

# The 2025-26 Budget

Accelerating Development through Reform and Innovation

Developing Innovation and Technology

Upgrading Industries

Nurturing Talent

Public Finance

## Upgrading Industries

### Innovation and Technology

- Set aside **\$1** billion to establish the **Hong Kong Artificial Intelligence Research and Development Institute** to promote the application of research outcomes
- HKIC to host the first **International Conference on Embodied AI Robot** and **International Young Scientist Forum on Artificial Intelligence**
- Pilot Manufacturing and Production Line Upgrade Support Scheme:** **\$100** million earmarked to provide funding of up to **\$250,000** on a 1 (government) to 2 (company) matching basis to enterprises. The scheme will launch this year
- Study the streamlining of vetting procedures of licence applications for operating **Low Earth Orbit satellites**

- HKEX will establish a dedicated **"technology enterprises channel"** ("TECH") to help companies prepare for listing applications
- Invite institutions to submit proposals for the establishment of the third InnoHK research cluster
- Review tax-deduction arrangements for purchase of **intellectual property** usage rights and related transactions
- World Intellectual Property Organization's **publication event of the top 100 science and technology clusters** to be held in Hong Kong this year
- Low-altitude Economy Regulatory Sandbox:** announcing results soon; consider dedicated legislation for various types of Advanced Air Mobility
  - HKTDC to add **thematic pop-up display area** during major innovation and technology exhibitions to showcase high-quality innovative technology products

### Finance

- Improve **vetting process for listing**, optimise **thresholds for listing**, review **market structure** and more
- Propose measures to enhance the **"board lot" system** and **issuance mechanism for structured products** and increase **position limits for key index derivatives**
- Formulate proposals on enhancing preferential tax regimes for **funds** and **single family offices**
- Host the **Hong Kong Global Financial and Industry Summit** and a **flagship forum on fixed income and currencies**
- Propose measures to promote **gold market** development this year
- Announce second **policy statement on the development of virtual assets** and conduct consultation on licensing regimes of virtual asset over-the-counter trading services and custodian services
- Explore enhancement measures to the legal and regulatory regime related to issuance and transactions of **digital bonds**
- Extend pilot grant scheme on insurance-linked securities for **3** years

- Implement **linkage of faster payment systems** between the Mainland and Hong Kong in the middle of the year earliest
- Launch public consultation on specific proposals of **MPF "Full Portability"** this year

### Trade

- Multinational Supply Chain Management Centre:** continue to support Mainland enterprises to go global and provide credit insurance, one-stop professional consulting services, etc.
- Encourage sectors to hold events around the Belt and Road Summit period
- Consider legislative amendments to enable trade document digitalisation

### Shipping

- Propose provision of half-rate tax concessions to eligible **commodity traders**. Target to introduce a bill into the Legislative Council next year
- Establish the **Hong Kong Maritime and Port Development Board** this year to strengthen research, promotion and manpower training
- Allocate over **\$210** million to install the port community system, enhancing the flow and sharing of data among stakeholders in the maritime, port and logistics industries
- Announce findings of the study on a **development model for logistics sites in the Northern Metropolis**

### Aviation

- Hong Kong International Aviation Academy: expand its training programmes to cover **C919 aircraft-related** subjects
- Promote Hong Kong's development into Asia's first **aircraft dismantling, parts recycling, processing and trading centre**

### Healthcare

- Release timetable for establishing the **Hong Kong Centre for Medical Products Regulation** and roadmap for adoption of **"primary evaluation"** in the first half of this year
- Set aside resources to support, on a matching basis, universities in developing a **third medical school**

### Cultural and Creative Industries

- Organise the second edition of the **Hong Kong Performing Arts Expo** next year
- OASES to attract cultural and creative enterprises that integrate technologies in business
- Support over **30** cultural IP projects in the next **5** years

### Tourism Everywhere

- Allocate **\$1.23** billion to the Hong Kong Tourism Board to pursue "tourism is everywhere" concept and implement Development Blueprint for Hong Kong's Tourism Industry 2.0
- 2025 **WTCF Fragrant Hills Tourism Summit** to be held in Hong Kong in April for the first time
- Earmark resources to encourage **cruise lines** to increase their number of ship calls to Hong Kong, make overnight calls and use Hong Kong as homeport
- Strategically attract **sports events** that can bring significant economic benefits in Hong Kong, e.g. LIV Golf
- Set up **refreshment stalls** at harbourfront locations in Central, Tsim Sha Tsui, Wan Chai and North Point
- Study to re-plan the **waterfront and former pier sites to the south of the Hung Hom Station** into a new harbourfront landmark, including major commercial and residential developments and a yacht club

### Education and Talent

- Launch a new round of Research Matching Grant Scheme, totalling **\$1.5** billion, to attract organisations to support research endeavours of institutions
- Increase the quota of the Hong Kong PhD Fellowship Scheme to **400** places a year
  - HKIC, HKSTPC and Cyberport to arrange over **100** technology enterprises to engage with primary and secondary school students
- Offer **4 000** short-term internship placements in policy bureaux and departments and public organisations in the coming year
- GBA Youth Employment Scheme:** Relax the requirements for joining the scheme to include people aged 29 or under with sub-degree or higher qualifications, and increase the allowance limit to **\$12,000** a month
- Organise the second **"Global Talent Summit - Hong Kong"** early next year
- Enhance the **New Capital Investment Entrant Scheme** to provide greater flexibility

### Green Development

- InnoCentre in Kowloon Tong to become **GreenTech Hub**, housing over **200** green technology companies
- Launch a **\$300** million subsidy scheme in the middle of the year to encourage the industry to install fast chargers across the city
  - Additional funding of **\$180** million to increase the number of residential food waste smart recycling bins or food waste-collection facilities across the city
  - Provide tax exemptions for **green methanol** used for bunkering
- Announce a **Sustainable Aviation Fuel (SAF)** consumption target this year
- Earmark **\$470** million for subsidising franchised bus operators to purchase **600** electric buses and over **\$130** million for subsidising the taxi trade to purchase **3 000** electric taxis
- Extend the **Pilot Green and Sustainable Finance Capacity Building Support Scheme** to 2028

### Small and Medium Enterprises

- Inject **\$1.5** billion into the **BUD Fund** and the **Export Marketing and Trade and Industrial Organisation Support Fund**, and streamline application arrangements
- SME Financing Guarantee Scheme:** principal moratorium application period to last until November 2025
- Funds dedicated for SME financing by participating banks of the **Taskforce on SME Lending** exceed **\$390** billion
- HKTDC to launch the **E-Commerce Express** to provide Hong Kong enterprises with consultation services, and organise the second edition of the **Hong Kong Shopping Festival**

### Support Measures

- Rates concession for domestic properties for the first quarter of 2025/26, subject to a **\$500** ceiling
- Rates concession for non-domestic properties for the first quarter of 2025/26, subject to a **\$500** ceiling
- Reduce salaries tax and tax under personal assessment for the assessment year 2024/25 by **100%**, subject to a **\$1,500** ceiling
- Reduce profits tax for the assessment year 2024/25 by **100%**, subject to a **\$1,500** ceiling
- Provide extra **half-month** allowance of standard CSSA payments, Old Age Allowance, Old Age Living Allowance or Disability Allowance. Similar arrangements for Working Family Allowance
- Domestic and non-domestic property transactions:** increase to **\$4** million the maximum value of properties chargeable to a stamp duty of \$100, with immediate effect

Ad valorem stamp-duty rate after adjustment	
Amount or value of the consideration	Rates
Up to \$4,000,000	\$100
\$4,000,001 - \$4,323,780	\$100+ 20% of excess over \$4,000,000
\$4,323,781 - \$4,500,000	1.50%
\$4,500,001 and above	Same as existing arrangements



### Northern Metropolis

- Hong Kong Park in Hetao Co-operation Zone:** **\$3.7** billion earmarked to expedite Phase 1 infrastructure and public facilities; identify suitable land parcels for private development proposals this year
- San Tin Technopole:** HKSTPC is expected to complete master planning study in third quarter of this year
- Large-scale land disposal:** Begin tendering work for **3** pilot areas from second half of the year
- Data facility cluster at Sandy Ridge:** Re-zoning procedures expected to be completed in mid-2025
- Convention and exhibition facilities:** Identify suitable sites for developing convention and exhibition facilities
- Railway development:** Conduct investigation and design study of the **Hong Kong-Shenzhen Western Rail Link (Hung Shui Kiu – Qianhai)**, and detailed planning and design of the **Northern Link Spur Line** this year



### Land

- About **13 700** units from the 2025/26 Land Sale Programme (**8** residential sites), railway property developments, URA projects and private development and redevelopment projects
- No** commercial sites will be put on sale **in the coming year**



### Housing

- Public housing:** Total public housing supply will reach **190 000** units in the coming **5** years
- Private housing:** Completion of over **17 000** private residential units annually in the coming **5** years. Expected first-hand private residential unit supply to be about **107 000** units over the next **3-4** years



### Infrastructure Development

- Set aside **\$15** million for the Centre of Excellence for Major Project Leaders to enhance professionalism, innovation capabilities and cost-effective management in construction industry
- Funding of about **\$95** million from the Government and CIC to provide on-the-job training subsidies for trainees enrolled in part-time degree programmes
- CIC to allocate **\$150** million to subsidise the construction industry's on-the-job training for graduates of degree programmes in engineering, architecture, surveying, planning and landscape architecture
- GBA Standards for the first pilot construction trade to be announced



### Caring and Inclusive Community

- 2025-26:
  - No. of Residential Care Service Vouchers for the Elderly to increase to **6 000**
  - No. of Community Care Service Vouchers for the Elderly to increase to **12 000**
- Additional annual provision of over **\$180** million to increase emergency places for residential child care and strengthen professional support for child-abuse victims and their families
- Additional **1 280** day community rehabilitation and home-care service places for persons with disabilities, involving additional annual expenditure of about **\$160** million
- Regularise the Pilot Project on Enhancing Vocational Rehabilitation Services from third quarter of 2025, an annual expenditure of about **\$100** million
- Review outcomes on **structure and levels of subsidisation for public healthcare** to be announced this year
- Review the distribution, scale and priority of hospital development projects under the **Second Hospital Development Plan**



### Combatting Illegal Betting

- Explore regulating basketball betting activities and invite Hong Kong Jockey Club to submit proposal



### Public Finance

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##### Total government revenue and expenditure



#### 2024 performance

GDP growth in real terms	2.5%
Headline inflation	1.7%
Underlying inflation	1.1%



#### 2025 forecast

GDP growth in real terms	2% - 3%
Headline inflation	1.8%
Underlying inflation	1.5%



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