



29 January 2026

Financial Secretary

c/o Budget Consultation Support Team

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Dear Financial Secretary

**Submission on the 2026–27 Budget Public Consultation –
Building Manpower Resilience for Hong Kong’s New Economic Growth**

The Hong Kong Institute of Human Resource Management (HKIHRM) would like to submit the following recommendations for your consideration in formulating the 2026–27 Budget.

Our proposals focus on the following key areas:

- 1. Support the National 15th Five-Year Plan through Funding of Manpower Research**
- 2. Introduce an AI-Era Manpower Development Fund**
- 3. Enhance Labour Force Participation by Creating Subsidised “Senior Internships”**
- 4. Leverage the Northern Metropolis Development to Create Local and Youth Opportunities**
- 5. Promote Lifelong Training by Reforming the Continuing Education Fund (CEF)**

1. Support the National 15th Five-Year Plan through Funding of Manpower Research

1.1 Hong Kong is undergoing economic and labour force transformation in 2026, marking the first year of the National 15th Five-Year Plan. The Plan emphasises the development of “new quality productive forces” and innovation-driven transformation. HR professionals are well placed to act as architects of such planning by identifying future skills needs, designing career pathways, and supporting organisational change.



1.2 HKIHRM recommends that the Government allocate dedicated funding for sector-specific and profession-based manpower foresight studies. These research initiatives — undertaken by professional bodies and industry associations—would help employers across all sectors understand the opportunities presented by the National 15th Five-Year Plan and identify the skills that will be required. While the Government is updating the overall manpower projection in 2026, by producing these sectoral researches can help the Government and employers gain greater clarity on future manpower needs and the skills required from the workforce.

2. Introduce an AI-Era Manpower Development Fund

2.1 HKIHRM recommends that the Government develop a clear AI-Era Manpower Blueprint to set out baseline digital and data skills expected of the workforce, identify priority AI, blockchain applications and data analytics related roles where demand is likely to exceed local supply, and link education, vocational training, and talent admission schemes to these requirements.

To support implementation of this blueprint, resources should be set aside through a dedicated AI-Era Manpower Development Fund for employers in the public and private sectors to tap into for filling this gap. Structured mechanism on fund bidding and sponsorship could help foster corporate initiatives towards future workforce. The Fund will support AI integration across both public and private sectors for the benefit of society as a whole.

2.2 In particular, the Fund should provide incentives such as subsidies, matching funds or tax relief for small and medium-sized enterprises (SMEs) to adopt AI and digital solutions—on the condition that such projects incorporate staff training, job redesign, and proper change management. This approach will ensure productivity gains are shared and workers transition into higher-value, tech-enabled roles rather than facing displacement.

3. Enhance Labour Force Participation by Creating Subsidised “Senior Internships”

3.1 Hong Kong’s labour force participation rate remains relatively low compared with other advanced economies. HKIHRM recommends that the Government introduce incentives for employers to launch subsidised “Senior Internships” schemes and structured part-time or project-based positions tailored to those aged over 60. These roles can strategically focus more on mentoring, knowledge transfer, customer engagement, and training support—areas where senior employees’ experience is particularly valuable.



3.2 The Government should lead by example by creating such positions across departments and public sector organisations. HKIHRM further recommends dedicated funding, similar to the silver hair policy of Singapore, to promote age-inclusive workplace culture at the Government policy level through awareness campaigns, best practice guidelines, and training programmes for HR professionals.

4. Leverage the Northern Metropolis Development to Create Local and Youth Opportunities

4.1 The Northern Metropolis is positioned as a major new growth engine for Hong Kong, with a target of 500,000 jobs across high-value sectors. HKIHRM stresses that this development should bring tangible benefits to local residents and youth. We call on the Government to provide greater clarity on job creation plans and to set expectations that a meaningful share of new roles in key projects be filled by local talent, especially our fresh graduates and young jobseekers.

4.2 HKIHRM also proposes that enterprises receiving designated support in the Northern Metropolis offer one-year youth internships or traineeships. These should provide genuine work exposure, mentoring, and structured learning with clear pathways to permanent roles. While imported talent will still be needed for specialised positions, planning should prioritise developing a strong local youth workforce through targeted training and sound HR practices, with HR professionals playing a key role in building these talent pipelines.

4.3 To further support talent retention, HKIHRM recommends designating areas in the Northern Metropolis for student trainees' quarters and affordable housing for incoming talents. These purpose-built accommodations would address Hong Kong's high housing costs—a key concern for overseas students, graduates and incoming talent when considering long-term careers here. By providing affordable living options, this initiative would encourage both local youth and international talents to remain in Hong Kong after graduation, strengthening the talent pipeline for the Metropolis's growth industries.

5. Promote Lifelong Training by Reforming the Continuing Education Fund (CEF)

5.1 Lifelong learning is essential to support economic restructuring and maintain employability in a rapidly changing labour market. We call on the Government to define clear workforce targets, with the upcoming manpower projection survey incorporating a dedicated study on the types of jobs expected to be created. This will enable HR professionals and educational institutions to align their training strategies accordingly.



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5.2 The Continuing Education Fund (CEF) remains a key instrument for lifelong learning, yet many account holders have not fully utilised their entitlements. HKIHRM believes there is significant scope to enhance the CEF's flexibility and targeting, better supporting the development of high-quality human capital. We recommend allowing household-level sharing of CEF quotas to reflect family career and learning planning, enabling unused balances to meet immediate needs—such as spouses re-entering the workforce or young adults pursuing recognised micro-credentials. At the same time, higher funding should be directed to underemployed groups, including women resuming careers after caregiving and older workers extending their working lives.

5.3 HKIHRM further suggests that the CEF continue to expand coverage for more modular, stackable micro-credentials and short courses in areas such as AI, data analytics, green skills, and advanced manufacturing. Recognising these as meaningful building blocks toward higher qualifications would support a more flexible, skills-based workforce development.

We hope you will find our recommendations helpful in formulating the 2026–27 Budget.

Yours sincerely,
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