

Budget Speech by the Financial Secretary (4)

Northern Metropolis

Industries and Spatial Distribution

61. The NM is crucial to the social and economic development of Hong Kong, providing impetus for the development of the I&T industry, enabling more in-depth participation in the development of the GBA, while creating quality career development opportunities and living environment for our people. The Government will continue to accord priority in providing resources to this initiative. Major industries include:

(a) I&T: The Hong Kong Park of the Hetao Shenzhen-Hong Kong Science and Technology Innovation Co-operation Zone (Hetao Co operation Zone), together with San Tin Technopole, will provide large tracts of I&T land to leverage complementary advantages with the Shenzhen Park of the Hetao Co-operation Zone. We will also introduce new policies to facilitate cross-boundary flows of innovative elements;

(b) High-end Professional Services and Modern Logistics: With the Shenzhen Bay Bridge and the Hong Kong-Shenzhen Western Rail Link connecting with Qianhai in Shenzhen under planning, Hung Shui Kiu/Ha Tsuen New Development Area (HSK/HT NDA) is positioned to become a high-end professional services hub for local, Mainland and overseas enterprises. Under the "East in East out, West in West out" strategy for cross-boundary goods movement between Hong Kong and Shenzhen, we will also plan logistics land strategically in the vicinity of boundary control points;

(c) Tertiary Education: To complement the development of Hong Kong's I&T industry and to promote Hong Kong as an international hub for tertiary education, we have reserved about 90 hectares of land in the NM for developing the Northern Metropolis University Town, including the third medical school; and

(d) Culture, Sports and Tourism: Apart from reserving land for cultural and sports facilities, the NM preserves traditional villages and historical and cultural resources. We will develop culture, sports and tourism industries, including promoting eco-tourism, in accordance with the unique characteristics of different localities.

Innovative and Diversified Land Development Approach

62. To press ahead with the NM development and bring in industries, and to benefit the economy and people's livelihood sooner, the Government will adopt a more diversified development approach with an innovative mindset, including piloting "large-scale land disposal". We are inviting the market to submit expressions of interest for three pilot areas under "large-scale land

disposal", with the target of commencing tendering progressively from the second half of this year. We will also continue to identify suitable sites for private landowners to apply for in-situ land exchange for residential and industry developments.

Land for Innovation and Technology Use

The Hetao Shenzhen Hong Kong Science and Technology Innovation Co operation Zone

63. The Hetao Co-operation Zone is a major co-operation platform for GBA development. It provides unique advantages in areas such as policy innovation, flow of innovation elements and application of R&D projects. We attach great importance to its development.

64. The Hong Kong Park will enter into operational phase this year. The first three buildings of Phase 1 are about to complete and the first batch of tenants from life and health technology, AI, data science and other pillar industries will begin to move in this year.

65. I have earmarked \$3.7 billion to expedite the provision of infrastructure and public facilities of Phase 1 development of the Hong Kong Park. Meanwhile, we will identify suitable land parcels for invitation of private development proposals this year with a view to expediting the development by leveraging market forces. Upon completion of the whole Hong Kong Park, its annual contribution to Hong Kong's economy is expected to reach \$52 billion, and about 52 000 job opportunities will be created.

San Tin Technopole

66. The San Tin Technopole is an important project for promoting I&T. Twenty hectares of land will be delivered in phases, starting from 2026-27, for development and operation by the HKSTPC. The HKSTPC is carrying out a master planning study, which is expected to be completed in the third quarter of this year.

Data Facility Cluster at Sandy Ridge

67. We commenced the procedures last year to re-zone a 10 hectare site at Sandy Ridge in the North District for use as data centres. The re-zoning procedures are expected to be completed in the middle of this year. We are actively making preparations for land disposal.

Pressing Ahead with Land Development

68. Last year, we have commenced three major projects on second phase development for the Hung Shui Kiu/Ha Tsuen New Development Area (NDA), remaining phase development of Kwu Tung North/Fanling North NDA, and the site formation and engineering infrastructure works for the first batch of land in San Tin Technopole. This year, we will start the works of Yuen Long South NDA second phase development, complete the re zoning procedures for a data park site in Sandy Ridge, and finalise land use proposals for Ngau Tam Mei as well as New Territories North New Town and Ma Tso Lung this year for commencing

the environmental impact assessments and other statutory procedures. Over the next few years, there will be considerable output in residential units and industrial land in the NM.

69. In order to support commercial and innovative development in the NM, we will also identify suitable sites there for constructing facilities to meet various conference and exhibition needs.

Railway Development

70. The construction works of Phase 1 of the Northern Link (NOL), i.e. Kwu Tung Station, have commenced for target completion in 2027. Advance works for Phase 2 have also commenced to tie in with the target completion of NOL Main Line in 2034.

71. In addition, we are working with the Shenzhen authorities to jointly take forward two cross boundary railway projects. The investigation and design study of the Hong Kong Shenzhen Western Rail Link (Hung Shui Kiu-Qianhai) project and the detailed planning and design of the Northern Link Spur Line are expected to commence this year.