



THE FIRST FIVE-YEAR PLAN FOR ECONOMIC AND SOCIAL DEVELOPMENT OF HKSAR (2026-2030) AND 2026 POLICY ADDRESS

SUBMISSION

Hong Kong Institute of
Human Resource Management





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CC: Labour and Welfare Bureau

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Executive Summary

The Hong Kong Institute of Human Resource Management (HKIHRM) fully supports the Government of the Hong Kong Special Administrative Region (HKSAR) in formulating *The First Five-Year Plan for Economic and Social Development of the Hong Kong Special Administrative Region (2026–2030)* (Hong Kong's Five-Year Plan) and the 2026 *Policy Address*. Formulating Hong Kong's inaugural Five-Year Plan is a clear testament to the Government's governance capacity and a vital step to align with the National 15th Five-Year Plan, capitalising on Hong Kong's unique advantage of "enjoying strong support of the Motherland and being closely connected to the world". To seize this opportunity, a robust talent strategy is paramount. Industrial development, infrastructure investment, and regional co-operation will struggle to achieve its intended outcome without a forward-looking talent strategy.

Therefore, taking "Talent-Driven Development" as our principle, referencing the strategic directions of the National 15th Five-Year Plan, and taking into account Hong Kong's actual circumstances and industry development needs, HKIHRM proposes a set of actionable and sustainable policy visions and measures.

HKIHRM is steadfast in its three core missions: champion professionalism, cultivate future talent, and inspire pride and reputation. These are underpinned by the core values: ethics and integrity, professionalism and pride, diversity and inclusion, collaboration and networking, and sustainability.

Drawing upon our professional expertise in human resource management, HKIHRM puts forward concrete strategic visions and actionable priorities across the six policy areas outlined in the consultation document, highlighted as follows:



1. Develop the Northern Metropolis with a “land driven” approach as the foundation, and evolve it into a “talent ecosystem-driven” model;
2. Position youth employment as a strategic “economic infrastructure project”;
3. Establish an “AI for All Framework” and dedicated training systems for emerging industries, while building a sustainable and predictable talent supply chain;
4. Adopt a multi-pronged approach to unlock local workforce potential while creating and strengthening conditions to retain non-local talent;
5. Deepen Greater Bay Area talent synergy to forge a world-class international talent hub;
6. Create high-value-added green jobs to support green transition and sustainable living.

Regarding the 2026 Policy Address, HKIHRM has identified **seven key policy recommendation areas**:

- **Northern Metropolis Development:** Publish a “Northern Metropolis Talent Blueprint”, establish a dedicated “Northern Metropolis Industry and Talent Development Fund”, formulate a “Northern Metropolis Occupation Shortage List”, implement “Smart Commuting”, issue cross-boundary tax guidelines, and pilot talent housing schemes.
- **Youth Employment:** Consolidate a centralised information platform for youth internships, align life planning with market data, and introduce “Internship-to-Permanent” tax incentives.
- **“AI for All Framework”:** Formulate a five-year “AI Skill Development Blueprint”, establish a “Dedicated Subsidy for AI Transformation in Traditional Sectors”, and set up a “Local AI Talent Fund”.
- **Talent Supply Chains for Emerging Industries:** Define priorities and training pathways and establish “Industry-Specific Dedicated Academies”.
- **Multi-Pronged Strategy to Optimise Labour Market Structure:** Implement the action plan for the *Manpower Projection Report*, launch “Talent Integration Programme”, support local “silver hair” employment, advocate “Family-Friendly Workplaces”, and establish “Lifelong Vocational Training Accounts”.
- **Greater Bay Area Talent Exchange:** Strengthen a “GBA Professional Qualifications Recognition Platform”, promote the “GBA Industry-Academia-Research Talent Co-Nurturing Scheme”, and establish a “Green and Digital Maritime/Logistics Talent Corridor”.
- **New Energy, Green Technology, and Innovative Applications:** Establish an inter-departmental “Task Force on New Energy Development” and subsidise cross-sectoral green talent upskilling and transformation.

In summary, HKIHRM recommends the Government to systematically integrate “Talent-Driven Development” across the execution of Hong Kong’s Five-Year Plan. By deploying strategic blueprints, dedicated funding, shortage lists, consolidated information platforms,



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and cross-boundary mechanisms, Hong Kong can shift from transient talent initiatives to sustainable capacity building, establishing a truly resilient and globally competitive human capital ecosystem.



**The Hong Kong Institute of Human Resource Management
Submission on The First Five-Year Plan for
Economic and Social Development
of the Hong Kong Special Administrative Region (2026-2030) and
the 2026 Policy Address**

The Hong Kong Institute of Human Resource Management (HKIHRM) submits the following views regarding the public consultation of Hong Kong's Five-Year Plan and *the 2026 Policy Address*.

HKIHRM believes that Hong Kong's inaugural formulation of its own Five-Year Plan represents a pivotal opportunity to align with the National 15th Five-Year Plan and leverage its unique advantage of "enjoying strong support of the Motherland and being closely connected to the world", with talent strategy serving as the pillar. Accordingly, HKIHRM proposes specific strategic visions and policy measures across the human resources-related areas within the consultation document's six major parts.

2030 Strategic Vision Roadmap in Response to Hong Kong's Five-Year Plan

Part 1: Accelerate Northern Metropolis Development – Building an Innovative "Talent-Centric" Ecosystem

The Northern Metropolis represents a vital new strategic development area for Hong Kong's future, aiming to create approximately 500,000 high-value-added jobs. However, HKIHRM's core concern is: With infrastructure leading the way, how can talent supply ensure the prosperity of the Northern Metropolis?

2030 Strategic Vision

Develop the Northern Metropolis with a "land driven" approach as the foundation and evolve it into a "talent ecosystem-driven" model, forging it into Hong Kong's first new metropolis centred around human capital.

- Establish the Northern Metropolis as an innovation hub where local youth and international research talents collaborate and integrate.
- Enable local youth to plan their career paths early according to a clear talent blueprint, establish a direct connection with regional enterprises upon graduation.
- Facilitate international professionals in settling locally by helping them put down roots through dedicated "talent housing" that international talent can purchase, with conditions, to enable them to settle in and live well in Hong Kong.



- Work with the Shenzhen government to enable talent to enjoy seamless "smart commuting" between Hong Kong and Shenzhen.
- Position the talent density and structure of the Northern Metropolis as a key bellwether for Hong Kong's transformation of industries.

Part 2: Economy, Finance, and Trade – Unleashing Youth Potential, Positioning School-to-Career Transition as Core Infrastructure Investment

HKIHRM considers local youth involvement as essential to "expanding international economic and trade networks" and "building a high-value-added supply chain services centre". However, the youth unemployment rate currently stands at 11.2%, and the number of NEETs (Not in Education, Employment, or Training) has reached a record high of 36,200—accounting for 6.3% of the youth population even during prosperous economic periods. The root cause of youth unemployment lies in systemic transition failures rather than mere cyclical economic fluctuations.

2030 Strategic Vision

- Position youth employment as an "economic infrastructure project", making Hong Kong the first economy in Asia to treat school-to-career transition as a core competitiveness investment.
- Reduce youth unemployment to the lowest level among major developed economies.
- Halve the NEET rate.
- Ensure every willing young person has a clear path for upward mobility, shifting from "passive beneficiaries" to "active drivers" of Hong Kong's development.

Part 3: Innovation, Technology, and Industry Development

1. Promoting "AI for All", Establish AI as a Core Skill for the Entire Workforce

HKIHRM fully endorses the "AI+" strategy. However, the widespread adoption of AI will bring structural shocks to routine roles. Without proactive intervention, low-educated and low-skilled workers will bear the brunt, potentially triggering large-scale structural unemployment.

2030 Strategic Vision

- Establish an "AI for All Framework" to elevate AI into a basic occupational skill for the entire workforce.
- Deeply integrate AI across diverse sectors, including finance, retail, engineering, and healthcare.



- Ensure all employees meet the "AI Literacy Standard Baseline" set by the Government.
- Build a globally competitive digital economy in Hong Kong to achieve high-value-added transformation.

2. Building Talent Supply Chains for Emerging Industries

HKIHRM notes the Government's drive to foster emerging industries such as the low-altitude economy, aircraft parts processing, and life and health technology, highlighting a major gap in local talent supply and educational infrastructure for these sectors.

2030 Strategic Vision

- Pivot from piecemeal, fragmented training across individual sectors towards establishing a sustainable and predictable talent supply chain through dedicated institutional systems.
- Pair every government-designated emerging industry with a clear, feasible local talent supply chain.
- Maintain a stable, high-quality talent reserve in Hong Kong across these emerging sectors.
- Lead Hong Kong as a frontrunner in Asia's frontier economies.

Part 4: People's Livelihood and Social Development – A Multi-Pronged Approach to Mobilising Local Labour and Retaining Talent

HKIHRM fully supports a labour strategy that "balances non-local labour recruitment with the promotion of local employment". However, HKIHRM believes the critical priority has shifted from "attracting talent" to "retaining talent."

While the Government's talent schemes have yielded notable results, the most pressing task is ensuring incoming professionals and their families integrate into Hong Kong as long-term contributors rather than transient visitors.

Meanwhile, structural mismatches persist in the local job market. Labour-intensive or traditional industry suffer from a lack of labour, whereas the elderly, middle-aged and women face employment barriers, resulting in a substantial waste of manpower.

2030 Strategic Vision

- Externally, transform talent policy from driving "short-term inflow" into building "long-term retention"; internally, actively unlock the potential labour supply of women and the elderly.



- Significantly elevate the five-year retention rate of non-local talents.
- Significantly increase the workforce participation rates of local women and the elderly.
- Achieve structural optimisation of the labour market.

Part 5: Development of Regional Co-operation – Create Synergy among Greater Bay Area Talent

HKIHRM supports "deepening the development of the Greater Bay Area (GBA)" and "advancing the 'soft connectivity' in rules and standards." However, differences between the Mainland cities of GBA and Hong Kong regarding mutual recognition of qualifications, industry standards, and cross-boundary arrangements continue to restrict the scale and depth of talent mobility.

2030 Strategic Vision

- Transition from a one-way talent import model toward a "GBA Talent Co-Nurturing and Two-way Flow" framework with Hong Kong serving as the core hub.
- Establish Hong Kong as the premier platform for assembling, nurturing, and globalising GBA talent.
- Achieve a high degree of mutual recognition for professional qualifications and technical standards in key sectors.
- Form a fluid, highly efficient and two-way GBA talent ecosystem.

Part 6: Integrated Development of Culture, Sports, and Tourism, Green Living, and Other Areas – Create High Value-Added Green Jobs

Compared with other economies in the region, Hong Kong has visibly lagged behind in the development of green industries. HKIHRM fully endorses the Government's direction to comprehensively strengthen new energy, green technologies, and their innovative applications, thereby breaking development bottlenecks and bolstering Hong Kong's long-term competitiveness.

2030 Strategic Vision

- Accelerating green industrial growth to systematically generate high-value green jobs and expand quality career pathways for local talent.
- Transform Hong Kong into a regional "Green Certification Hub" and "Green Finance Centre".



- Attracting world-class green R&D talent and top-tier students to Hong Kong, driving sustainable innovation across the economy.

Conclusion

HKIHRM believes that Hong Kong's Five-Year Plan gives the HKSAR Government its first opportunity to systematically align economic and social development. All six recommendations proposed by HKIHRM revolve around one central concept - Human capital is the foundation of Hong Kong's competitiveness.

From the development of Northern Metropolis, youth employment, AI adoption, and the unlocking of the local workforce, to the cultivation of emerging industries, GBA talent synergy, and green living—all policies must remain fundamentally “people-centric”. Hardware, funding, and infrastructure are essential, but without a forward-looking talent strategy, no industrial development can yield its full potential.

This document outlines HKIHRM's high-level vision and strategic direction for Hong Kong's talent landscape through 2030. Detailed policy recommendations and operational roadmaps are set out in the Appendix “2026 Policy Address Submission”. We hope that the aforesaid vision and mechanisms will serve as a useful reference for the Government in formulating Hong Kong's Five-Year Plan, working together to build a resilient and competitive talent ecosystem for Hong Kong.

Yours sincerely,

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Hong Kong Institute of Human Resource Management

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Appendix: 2026 Policy Address Submission

Based on the strategic vision roadmap for Hong Kong's human capital and labour force over the next five years put forward by HKIHRM, we formally submit the following industry advocacy points to the HKSAR Government and relevant policy bureaux, actively seeking policy measures and supporting schemes in *the 2026 Policy Address*, with key priorities including:

I. Northern Metropolis Development

1. **Publish a "Northern Metropolis Talent Blueprint":** Release the first talent blueprint by 2027 at the latest, detailing annual priority job categories, skill requirements, and job vacancy projections for 2027–2031, guiding academic institutions to adjust curricula and helping youth plan their careers early.
2. **Establish a dedicated "Northern Metropolis Industry and Talent Development Fund":** Introduce tax incentive mechanisms by allocating part of tax revenues from the Northern Metropolis to establish a dedicated fund. Use tax incentives to drive job growth in high-value-added and emerging industries, creating a "magnet effect" to attract and retain top talent trained locally and within the University Town. Set a fixed proportion of the fund for training, linking allocations to Key Performance Indicators (KPIs). The Government should set an initial seed funding threshold to ensure meaningful impact.
3. **Formulate a "Northern Metropolis Occupation Shortage List":** Explore creating a list of shortage occupations in the Northern Metropolis to expedite visa applications and establish a more streamlined renewal mechanism for needed non-local professionals.
4. **Link Talent Quotas to the "Northern Metropolis Occupation Shortage List":** Ensure non-local talent intake is tracked by establishing a linkage system between talent quotas and the occupation shortage list. Non-local talent recruitment quotas must be strictly categorised by industry and trade, with the occupation shortage list dynamically updated every six months based on manpower projections and published transparently.
5. **Implement "Smart Commuting," Expand the "White List," and Issue Cross-Boundary Tax Guidelines:** Extend contactless clearance arrangements from the Hetao area to the entire Northern Metropolis, and provide transport subsidies for cross-boundary professionals to reduce commuting costs and build a liveable, work-friendly community. Formulate clear, unified guidelines on cross-boundary remote work and tax parity arrangements, establishing reasonable day-limits for remote work between Hong Kong and Shenzhen, triggering conditions for Permanent Establishment (PE) risks, and double-taxation liabilities, providing employers and talent with a transparent compliance framework to reduce legal uncertainty and reinforce the edge of Northern Metropolis as a cross-boundary talent hub.



6. **Pilot Talent Housing Schemes:** Explore a "closed-loop management" model in the Northern Metropolis, reserving a proportion of residential units for eligible professionals to purchase at concessionary prices and broadening mortgage financing channels.

II. Youth Employment

7. **Consolidate a Centralised Information Platform for Youth Internships:** Given the fragmented nature of current youth internship, employment, and training schemes, the Government should lead cross-departmental efforts to integrate both public and private sector projects into a one-stop centralised information platform, organising details systematically to facilitate career planning for youth.
8. **Align Life Planning with Market Data:** Mandate secondary schools to integrate the latest manpower demand data into career and life planning curricula, helping students understand real industry prospects, academic requirements, and progression pathways.
9. **Introduce "Internship-to-Permanent" Tax Incentives:** Provide one-off tax deductions or subsidies to enterprises that hire local tertiary students as interns and offer them permanent positions upon graduation, targeting at least 5,000 matched placements annually.

III. "AI for All Framework"

10. **Formulate a Five-Year "AI Skill Development Blueprint":** Define AI skill requirements and competency benchmarks across industries, drive curriculum alignment between institutions and Vocational and Professional Education and Training and establish an authoritative "AI Professional Skill Certification Mechanism" linked to the Continuing Education Fund.
11. **Establish a "Dedicated Subsidy for AI Transformation in Traditional Sectors":** Prioritise support for grassroots employees affected by AI and automation, subsidising training in e-commerce, data analytics, and Generative AI tools to help them transition into higher-value-added roles.
12. **Set Up a "Local AI Talent Fund":** Establish a dedicated fund to nurture local AI specialists, consolidating the foundation for Hong Kong's long-term I&T development.

IV. Talent Supply Chains for Emerging Industries

13. **Define Priorities and Training Pathways:** Map out development priorities for emerging industries based on local advantages and global demand, designing tailored talent training pathways accordingly.
14. **Establish "Industry-Specific Dedicated Academies":** Support institutions and public organisations in offering specialised courses. In the long run, establish dedicated academies for high-potential industries to prevent breakages in the talent supply chain.

V. Multi-Pronged Strategy to Optimise Labour Market Structure



15. **Implement Action Plan for the Manpower Projection Report:** Formulate a clear implementation roadmap addressing the Government's *Manpower Projection Report*, precisely matching training institutions with employer needs to close talent gaps.
16. **Launch "Talent Integration Programme":** Provide adaptation courses, industry orientation, and skill-transfer matching for newly arrived professionals. Offer up to 50% training subsidies from the Government for talents who remain in Hong Kong for five full years.
17. **Support Local Elderly Employment:** Provide financial incentives for enterprises to employ retirees aged over 60 as part-time workers or youth mentors, promoting knowledge transfer and intergenerational harmony.
18. **Advocate "Family-Friendly Workplaces":** The Government takes the lead in implementing family-friendly measures, including flexible working hours, work-from-home, and job sharing to encourage women to re-enter the workforce.
19. **Establish "Lifelong Vocational Training Accounts":** Provide dedicated training subsidies for the elderly, middle-aged and grassroots workers to fund reskilling courses in practical AI applications and digital tools, ensuring local workers across all age groups can seize the opportunities of industry upgrades — realising a vision of "pathways for all".

VI. Greater Bay Area Talent Exchange

20. **Build a "GBA Professional Qualifications Recognition Platform":** Construct a GBA occupational skill certification mechanism covering key sectors such as medical biotechnology, building engineering, law and finance, advancing "one exam, multiple certifications" to facilitate regional talent flows.
21. **Promote the "GBA Industry-Academia-Research Talent Co-Nurturing Scheme":** Encourage local tertiary institutions to collaborate leading research institutes and enterprises across the Mainland GBA, moving well beyond the traditional classroom-learning approach, to offer cross-city joint training programs and "internship-to- Permanent" projects. Attract outstanding youth and research talent from the GBA to train and work in Hong Kong by providing matching government grants.
22. **Establish a "Green and Digital Maritime/Logistics Talent Corridor":** Form a "Green and Digital Maritime/Logistics Talent Corridor" under the GBA co-operation framework, focusing on green shipping, digital logistics, and smart ports. Meanwhile, set up a "GBA Maritime Talent Synergy Coordination Mechanism" to regularly review qualification recognition progress and skill requirements, ensuring talent supply keeps pace with industrial upgrading through joint training and cross-boundary internships, solidifying Hong Kong's status as the core hub for high-value-added maritime services in the GBA.

VII. New Energy, Green Technology, and Innovative Applications

23. **Establish an Inter-departmental "Task Force on New Energy Development":** Set up a dedicated inter-departmental task force to provide high-level co-ordination



and lead development blueprints, supply chain infrastructure, and regulatory frameworks for cutting-edge new energies such as Sustainable Aviation Fuel (SAF) and hydrogen. This will overcome cross-bureau institutional barriers and create high-value-added jobs through industrial advancement.

24. Subsidise "Cross-Sectoral" Green Talent Upskilling and Transformation:

Provide subsidies for professionals who already hold qualifications in green tech, finance, trade or regulatory compliance to obtain a secondary relevant professional qualification (e.g., technical professionals pursuing green finance/compliance, or finance professionals acquiring green certification qualifications). Nurturing talent with cross-disciplinary capabilities will enable meaningful contributions across various sectors of the green industry, including green trade, certification, finance, and scientific research.

-End-