

Mr Paul MP Chan, GBM, GBS, MH, JP  
Financial Secretary's Private Office  
Central Government Offices, 2 Tim Mei Avenue  
Tamar, Hong Kong

17 December 2025

Dear Financial Secretary,

**2026-27 Budget Submission by  
The British Chamber of Commerce in Hong Kong**

I would like to start by expressing our deepest sympathies, on behalf of the entire chamber membership, to the victims and families affected by the recent tragedy in Tai Po. Our thoughts are with all those impacted. We commend the Government's swift and compassionate response to provide relief and support during this difficult time. Thus, while here we present our recommendations for the upcoming Budget, we do so with the clear understanding that these proposals must take second place to the urgent and essential spending priorities arising from this tragedy. The well-being and recovery of those affected must remain the foremost concern.

With the above in mind, our Budget Submission presents a series of actionable recommendations for the 2026-27 Government Spending Plan. This document has been constructed to underpin the strategic framework of our "**Asia's World City x BritCham**" Campaign.

Our proposals are designed in line with our Campaign's four core pillars: **LIVE, WORK, PLAY, LEARN**. We believe the timing is important as it aligns with the national 15th Five-Year Plan – which has been described to us in the MFA briefing as a critical juncture in China's future development plans. We have done our best to provide recommendations that are budget-conscious but align with the roadmap to fulfil the aims of the Chief Executive's commitment to leverage Hong Kong's unique advantages under "One Country, Two Systems" as well as serving as the premier platform for Mainland enterprises to "Go Global."

We see this submission supporting the Government's aims in 3 key areas:

- **Go Global:** We offer specific proposals to operationalise the Chief Executive's commitment to attract more enterprises to use Hong Kong to expand overseas;
- **Northern Metropolis:** We recommend dedicated funding mechanisms to support the Government's leadership on this critical project; and
- **AI Leadership:** We propose leveraging Hong Kong's IFC status to attract capital, positioning the city as a global AI gateway through strategic public investment.



The British  
Chamber of Commerce  
in Hong Kong  
香港英商會

Our recommendations look to investment and fiscal planning. We have focused on proposals that require budgetary allocation, tax concessionary measures, and strategic public funding to unlock private capital and partnership.

We believe that these strategic investments, made today, will yield significant results in the years to come, hopefully fostering long-term prosperity and success of our dynamic business community as well as generate wider societal economic benefit.

We look forward to discussing these proposals with you further.

**Jeremy Sheldon, FRICS**

Chairman

The British Chamber of Commerce in Hong Kong

Cc: Paul McComb, Executive Director, The British Chamber of Commerce in Hong Kong

Alex YiChao Zhang, Policy Manager, The British Chamber of Commerce in Hong Kong

✉ [info@britcham.com](mailto:info@britcham.com)

☎ +852 2824 2211

📍 Room 1201, Emperor Group Centre,  
288 Hennessy Road, Wan Chai,  
Hong Kong

🌐 [www.britcham.com](http://www.britcham.com)



The British  
Chamber of Commerce  
in Hong Kong  
香港英商會

# 2026-2027 BUDGET SUBMISSION



# CONTENT TABLE

## ***Pillar 1 — "LIVE"***

- 1. [Northern Metropolis]** Integrated Strategies for Funding, Delivery, and Workforce in Northern Metropolis
- 2. [Housing]** Pipeline for New Homes & Plan for Better Homes
- 3. [Healthcare]** Build a More Resilient and Innovative Healthcare System

## ***Pillar 2 — "WORK"***

- 4. [Go Global]** The Hong Kong Model for Go-Global Success
- 5. [AI]** Chart Hong Kong's Path to Global AI Leadership
- 6. [Tech]** Build a Strategic Blueprint for Low-Altitude Mobility
- 7. [Global Events]** Lead Davos Bid & 2026 APEC Strategic Partnership

## ***Pillar 3 — "PLAY"***

- 8. [City Branding]** Establish A Proactive Strategy for Hong Kong's Brand
- 9. [Art]** Ignite Creative Economy through Art, Sports, and Culture

## ***Pillar 4 — "LEARN"***

- 10. [Talent]** Strengthen Support for Top Talent in Hong Kong
- 11. [English]** Reinforce Global Edge by Elevating English Proficiency
- 12. [Education]** Expand Hong Kong's International Education Capacity

# PILLAR 1: LIVE

## 1. Integrated Strategies for Funding, Delivery, and Workforce in Northern Metropolis

**1.1. Secure Dedicated Funding and a Growth Strategy for NM:** To strategically allocate capital and accelerate development of NM, we recommend the 2026-27 Budget formally commit a defined percentage of the annual HK\$150-195 billion Sustainable and Infrastructure Bond specifically for NM projects. This commitment should be accompanied by a concrete implementation plan and a robust monitoring framework. Concurrently, we must develop a long-term strategy to transform the NM into a sustainable, revenue-generating engine. Together, these actions will solidify investor confidence and catalyse substantial private-sector co-investment in the region.

**1.2. Issue Dedicated Bond Tranches for Discrete Projects:** We recommend the Government issue dedicated tranches or empower a statutory body to issue project-specific bonds for discrete, high-priority projects. This approach provides clarity, reduces perceived risk, and attracts a wider pool of institutional investors specialising in infrastructure. The project bond will unlock diverse funding sources (both equity and debt), match interest repayment with project cashflow, ring-fence project risks from the Government's balance sheet, and potentially offer more competitive yields to drive investor participation. Additionally, the Government should offer support mechanisms for private developers, such as guaranteeing bank loans on NM infrastructure projects to secure preferential financing rates.

**1.3. Establish a Statutory Body to Manage NM Public-Private Partnerships (PPP):** We propose establishing a statutory body for NM, with seed funding and a mandate to act as a centralised manager for PPP. This entity would serve as a single window to negotiate and manage PPP contracts and procurement, ensuring efficiency and accountability. Its core initiatives would include encouraging the development of major infrastructure projects, thereby making projects investment-ready, and implementing a structured mechanism to define profit-sharing and responsibilities for risks. We recommend anchoring this initiative within the Financial Services and the Treasury Bureau to leverage its procurement expertise. Success would pave the way for this body to become the central manager for all Government PPP procurement in the future.

**1.4. Cultivate a Local Workforce for NM:** In alignment with the Government's vision for the San Tin Technopole, we propose the "NM Future Talent Scholarships"—a HK\$50 million initiative to cultivate the project's required 300,000 skilled workers by funding local students in critical fields like STEM, pharmaceuticals, green technology, and urban planning, with a two-year post-graduation work commitment in NM's key industries. Concurrently, to bolster this integrated talent strategy, a support system is essential for the existing cross-border workforce commuting between NM and Shenzhen, such as streamlined tax guidance.



## 2. Pipeline for New Homes & Plan for Better Homes

**2.1. Mandate Affordable Housing Quotas in New Residential Tenders:** To increase affordable housing supply, the Government could mandate that a percentage (e.g., 5-10%+) of all new residential tender sites be allocated for this purpose. Developers could have the flexibility to include these units within the project or construct an equivalent supply elsewhere. The tender and lease pricing must ensure commercial viability, enabling private sector participation in this social need without compromising investor returns.

**2.2. Offer Grants to Upgrade Sub-Divided Units:** To improve Sub-Divided Units (SDUs) without worsening affordability, the Government could offer means-tested grants or tax incentives to landlords for upgrades. This support must be structured to prevent landlords from simply passing the cost to tenants through SDU rent hikes. Simultaneously, targeted subsidies for eligible tenants could help absorb any increases, balancing renovation goals with the prevention of social disharmony.

**2.3. Tender Urban Sites for Student Accommodation:** To expand Purpose-Built Student Accommodation (PBSA), the Government should consider tender sites in key urban areas for student-only development. These sites would be sold below residential value but with a higher commercial plot ratio, allowing for larger buildings. Developers could build and stabilise the assets before selling them to long-term institutional funds. This creates a pipeline for PBSA, meets critical student needs, and provides steady government income. Underutilised commercial, office, or hotel sites could be repurposed for this initiative.

**2.4. Develop a Build-to-Rent Sector with Rental-Only Lease Conditions:** To address housing affordability, the Government should tender specific sites for a Build-to-Rent (BTR) sector with rental-only lease restrictions. Tender prices must be controlled to ensure affordable rents for tenants while offering developers a reasonable yield. The goal is to group these assets into a REIT, providing steady cash flow and a mid- to long-term housing solution. To enhance this model, the Government could integrate asset tokenisation. By representing ownership within the REIT through digital tokens on a blockchain, fundraising could allow for fractional investment from a broader capital base. This would also create a more liquid and transparent exit pathway for developers and investors.

**2.5. Provide Incentives for Sustainable Building Upgrades:** To address the aging building stock, where nearly 10,000 buildings will soon be 50 years or older, we propose a holistic, cross-bureau strategy to address deep-seated challenges in building retrofitting, such as high cost, difficulty in driving owner consensus etc. While some incentives are already available, a wide variety of building stock that is ageing; we suggest providing more targeted incentives to private developers or owners' corporations to undertake sustainable conversions and upgrades, simultaneously for safety and energy efficiency, particularly in cases where full redevelopment is not warranted.

- For eligible buildings meeting specific criteria, the Government could offer incentives such as stamp-duty waivers and a regulatory "re-setting" of the property's age. This reset would facilitate new mortgages and grant the building a new lease of life, contingent upon meeting defined low-carbon and sustainable standards; and
- For relatively younger residential buildings, sinking fund or accumulation fund mechanisms may be introduced to encourage incremental contribution via management fees by property owners to future retrofitting capital needs (akin to an "MPF" for buildings).

### 3. Build a More Resilient and Innovative Healthcare System

**3.1. Establish a Standardised "Jade Scheme" in the VHIS:** We commend the Secretary for Health for the Major Scheme Review in July 2025, which will consider the inclusion of early disease screening. Looking ahead, we recommend to further advancing the VHIS by advocating for a standardised "Jade Scheme" that offers 100% inpatient coverage in a standard room eliminating deductibles; establishing minimum coverage standards set by the Health Bureau (HB) to ensure comprehensive protection for all inpatient procedures; enhancing price transparency through a centralised platform for comparing coverage and costs; and increasing oversight of VHIS policies to ensure that marketing materials accurately reflect coverage and limitations.

**3.2. Establish Standardised Cancer Screening Protocols and Funding:** To address the rising incidence of cancers in Hong Kong, we recommend increasing financial support to enhance accessibility; launching targeted public awareness campaigns to encourage proactive health behaviours, while standardising protocols for screenings to ensure consistent care across the board; investing in training for healthcare professionals and establishing robust monitoring mechanisms to further equip our system to respond effectively to community needs.

**3.3. Create a Dedicated Fund for Innovative Drugs:** To establish Hong Kong as an international medical innovation hub, we should reframe advanced healthcare not as a cost, but as a strategic investment. We propose creating a Dedicated Fund for Innovative Drugs, targeting cancer and rare diseases. We recommend allocating a defined portion of the healthcare budget to this fund and reinvesting a proportion of the estimated HK\$3 billion to improve patient access to high-impact new drugs and medical devices.

**3.4. Diversify the Antiviral Stockpile for Pandemic Preparedness:** Based on the significant costs inflicted by the COVID-19 pandemic - \$82.7 billion in healthcare expenses - it is imperative to enhance pandemic preparedness. This includes funding the Department of Health to diversify its antiviral stockpile beyond its current, single mode of action by procuring next-generation antivirals with different mechanisms, such as baloxavir, in line with WHO recommendations to create a multi-pronged defense against viral threats.

**3.5. Establish a Rare Disease Fund with a Government Matching Scheme:** Building upon the Government's proactive "1+" Drug Approval Mechanism, which expedites access to innovative drugs, we propose a Rare Disease Fund as a strategic next step to ensure financial sustainability for cutting-edge therapies. This fund would operate as a multi-stakeholder charity, leveraging community support through a government matching scheme (for every \$1 publicly donated, the Government contributes \$3). It would provide support for out-of-pocket costs only after government subsidies, insurance, and other assistance are exhausted, thereby completing a care ecosystem where faster regulatory approval is securely backed by a sustainable funding pathway.

# PILLAR 2: WORK

## 4. The Hong Kong Model for Go-Global Success

**4.1. Position Hong Kong as the Global Joint Venture Hub:** The Chief Executive's commitment "to establish a one-stop platform by mobilising Hong Kong's overseas offices... and set up the Task Force on Supporting Mainland Enterprises in Going Global" is a timely and crucial initiative. To ensure its impact, we recommend the Task Force adopt a focused strategy that positions Hong Kong as the world's premier centre for structuring Joint Ventures (JVs) between Mainland enterprises and local partners in key markets. By applying the successful "China JV model" in reverse, this approach provides a trusted pathway for Mainland enterprises to expand overseas, as it allows partners to share the substantial costs, risks, and rewards of a new business endeavour. Furthermore, a JV structure directly addresses a common concern in international markets: the fear that incoming Chinese companies might disrupt local industries through price competition. A well-structured JV ensures the local partner is invested in the venture's success, creating alignment and fostering profitability for both sides. This transforms expansion from a potential zero-sum scenario into a collaborative, value-creating partnership.

**4.2. Advance Five Key Financial and Trade Partnerships with the UK:** During our recent UK Doorknock, we presented five key policy proposals to the Minister of State to strengthen the financial and trade partnership between Hong Kong and the UK. A core focus of our discussion was enhancing cooperation between China/Hong Kong's outward investment initiatives and the UK's inward investment agencies. By aligning these efforts, we can create a more efficient experience for mainland firms considering investment into the UK. Our five key policy proposals are:

1. Pursue a Digital Trade Partnership to align standards and facilitate data flows;
2. Establish a framework to attract UK corporations to set up Regional Treasury Centres in Hong Kong;
3. Create a London-Hong Kong Capital Connect platform for dual listings and cross-market access;
4. Expand London's role as a global RMB clearing and product innovation centre; and
5. Enhance the existing Green Finance Alliance to channel capital into climate-aligned investments.

**4.3. Enhance a Regulatory Sandbox for RMB Digital Assets:** We support the HKMA's continued development of a dedicated regulatory sandbox that facilitates the RMB internationalisation with blockchain-based digital assets for real economy use cases, such as enabling tokenised projects for outbound infrastructure deals and developing advanced cross-border treasury management solutions for Corporate Treasury Centres (CTCs) to optimise liquidity management across jurisdictions through a blend of traditional RMB deposits and programmable digital money.

**4.4. Expand the Scope of Capital Investment Entrant Scheme (CIES):** CIES currently contains seven Permissible Investment Asset Classes. We recommend the Government expand the scope, such as including life insurance policies (Class A products). This will provide more options for potential global investors and attract additional talent and capital to Hong Kong.



## 5. Chart Hong Kong's Path to Global AI Leadership

**5.1. Position Hong Kong as a Global AI Capital and Ecosystem Enabler:** As outlined in our AI White Paper submitted this year, we propose a dual strategy to position Hong Kong as a global AI capital and ecosystem enabler. Hong Kong's unique value proposition for AI leadership is anchored in its thriving professional services sector, combined with its liquidity advantage, free capital flows, and trusted legal system that collectively position it as the default gateway for global capital. Building on this, a strategic focus on real-world AI applications, supported by a clear roadmap from research to commercialisation, can align AI adoption with economic priorities and deliver tangible benefits. To sustain this long-term leadership, Hong Kong must concurrently build foundational capacities by cultivating a robust AI ecosystem through targeted investments in talent, stronger public-private partnerships, and cross-border collaboration.

**5.2. Leverage Hong Kong's IFC Status to Attract AI Business and Capital:** We argue Hong Kong should strategically leverage its IFC status to become a global AI hub. We propose enhancing the HKEX listing channel for mid-sized AI firms and launch an "AI-100" index. To secure talent and capital, we propose Hong Kong should host an annual "AI Investor Summit" to connect startups with global venture capital, sovereign wealth funds, and corporate investors.

**5.3. Establish a Targeted AI Capacity Building Subsidy Scheme:** To cultivate a robust talent pipeline, we propose establishing a targeted AI Capacity Building Subsidy Scheme. This programme will remove financial barriers for the next generation by providing an 80% subsidy (up to HK\$10,000) for young professionals and a full 100% subsidy for university students towards approved AI courses and certifications.

## 6. Build A Strategic Blueprint for Low-Altitude Mobility

**6.1. Catalyse Sector Growth through Co-Investment and Market Creation:** Chief Executive's 2025 Policy Address provides a robust regulatory and strategic vision for developing a low-altitude economy. To transition this vision into a tangible ecosystem, we recommend establishing a venture fund, led by Hong Kong Productivity Council (HKPC) and Hong Kong Science and Technology Parks (HKSTP), that co-invests with private venture capital in promising local and international startups focused on eVTOL manufacturing, drone software, and traffic management solutions.

**6.2. Build a HK-GBA Exchange platform:** Building on the Chamber's delegation visit to Qianhai, we propose establishing a structured HK-GBA Low-Altitude Economy Knowledge Exchange Platform. This initiative would create channels for technology transfer, talent circulation, and commercial collaboration between Hong Kong and the Greater Bay Area's leading players.

**6.3. Ensure Public Adoption and Safety Culture:** A government-led campaign is required to familiarise citizens and address concerns. We recommend launching "Skyward HK," a public demonstration programme that funds large-scale, free flight exhibitions and educational events in accessible locations like the Kai Tak Cruise Terminal.

## 7. Lead Davos Bid & 2026 APEC Strategic Partnership

**7.1. Lead a Consortium to Secure a Davos World Economic Forum:** We encourage the Government to treat bringing a Davos World Economic Forum (WEF) event to Hong Kong as a strategic imperative. To achieve this, the Government should convene and lead a consortium of local partners, such as HKEX and HKMA, to co-develop and submit a unified proposal to the WEF. This proposal should leverage our unique status as a global super-connector and the explicit support from central authorities, transforming the idea into a concrete action plan to secure a flagship international forum for the city.

**7.2. Propose a Formal Collaboration for Strategic Partner at the 2026 APEC Summit:** Given the confirmed hosting of the 2026 APEC Summit in Shenzhen, Hong Kong is uniquely positioned to leverage this event to directly support it. We propose a formal collaboration with Shenzhen to secure Hong Kong as the key strategic partner, offering our world-class expertise, international network, and management to ensure APEC's resounding success. Hong Kong should even be considered to host one of the key ministerial meetings, e.g. Trade Ministers or Finance Ministers' Meetings.

# PILLAR 3: PLAY

## 8. Establish A Proactive Strategy for Hong Kong's Brand

**8.1.** In our 2025-26 budget submission, we advocated for Government investment in professional PR and advertising expertise to rebuild Hong Kong's image in a challenging communication environment for many global cities. While we sense a marked improvement in business sentiment regarding Hong Kong's future, significant work remains. The successful rollout of our "Asia's World City x BritCham" Campaign has generated positive reception in Hong Kong and internationally. Based on this experience, we propose the following actionable recommendations:

- **Fusion Lab & Urban Oasis:** Package Hong Kong as a city that offers a dynamic cultural incubator where Chinese heritage and Western influence collide to create new art, food, and innovation. Emphasise that the city has a unique work-life balance, where the business hub is just 30 minutes from a world-class hiking trail and serene natural escapes;
- **"Hong Kong Narrators" Program:** Identify, empower, and platform a diverse coalition of authentic storytellers—including artists, chefs, scientists, entrepreneurs, influencers, and athletes—to share positive, genuine Hong Kong stories on global stages such as TED, YouTube, and Instagram Reels;
- **Crisis & Issues Management Framework:** Develop a transparent and strategic communication plan to swiftly address negative stories. This plan should focus on leading with facts, highlighting progress, and consistently steering the conversation toward the city's future vision and achievements.

## 9. Ignite Creative Economy through Art, Sports, and Culture

**9.1. Establish a Mid-Scale Pilot Fund and Cross-Disciplinary Hubs for the Arts:** To cultivate the future of our entertainment and culture sector, we propose establishing a mid-scale pilot fund that acts as a testing ground for new productions and events, de-risking innovation by identifying potential areas of audience interest and commercial viability in a manner akin to the "off-Broadway to Broadway" pipeline; Furthermore, we suggest creating cross-disciplinary hubs in partnership with leading institutions like the West Kowloon Cultural District, Hong Kong Baptist University, and Hong Kong Academy for Performing Arts, designed to fuse artistic talent with business acumen and investment, thereby generating commercial applications for creative skills.

**9.2. Create Mechanisms to Channel Private Capital into the Cultural Ecosystem:** We believe Hong Kong needs more innovative and creative projects to actively foster its unique culture and history. Building on the momentum from Secretary Rosanna Law's keynote at our business forum, we suggest creating targeted mechanisms to engage family offices and private equity to build on their enthusiasm for operating in Hong Kong and encouraging their engagement with the future health and dynamism of the city. This will be achieved by establishing a matching service to connect investors with arts, creative, and cultural organisations for event sponsorship and long-term institutional support.

**9.3. Introduce "Micro Grant" for Grassroots Sports Groups:** The Subvention Scheme for New Sports (SSNS) represents a positive policy effort by the Government to diversify the local sports by providing seed funding. However, the scheme is limited by restrictive eligibility criteria that require international recognition and a proven track record, which can exclude fledgling community groups and informal sports initiatives. We propose to enhance this initiative by introducing a complementary "Micro Grant," offering smaller, more accessible grants (e.g., up to HK\$50,000), thereby lowering the barrier to entry for grassroots organisations. We believe a smaller fund will foster community ownership and further diversify the sports landscape, allowing promising sports to organically prove their viability.

**9.4. Become Asia's Premier Event Venue:** In line with our Policy Address Submission to secure at least five major international events annually, we propose a budgetary plan to establish Hong Kong as Asia's premier venue. This plan focuses on the establishment of a dedicated Kai Tak Events Unit and the strategic deployment of the Mega Arts and Cultural Events Fund to offer matching grants. These steps will empower the Government to de-risk investment and effectively co-create world-class events with global promoters and corporate partners, ensuring a pipeline of high-impact entertainment and sports spectacles.

# PILLAR 4: LEARN

## 10. Strengthen Support for Top Talent, Workforce, and Families

**10.1. Formulate Talent Retention Plans:** In our recent C-Suite Talent Survey Report co-published with Morgan McKinley, we recognise the resilience and potential of Hong Kong's talent landscape, along with the highly valued local workforce for their work ethic and multilingual capabilities. We applaud the Government's efforts to attract talent and call for a greater focus on retention. We suggest the Hong Kong Talent Engage office should create short- and long-term plans on retaining talent, especially for those whose linguistic capabilities may not include Chinese. For example, this may include offering job matching services, giving more exposure to younger generations by inviting them as speakers at talent summits, and incentivising businesses in Hong Kong to offer training and promote culturally diverse workplaces. In addition, we suggest subsidising Cantonese and business-English upskilling, streamlining the recognition of overseas qualifications and professional licensing, co-funding mid-career "returnship" and reskilling programmes, and offering retention-linked tax or training credits for employers (with higher support for SMEs).

**10.2. Enhance Employment and Integration Support for TTPS Holders:** We have noted that while the TTPS application process is straightforward, participants have faced difficulties in securing employment to extend their visas. To address this, we suggest the Labour Department help to arrange workshops and events, and in collaboration with InvestHK, explore policies and provide demonstrations and support for TTPS talent to start their own companies in Hong Kong. Furthermore, recognising the language barrier as a hindrance to employment, we encourage dropping language requirements for roles where they are not necessary for job performance. Simultaneously, to address capacity constraints in schools, the Government should implement a placement system specifically for TTPS dependent children. This system should efficiently match students with available places across districts, reducing overcrowding. Alongside this, the Government should consider enhancing settling in and relocation services (e.g., housing advice, community onboarding, and multicultural networks) for TTPS holders.

**10.3. Foster an Inclusive Society to Solidify Global Standing:** For Hong Kong to solidify its position as a world-class metropolis and attract talent, it must actively foster an inclusive society where all citizens, including LGBTQ+ individuals, enjoy equality. Recognising same-sex relationships would align with existing efforts undertaken by individual companies, as demonstrated by many of our membership companies which have established inclusivity and equal rights policies to procure and retain talent throughout the years.

**10.4. Support Inclusive Families and Strengthen the Workforce:** In our Policy Address, we proposed an extension of parental leave to align with international standards, through the introduction of a shared parental leave entitlement of 20 weeks that parents can divide flexibly (following the models in Singapore and the UK). In recognition of not wanting to place additional burden on employers (especially SMEs) in achieving this, the Government could consider extending its current subsidy (which covers weeks 11 to 14 of maternity leave, capped at HK\$80,000) to include the additional

6-week period with a cap of HK\$100,000 for this period. The Government could also consider limiting access to this subsidy to employers with low revenues or profits, such that it becomes a means-tested subsidy. To complement this, we also recommend introducing measures to enhance alternative, accessible and affordable childcare support, with particular consideration of working mothers, such as after-school clubs and childcare services, thereby enabling more parents to work, improving job retention, narrowing gender participation gaps, and boosting household disposable income.

## 11. Reinforce Global Edge by Elevating English Proficiency

**11.1. Shift English Teaching Towards Real-World Application:** We recognise and praise the Government's commitment to require that all new English teachers meet the Language Proficiency Requirement (LPR) before taking up their posts. It is clear that Hong Kong's high standard of English is a critical strategic asset to be actively maintained. Building upon this foundation, we recommend a shift in teaching to build student confidence for real-world use beyond exam performance, bridge the critical gap between academic learning and professional communication needs, and leverage advanced technology such as AI-powered VR learning systems to provide personalised, accessible practice.

**11.2. Implement Citywide Initiatives to Create an English-Rich Environment:** To create an English-rich environment that extends learning beyond the classroom, we recommend implementing citywide nudges through casual exposure to normalise English for daily life. This can be achieved through initiatives such as having public libraries curate and promote engaging podcasts and short audiobooks for teens.

**11.3. Align English with Global Gateway Ambitions:** To reinforce Hong Kong's pivotal role in the "Go Global" initiative, we propose the formal recognition of English as the designated international language of business in Hong Kong. This alignment will solidify the city's status as a premier global hub and a gateway for international exchange.

## 12. Expand Hong Kong's International Education Capacity

**12.1. Allocate and Tender Dedicated Sites for New International Schools:** We propose a comprehensive plan to address the growing demand from primary and secondary education groups to establish a presence in Hong Kong. As this issue is currently hindered by a shortage of suitable sites and building stock, we call for the allocation and tendering of more sites, especially on a larger scale within the Northern Metropolis, dedicated to developing substantial private schools with enhanced boarding and sports facilities through joint ventures between developers and operators.

**12.2. Repurpose Decommissioned Schools Through Bidding:** We argue the Government should consider repurposing decommissioned school facilities through a competitive bidding process. To ensure viability, the Government should offer initial capital subsidies and operational support until these projects are stabilised. Preferred use is for educational purposes, with adaptive re-use as community, youth, or senior centres encouraged where schools are not feasible.

**12.3. Broaden the "Study in Hong Kong" Campaign with Industry Partnerships:** We strongly endorse the Government's strategic decision to raise the non-local student quota by 2026, an initiative we have long championed. To maximise the impact of this policy, we recommend broadening the "Study in Hong Kong" campaign to include a stronger industry partnership component, which would encompass services for a diverse student body, including academic and local language support, cultural integration,



and career counseling; the development of specialised banking services, such as student bank accounts and international remittance facilities; and engagement with universities on applied research, student projects, and the creation of talent pipelines. These partnerships could be enhanced by introducing subsidies for schools and companies in STEM fields to encourage more applicants from underrepresented groups (including women). This integrated approach will ensure Hong Kong attracts, supports, and retains global talent effectively, while also improving diversity in STEM fields.

