

2019-20 Budget

Highlights

**Support
enterprises**

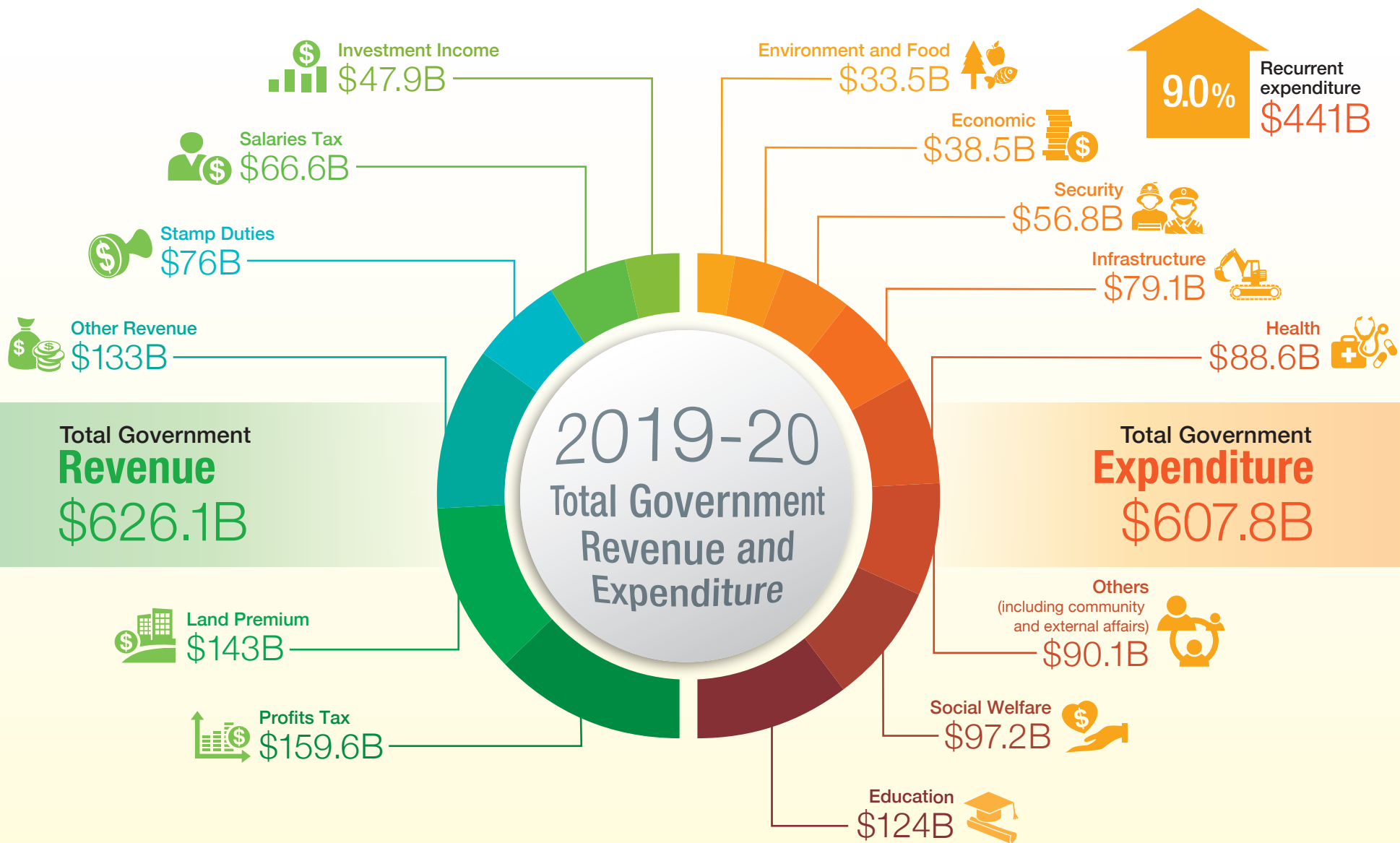
**Safeguard
jobs**

**Stabilise
the economy**

**Strengthen
livelihoods**



[www.budget.gov.hk/
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Economy

	GDP Growth	Headline Inflation	Underlying Inflation
2018 Performance	3%	2.4%	2.6%
2019 Forecast	2%-3%	2.5%	2.5%

Relieve people's burden Support enterprises

- Waive rates for **4** quarters of 2019-20, subject to a ceiling of **\$1,500** per quarter for each rateable property
- Provide an extra **1** month allowance to recipients of CSSA, Old Age Allowance, Old Age Living Allowance or Disability Allowance; similar arrangements will apply to Working Family Allowance and Work Incentive Transport Subsidy

- Provide a one-off additional **\$1,000** worth of Elderly Health Care Vouchers, and increase the accumulation limit of vouchers to \$8,000



Relieve people's burden

- Reduce salaries tax and tax under personal assessment for Year of Assessment 2018-19 by **75%**, subject to a ceiling of **\$20,000**
- Reduce profits tax for Year of Assessment 2018-19 by **75%**, subject to a ceiling of **\$20,000**



- Provide a one-off grant of **\$2,500** to each student in need
- Pay the examination fees for school candidates sitting for the 2020 Hong Kong DSE Examination



Support enterprises

- Waive the business registration fees for 2019-20
- Regularise the Technology Voucher Programme and double the funding ceiling for enterprises to **\$400,000**
- Inject **\$1** billion into the Dedicated Fund on Branding, Upgrading and Domestic Sales, extend its geographical scope and increase the funding ceiling for enterprises



- Extend the application period of the special concessionary measures under the SME Financing Guarantee Scheme to end June 2020
- Expand the networks of Free Trade Agreement, Investment Promotion and Protection Agreement, and Comprehensive Avoidance of Double Taxation Agreement

- Expand the Economic and Trade Office network to strengthen external promotion and assist Hong Kong enterprises in exploring new business opportunities





- Public Housing: estimated production for the next 5 years is about **100 400** units

- Private Housing: projected supply of first-hand private residential property in the next 3-4 years is about

93 000 units

- Annual production of private residential units in the next 5 years is estimated to be about **18 800** units on average

- Potential land supply for private housing in 2019-20 is expected to have a capacity to produce about **15 500** units



- 2019-20 Land Sale Programme includes **7** commercial/hotel sites, capable of providing about **814 600** square meters of floor area

- Set aside **\$2** billion to support NGOs in constructing transitional housing
- Set aside **\$22** billion to implement the first batch of government projects under the “single site, multiple use” initiative

Land and Housing

Financial Services Industry

- Issue the first batch of government green bonds to promote the development of green finance



- Consider establishing a limited partnership regime and introducing tax arrangement to attract private equity funds to set up and operate in Hong Kong
- Promote mutual recognition of funds with other jurisdictions to broaden the distribution network of local fund products



- Provide tax concessions for marine insurance and underwriting of specialty risks, and facilitate them to issue insurance-linked securities
- Promote the use of Faster Payment System for payment of government fees and charges
- Issue virtual bank licences

- Establish the Academy of Finance in mid-2019 to promote financial leadership development

- Provide a **\$400** million seed capital for the Financial Reporting Council and enable it to waive levy in the first two years under the new regulatory regime



Tourism

- Allocate **\$353** million for the continued implementation of the Development Blueprint for Hong Kong's Tourism Industry

Diversified Economy

Innovation and Technology



- Set aside **\$5.5** billion for the development of Cyberport 5 to accommodate more technology companies and start-ups
- Set aside **\$16** billion for universities to enhance or refurbish campus facilities, in particular those for R&D

- Inject **\$20** billion into the Research Endowment Fund of the Research Grants Council under the University Grants Committee to provide research funding

- Establish two innovative clusters in the Science Park focusing on "A.I. and robotic technologies" and "healthcare technologies", pooling top-notch universities and institutions to collaborate and undertake R&D activities



- Launch the **\$2** billion Re-industrialisation Funding Scheme in 2019
- Expand the Corporate Venture Fund of the Science Park to **\$200** million
- Allocate **\$800** million to support R&D work and the realisation of R&D results

by universities, key laboratories and engineering research centres

- Double the annual funding ceiling for each university under the Technology Start-up Support Scheme for Universities to **\$8** million

- Increase the monthly allowance for researchers under the Researcher Programme to attract local graduates to join the I&T sector

- Extend the funding period under the Researcher Programme and the Postdoctoral Hub Programme



Creative Industries

- Inject **\$1** billion into the Film Development Fund
- Commence the works for the Sham Shui Po Design and Fashion Project



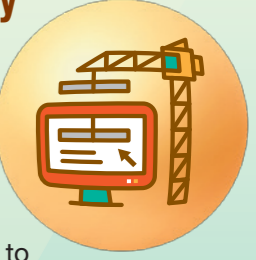
Professional Services

- Allocate **\$150** million to support the development of an online international dispute resolution platform by NGOs



Construction Industry

- Promote the digitisation of works supervision system to enhance the standard of and efficiency in public works monitoring



- Implement Construction 2.0 to improve productivity, quality, safety and environmental impact

- Upgrade the Project Cost Management Office under the Development Bureau to strengthen cost management of public works projects



- Earmark **\$40** million for the first three years of operation of the Centre of Excellence for Major Project Leaders to enhance public officers' capability in delivering public works projects

International Transportation Centre

- Consider introducing tax and related measures to attract ship finance companies to develop ship leasing businesses in Hong Kong

- Provide a **50%** profits tax concession to marine insurance businesses



Healthcare

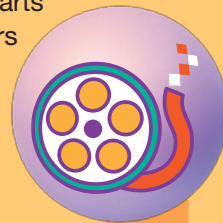
- Earmark **\$10** billion as a Public Healthcare Stabilisation Fund to ensure stable funding for public healthcare services and for coping with unexpected circumstances



- Earmark **\$5** billion to expedite the upgrading and acquisition of medical equipment
- Provide **\$400** million additional recurrent funding to expand the scope of the Drug Formulary
- Provide over **\$700** million additional recurrent funding for the Hospital Authority to implement measures to boost staff morale and retain talents
- Allocate **\$1.2** billion to establish the Hong Kong Genome Institute for promoting the application and development of genomic medicine
- Continue to pursue two 10-year Hospital Development Plans, enhance training for healthcare manpower, and promote primary healthcare services

Arts and Culture

- Provide **\$176** million for hosting large-scale world-class arts programmes and strengthening district arts activities in the next 5 years
- Allocate **\$20** million to support the digital conversion of film copies and film heritage
- Provide additional recurrent funding of **\$54** million to support the operation of art groups



A Liveable City

Sports

- Inject **\$250** million into the Hong Kong Athletes Fund to support athletes in pursuing athletic training and academic studies concurrently



- Allocate around **\$100** million in the next two years to support the operation of **60** national sports associations

Building the City

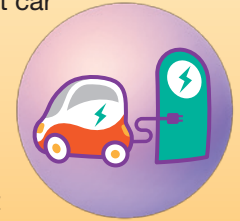
- Earmark **\$6** billion for the enhancement of waterfront
- Allocate **\$600** million to refurbish **240** public toilets by phases



- Set up a **\$200** million Urban Forestry Support Fund to strengthen public education and promotion on tree care, enhance the professionalism of the arboriculture and horticulture sector, and attract new blood

Environmental protection

- Allocate **\$120** million to extend the public charging network of electric vehicles at government car parks, and explore the feasibility of installing chargers in on-street parking spaces



- Provide **\$1** billion for government departments to install renewable energy facilities

Smart City

- Earmark **\$300** million to develop a geospatial data sharing platform and 3D digital maps of the whole territory
- Assign and auction spectrums by batches to prepare for the development of 5G



A Caring Society

- Allocate **\$20** billion to purchase 60 properties for providing over 130 welfare facilities
- Allocate **\$200** million from the Lotteries Fund to provide Wi-Fi service to welfare facilities, and encourage them to make use of technology products to enhance services



- Allocate **\$1.36** billion to provide **500** residential care places and **300** subsidised day care places for the elderly, and to launch a pilot scheme to offer outreach services for private elderly homes



- Allocate **\$290** million funding to strengthen rehabilitation services, including increasing service places, support centres and relevant manpower



- Allocate **\$1.298** billion to enhance services for toddlers, children and youths, including increasing the number of school social workers to two per secondary school
- Inject **\$150** million into the Enhancing Self-Reliance Through District Partnership Programme

- Allocate **\$500** million to implement the IT Innovation Lab in the coming 3 school years; each aided secondary school will be granted **\$1** million to help students to build IT foundation

- Allocate **\$200** million to expand the Apprenticeship Scheme for the Construction Industry and increase the allowances for trainees, and encourage workers to pursue further training



Nurture Talent