



Dear Members,

## **2026 – 2027 HK Budget – what it means for Australian companies**

Hong Kong's 2026–2027 Budget is a significant policy statement for Australian business. This budget materially strengthens the repositioning of Hong Kong as a government-backed capital hub, innovation centre and infrastructure gateway aligned with China's 15th Five-Year Plan. For AustCham members, the commercial implications are deeper capital market access, new trading and financing pathways for Australian resources, a sustained infrastructure pipeline and a strengthening bilateral corridor that makes the absence of a Double Taxation Agreement increasingly conspicuous.

We highlight the following budget measures aligned with AustCham's budget submission:

- Securities market reform
- Measures to strengthen HK as an asset and wealth management hub including initiatives to attract family offices
- Transition (green) finance initiatives
- Focus on building international sport and event capability
- Northern Metropolis – PPP model and acceleration of infrastructure development
- Initiatives to attract and retain talent and nurture local talent

AustCham is actively converting these signals into structured engagement. Over the next 12 months, we will work with our member committees to progress our advocacy and priorities and take the following steps on behalf of our members:

- **Engage senior financial leadership.** Seek formal engagement with Financial Secretary Paul Chan, Secretary Christopher Hui and HKMA leadership to advance capital markets access for Australian firms, building on our existing HKEX partnership.
- **Launch the Family Office Working Group under the Chamber's Finance, Legal and Tax Committee (Q2 2026).** Facilitate introductions between Hong Kong private capital and Australian investment opportunities across infrastructure, critical minerals and private credit.
- **Convene a commodities roundtable.** Bring together Australian resource executives, Hong Kong traders and financing institutions to map practical pathways arising from the Budget's trading and tax incentives, particularly in gold and critical minerals.
- **Advance sport and major events collaboration.** Engage the Culture, Sports and Tourism Bureau and key precinct stakeholders to position Australian expertise in high-performance sport, venue infrastructure, major event delivery, and sports technology. We will leverage Brisbane 2032 as a platform for structured knowledge exchange and commercial partnership in anticipation of Hong Kong's expanding ambitions in the sector.

- **Engage Northern Metropolis authorities.** Position Australian engineering, advisory and infrastructure capital capability within emerging PPP frameworks and project pipelines.
- **Advance Double Taxation Agreement advocacy.** Use Shadow Trade Minister Kevin Hogan’s expected April visit as a platform to progress DTA discussions with Australian Treasury and Hong Kong’s FSTB. The Budget’s fiscal strength and tax competitiveness sharpen the commercial case.

This Budget creates pathways. Whether these pathways convert into capital flows, project participation or market access depends on the speed of member engagement. Our member committees remain open forums, designed for industry and skills-based exchange and providing a collective voice for informed and constructive change. We will also launch a new AustCham CEO Forum to capture direct input from business leaders within our Platinum membership and invited guests.

AustCham's value is in the connections we engineer between Australian capability and Hong Kong opportunity. The 2026–27 Budget makes this task more compelling, and we look forward to working on it together.

A more detailed Budget overview including measures that present opportunities for Australian business can be found [here](#). For further information or to express interest in specific initiatives, please contact [dei.cimatu@austcham.com.hk](mailto:dei.cimatu@austcham.com.hk).

## **2026-27 HK Budget overview**

Financial Secretary Paul Chan delivered Hong Kong’s 2026-27 Budget on Wednesday, 25 February 2026. He reported an earlier than expected improvement in public finances, supported by a buoyant economy and strong capital markets. The consolidated account is now expected to deliver a HK\$2.9 billion surplus (reversing the earlier projected HK\$67 billion deficit), the first surplus since 2021–22. Fiscal reserves are projected to reach HK\$657.2 billion by 31 March 2026. Despite global uncertainty, the economy remains resilient, posting 3.5% real GDP growth in 2025, with 2026 projected at 2.5% to 3.5%.

The Budget aligns closely with China’s 15<sup>th</sup> Five-Year Plan, signalling deeper integration with national strategy and policy priorities. Measures focus on innovation, technological advancement and economic growth and strengthen Hong Kong’s competitiveness as an international financial centre and trade gateway.

### **1. Finance and capital markets**

Measures aim to strengthen Hong Kong’s competitiveness as an international and regional financial hub by improving cross-border investment conditions, market access and the regulatory environment.

- *Securities Market Reforms:* enhancements to the weighted voting rights regime to broaden the diversity of eligible companies; facilitation of secondary listings of overseas issuers and

implementation of T+1 settlement cycle; and an enhanced structured products listing framework and regulatory regime for listed companies

- *Deepening Mainland-Hong Kong mutual market access* – faster launch of Chinese Government Bond futures in Hong Kong; inclusion of REITs in mutual access; and the inclusion of RMB trading counter under Southbound Stock Connect
- *Asset and Wealth Management: 2026* legislation to strengthen the family office and funds tax regime, expanding eligibility for funds-of-one, and broadening qualifying investments for tax concessions; REIT privatisations and a stamp-duty waiver to be introduced for transferring non-residential properties into REITs seeking to list.
- *Gold trading:* Hong Kong will expand infrastructure for gold custody and settlement and progress an agreement with the Shanghai Gold Exchange to link Mainland and Hong Kong markets. Tax incentives will be explored for institutions conducting gold trading and settlement. As a top global gold producer and exporter, Australia is well positioned to benefit directly.
- *Digital assets* - CMU OmniClear will establish a digital asset platform in 2026 for digital bonds issuance and settlement; a licensing regime for digital-asset dealing and custodian service providers will also be introduced to provide regulatory clarity and investor protection.
- *Transition (Green) Finance* – Continuation of the sustainable bond issuance program; refinement of the Hong Kong Taxonomy for Sustainable Finance to better match project financing needs and regional -lowcarbon- transition; development of green -transition planning guidance for banks; and exploration of a Green Technology Projects Accelerator to incubate and scale Belt and Road relevant green -technologies.

## **2. International trade**

The budget strengthens Hong Kong's role as a global trade gateway including as a bridge between Mainland China and global markets, providing enhanced access and partnership potential for Australian companies using Hong Kong as a launchpad.

- *Belt & Road initiative* – Strengthening of Hong Kong's role as a finance and professional services hub for the Belt and Road Initiative including stronger links with ASEAN and Middle East markets and opportunities in Central & South Asia and North Africa. Outbound missions will match enterprises with infrastructure, green development and innovation and technology projects.
- *Attracting enterprises and investment* - preferential policy packages including half-rate or 5% tax rates to be introduced in 2026. InvestHK to expand support to foreign and Mainland companies for market entry; overseas organisations will be encouraged to stage roadshows in Hong Kong; and HK\$100 million will attract international, large-scale exhibitions and new event formats.
- *SME funding* - \$HK200 million injection into the BUD fund to help SMEs upgrade, brand and expand into Mainland markets; funding flexibility will improve; and the SME Financing Guarantee Scheme will be extended.

## **3. The visitor economy - Tourism, Sport and Culture**

Hong Kong's expanded ambitions across tourism, sport and culture present significant opportunities for Australian capability, particularly as Brisbane prepares to host the 2032 Olympic Games.

- *Sport development* – Although an Olympic bid is not referenced, HK\$1.2 billion is allocated to develop the sports industry including elite sports and Hong Kong as a hub for major international sporting events. Australia's strength in sporting infrastructure, high performance programs, major event delivery and sports technology aligns strongly, presenting significant export and partnership opportunities.
- *Tourism* - HK\$1.66 billion has been committed to enhance tourism appeal, including scaling up flagship events and promotional efforts highlighting Hong Kong's "East-meets-West" uniqueness.
- *Culture economy* - Continued development of Hong Kong as a global trading hub for premium art, including a new five-year agreement with Art Basel.

#### **4. Innovation, Technology and the Northern Metropolis**

Budget measures will accelerate Hong Kong's drive to become a global hub for innovation and technology, attracting top-tier international enterprises. Significant funding earmarked to fast-track development of the Northern Metropolis further expands opportunities for Australian technology companies and firms in advisory, engineering and infrastructure development, as well as investors.

- *Innovation and Technology* – Additional capital will be injected into the Hong Kong Investment Corporation (HKIC) to attract global frontier technology enterprises – including hardtech, biotech, new energy and green tech - and long-term ('patient') capital; the Hong Kong AI Research and Development Institute will launch in 2026 to support R&D and commercialisation; the Sandy Ridge data-facility cluster for high-tier data centres and AI-related industries to progress; the Office for Attracting Strategic Enterprises (OASES) will launch incentives to attract more aerospace enterprises; the HK\$10 billion I&T Industry-Oriented Fund will begin operation this year; and there will be a review and enhancement of tax arrangements for R&D expenditures.
- *Northern Metropolis (NM)* - a new public-private partnership model will unlock under-utilised private land and mobilise corporate resources for industrial development; HK\$20 billion for Hetao Hong Kong Park and San Tin Technopole to accelerate development of both tech hubs and establish a venture fund; a further HK\$10 billion to support initial operations of the Hung Shui Kiu Industry Park Company Limited; dedicated legislation to accelerate Northern Metropolis development; improved coordination and imposition of time limits on approvals for large-scale private development projects, including those outside the Northern Metropolis.
- *Infrastructure (engineering + construction)* - HK\$1 billion will accelerate adoption of innovation and technology across construction sector, including robotics training, site-safety enhancements, and alignment of construction standards will support access to global markets.

#### **5. Talent ecosystem**

Talent attraction and development remains central to the city's growth strategy with measures to strengthen Hong Kong's workforce.

- *Attracting and nurturing talent* - Hong Kong Talent Engage to increase efforts to attract Mainland and overseas talent and broaden partner networks to help new arrivals settle into Hong Kong; a focus on nurturing local talent in innovation and technology, finance, legal services and other priority industries
- *Education & skills* – HK\$10 billion loan to help develop the Northern Metropolis University Town campus; land and resources for a new medical school and integrated teaching-and-research hospital at Ngau Tam Mei; expansion of AI training programmes including HK\$50 million to improve citywide AI literacy and workforce readiness as part of the AI+ initiative; HK\$65 million for additional government-funded training places in the construction industry;
- *Personal tax incentives* – 100% reduction in Salaries Tax for 2025-2026 up to HK\$3000 and upward adjustment to the basic allowance from HK\$132,000 to HK\$145,000 and married person's allowance from HK\$264,000 to HK\$290,000.

Further information is on the [HK Budget website](#).