

2025-26 Budget

(1) Overview

(i) Key Figures

	2024-25 Revised Estimate (\$ billion)	2025-26 Estimate (\$ billion)	Increase/ Decrease
Operating expenditure	599.9	624.2	4.0%
- of which, recurrent government expenditure	562.5	588.1	4.5%
Capital expenditure	154.8	198.1	27.9%
- of which, capital works expenditure	105.4	119.8	13.6%
Government expenditure	754.8	822.3	8.9%
Government revenue	559.6	659.4	17.8%
Consolidated deficit after issuance and repayment of bonds	(87.2)	(67.0)	-23.2%

GDP in nominal terms is forecast to increase by 5.5% to 6.5% in 2025.

- (ii) The cumulative growths and trend growths for government expenditure, revenue and nominal GDP from 2020-21 to 2025-26 are as follows –

	2020-21 Actual (\$ billion)	2025-26 Estimate (\$ billion)	2025-26 Versus 2020-21 Cumulative Growth	Trend Growth
Recurrent government expenditure, of which	467.1	588.1	25.9%	4.7%
- Social Welfare	88.9	130.4	46.6%	8.0%
- Health	87.6	115.3	31.7%	5.7%
- Education	97.3	102.9	5.7%	1.1%
Government expenditure	816.0	822.3	0.8%	0.2%
Government revenue	564.2	659.4	16.9%	3.2%
Nominal GDP	2,675.8	3,367.6	25.9%	4.7%

- (iii) The comparison of the growth of government expenditure with nominal GDP from 1997-98 and 2020-21 to 2025-26 is as follows –

	2025-26 Versus	
	1997-98	2020-21
Government expenditure - cumulative growth	+323.1%	+0.8%
Nominal GDP - cumulative growth	+145.3%	+25.9%

- (iv) It is estimated that the 2025-26 Budget would bring a stimulus effect to the Hong Kong economy of around 0.6% of GDP.

(2) Recurrent Government Expenditure

- (i) Recurrent government expenditure in 2025-26 is \$588.1 billion, higher than the 2024-25 Revised Estimate by 4.5 % or by \$25.6 billion. Of this, substantial expenditure have still been incurred for social welfare, health and education, involving a total amount of \$ 348.6 billion, representing 59.3% of the recurrent expenditure. The comparisons with 1997-98 and 2020-21 are as follows –

	2025-26 Versus	
	1997-98	2020-21
Recurrent government expenditure - cumulative growth	+293.7%	+25.9%

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

	2023-24 Actual (\$ billion)	2024-25 Revised Estimate (\$ billion)	2025-26		
			Estimate (\$ billion)	versus 2024-25 Revised Estimate	versus 2020-21 (trend growth)
Social Welfare	110.6	118.7	130.4	+9.8%	+8.0%
Health	103.9	109.2	115.3	+5.6%	+5.7%
Education	103.7	105.3	102.9	-2.3%	+1.1%
Total	318.2	333.2	348.6	4.6%	4.9%

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

(3) 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, in particular to accelerate the development of the Northern Metropolis, to enhance our competitiveness and our quality of life.
- (ii) By end March 2025, the estimated total outstanding commitment for capital works projects underway will be about \$686.9 billion.
- (iii) The estimated capital works expenditure for 2025-26 is \$119.8 billion. The revised estimate for 2024-25 is \$105.4 billion.
- (iv) There are 36 new projects under the Capital Works Programme with estimated expenditure to be incurred in 2025-26. They are related to healthcare, education, housing and land supply, infrastructure and district facilities, etc. which are closely linked with people's lives.

(4) Key Expenditure and Revenue Proposals in the 2025-26 Budget

Proposal	Annual/ Total Amount \$ million	Beneficiary
I. Policy Address Major Initiatives		
1. SME Financing Guarantee Scheme (SFGS) enhancements	<i>(earmarked in the 2024-25 Budget)</i>	All small and medium-sized enterprises eligible for the 80% and 90% Guarantee Products under the SFGS, and all the existing borrowing enterprises of the SFGS
2. Set up the Innovation and Technology (I&T) Industry-Oriented Fund	+10,000	Strategic I&T industries
3. Launch a new round of the Research Matching Grant Scheme with \$1.5 billion commitment to attract more organisations to support research endeavours of institutions	^1,500	University Grants Committee (UGC)-funded universities and local self-financing degree awarding institutions
4. Redeploy \$1.5 billion to launch the Innovation and Technology Venture Fund enhanced scheme	+1,500	Start-ups of strategic I&T industries
5. Enhancements of the Dedicated Fund on Branding, Upgrading and Domestic Sales (“BUD Fund”)	^1,000	Hong Kong non-listed enterprises
6. The Vocational Training Council (VTC) prepares for the development projects of the Hong Kong Institute of Information Technology and the Lift and Escalator Technology Centre, anticipating to submit funding proposal to Legislative Council in 2025	+833	Students enrolled in relevant VTC courses

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Proposal	Annual/ Total Amount \$ million	Beneficiary
7. Earmark around \$750 million in the New Energy Transport Fund to subsidise the taxi trade and franchised bus companies to purchase electric vehicles, and launch the Subsidy Scheme for Trials of Hydrogen Fuel Cell Electric Heavy Vehicles	^750	Taxi owners, franchised bus operators and transport trade
8. Regularise the establishment of District Services and Community Care Teams and increase their funding by 50% in the next term of service	#678	Hong Kong citizens, in particular those in need of caring services
9. Increase of the annual output targets of the Landslip Prevention and Mitigation Programme	+550 #12	Hong Kong citizens
10. Department of Justice works with relevant departments to take forward the project of converting the Old Wan Chai Police Station into the headquarters of the International Organization for Mediation (IOMed)	+487 *29	IOMed (the first international inter-governmental organization specializing in mediation for resolution of international disputes), as well as the legal and dispute resolution services sectors
11. Launch the Incentive Scheme for Recurrent Exhibitions 2.0 targeting new and international exhibitions of large scale to be staged in Hong Kong	^500	Exhibition industry
12. Provide the Vocational Training Council with resources for a period of three years from 2024-25 to provide additional monthly training allowance of \$1,000 for more than 7 000 registered apprentices and subsidise graduated apprentices in undertaking upskilling courses of relevant trades at an additional expenditure of around \$55 million in 2025-26	#411	Registered apprentices and graduated apprentices

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Proposal	Annual/ Total Amount \$ million	Beneficiary
13. Set up a Chinese Culture Experience Centre in Kowloon Park to enrich the general public's knowledge of Chinese culture and promote patriotic education	+336	Hong Kong citizens
14. Launch Fast Chargers Incentive Scheme with funding of \$300 million to install an additional 3 000 fast chargers	^300	Charging service agencies and electric vehicles owners
15. Provide 1 000 more Residential Care Service Voucher for the Elderly (RCSVs) starting from the first quarter of 2025-26 financial year, increasing the total number of RCSVs to 6 000 such that more elderly may receive subsidised residential care services	*272	Elderly persons eligible for subsidised residential care places
16. Continue to promote waste reduction and recycling	#218	Hong Kong citizens
17. Development of Port Community System	+215	Stakeholders in the maritime, port, logistics and trading industries
18. Promotion of Liquor Trade	Ω210 (annual revenue forgone)	Liquor trade, logistics and storage industry, tourism industry, food and beverage industry
19. Enhance the Residential Care Services Scheme in Guangdong (GDRCS Scheme), including expanding the number of participating Mainland residential care homes for the elderly (RCHEs), sharing part of the elderly participants' local medical expenses, providing care services, thereby offering more choices to elderly persons eligible for subsidised residential care places	*135 #75	Elderly persons eligible for subsidised residential care places
20. Prepare for the launch of the Pilot I&T Accelerator Scheme	+180 #27	Start-up service providers and start-ups

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Proposal	Annual/ Total Amount \$ million	Beneficiary
21. Increase the number of rehabilitation (including day, residential and respite care) service places from about 37 300 in 2023-24 to about 39 900 by 2028-29 and provide about 1 040 additional day care, residential care and pre-school rehabilitation service places in 2025-26	*186	Persons with disabilities
22. The Hospital Authority (HA) further expands the integrated Chinese-Western medicine services, progressively extend the cancer care programme to all hospital clusters and launch pilot programmes for the treatment of respiratory diseases, knee osteoarthritis and other disease areas which Chinese medicine has an advantage	#183	HA patients of specific disease areas
23. Set up 14 Integrated Community Rehabilitation Centres across the territory in phases	*160	Persons with disabilities requiring medium-to high-level care
24. Take forward targeted strategic measures planned to be launched by the “Greater Bay Area International Clinical Trial Institute” in the year, and establish the “Real-World Study and Application Centre”	#159	Patients, pharmaceutical and biotechnology enterprises
25. Enhance mobile network coverage in rural and remote areas by providing subsidies to mobile network operators to establish radio base stations in the areas	^154	People living in rural and remote areas
26. Provide an online youth emotional support platform to enhance the services of the Cyber Youth Support Teams	#150	Students / youths experiencing emotional distress and immediate crisis

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Proposal	Annual/ Total Amount \$ million	Beneficiary
27. Continue to develop the District Health Centres (DHCs), including gradually upgrading the interim DHC Expresses into DHCs, expanding the multi-disciplinary primary healthcare service network, and integrating the services of Woman Health Centres and Elderly Health Centres under the Department of Health into the district health networks	#139	Hong Kong citizens
28. (i) Organise the second Global Talent Summit • Hong Kong in the first quarter of 2026 and enhance online promotional efforts to provide comprehensive one-stop support services to global talents (ii) Continue to expand network of working partners and co-organise job fairs with them to directly match job-seeking talents with employers (iii) Strengthen publicity efforts in promoting the immense opportunities in Hong Kong and Greater Bay Area	#96 *42	Outside talents who are interested in coming or have already come to Hong Kong
29. Enhance the role of general out-patient clinics as primary healthcare service providers for the underprivileged, including introducing chronic disease screening services and strengthening nurse clinic services	*137	Hong Kong citizens and underprivileged group
30. Starting from 2025/26 academic year onwards, the Hong Kong Future Talents Scholarship Scheme for Advanced Studies will offer scholarship each year to up to 1 200 local students enrolling in designated taught postgraduate programmes	*120	Local meritorious students
31. Develop a community drug formulary and launch a community pharmacy programme to help the public obtain affordable primary healthcare drugs	#113	Patients of the HA, participants in the primary healthcare programmes, as well as patients in RCHEs and persons with disabilities

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

Proposal	Annual/ Total Amount \$ million	Beneficiary
32. Extend the District Services and Community Care Teams - Supporting Elderly and Carers Scheme to all 18 districts	#112	Households of singleton or doubleton elderly and carers of elderly persons or persons with disabilities in need
33. Regularise the Pilot Project on Enhancing Vocational Rehabilitation Services in Sheltered Workshops and Integrated Vocational Rehabilitation Services Centres to provide training to persons with disabilities according to their personal interests and abilities, helping them develop their potential and enhancing their employment opportunities	*101	Persons with disabilities
34. Extend the Cleaner Production Partnership Programme to June 2027, to focus on new cleaner production technologies and provide funding support to HK-owned factories to carry out new cleaner production technology projects with a view to upgrading traditional industries and achieving green transformation	^100	Hong Kong-owned factories in Hong Kong and Guangdong
35. Additional provision of a total of \$96.9 million from 2025-26 to 2029-30 for setting up four Community Parents and Children Centres in phases	#97	Children from birth to primary school and their parents with parenting needs
36. (i) Additional provision of \$2 million in 2025-26 (\$8.3 million additional full-year provision w.e.f. 2026-27) for setting up one more aided standalone child care centre, providing 100 additional places for day child care services (ii) Additional full-year provision of \$81.5 million w.e.f. 2025-26 for further increasing the number of service places under the Neighbourhood Support Child Care Project from 2 000 to 2 500, with a view to increasing the number of	*90	Children receiving day child care services and their parents

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Proposal	Annual/ Total Amount \$ million	Beneficiary
beneficiaries to 25 000		
37. Implement the regulatory regime on Basic Housing Units in an orderly manner, with a view to helping inadequately housed grass-roots improve their living conditions soon	#60	Households living in substandard subdivided units
38. Provide 90 additional peer supporter posts	*21	Service users and their carers of Parents / Relatives Resource Centre and District Support Centre for Persons with Disabilities
Total Financial Implications of Policy Address Major Initiatives (I)	22,438	

Involving –	
Operating Expenditure	8,127
- <i>Recurrent measures</i>	3,823
- <i>Non-recurrent measures</i>	4,304
Capital Expenditure	14,101
Revenue Measures	210

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Proposal	Annual/ Total Amount \$ million	Beneficiary
II. Budget Proposals		
(A) One-off Relief Measures		
<u>Expenditure Measures</u>		
39. 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	^3,084	About 1.71 million recipients of social security payments and about 56 000 households in receipt of WFA
Sub-total for Expenditure Measures	3,084	
<u>Revenue Measures</u>		
40. Reduce salaries tax and tax under personal assessment for the year of assessment 2024/25 by 100%, subject to a ceiling of \$1,500	Ω2,850	2.14 million taxpayers
41. Reduce profits tax for the year of assessment 2024/25 by 100%, subject to a ceiling of \$1,500	Ω229	165 400 businesses

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

Proposal	Annual/ Total Amount \$ million	Beneficiary
42. Provide rates concession for the first quarter of 2025-26, subject to a ceiling of \$500 –		
(a) For each rateable domestic property	Ω 1,500	3.12 million domestic properties liable to rates
(b) For each rateable non-domestic property	Ω 200	430 000 non-domestic properties liable to rates
Sub-total for Revenue Measures	<u>4,779</u>	
Total for One-off Relief Measures	<u><u>7,863</u></u>	

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

Proposal	Annual/ Total Amount \$ million	Beneficiary
(B) Budget Measures with Long-term Effects		
<u>Expenditure Measures</u>		
43. To support the construction and provision of essential public facilities in the Hong Kong Park of Hetao Shenzhen-Hong Kong Science and Technology Innovation Co-operation Zone for the rest of its Phase 1 development	+3,700	Innovation and technology enterprises and organisations from local, Mainland and overseas
44. Inject \$1.5 billion into the BUD Fund as well as the Export Marketing and Trade and Industrial Organisation Support Fund	^1,500	Hong Kong non-listed enterprises
45. Revitalise Hong Kong’s tourism industry - funding allocation for Hong Kong Tourism Board	#1,235	Visitors, locals, tourism industry and related sectors
46. Earmark \$1 billion for establishment of the Hong Kong Artificial Intelligence Research and Development Institute (AIRDI)	^1,000 #10	Various industries / sectors could benefit from the establishment of AIRDI which will help promote the research, development and adoption of artificial intelligence technologies
47. Launch a new Pilot Manufacturing and Production Line Upgrade Support Scheme (“Manufacturing+”)	+100	Enterprises in the manufacturing industry
48. To co-fund with the Construction Industry Council the continued provision of on-the-job training subsidies to trainees enrolled in the part-time construction-related degree programmes, involving a total funding of \$9,500 million	^47	Around 1 000 trainees enrolled in part-time construction-related degree programmes in academic years 2025/26 and 2026/27

*: 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 \$ million	Beneficiary
49. Revitalise Hong Kong's tourism industry - sustaining the momentum of the recovery of cruise tourism	#46	Visitors, locals, tourism industry and related sectors
50. Organise second edition of Hong Kong Performing Arts Expo in 2026	^40	1 900 local and international arts leaders and practitioners and 40 000 audience
51. Continue and enhance the role of the Centre of Excellence for Major Project Leaders	^15	Entire construction industry
Sub-total for Expenditure Measures	<hr/> 7,693 <hr/>	

*: 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 \$ million	Beneficiary
<u>Revenue Measures</u>		
52. Adjust the value band of the \$100 ad valorem stamp duty payable for the sale and purchase of residential and non-residential properties	^Ω 415	About 10 600 property purchasers / transferees
53. Introduce a concessionary tax regime for physical commodity trading business	^Ω 69	Physical commodity traders and maritime service enterprises
54. Introduce tax exemption for imported green methanol for ship bunkering purpose	0	Port, maritime and ship bunkering industry
55. Enhance the existing concessionary tax regimes for ship lessors, ship leasing managers and shipping commercial principals	<i>Unable to estimate¹</i>	Ship lessors, ship leasing managers and shipping commercial principals
56. Increase air passenger departure tax from \$120 to \$200	^Ω (1,600) <i>(increase in revenue)</i>	Hong Kong
57. Introduce / raise application and visa fees for talent and capital investment admission schemes	^Ω (620) <i>(increase in revenue)</i>	Hong Kong
Sub-total for Revenue Measures	<u>(1,736)</u>	
Total for Budget Measures with Long-term Effects	<u><u>5,957</u></u>	

¹ It would be difficult to estimate the financial implication because ship lessors, ship leasing managers and shipping commercial principals have various business practices and structures, and details of the proposal are being formulated.

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

Proposal	Annual/ Total Amount \$ million	Beneficiary
(C) Reinforcing Fiscal Consolidation Programme		Hong Kong
58. Bring back the unspent balance of six seed capital funds to the Government's accounts, after setting aside resources to meet the necessary expenditure of these funds for the next five years so that their sustainable operation will not be affected	(62,000)	
59. Review the scale and implementation model of district cooling systems in new development areas such as Hung Shui Kiu / Ha Tsuen and San Tin Technopole, so as to coordinate with local development in a more cost-effective manner	(40,000) <i>(saving in capital works expenditure)</i>	
60. Step up the Productivity Enhancement Programme, increase the rate of reduction of recurrent government expenditure from the original 1% to 2% in 2025-26, and extend this arrangement for two more years to 2027-28	(27,300) <i>(annually, starting from 2027-28)</i>	
61. Reduce the civil service establishment by 2% each in 2026-27 and 2027-28	<i>(reflected in item 60)²</i>	
62. Pay freeze for the Chief Executive, politically appointed officials, Non-official Members of the Executive Council, all civil servants, Members of the Legislative Council, members of the Judiciary and District Council Members in 2025-26	- <i>(the fiscal impact of every 1% pay rise is around \$2.9 billion)</i>	

² The actual expenditure saved would depend on the actual posts cut but the financial impact is already reflected in item 60 ("Step up the Productivity Enhancement Programme") above.

*: 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 \$ million	Beneficiary
63. Funding for UGC-funded universities in the coming three years has reflected a 2% reduction target each year, which is in line with the magnitude of Government recurrent expenditure cut	<i>Unable to estimate³</i>	
64. Raise the actual public transport expenses threshold under the Public Transport Fare Subsidy Scheme from \$400 to \$500 with effect from 1 June 2025	(3,560) <i>(decrease in expenditure from 2025-26 to 2029-30)</i>	
65. For the Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities, the Government will change the concessionary fare to “\$2 flat rate cum 80% discount”, which means that beneficiaries will continue to pay \$2 for trips with fare below or equal to \$10. For trips with fare above \$10, the beneficiaries will have to pay the amount of full fare after 80% discount. Furthermore, the number of concessionary trips will also be limited	(2,640) <i>(decrease in expenditure from 2025-26 to 2029-30)</i>	
Total for the Programme	<hr/> (135,500) <hr/> <hr/>	
Total Financial Implications of Budget Proposals (II) (A+B+C)	<hr/> (121,680) <hr/> <hr/>	
Grand Total (Policy Address Major Initiatives and Budget Proposals) (I+II)	<hr/> (99,242) <hr/> <hr/>	

³ Relevant financial impact is already reflected in item 60 (“Step up the Productivity Enhancement Programme”) above.

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

(5) Medium Range Forecast

(\$ billion)	2024-25 Revised Estimate	2025-26 Estimate	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast	2029-30 Forecast
Operating surplus/ (deficit)	(73.1)	(3.1)	28.4	41.0	42.3	55.8
Capital deficit	(122.0)	(159.8)	(148.9)	(118.5)	(102.1)	(87.6)
Proceeds from issuance of government bonds	130	150	160	195	190	190
Repayment of government bonds	(22.1)	(54.1)	(59.5)	(134.3)	(119.6)	(133.2)
Consolidated surplus / (deficit) after issuance and repayment of bonds	(87.2)	(67.0)	(20.0)	(16.8)	10.6	25.0
Fiscal reserves at 31 March	647.3	580.3	560.3	543.5	554.1	579.1
In terms of no. of months of government expenditure	10	8	8	8	8	8
In terms of % of GDP	20.4%	17.2%	15.8%	14.5%	14.0%	13.9%

- Appendices –
1. Social Welfare
 2. Health
 3. Education

Social Welfare

1. Estimated government expenditure on social welfare amounts to \$139.1 billion in 2025-26, accounting for 16.9% of total estimated government expenditure, and is 12% higher than the 2024-25 revised estimate (RE).
2. Estimated recurrent government expenditure on social welfare is \$130.4 billion in 2025-26, accounting for 22.2% of total estimated recurrent government expenditure and is 9.8% higher than the 2024-25 RE.
3. The key initiatives are highlighted below –

Initiatives under recurrent government expenditure

(a) Existing initiatives

- (i) Additional full-year provision of \$271.6 million w.e.f 2025-26 for providing 1 000 more Residential Care Service Voucher for the Elderly (RCSVs) starting from the first quarter of 2025-26 financial year, increasing the total number of RCSVs to 6 000 such that more frail elderly may receive subsidised residential care services without queuing.
- (ii) Providing additional resources to enhance the Residential Care Services Scheme in Guangdong, including –
 - (1) Additional provision of \$135.3 million in 2025-26 (\$134.9 million additional full-year provision w.e.f. 2026-27) for increasing the number of subsidised residential care places, as well as providing care services to help the elderly persons adapt to staying in the residential care homes for the elderly in Guangdong; and
 - (2) Additional provision of \$74.6 million from 2025-26 to 2026-27 for sharing part of the elderly participants' local medical expenses on a two-year pilot basis.

The above initiative aims to support elderly persons who choose to receive subsidised residential care services in Guangdong Province, thereby offering more choices to elderly persons eligible for subsidised residential care places.

- (iii) Additional provision of a total of \$150.1 million from 2025-26 to 2029-30 for providing an online youth emotional support platform to enhance the services of the Cyber Youth Support Teams.

Appendix 1 (Cont'd)

- (iv) Additional provision of a total of \$111.9 million from 2025-26 to 2026-27 for extending the District Services and Community Care Teams - Supporting Elderly and Carers Scheme from two districts to all 18 districts.
- (v) Additional provision of a total of \$96.9 million from 2025-26 to 2029-30 for setting up four Community Parents and Children Centres in phases.
- (vi) Additional full-year provision of \$81.5 million w.e.f. 2025-26 for further increasing the number of service places under the Neighbourhood Support Child Care Project from 2 000 to 2 500, with a view to increasing the number of beneficiaries to 25 000.
- (vii) Additional provision of \$75.7 million in 2025-26 (\$100.9 million additional full-year provision w.e.f. 2026-27) for regularising the Pilot Project on Enhancing Vocational Rehabilitation Services in Sheltered Workshops and Integrated Vocational Rehabilitation Services Centres to provide training to persons with disabilities according to their personal interests and abilities, helping them develop their potential and enhancing their employment opportunities.
- (viii) Additional provision of \$57.1 million in 2025-26 (\$185.5 million additional full-year provision w.e.f. 2026-27) for increasing the number of rehabilitation (including day, residential and respite care) service places from about 37 300 in 2023-24 to about 39 900 by 2028-29 and providing about 1 040 additional day care, residential care and pre-school rehabilitation service places in 2025-26.
- (ix) Additional provision of \$35.6 million in 2025-26 (\$160.2 million additional full-year provision w.e.f. 2027-28) for setting up 14 Integrated Community Rehabilitation Centres across the territory in phases.
- (x) Additional provision of \$10.6 million in 2025-26 (\$21.2 million additional full-year provision w.e.f. 2026-27) for providing 90 additional peer supporter posts.
- (xi) Additional provision of \$2 million in 2025-26 (\$8.3 million additional full-year provision w.e.f. 2026-27) for setting up one more aided standalone child care centre, providing 100 additional places for day child care services.

Appendix 1 (Cont'd)

(b) Social Security

The expenditure on social security since 2020-21 is as follows –

	2020-21 (Actual)	2021-22 (Actual)	2022-23 (Actual)	2023-24 (Actual)	2024-25 (Revised Estimate)	2025-26 (Estimate)
CSSA (\$ million)	21,158 (22,853)^	22,069 (22,909)&	22,610 (23,196)&	21,912 (22,484)&	22,388 (22,963)&	23,096 (23,697)&
SSA (\$ million)	35,344 (38,166)^	38,224 (39,754)&	42,059 (43,706)&	46,586 (48,447)&	51,318 (53,377)&	57,948 (60,335)&
Total (\$ million)*	56,502 (61,019)^	60,294 (62,663)&	64,670 (66,902)&	68,498 (70,931)&	73,706 (76,340)&	81,044 (84,032)&

^ Includes the one-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.

Health

1. Estimated government expenditure on health amounts to \$141 billion in 2025-26, accounting for 17.2% of total estimated government expenditure, and is 8.3% higher than the 2024-25 revised estimate (RE).
2. Estimated recurrent government expenditure on health is \$115.3 billion in 2025-26, accounting for 19.6% of total estimated recurrent government expenditure and is 5.6% higher than the 2024-25 RE.
3. The key initiatives are highlighted below –

Initiatives under recurrent government expenditure

A. Hospital Authority (HA)

The Government will continue to provide funding for HA to meet projected increasing demand based on the triennium funding arrangement announced in the 2017 Policy Address. The 2025-26 financial provision for HA totals \$100.2 billion (comprising \$99.0 billion recurrent subvention and \$1.2 billion capital subvention), representing an increase of 2.9% over the 2024-25 revised estimate (\$97.3 billion).

The recurrent subvention at \$99.0 billion represents an increase of 3.7% over the 2024-25 revised estimate (\$95.4 billion). The following key measures will be implemented –

Existing initiatives

- (i) enhancing service planning and commissioning of redeveloped / expanded hospitals and community health centres;
- (ii) providing additional hospital beds, additional operating theatre, endoscopy and pre-anaesthetic assessment clinic sessions;
- (iii) enhancing general outpatient services and specialist outpatient services;
- (iv) enhancing mental health services;
- (v) enhancing cancer services, particularly integrated multi-disciplinary care services and Computed Tomography Simulator services;
- (vi) enhancing ophthalmology services, clinical supporting services (such as radiology, nuclear medicine and pathology services) as well as non-clinical supporting services;

Appendix 2 (Cont'd)

- (vii) enhancing the capacity for genetic and genomic services including fostering collaboration with the Hong Kong Genome Institute, ambulatory care and community-based care services as well as implementing alternative options for specialist outpatient service;
- (viii) developing smart ward, smart clinic and smart pharmacy as well as automating services via Information Technology (IT) tools/ solutions and robotics;
- (ix) establishing IT platforms to facilitate operational efficiency;
- (x) attracting and retaining staff to alleviate manpower shortage and constraint, including providing additional promotion opportunities; and enhancing various training programmes;
- (xi) enhancing the role of general outpatient clinics as primary healthcare service providers for the underprivileged, including introducing chronic disease screening services and strengthening nurse clinic services; and
- (xii) further expanding the integrated Chinese-Western medicine services, progressively extend the cancer care programme to all hospital clusters and launch pilot programmes for the treatment of respiratory diseases, knee osteoarthritis and other disease areas which Chinese medicine has an advantage.

B. Department of Health

(a) New initiatives

- (i) \$22 million in 2025-26 (\$44 million total time-limited provision for two years from 2025-26 to 2026-27) for strengthening the Whole School Health Programme to recommend targeted school-based measures for physical activities, meals and other matters for each school to improve students' physical and psychological well-being.

(b) Existing initiatives

- (i) Additional time-limited provision of \$107 million in 2025-26 (\$786 million total time-limited provision for six years from 2024-25 to 2029-30) for enhancing public dental services, including enhancement of Healthy Teeth Collaboration, launching Primary Dental Co-care Pilot Scheme for Adolescents, Community Dental Support Programme, and introducing preventive dental services for pre-school children;

Appendix 2 (Cont'd)

- (ii) Additional time-limited provision of \$34 million in 2025-26 (\$393 million total time-limited provision for seven years from 2024-25 to 2030-31) for implementing a sponsorship scheme for training of dental hygienists and dental therapists and a programme of internship and period of assessment for local dental graduates/non-locally trained dentists and to increase training places for dental therapists to cater for manpower needs in support of the development of primary dental care services;
- (iii) Additional time-limited provision of \$275 million in 2025-26 (\$6,578 million total time-limited provision for five years from 2023-24 to 2027-28) for meeting the cash flow requirements for Elderly Health Care Voucher Scheme (EHVS) including the “Three-year Pilot (Reward) Scheme” and for engaging additional manpower to tackle the expected workload for Greater Bay Area matters, EHVS topics and cross-border medical cooperation;
- (iv) Additional time-limited provision of \$105 million in 2025-26 (\$243 million total time-limited provision for three years from 2024-25 to 2026-27) for implementing Human Papilloma Virus vaccination catch-up programme;
- (v) Additional time-limited provision of \$89 million in 2025-26 (\$254 million total time-limited provision for five years from 2023-24 to 2027-28) for procurement and administration of vaccines under various vaccination programmes;
- (vi) Additional provision of \$26 million in 2025-26 (\$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);
- (vii) Additional time-limited provision of \$11 million in 2025-26 (\$21 million total time-limited provision for two years from 2025-26 to 2026-27) for expanding the smoking cessation services using Traditional Chinese medicine and engaging service providers; and
- (viii) Additional time-limited provision of \$10 million in 2025-26 (\$41 million total time-limited provision for two years from 2025-26 to 2026-27) for strengthening manpower support for smooth operation of Government Chinese Medicines Testing Institute.

C. Health Bureau

(a) New initiatives

- (i) \$38 million in 2025-26 (\$113 million total time-limited provision for three years from 2025-26 to 2027-28) for overseeing HA to develop a community drug formulary and launch a community pharmacy programme to help the public obtain affordable primary healthcare drugs, thereby alleviating the financial burden of long-term drug expenses and avoiding overreliance on the public healthcare system.

(b) Existing initiatives

- (i) Additional time-limited provision of \$21 million in 2025-26 (\$139 million total time-limited provision for three years from 2025-26 to 2027-28) for continuing to develop the District Health Centres (DHCs), including gradually upgrading the interim DHC Expresses into DHCs, expanding the multi-disciplinary primary healthcare service network, and integrating the services of Woman Health Centres and Elderly Health Centres under the Department of Health into the district health network; and
- (ii) Additional time-limited provision of \$51 million in 2025-26 (\$159 million total time-limited provision for five years from 2025-26 to 2029-30) for taking forward targeted strategic measures planned to be launched by the “Greater Bay Area International Clinical Trial Institute” in the year, and for establishing the “Real-World Study and Application Centre”.

Initiatives under non-recurrent and capital expenditure

Existing initiatives

- (i) A total capital commitment of \$1,396 million and cash flow of \$154 million in 2025-26 (2024-25 RE: \$243 million) is for eHealth+ Development;
- (ii) A provision of \$1,204 million in 2025-26 (2024-25 RE: \$1,911 million), which fully utilised the remaining balance of the \$5 billion earmarked funding for enhancing technology adoption, is for HA to procure equipment and implement computerisation projects;
- (iii) A total commitment of \$14,473 million and cash flow of \$185 million in 2025-26 (2024-25 RE: \$157 million) is for procurement and administration of COVID-19 vaccines;

Appendix 2 (Cont'd)

- (iv) A total commitment of \$1,000 million and cash flow of \$65 million in 2025-26 (2024-25 RE: \$55 million) is for Chinese Medicine Development Fund;
- (v) A total commitment of \$682 million and cash flow of \$189 million in 2025-26 (2024-25 RE: \$202 million) is for Hong Kong Genome Project;
- (vi) A total commitment of \$1,111 million and cash flow of \$213 million in 2025-26 (2024-25 RE: \$ 155 million) is for the “DHC Express” Scheme;
- (vii) A total commitment of \$1,000 million and cash flow of \$44 million in 2025-26 (2024-25 RE: \$44 million) is for the Indemnity Fund for Adverse Events Following Immunization with Coronavirus Disease-2019 Vaccines;
- (viii) A total commitment of \$4,223 million and cash flow of \$330 million in 2025-26 (2024-25 RE: \$255 million) is for Health and Medical Research Fund;
- (ix) A total commitment of \$80 million and cash flow of \$19 million in 2025-26 (2024-25 RE: \$5 million) is for the preparation for service commencement of The Chinese Medicine Hospital of Hong Kong (CMHHK);
- (x) A total capital commitment of \$8,620 million and cash flow of \$1,870 million in 2025-26 (2024-25 RE: \$2,347 million) is for the development of the CMHHK. [Remark: this is a health project with funding vote controlled by Architectural Services Department.]; and
- (xi) A total capital commitment of \$384 million and cash flow of \$173 million in 2025-26 (2024-25 RE: \$71 million) is for IT support for the CMHHK.

Education

1. Estimated government expenditure on education amounts to \$112.4 billion in 2025-26, accounting for 13.7% of total estimated government expenditure, and is 1.2% lower than the 2024-25 revised estimate (RE).
2. Estimated recurrent government expenditure on education is \$102.9 billion in 2025-26, accounting for 17.5% of total estimated recurrent government expenditure and is 2.3% lower than the 2024-25 RE.
3. The key initiatives are highlighted below –

Initiatives under recurrent government expenditure

(a) New initiatives

- (i) \$120 million in 2025-26 (\$120 million full-year provision w.e.f. 2025-26) is for offering scholarship each academic year to up to 1 200 local students pursuing designated taught postgraduate programmes conducive to the development of Hong Kong offered by the University Grants Committee (UGC)-funded universities or self-financing universities starting from 2025/26 academic year onwards.

(b) Existing initiatives

- (i) \$305 million in 2025-26 (2024-25 RE: \$223 million; \$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 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; and for increasing in phases the numbers of subsidised places, subject to the progress of the review of the Post Secondary Colleges Ordinance (Cap. 320).
- (ii) \$52 million in 2025-26 (2024-25 RE: \$17 million; \$104 million full-year provision w.e.f. 2027-28) is for providing additional grant to the eight UGC-funded universities for supporting the expansion of the Hong Kong PhD Fellowship Scheme from 300 to 400 places.
- (iii) \$29 million in 2025-26 (2024-25 RE: \$17 million; \$104 million full-year provision w.e.f. 2031-32) is for providing additional subsidies for students pursuing the applied degree programmes on top of the existing SSSDP.

Initiatives under non-recurrent and capital expenditure

(a) New initiatives

- (i) A total commitment of \$1,500 million (with \$300 million cash flow in 2025-26) is for launching a new round of the Research Matching Grant Scheme to incentivise more organisations to support research endeavours of universities and institutions over the four-year period from mid-2025 to mid-2029.

(b) Existing initiatives

- (i) A total commitment of \$1,260 million and cash flow of \$109 million in 2025-26 (2024-25 RE: \$71 million) 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.
- (ii) A total commitment of \$500 million and cash flow of \$90 million in 2025-26 (2024-25 RE: \$45 million) is for supporting the implementation of a Global STEM Professorship Scheme.
- (iii) \$1,709 million in 2025-26 (with \$1,838 million cash flow in 2024-25 RE) is for school maintenance (Major Repairs for aided and Direct Subsidy Scheme (DSS) schools and Emergency Repairs for aided schools).
- (iv) A total provision of \$1,000 million and cash flow of \$11 million in 2025-26 (2024-25 RE: \$27 million) is for supporting simple minor internal conversion works for some 600 aided schools.
- (v) A total provision of around \$2,000 million and cash flow of \$150 million in 2025-26 (2024-25 RE: \$77 million) is for expediting installation of lifts for public sector and DSS schools without such provisions, starting from 2019-20.