

π 創新科技署署長
Commissioner for Innovation and Technology

香港特別行政區政府創新科技署
Innovation and Technology Commission
The Government of the Hong Kong Special Administrative Region

6 July 2005

To: Clerk to the Finance Committee
(Attn.: Miss Becky Yu)

Dear Miss Yu,

Finance Committee
Follow-up to Meeting on 24 June 2005

I refer to your letter of 27 June 2005 to the Secretary for Financial Services and the Treasury seeking the Administration's response on the cost-effectiveness and economic benefits of the Innovation and Technology Fund (ITF) in attracting investment and creating employment opportunities.

We are pleased to provide the requested response as set out in the following paragraphs.

Cost Effectiveness of the ITF

To ascertain the cost effectiveness of the ITF, each Research and Development (R&D) Centre is required to conduct regular annual reviews, which critically assess the performance of the Centre according to a set of performance indicators. These indicators should include, but not limiting to -

- (a) industry participation as measured by the number of companies involved in R&D projects and the level of contribution made by them;
- (b) project performance as measured by whether the pre-set milestones are met timely and cost-effectively;
- (c) quality of R&D programme as measured by the number of patents granted, other IPs generated, etc.;

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- (d) utilisation of research output as measured by the adoption of research output by the industry and the number of licensing agreements signed and consulting services offered, etc.;
- (e) amount of revenue generated from R&D projects;
- (f) number of researchers trained and participated in R&D projects; and
- (g) overall contribution to the economy of Hong Kong.

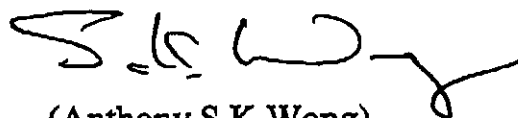
The Administration would report on the operation and performance of the R&D Centres to the LegCo Panel on Commerce and Industry annually.

Economic Benefits

Apart from the annual review in monitoring the performance of the R&D Centres, the Administration will also assess the overall performance of the ITF and the new strategy on innovation and technology development in attracting investment and creating employment opportunities.

The Administration would in due course undertake a study to analyse the economic and social benefits generated from the R&D Centres with a view to assessing the overall impacts of these initiatives on the development of our industries. The Administration would report the findings to the LegCo Panel on Commerce and Industry after the study is completed.

Yours sincerely,



(Anthony S K Wong)

Commissioner for Innovation and Technology