

2023-24 Budget

(1) Introduction

The 2023-24 Budget takes a “moderately loose” fiscal stance to press ahead with high-quality economic development amidst intense competition and imminent development needs. Over 80% of the resources involved in the Budget measures are targeted at our people and small and medium-sized enterprises, with a view to catering for those in need as far as we can and reinforcing the revival momentum during economic recovery to support our economy in moving towards high-quality development.

(2) Overview

(i) Key Figures

	2022-23 Revised Estimate (\$ billion)	2023-24 Estimate (\$ billion)	Increase/ Decrease
Operating expenditure	689.5	629.5	-8.7%
- of which, recurrent government expenditure	542.3	560.2	3.3%
Capital expenditure	120.1	131.5	9.5%
- of which, capital works expenditure	87.1	87.2	0.1%
Government expenditure	809.6	761.0	-6.0%
Government revenue	603.8	642.4	6.4%
Consolidated surplus/ (deficit) after issuance/ repayment of bonds	(139.8)	(54.4)	-61.1%

GDP in nominal terms is forecast to increase by 6.5% to 8.5% in 2023.

- (ii) The cumulative growths and trend growths for government expenditure, revenue and nominal GDP from 2018-19 to 2023-24 are as follows –

	2018-19 Actual (\$ billion)	2023-24 Estimate (\$ billion)	2023-24 Versus 2018-19 Cumulative Growth	Trend Growth
Recurrent government expenditure, of which	403.0	560.2	39.0%	6.8%
- Education	85.5	104.0	21.6%	4.0%
- Social Welfare	79.4	121.0	52.2%	8.8%
- Health	72.5	104.4	44.0%	7.6%
Government expenditure	531.8	761.0	43.1%	7.4%
Government revenue	599.8	642.4	7.1%	1.4%
Nominal GDP	2,835.4	3,039.0	7.2%	1.4%

- (iii) The comparison of the growth of government expenditure with nominal GDP from 1997-98 and 2018-19 to 2023-24 is as follows –

	2023-24 Versus	
	1997-98	2018-19
Government expenditure - cumulative growth	+291.5%	+43.1%
Nominal GDP - cumulative growth	+121.3%	+7.2%

- (iv) It is estimated that the 2023-24 Budget would have a stimulus effect on the Hong Kong economy of around 1% of GDP.

(3) Recurrent Government Expenditure

- (i) The primary policy objective of the Government is striving for the well-being of the people. To this end, we need to launch counter-cyclical measures during economic downturns to stabilise the economy and safeguard people's livelihood, so as to relieve the pressure on them. Recurrent government expenditure in 2023-24 is \$560.2 billion, higher than the 2022-23 Revised Estimate by 3.3% or \$17.9 billion. Of this, substantial resources have still been allocated to livelihood-related policy areas including healthcare, social welfare and education, involving a total amount of \$329.4 billion, representing 59% of the recurrent expenditure. The comparisons with 1997-98 and 2018-19 are as follows –

	2023-24 Versus	
	1997-98	2018-19
Recurrent government expenditure - cumulative growth	+275.0%	+39.0%

- (ii) The analysis of recurrent government expenditure for the three policy area groups of Education, Social Welfare and Health is as follows –

	2021-22 Actual (\$ billion)	2022-23 Revised Estimate (\$ billion)	2023-24		
			Estimate (\$ billion)	versus 2022-23	versus 2018-19
Education	97.2	97.7	104.0	+6.4%	+4.0%
Social Welfare	97.1	106.0	121.0	+14.1%	+8.8%
Health	98.3	127.1	104.4	-17.8%	+7.6%
Total	292.6	330.8	329.4	-0.4%	+6.8%

For details of the expenditure of the above three policy area groups, please see Appendices 1 to 3.

(4) Capital Works Expenditure

- (i) It is the Government's commitment to invest in capital works projects to set the foundation for Hong Kong's social and economic development, enhance our competitiveness and improve our quality of life.
- (ii) By end March 2023, the estimated total outstanding commitment for on-going capital works projects will be about \$613.9 billion.
- (iii) The estimated expenditure for 2023-24 is \$87.2 billion. The revised estimate for 2022-23 is \$87.1 billion.
- (iv) There are some 70 new projects under the Capital Works Programme with estimated expenditure to be incurred in 2023-24 subject to LegCo's funding approval. They are related to healthcare, housing and land supply, recreation and district facilities, and education etc. which are closely linked with people's daily lives.

(5) Key Expenditure and Revenue Proposals in the 2023-24 Budget

Proposal	Annual/ Total Amount \$m	Beneficiary
I. Policy Address Major Initiatives		
1. Construct about 30 000 Light Public Housing units in the coming five years (i.e. from 2023-24 to 2027-28) under a Government-led approach	⁺ 26,440/ [#] about 4,700	Applicants on the waiting list for traditional public rental housing for not less than three years, with priority given to family applicants
2. Launch a new “Research, Academic and Industry Sectors One plus Scheme (RAISE+ Scheme)”	[^] 10,000 [#] 34	Research teams in universities with good potential to become start-ups, universities and the industry
3. Roll out a three-year pilot scheme through increasing the annual voucher from the existing \$2,000 to \$2,500. The additional \$500 will be allotted automatically to the elderly persons’ accounts upon their claiming at least \$1,000 from the voucher for designated primary healthcare services such as disease prevention and health management. The additional amount should also be used for those designated services	[#] 1,901	All eligible elders under Elderly Health Care Voucher Scheme
4. Press ahead with the development of Phase 2 and Phase 3 of Trade Single Window	⁺ 1,538 [#] 238	Trade and Logistics Sectors

*: annual amount for recurrent measure; #: total for time-limited recurrent measure;

^: total for non-recurrent measure; +: capital item; Ω: revenue measure

Proposal	Annual/ Total Amount \$m	Beneficiary
5. Launch a three-year \$1.4 billion Incentive Scheme for Recurrent Exhibitions on 1 July 2023 to attract exhibitions to be recurrently staged in Hong Kong	[^] 1,400	Exhibition industry
6. Increase the supply of youth hostels by subsidising non-governmental organisations to rent hotels and guesthouses for use as youth hostels	[^] 1,000	About 3 000 eligible young people with aspirations on having own living space
7. Provide an additional 6 200 residential care service places for the elderly by end-2027, with 2 600 service places commencing service in 2023	[*] 989 [#] 4	About 18 000 elderly persons currently waitlisted for subsidised residential care services
8. Expand the Study Subsidy Scheme for Designated Professions/Sectors (SSSDP) to cover top-up degree programmes and increase in phases the numbers of subsidised places; and rationalise the implementation details of the SSSDP and the Non-means-tested Subsidy Scheme for Self-financing Undergraduate Studies in Hong Kong (NMTSS) to benefit students from different backgrounds with effect from the 2023/24 academic year	[*] 935	An increase of about 1 000 subsidised undergraduate places under the SSSDP in the 2023/24 academic year; and a further increase of 1 000 subsidised higher diploma places and 1 000 subsidised undergraduate places after the 2023/24 academic year Students from different backgrounds will also benefit from the rationalisation of implementation details of the SSSDP and NMTSS

^{*}: annual amount for recurrent measure; [#]: total for time-limited recurrent measure;

[^]: total for non-recurrent measure; ⁺: capital item; ^Ω: revenue measure

Proposal	Annual/ Total Amount \$m	Beneficiary
9. Regularise the Pilot Scheme on Community Care Service Voucher for the Elderly and increase by phases the number of beneficiaries from about 8 000 at present to 12 000 in 2025-26	*900	About 21 000 elderly persons on the Central Waiting List for subsidised long-term care services
10. Increase the number of publicly-funded research postgraduate (RPg) places from the existing 5 595 to 7 200 in the 2024/25 academic year, so as to give further boost to the development of academic research in the University Grants Committee (UGC)-funded universities. Coupled with the gradual relaxation of the over-enrolment ceiling of RPg places from 70% to 100% as announced in the 2021 Policy Address, the capacity of the UGC-funded universities in enrolling RPg students will increase by more than 50%	*816	The eight UGC-funded universities
11. Continue to implement the merger of Old Age Living Allowance (OALA) with effect from September 2022	*800	Recipients of the previous Normal OALA
12. Provide over 1 700 additional fully subsidised Enrolled Nurse (General) training places under the “Enrolled Nurse Training Programme for the Welfare Sector” from 2023/24 to 2027/28 academic years to alleviate the shortage of nurses in the welfare sector and enhance the quality of care services	#587	(a) Students of the Enrolled Nurse (General) training programmes (b) Operators and service users of social welfare service units, in particular those of residential care homes

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Proposal	Annual/ Total Amount \$m	Beneficiary
13. Regularise the following Pilot Schemes starting from October 2023 to enhance support for carers of elderly persons and persons with disabilities (PWDs) – (a) Pilot Scheme on Living Allowance for Carers of Elderly Persons from Low-income Families; (b) Pilot Scheme on Living Allowance for Low-income Carers of Persons with Disabilities; (c) Special Care Subsidy for the Severely Disabled; and (d) Pilot Scheme on Providing Subsidy for Higher Disability Allowance Recipients in Paid Employment to Hire Carers	*528	Carers of elderly persons/PWDs and PWDs meeting the eligibility criteria
14. Set up the District Services and Community Care Teams in 18 districts	#496	All Hong Kong residents, in particular those in need of caring services
15. Provide 2 300 additional pre-school rehabilitation, day and residential rehabilitation service places by phases from 2023-24	*449	Pre-school children with special needs and PWDs
16. Provide an additional 750 sponsorship places for students of designated programmes in occupational therapy or physiotherapy in the coming five years to respond to the manpower need for allied health professionals in the welfare sector	#447	Welfare services users requiring support from occupational therapists and physiotherapists
17. Increase the subsidies provided under the Research Talent Hub Scheme	+380 (Annual)	Organisations and companies undertaking research and development activities
18. Establish the “Hong Kong Talent Engage (HKTE)”, a new setup to provide one-stop service to attract and support talents	#278 *3	Outside talents interested in moving to or already in Hong Kong

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Proposal	Annual/ Total Amount \$m	Beneficiary
19. Set up a supersite for the Greater Bay Area (GBA) air quality laboratory and meteorology monitoring in Hong Kong to provide regional air pollution and meteorological monitoring and forecasting services	⁺ 261 *1	General public, researchers and academics
20. Double the maximum annual funding for each State Key Laboratory in Hong Kong and Hong Kong Branch of Chinese National Engineering Research Centre to \$20 million starting from the 2022-23 financial year	⁺ 220 (Annual)	16 State Key Laboratories in Hong Kong and six Hong Kong Branches of Chinese National Engineering Research Centres
21. Continue to provide more quality exchange and internship opportunities for young people in the next three years	#211	Youths
22. Enhance Radio Television Hong Kong (RTHK)'s cross-media multi-language broadcasting and programme contents to tell good stories of Hong Kong and our country	⁺ 87 #64 *52	Local, Mainland and overseas audience of RTHK
23. Enhance the handling of non-refoulement claims	*153 #33	General public
24. Enhance the functions of the Chinese Medicine Unit under the Health Bureau with the creation of the post of Commissioner for Chinese Medicine Development to further promote holistic development of Chinese medicine in Hong Kong, including increasing the quota of Government-subsidised Chinese medicine out-patient services provided at the Chinese Medicine Clinics cum Training and Research Centres in the 18 districts	*169 #5	Chinese medicine sector and the general public

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Proposal	Annual/ Total Amount \$m	Beneficiary
25. Promote Hong Kong's pop culture	#168	Estimated attendance of 140 000 per year
26. Expand the "STEM Internship Scheme"	+147 *1	(a) Undergraduates and postgraduates studying STEM-related programmes in the GBA campuses of those local universities covered by the "STEM Internship Scheme" (b) STEM students of local and non-local universities
27. Set up 16 new Neighbourhood Elderly Centres in the next five years and expand the service scope of all District Elderly Community Centres and Neighbourhood Elderly Centres across the territory to cover areas such as retirement planning and the promotion of gerontechnology	*123	Elderly persons aged 60 or above living in the community, and their carers
28. Provide job and training opportunities in the GBA for enhancing the career development of Hong Kong young people	*108	(a) Hong Kong residents holding bachelor's degrees or above awarded in 2021 to 2023 (applicable to the first round of the regularised scheme to be launched in 2023) (b) Enterprises with business in both Hong Kong and GBA Mainland cities

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Proposal	Annual/ Total Amount \$m	Beneficiary
29. Expand the Hospital Authority's Integrated Discharge Support Programme for Elderly Patients by increasing the number of beneficiaries per annum from about 33 000 at present to 45 000. The number of beneficiaries who can be referred to receive home support services will increase from about 9 000 to 11 000	*74	About 45 000 elderly patients discharged from public hospitals
30. Double the maximum annual funding amount provided for each university under the "Technology Start-up Support Scheme for Universities" to \$16 million starting from the 2023-24 financial year. The increased funding will be provided to university start-ups with private investments on a matching basis of one to one	+48 (Annual)	University start-ups which can attract private investments
31. Establish an inter-departmental steering committee for Modular Integrated Construction (MiC) and set up a dedicated team to further promote the adoption of high productivity construction such as MiC and Multi-trade Integrated Mechanical Electrical and Plumbing	#31	Construction industry
32. Set up a Women Empowerment Fund to organise activities for promoting the development of women	#18	Women

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Proposal	Annual/ Total Amount \$m	Beneficiary
33. Introduce Pilot Scheme on Private Developer Participation in Subsidised Housing Development to enhance public-private partnership (the Pilot Scheme). The policy framework of the Pilot Scheme will be announced in due course, and three sites will be put up for tender in batches from 2023-24 onwards for developers to build subsidised sale flats which will be sold to eligible persons at a specified discount rate from the market price. Under the Pilot Scheme, developers are also encouraged to apply for rezoning of their own private land for subsidised sale flat development	#14	Eligible persons under the Pilot Scheme

Total Financial Implications of Policy Address Major Initiatives (I)	56,874
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Involving –	
Operating Expenditure	27,753
- <i>Recurrent measures</i>	<i>15,353</i>
- <i>Non-recurrent measures</i>	<i>12,400</i>
Capital Expenditure	29,121

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Proposal	Annual/ Total Amount \$m	Beneficiary
II. Budget Proposals		
(A) One-off Relief Measures		
<u>Expenditure Measures</u>		
34. To incentivise local consumption by issuing electronic consumption vouchers in instalments with a total value of \$5,000/\$2,500 [@] to each eligible resident	[^] 32,518 #190	About 6.5 million eligible Hong Kong permanent residents and new arrivals aged 18 or above
[@] Eligible persons who have come to live in Hong Kong through different admission schemes or to study in Hong Kong will receive the vouchers at half value.		
35. Provide a one-off electricity charges subsidy of \$1,000 for each eligible residential electricity account; and	[^] 2,900)) About 2.9 million) households)
another round of electricity charges relief of \$50 per month for each eligible residential electricity account from January 2024 to December 2025 in order to alleviate the impact of using greener fuel for electricity generation on electricity tariffs	[^] 3,544)	
36. Provide an equivalent of half month extra allowance to eligible recipients of social security payments and apply similar arrangements to the Working Family Allowance (WFA) Scheme	[^] 2,837	About 1.63 million persons eligible for social security payments and about 70 000 households in receipt of WFA
37. Extend the temporary special measures under the Public Transport Fare Subsidy Scheme for six months until 31 October 2023	#1,080	General Public

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Proposal	Annual/ Total Amount \$m	Beneficiary
38. Pay the examination fees for school candidates sitting for the 2024 Hong Kong Diploma of Secondary Education Examination (HKDSE)	[^] 151	About 43 200 HKDSE school candidates
Sub-total for Expenditure Measures	<u>43,220</u>	
<u>Revenue Measures</u>		
39. Reduce profits tax for the year of assessment 2022/23 by 100%, subject to a ceiling of \$6,000	^Ω 720	133 500 businesses
40. Reduce salaries tax and tax under personal assessment for the year of assessment 2022/23 by 100%, subject to a ceiling of \$6,000	^Ω 8,500	1.90 million taxpayers
41. Waive rates for first two quarters of 2023-24 subject to a ceiling of \$1,000 per quarter –		
(a) For each rateable domestic property	^Ω 5,200	3.03 million domestic properties liable to rates
(b) For each rateable non-domestic property	^Ω 740	430 000 non-domestic properties liable to rates
42. Provide 50% rental or fee concession for eligible tenants of government premises as well as eligible short-term tenancies and waivers under the Lands Department for six months from July 2023 until end-2023	^Ω 1,000	About 24 000 tenancies
Sub-total for Revenue Measures	<u>16,160</u>	
Total for One-off Relief Measures	<u>59,380</u>	

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Proposal	Annual/ Total Amount \$m	Beneficiary
(B) Budget Measures with Long-term Effects		
<u>Expenditure Measures</u>		
43. Set aside \$6 billion out of the \$10 billion earmarked in the 2022-23 Budget to set up Life and Health Research Institute(s) in Hong Kong	(provided for in the previous Budget)	Universities / research institutions with life and health technology disciplines
44. Provide additional funding to the Hong Kong Tourism Board for driving tourism recovery and providing continued support to the travel trade	#820	Visitors, tourism industry and related sectors
45. Take forward initiatives to tell the Hong Kong stories and to help small and medium enterprises (SMEs) explore new markets and capture business opportunities arising from the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development	#550	Hong Kong enterprises
46. Inject additional funding of \$500 million to replenish the CreateSmart Initiative (CSI) to provide continuous support for the promotion and development of the seven non-film creative sectors and to extend the strategic foci of the CSI to encourage more cross sectoral and cross genre collaboration on creative and cultural programmes	^500	Creative industries, culture, sports and tourism sectors, local community and the public
47. Set up pilot digital transformation programme to be organised by Cyberport	^500	At least 8 000 SMEs of targeted industries to be identified by the Digital Economy Development Committee
48. Inject \$500 million into the Chinese Medicine Development Fund	^500	Chinese medicine sector and the general public

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Proposal	Annual/ Total Amount \$m	Beneficiary
49. Inject \$500 million into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) and introduce the “BUD Easy” to expedite the vetting of applications for projects of \$100,000 or below	^500	Hong Kong enterprises
50. Extend the existing “IT Innovation Lab in Secondary Schools” programme for three school years from 2023/24 to 2025/26	^300 #37	Some 450 secondary schools and their students
51. Provide funding for Cyberport to strengthen support measures for smart living startups	^265	Around 90 smart living start-ups on an annual basis over the course of five years
52. Inject a non-recurrent funding of \$200 million to Maritime and Aviation Training Fund for training and promotion for aviation, maritime and related industry	^200	Stakeholders of the aviation, maritime and related industry
53. Upgrade “iAM Smart” to realise “Single Portal for Online Government Services” to enable bureaux and departments to provide convenient and one-stop digital services to the public	+193 #18	All Hong Kong residents aged 11 or above with Hong Kong Identity Cards are either potential or registered users of “iAM Smart”
54. Enhance support to pre-school children with special needs	*174	Around 6 000 pre-school children with special needs and their families as well as teachers
55. Continue implementing the cultural exchanges between Hong Kong and the GBA	#135	1 000 local artists/arts practitioners with 40 000 attendance from all the GBA cities annually
56. Attracting more family offices to Hong Kong	#100	Overall Hong Kong community

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Proposal	Annual/ Total Amount \$m	Beneficiary
57. Attract more large-scale events with significant visitor appeal and tourism promotional effect to stage in Hong Kong	#100	Visitors, tourism industry and related sectors
58. Launch a pilot on-the-job training subsidy scheme for –		
(a) students of part-time degree programmes related to the construction industry	^100	1 000 students
(b) trainees to become Safety Officers for the construction industry	^7	300 secondary six school leavers or graduates of the Diploma programmes under the Yi Jin scheme
59. Provide additional funding to strengthen the support for women development and related work	#100	Women
60. Provide \$100 million to strengthen the services of “SME ReachOut” over five years starting from October 2023 to assist SMEs in building capacity and enhancing competitiveness	#100	Hong Kong enterprises
61. Extend the Pilot Programme to Enhance Talent Training for Insurance Sector and Asset and Wealth Management Sector for three years from 2023-24 until 2025-26	^55	<u>Insurance Sector</u> internship for about 270 students and professional training to be attended by about 7 200 industry practitioners <u>Asset and Wealth Management Sector</u> internship for about 360 students and professional training subsidy for about 1 800 industry practitioners

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Proposal	Annual/ Total Amount \$m	Beneficiary
62. Implement initiatives to tell the good stories of Hong Kong, presenting the true picture of Hong Kong to the world and extensively showcasing the city's strengths, achievements and opportunities	#50	Overall Hong Kong community
63. Expedite the Web3 ecosystem development in Hong Kong	^50	Innovation and technology sector
64. Implement the Information Technology Development Matching Fund Scheme for Travel Agents	#30	Travel agents
65. Establish an Advanced Construction Industry Building	^30	Construction industry
66. Establish a Building Testing and Research Institute	^30	Construction industry
67. Extend the Pilot Insurance-linked Securities (ILS) Grant Scheme for two years from June 2023 to May 2025	^24	Issuers and sponsors of ILS
68. Host the “Guangdong-Hong Kong-Macao Greater Bay Area Culture and Arts Festival 2024”	^20	5 000 local and Mainland artists/arts practitioners for all the programmes held in GBA cities including Hong Kong, with 140 000 attendance and 100 000 online viewership for the opening programme
69. Expedite studies on strategies for promoting high-end maritime service industry and enhance exchange among industries in the international arena and the GBA	#20	Overall maritime and port industry development of Hong Kong
70. Launch the “Happy Hong Kong” Campaign	#20	General public

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Proposal	Annual/ Total Amount \$m	Beneficiary
71. Strengthen Supply Chain of MiC	[^] 15	Construction industry
72. Launch a “Financial Technology Internship Scheme for Post-Secondary Students in Hong Kong and the Guangdong-Hong Kong-Macao Greater Bay Area” to nurture future Fintech talents for Hong Kong	[^] 12	Post-Secondary Students in Hong Kong and the GBA
Sub-total for Expenditure Measures	<hr/> 5,555 <hr/>	
<u>Revenue Measures</u>		
73. Special football betting duty for five years	^Ω (12,000) <i>(total amount of increase in revenue)</i>	General public
74. Increase the duty rate on tobacco products	^Ω (1,000) <i>(increase in revenue)</i>	General public
75. Adjust the value bands of the ad valorem stamp duty (Scale 2 rates) payable for the sale and purchase or transfer of residential and non-residential properties with effect from 22 February 2023	^Ω 1,900	37 000 property purchasers / transferees
76. Increase the basic child allowance and the additional child allowance for new born child under salaries tax and tax under personal assessment from \$120,000 to \$130,000 with effect from the year of assessment 2023/24	^Ω 610	324 000 taxpayers
Sub-total for Revenue Measures	<hr/> (10,490) <hr/>	
Total for Budget Measures with Long-term Effects	<hr/> (4,935) <hr/>	

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Proposal	Annual/ Total Amount \$m	Beneficiary
(C) Funding Earmarked		
77. Earmark \$3 billion to further enhance the facilities for basic research in frontier technological fields such as artificial intelligence and quantum technology	3,000	Universities / research institutions with disciplines in frontier technological fields such as artificial intelligence and quantum technology
Total for Funding Earmarked	3,000	
(D) Additional Financial Commitment		
78. Launch a new 100% loan guarantee scheme to encourage taxi owners to replace their existing taxis with battery electric taxis	6,400	Taxi owners
79. Launch new 100% loan guarantee schemes for eligible passenger transport operators and licensed travel agents	2,700	Passenger transport operators and licensed travel agents
Total for Additional Financial Commitment	9,100	
Total Financial Implications of Budget Measures and Additional Financial Commitment (II) (A+B+C+D)	66,545	
Grand Total (Policy Address Major Initiatives, Budget Measures and Additional Financial Commitment) (I+II)	123,419	

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(6) Medium Range Forecast

(\$ billion)	2022-23 Revised Estimate	2023-24 Estimate	2024-25 Forecast	2025-26 Forecast	2026-27 Forecast	2027-28 Forecast
Operating surplus/ (deficit)	(196.1)	(92.7)	(5.1)	26.8	27.0	45.3
Capital surplus/ (deficit)	(9.7)	(25.9)	(27.2)	(20.7)	(6.4)	3.3
Proceeds from issuance of government bonds	66.0	65.0	65.0	65.0	65.0	65.0
Repayment of government bonds	-	(0.8)	(23.1)	(31.8)	(13.7)	(13.7)
Consolidated surplus / (deficit) after issuance and repayment of bonds	(139.8)	(54.4)	9.6	39.3	71.9	99.9
Fiscal reserves at 31 March	817.3	762.9	772.6	811.9	883.8	983.7
In terms of no. of months of government expenditure	12	12	12	12	13	14
In terms of % of GDP	28.9%	25.1%	24.0%	23.8%	24.4%	25.6%

Appendices –

1. Education
2. Social Welfare
3. Health

Education

1. Estimated government expenditure on education amounts to \$114.7 billion in 2023-24, accounting for 15.1% of total estimated government expenditure, and is 7.3% or \$7.8 billion higher than the 2022-23 revised estimate (RE).
2. Estimated recurrent government expenditure on education is \$104.0 billion in 2023-24, accounting for 18.6% of total estimated recurrent government expenditure and is 6.4% or \$6.3 billion higher than the 2022-23 RE.
3. The key initiatives are highlighted below –

Initiatives under recurrent government expenditure

(a) New initiatives

- (i) \$307 million in 2023-24 (\$816 million full-year provision w.e.f. 2025-26) is for increasing the number of publicly-funded RPg places from the existing 5 595 to 7 200 in the 2024/25 academic year, so as to give further boost to the development of academic research in the UGC-funded universities.
- (ii) \$360 million in 2023-24 (\$935 million full-year provision w.e.f. 2027-28) is for expanding the Study Subsidy Scheme for Designated Professions/Sectors (SSSDP) to cover top-up degree programmes for the first time and increase in phases the numbers of subsidised places, subject to the progress of the review of the Post Secondary Colleges Ordinance (Cap. 320), and for rationalising the implementation details of the SSSDP and the Non-means-tested Subsidy Scheme for Self-financing Undergraduate Studies in Hong Kong to benefit students from different backgrounds with effect from the 2023/24 academic year.

(b) Existing initiatives

- (i) The Kindergarten Education Scheme has been implemented since the 2017/18 school year. The recurrent expenditure on pre-primary education is estimated to be \$5,800 million in 2023-24.
- (ii) \$2,100 million in 2023-24 is for providing a student subsidy of \$2,500 per student attending day-schools in kindergartens, primary schools, secondary schools and special schools starting from the 2020/21 school year.

- (iii) Additional provision of \$795 million in 2023-24 (\$800 million additional full year provision w.e.f. 2024-25) is for improving the support initiatives under the integrated education policy (IE) by restructuring various subvented programmes for IE and extending the Learning Support Grant to all public sector ordinary schools, upgrading the rank of Special Educational Needs Coordinators in schools with a comparatively large number of students with special educational needs, extending the Enhanced School-based Educational Psychology Service and implementing the Enhanced School-based Speech Therapy Service.

Initiatives under non-recurrent and capital expenditure

(a) New initiatives

- (i) \$600 million in 2023-24 is for additional injection into the Gifted Education Fund to promote STEAM education in primary and secondary schools.
- (ii) A total commitment of \$151 million and cash flow of \$150.6 million in 2023-24 is for launching a one-off relief measure to pay the Hong Kong Examinations and Assessment Authority the examination fees for school candidates sitting for the 2024 Hong Kong Diploma of Secondary Education Examination.

(b) Existing initiatives

- (i) A total commitment of \$3,000 million and cash flow of \$377 million in 2023-24 is for implementing the Research Matching Grant Scheme.
- (ii) A total commitment of \$1,260 million and cash flow of \$107 million in 2023-24 is for implementing the Enhancement and Start-up Grant Scheme for Self-financing Post-secondary Education to provide financial support to independent self-financing post-secondary institutions to develop and enhance programmes that meet market needs but require high start-up costs.
- (iii) A total commitment of \$500 million and cash flow of \$128 million in 2023-24 is for supporting the implementation of a Global STEM Professorship Scheme.
- (iv) \$88 million in 2023-24 (\$100 million full-year recurrent provision w.e.f. 2024-25) is for the operation of the Diploma Yi Jin and the launch of the Diploma of Applied Education programme.

Appendix 1 (Cont'd)

- (v) \$1,732 million in 2023-24 is for school maintenance (Major Repairs for aided and DSS schools and Emergency Repairs for aided schools).
- (vi) A total commitment of \$1,000 million and cash flow of \$105 million in 2023-24 is for supporting simple minor internal conversion works for some 600 aided schools.
- (vii) A total provision of around \$2,000 million and cash flow of \$128 million in 2023-24 is for expediting installation of lifts for public sector and DSS schools without such provisions, starting from 2019-20.

Social Welfare

1. Estimated government expenditure on Social Welfare amounts to \$129.0 billion in 2023-24, accounting for 17.0% of total estimated government expenditure, and is 15.6% or \$17.4 billion higher than the 2022-23 revised estimate (RE).
2. Estimated recurrent government expenditure on Social Welfare is \$121.0 billion in 2023-24, accounting for 21.6% of total estimated recurrent government expenditure and is 14.1% or \$15.0 billion higher than the 2022-23 RE.
3. The key initiatives are highlighted below –

Initiatives under recurrent government expenditure

(a) New initiatives

- (i) Additional provision of \$586.8 million for implementing the Enrolled Nurse Training Programme for the Welfare Sector from 2023-24 to 2027-28 academic year, providing over 1 700 additional subsidised Enrolled Nurse (General) training places.
- (ii) Additional provision of \$378.7 million in 2023-24 (\$901.3 million additional full-year provision w.e.f. 2025-26) for regularising the Pilot Scheme on Community Care Service Voucher for the Elderly and increasing in phases its number of beneficiaries from 8 000 at present to 12 000 in 2025-26.
- (iii) Additional provision of \$263.8 million in 2023-24 (\$527.5 million additional full-year provision w.e.f. 2024-25) is for regularising the Pilot Scheme on Living Allowance for Carers of Elderly Persons from Low-income Families, the Pilot Scheme on Living Allowance for Low-income Carers of Persons with Disabilities, the Special Care Subsidy for the Severely Disabled (Special Care Subsidy) and the Pilot Scheme on Providing Subsidy for Higher Disability Allowance Recipients in Paid Employment to Hire Carers. After regularisation, the monthly allowance of the two low-income allowance schemes will increase from \$2,400 to \$3,000 and the monthly full grant of the Special Care Subsidy will increase from \$2,000 to \$2,500, representing an increase of 25%.
- (iv) Additional provision of \$102.4 million in 2023-24 (\$174.1 million additional full-year provision w.e.f. 2024-25) to enhance pre-school support for children with special needs. Currently, around 80

kindergartens/kindergarten-cum-child care centers (pre-school institutions) are piloting an on-site arrangement to provide training to pre-school children awaiting assessment of their physical and intellectual abilities or assessed to have borderline developmental problems (i.e. the so-called “Tier 1 Support Services”), with a view to facilitating their smooth transition to mainstream primary school for education; and to provide support to their parents and teachers. In view of the marked effectiveness of the relevant services, the additional provision will regularise the Tier 1 Support Services and expand them to nearly 900 pre-school institutions, and integrate them with “On-site Pre-school Rehabilitation Services”, which support pre-school children with mild disabilities, so as to provide comprehensive and timely support to pre-school children with different levels of special needs through multi-disciplinary teams and a school-based approach.

- (v) Additional provision of \$56.3 million in 2023-24 (\$112.7 million additional full-year provision w.e.f. 2024-25) for increasing the manpower provision for District Elderly Community Centres and Neighbourhood Elderly Centres (DECC/NECs), and organising additional activities at DECC/NECs, which include retirement planning and the promotion of gerontechnology.
- (vi) Additional provision of \$38.1 million in 2023-24 (\$74.2 million additional full-year provision w.e.f. 2024-25) for expanding the Hospital Authority’s Integrated Discharge Support Programme for Elderly Patients by increasing the number of beneficiaries from about 33 000 to 45 000 per annum and the number of those who can be referred to receive home support services from 9 000 to 11 000.
- (vii) Additional provision of \$24.1 million in 2023-24 (\$24.2 million additional full-year provision w.e.f. 2024-25) is for enhancing Government’s enforcement and support capacity, providing appropriate training to practitioners in the relevant professions and strengthening the promotion and public education work on child protection, with a view to dovetailing the implementation of the mandatory reporting requirement for suspected child abuse cases.
- (viii) Additional provision of \$15.0 million from 2023-24 to 2025-26 is for launching a three-year territory-wide publicity campaign to raise public awareness of the needs of carers, and promote community-based peer support for carers.
- (ix) Additional annual provision of \$12.8 million w.e.f. 2023-24 is for setting up a new designated hotline for carers to assist in identifying

Appendix 2 (Cont'd)

high-risk carers and provide emergency support, counselling, outreaching and referral services to those in need.

- (x) Additional provision of \$10.4 million in 2023-24 and \$74.4 million in 2024-25 are for implementing the relaxation of the pre-application absence limit of the Social Security Allowance (SSA) Scheme. This will benefit Hong Kong residents who have longer period of absence from Hong Kong due to various reasons and allow them to remain eligible for applying for the SSA Scheme.
- (xi) Additional provision of \$4.1 million in 2023-24 is for developing a one-stop information gateway to facilitate carers' access to information on available services.

(b) Existing initiatives

- (i) Additional provision of a total of \$447.4 million during the six years from 2023-24 to 2028-29 is for increasing the number of sponsorship places for students of designated programmes in occupational therapy or physiotherapy to respond to the manpower need for allied health professionals in the welfare sector.
- (ii) Additional provision of \$203.2 million in 2023-24 (\$448.3 million additional full-year provision w.e.f. 2025-26) is for providing 2 300 additional pre-school rehabilitation, day and residential rehabilitation service places by phases.
- (iii) Additional provision of \$56.7 million (\$80 million additional full-year provision w.e.f. 2024-25) in 2023-24 is for improving the manning ratio of Child Care Workers, increasing front line support staff, introducing professional support, increasing the service places of Residential Child Care Services (RCCS) and stepping up inspection enforcement efforts of RCCS.

(c) Social Security

The expenditure on social security since 2018-19 is as follows –

	2018-19 (Actual)	2019-20 (Actual)	2020-21 (Actual)	2021-22 (Actual)	2022-23 (Revised Estimate)	2023-24 (Estimate)
CSSA (\$ million)	19,930 (22,323)#	20,305 (22,667)@	21,158 (22,853)^	22,069 (22,909)&	22,881 (23,459)&	22,074 (22,681)%
SSA (\$ million)	33,847 (39,340)#	31,507 (36,643)@	35,344 (38,166)^	38,224 (39,754)&	42,866 (44,529)&	50,914 (53,028)%

Appendix 2 (Cont'd)

Total (\$ million)*	53,777 (61,663)#	51,812 (59,310)@	56,502 (61,019)^	60,294 (62,663)&	65,747 (67,988)&	72,988 (75,709)%
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- # Includes the two-month additional payment as announced in the Budget.
- @ Includes the one-month additional payment as announced in the Budget and another one-month additional payment announced by FS in August 2019.
- ^ Includes the one-month additional payment as announced in the Budget.
- & Includes the half-month additional payment as announced in the Budget.
- % Includes the half-month additional payment as announced in the Budget.
- * Figures may not add up due to rounding.

Initiatives under non-recurrent and capital expenditure

(a) Existing initiatives

- (i) An additional total commitment of \$180 million (2022-23 Revised Estimate: \$80.5 million) is for injection into the Child Development Fund.

Health

1. Estimated government expenditure on health amounts to \$124.8 billion in 2023-24, accounting for 16.4% of total estimated government expenditure, and is 19.2% or \$29.6 billion lower than the 2022-23 revised estimate (RE).
2. Estimated recurrent government expenditure on health is \$104.4 billion in 2023-24, accounting for 18.6% of total estimated recurrent government expenditure and is 17.8% or \$22.7 billion lower than the 2022-23 RE.
3. The key initiatives are highlighted below –

Initiatives under recurrent government expenditure

A. Hospital Authority (HA)

The Government will continue to increase the funding for HA based on the triennium funding arrangement agreed in 2017. The 2023-24 financial provision for HA totals \$90.9 billion (comprising \$89.2 billion recurrent subvention and \$1.7 billion capital subvention), representing a decrease of 2.7% over the 2022-23 revised estimate (\$93.4 billion).

The recurrent subvention at \$89.2 billion represents a decrease of 2.7% over the 2022-23 revised estimate (\$91.7 billion). The following key measures will be implemented –

Existing initiatives

- (i) enhancing service planning and coordination to support hospital development projects;
- (ii) providing additional hospital beds, additional operating theatre and endoscopy sessions; and Magnetic Resonance Imaging Guided Focused Ultrasound Surgery to eligible patients with movement disorders;
- (iii) enhancing cancer services, particularly clinical pharmacy services for patients with haematological cancer and genetic testing services for patients with myeloid blood cancer and lung cancer;
- (iv) enhancing clinical services such as ophthalmology, radiology, pathology and clinical pharmacy, as well as non-clinical supporting services;
- (v) enhancing mental health service by strengthening the nursing

manpower and extending the service hour of psychiatric consultation liaison services of Hong Kong East Cluster and Kowloon East Cluster;

- (vi) enhancing ambulatory care services and community-based care;
- (vii) developing personalised care, improving patient experience, operational workflow, surgical outcome and patient safety through the application of advanced technology and developing smart hospitals; and
- (viii) attracting and retaining staff to alleviate manpower shortage and constraint, including providing additional promotion opportunities; and strengthening staff relations and communication.

B. Department of Health

Existing initiatives

- (i) Additional time-limited provision of \$1,106 million in 2023-24 (\$6,531 million total time-limited provision for five years from 2023-24 to 2027-28) for meeting the cash flow requirements for the Elderly Health Care Voucher Scheme including the “Three-year Pilot Scheme”;
- (ii) Additional time-limited provision of \$129 million in 2023-24 for supporting the continuity of the operation of the Colorectal Cancer Screening Programme;
- (iii) Additional time-limited provision of \$98 million in 2023-24 (\$266 million total time-limited provision for three years from 2023-24 to 2025-26) to Tobacco and Alcohol Control Office to enforce the Smoking (Public Health) (Amendment) Ordinance 2021 to ban the import, manufacture, sale, distribution and advertisement of alternative smoking products and strengthen its manpower to support tobacco and alcohol control work;
- (iv) Additional time-limited provision of \$36 million in 2023-24 (\$157 million total time-limited provision for five years from 2023-24 to 2027-28) for enhancing the evaluation of clinical trials, registration of pharmaceutical products and market surveillance of medical devices and strengthening the manpower support to foster the healthcare development of the Greater Bay Area;
- (v) Additional time-limited provision of \$26 million in 2023-24 (\$90 million total time-limited provision for four years from 2022-23 to

2025-26) for implementing a three-year Breast Cancer Screening Pilot Programme by non-government organisations;

- (vi) Additional time-limited provision of \$19 million in 2023-24 (\$124 million total time-limited provision for five years from 2023-24 to 2027-28) for implementing the vaccination under Vaccination Subsidy Scheme, Seasonal Influenza Vaccination School Outreach Programme and Residential Care Home Vaccination Programme;
- (vii) Additional time-limited provision of \$13 million in 2023-24 (\$64 million total time-limited provision for five years from 2023-24 to 2027-28) for incorporating high risk Human Papillomavirus (HPV) detection as the primary screening test for cervical cancer screening;
- (viii) Additional time-limited provision of \$13 million in 2023-24 (\$44 million total time-limited provision for five years from 2023-24 to 2027-28) for establishing “Hong Kong Chinese Materia Medica Resources Survey Section” under the Government Chinese Medicines Testing Institute (GCMTI) and strengthening the market surveillance programme and enforcement actions on Chinese herbal medicines and research support for GCMTI; and
- (ix) Additional provision of \$12 million in 2023-24 (\$144 million full year provision w.e.f. 2027-28) for carrying out service enhancements and organisational transformation through the increased use of IT as identified in the Strategic Plan to Re-engineer and Transform Public Services (SPRINT).

C. Health Bureau

(a) Existing initiatives

- (i) Additional provision of \$131 million in 2023-24 (\$169 million full year provision w.e.f. 2026-27 and \$5 million total time-limited provision for three years from 2023-24 to 2025-26) to enhance the functions of the Chinese Medicine Unit under the Health Bureau with the creation of the post of Commissioner for Chinese Medicine Development to further promote holistic development of Chinese medicine (CM) in Hong Kong, including increasing the annual quota of Government-subsidised CM out-patient services provided at the Chinese Medicine Clinics cum Training and Research Centres in the 18 districts and regularising and further developing the integrated Chinese-Western medicine services at designated public hospitals.

Initiatives under non-recurrent and capital expenditure**Existing initiatives**

- (i) A total commitment of \$14,473 million and cash flow of \$5,071 million in 2023-24 (2022-23 RE: \$3,313 million) is for procurement and administration of COVID-19 vaccines;
- (ii) A provision of \$1,712 million in 2023-24 (2022-23 RE: \$1,710 million), including \$712 million allocated out of the \$5 billion earmarked for enhancing technology adoption, is for HA to procure equipment and implement computerisation projects;
- (iii) A total commitment of \$1,000 million (including an additional commitment of \$500 million to support new strategically commissioned projects and capacity building initiatives) and cash flow of \$153 million in 2023-24 (2022-23 RE: \$181 million) is for Chinese Medicine Development Fund;
- (iv) A total commitment of \$682 million and cash flow of \$215 million in 2023-24 (2022-23 RE: \$148 million) is for Hong Kong Genome Project;
- (v) A total commitment of \$596 million and cash flow of \$156 million in 2023-24 (2022-23 RE: \$116 million) is for the “DHC Express” Scheme;
- (vi) A total commitment of \$1,000 million and cash flow of \$184 million in 2023-24 (2022-23 RE: \$98 million) is for the Indemnity Fund for Adverse Events Following Immunization with Coronavirus Disease-2019 Vaccines;
- (vii) A total commitment of \$4,223 million and cash flow of \$350 million in 2023-24 (2022-23 RE: \$223 million) is for Health and Medical Research Fund;
- (viii) A total commitment of \$80 million and cash flow of \$8 million in 2023-24 (2022-23 RE: \$5 million) is for the preparation for service commencement of the Chinese Medicine Hospital;
- (ix) A total capital commitment of \$8,620 million and cash flow of \$900 million in 2023-24 (2022-23 RE: \$550 million) is for the development of Chinese Medicine Hospital in Tseung Kwan O. [Remark: this is a health project with funding vote controlled by Arch. Services Department.]; and

Appendix 3 (Cont'd)

- (x) A total capital commitment of \$384 million and cash flow of \$46 million in 2023-24 (2022-23 RE: \$7 million) is for IT support for the Chinese Medicine Hospital.