

Budget Speech by the Financial Secretary (8)

Nurturing Local Talent

177. "Talent as the prime resource" is the fundamental driving force that underpins the development of our economy and various sectors. While proactively attracting talent from around the world, we must continue our efforts in nurturing local talent. Apart from supporting post-secondary institutions to enhance their quality and expand their capacity, we will continue to take forward a number of sector-specific talent training programmes to enrich the local talent pool.

I&T Talent

178. Apart from supporting various talent training programmes under new industrialisation development, we have also implemented the STEM Internship Scheme to encourage university students to participate in I&T-related work. Besides, to better prepare for integration into the knowledge-based economy and development of a digital society, the Government has launched a "Knowing More About IT" Programme to enhance primary school students' interests in information technology and its applications. In this connection, I propose to allocate an additional funding of \$134 million for the provision of subsidies of up to \$300,000 for each publicly-funded primary school in the next two academic years.

Healthcare Professionals

179. The Government attaches importance to training local healthcare professionals. The Health Bureau will continue to enhance healthcare-related teaching facilities, while increasing the number of local training places as appropriate. Since last April, we have also started to subsidise the relevant institutions in respect of the clinical practicum training fees for their specified healthcare-related programmes. On another front, since the announcement of an additional injection of \$500 million into the Chinese Medicine Development Fund in last year's Budget, a number of capacity building initiatives for the industry have been taken forward under the fund, such as the Hong Kong Chinese Medicine Talent Short-term Training Programme co-organised with the National Administration of Traditional Chinese Medicine in support of building an excellent pool of Chinese medicine (CM) talent.

Maritime and Aviation Talent

180. The Government introduced the Professional Training on Smart and Green Logistics Scheme and the Logistics Promotion Funding Scheme under the Maritime and Aviation Training Fund (MATF) in January this year. These schemes aim to enhance promotion and talent development in the logistics sector in line with new developments in smart and green logistics. We also launched the Aviation Promotion Project Funding Scheme to fund activities

organised by local aviation-related organisations and academic institutions, while promoting to different sectors of the community the development of our aviation industry and the opportunities available. The TLB will conduct a comprehensive review of the MATF this year, to gauge its effectiveness in attracting talent and promoting manpower development in the maritime and aviation sectors.

Patent Talent

181. The Government will allocate an additional funding of about \$12 million in total to the IPD over the next three years, to prepare for the introduction of regulatory arrangements for local patent agent services. Our aim is to enhance the professionalism and support the development of the original grant patent system. The Government will also continue to strengthen and enlarge its patent examiner team and enhance its substantive examination capability, with a view to acquiring institutional autonomy in conducting substantive patent examination in 2030.

International Legal Talent

182. In order to nurture legal talent with an international perspective and good knowledge of different legal systems, the DoJ will set up a dedicated office and an expert group this year to take forward the establishment of the Hong Kong International Legal Talents Training Academy.

Land and Housing Supply

Land Supply

183. The 2024-25 Land Sale Programme will cover a total of eight residential sites. There will also be railway property developments, private development and redevelopment projects as well as projects undertaken by the Urban Renewal Authority. Taken together, the potential land supply for the whole year is expected to have a capacity for providing about 15 000 units, exceeding the annual demand of 13 200 units projected in the Long Term Housing Strategy by about 14 per cent. The Land Sale Programme will also include two commercial sites and one industrial site, capable of providing about 120 000 square metres of commercial floor area and 540 000 square metres of industrial floor area respectively. We will take into account the market situation when deciding on the quantity and types of land to be put up for sale as well as the pace of sale.

184. We will make available land for the production of no less than 80 000 private housing units in the coming five years. Such land will be put to the market in a timely manner. Among them, about 60 per cent comes from New Development Areas/New Town Extensions, with another 40 per cent from government land sale and railway property development projects in other districts.

Housing Supply

185. On public housing supply, the Government has identified sufficient land

for meeting the supply target of 308 000 public housing units over the next ten years (from 2024-25 to 2033-34). Among which, as at the end of last year, construction of about 105 000 units under the Hong Kong Housing Authority has commenced with satisfactory progress. In view of the fact that the Cash Allowance Trial Scheme is due to expire by mid-2024, the Government has decided to extend the scheme for one year until June 2025, to help grassroots families on the waiting list for public rental housing. The scheme will be subject to further review in due course.

186. On private housing supply, we estimate that the completion of private residential units will average over 19 000 units annually in the five years from 2024, representing an increase of about 15 per cent over the annual average of the past five years. The potential supply of first hand private residential units for the next three to four years will be around 109 000 units.

Transport Infrastructure

187. It is the Government's vision to build a liveable, competitive and sustainable Hong Kong by adopting the planning principles of "infrastructure led" and "capacity creating". We are taking forward in an orderly manner the railway and major road projects set out in the Hong Kong Major Transport Infrastructure Development Blueprint, to bolster connectivity between districts and unleash their development potential. At the same time, the Government plans to put in place smart and green mass transit systems in East Kowloon, Kai Tak and Hung Shui Kiu/Ha Tsuen. We will invite within the year the relevant suppliers and operators to submit expressions of interest.

188. To further promote the connectivity of infrastructure within the GBA, the Government will continue to work with the Shenzhen authorities through the Task Force for Hong Kong-Shenzhen Co-operation on Cross-Boundary Railway Infrastructure. We will take forward two cross-boundary projects, namely the Hong Kong-Shenzhen Western Rail Link (Hung Shui Kiu – Qianhai) and the Northern Link Spur Line, to jointly develop the concept of "GBA on the Rail".

189. Meanwhile, to raise productivity of the construction industry, a cross-departmental steering committee under the DEVB will soon formulate various measures to enhance the application of Modular Integrated Construction (MiC). We will strengthen collaboration with the Guangdong Provincial Government to enhance the manufacturing, import/export facilitation, and exportability of MiC modules, with a view to developing MiC as one of the industries in the GBA that enjoy clear advantages. The Government of the HKSAR will also examine the feasibility of investing in the MiC supply chain. Moreover, the DEVB will set up the Building Testing and Research Institute within this year to promote innovative application in the industry.

Healthcare

190. The Government attaches great importance to the well-being of members of the public, and is committed to maintaining Hong Kong's high-quality healthcare profession and its efficient healthcare system. We devote significant resources to the healthcare portfolio. The 2024-25 estimated

recurrent expenditure for healthcare is \$109.5 billion, accounting for about 19 per cent of government recurrent expenditure. The Government will continue to pursue transformation with innovation, with a view to protecting the health of all citizens, further developing primary healthcare, enhancing the quality of medical services and promoting the development of the healthcare industry.

191. The Government has been improving public healthcare services and enhancing the patient experience on various fronts with specific performance indicators. These include shortening the waiting time for specialist out-patient services and making wider use of telehealth services. The performance indicators of certain services, including medication delivery and electronic medical certificates, were met early last year.

Development of Chinese Medicine

192. The Government provides resources and implements a variety of measures to promote CM. These include increasing the quota of government-subsidised CM out-patient services, extending integrated Chinese-Western medicine services, promoting scientific research on CM and setting relevant standards. We are pressing ahead with the construction of the Chinese Medicine Hospital and the Government Chinese Medicines Testing Institute. The two institutions are expected to begin service, in phases, starting from end of 2025.

Tobacco Control Policies

193. Increasing the tobacco duty is recognised internationally as the most effective means of reducing tobacco use. The Government now proposes to increase the duty on cigarettes by 80 cents per stick, with immediate effect. Duties on other tobacco products will be increased by the same proportion. The rate of increase is similar to that of last year. We expect that the proportion of tobacco duty in the retail price of cigarettes will rise to about 70 per cent, gradually approaching the 75 per cent level recommended by the World Health Organization. This will provide a greater incentive for the public to quit smoking, safeguarding public health. We will continue to step up enforcement against illicit cigarette trading and strengthen smoking cessation services, publicity and education.

(To be continued.)