy attendances annually, and **nine** additional operating theatre sessions per week. (HHB)

44. The HA to build up laboratory capacity **in 2026-27** to additionally provide a total of approximately **14 000** cancer diagnosis related tests and about **350** minimal residual disease assays for monitoring the conditions of adult myeloid blood cancer patients. (HHB)

Enhance and Diversify the Housing System

45. Continue to update and release annually the 10-year forecast of "spade ready sites". Based on the latest forecast, in the next decade (**2027-28 to 2036-37**), get ready around **2 500 hectares** of "spade-ready sites". (DEVB)

46. Based on the latest forecast, resume around **910 hectares** of private land for government projects in five years **from 2026-27 to 2030-31**. (DEVB)

47. On construction cost control, to fully implement the project cost management platform and AI solutions **within 2027**. (DEVB)

48. To enhance cost-effectiveness of public housing construction, starting **from 2026-27**, Guobiao Standards of building materials will be benchmarked with other international standards and incorporated into the specifications of new tenders. (HB)

49. During the five years **from 2026-27 to 2030-31**, Hong Kong's overall public housing production (including Light Public Housing (LPH)) will reach **196 000** units. (HB)

50. The remaining some **4 000** LPH units will be successively completed **before the end of March 2027**, successfully accomplishing the target of completing a total of about **30 000** LPH units **before 2027-28**. (HB)

51. Arrange for PRH applicants to move in earlier by advancing the completion of around **10 000** PRH units by phases **from 2025-26 to 2027-28**, ultimately reaching a total of about **14 000** PRH units **from 2023-24 to 2032-33**. (HB)

52. Reduce the Composite Waiting Time for Subsidised Rental Housing to about **4.5 years in 2026-27**. (HB)

53. Announce the preliminary findings of the study on the redevelopment of Model Housing Estate **in 2026-27**. (HB)

54. **By the end of 2027**, implement the various improvement measures set out in the "Well-being" Design Guide in **five** PRH estates under the pilot project. (HB)

55. Select about **10** public housing estates for façade beautification and/or minor estate improvement works and about **20** public housing estates for landscape improvement projects every year. (HB)

56. Regarding the issue of subdivided units (SDUs), the Rating and Valuation Department to continue to step up enforcement of tenancy control on SDUs **in 2026-27** by checking landlords of no less than **1 000** SDU households to see whether they have committed offences for regulated tenancies. (HB)

Deepen the Integrated Development of Culture, Sports and Tourism

57. Continue to take forward the 10-year development blueprint on sports and recreation facilities with the following targets:

Phase 1 (2022-2027)

- **16** projects with implementation launched; and
- **15** projects with technical feasibility study launched.

Phase 2 (2027-2032)

- **15** projects (with technical feasibility established under Phase 1) with implementation launched. (CSTB)

Promote Textiles and Fashion Brands

58. Continue to organise the Hong Kong Fashion Design Week each year to attract no less than **60 000** participants and **750 000** online views. (CSTB)

Promote the Development of the Agriculture and Fisheries Industries

59. Increase the local mariculture production by **100% within 2027** as compared to 2022. (EEB)

Targeted Support

60. No less than **70%** of mentees in the fourth cohort who complete the Strive and Rise Programme to achieve improvement in terms of personal development and positive thinking. (LWB)

Support Persons with Disabilities and Persons in Rehabilitation

61. Improve rehabilitation services and enhance the support for persons with disabilities. The number of rehabilitation (including day care, residential care and respite care) service places will be increased from about 37 300 in 2023-24 to about **39 900 by 2028-29**. (LWB)

Build a Green and Liveable City

62. Formulate the approach of hydrogen standard certification suitable to Hong Kong **by 2027 or earlier**. (EEB)

63. Establish hydrogen filling facilities on Hong Kong Island and in Kowloon and the New Territories **by 2027 or earlier**. (EEB)

64. Continue to promote green transport by increasing the total number of public and private parking spaces with charging infrastructure in Hong Kong to about **200 000 by mid-2027**. (EEB)

65. Enhance the EV charging network by providing **3 000** fast chargers under the Fast Charger Incentive Scheme **by end-2028**. (EEB)

66. **By end-2027**, further improve the water quality of key waterfront areas, and reduce the pollution load discharged at highly polluted outfalls by half, using 2022 as the base year. (EEB)

67. **By end-2027**, include Mirs Bay and Port Shelter of the HKSAR in the list of national "Beautiful Bays". (EEB)

District Environment

68. Extend the total length of the promenade on both sides of the Victoria Harbour by no less than 30% from 25 kilometres as at 2022 to **34** kilometres **by end-2028**; and stage no less than **30** events/activities at harbourfront sites every year. (DEVB)

69. Works have commenced in phases since 2023 to enhance existing sections and construct missing links of the 60-kilometre "Round-the-Island Trail", aiming to connect 90% of the Trail **by end-2027** and substantially complete the remaining larger scale works **by end-2031**. (DEVB)

Optimise Government Services through "AI+"

70. Implement AI efficacy enhancement projects **in 2026**, including the rolling out of AI tools covering **100** public administration aspects, and the launch of AI Flagship Projects progressively in **2026-27** and **2027-28**[52]. (DCSO)

71. Roll out AI tools covering **100** public administration aspects **within 2026**, and expand the coverage to no less than **200 by end-2027**. (ITIB)

72. Launch AI Flagship Projects **in 2026-27 and 2027-28** progressively to use AI to assist departments in expediting their handling, vetting and approving various types of licenses and permits, as well as applications. (ITIB)

73. Pilot the digital pathology and the application of AI in **three** clusters (Kowloon Central Cluster, New Territories East Cluster, and New Territories West Cluster) **in Q1 2027**. (HHB)

52 Please also refer to items 71 and 72.

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