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**Introductory Remarks by Mr Mohamed D. Butt
Executive Director of Hong Kong Productivity Council
at Public Accounts Committee of the Legislative Council on 13 Dec 2019**

Chairman and all committee members:

- First of all, on behalf of the Hong Kong Productivity Council (HKPC), I would like to thank the Audit Commission for its audit and recommendations to HKPC.
- HKPC is a public organisation that serves the business and industry sectors. We uphold the public mission, with use of technology to support various sectors and industries, especially SMEs and startups, as well as the public sector and HKSAR Government departments, by providing cross-disciplinary and diversified technological solutions, implementing various types of applied R&D and innovative technology projects.
- Innovative R&D brings tremendous development opportunities to the industry, but at the same time, lots of challenges.
- HKPC has been playing a pivotal role in promoting Hong Kong's R&D efforts. With years of experience and specialised know-how, we endeavor to drive advanced technologies in the market, undertake some relatively high-risk applied R&D projects, and launch pilot programmes to support industry development needs.
- From idea incubation, applied R&D, producing prototyping, product testing, training to commercialisation, HKPC's dedicated experts make use of R&D projects to overcome pain points, plus creating tailor-made solutions, to act as a collaborative R&D centre for SMEs to enhance operational efficiency for our clients.

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- HKPC has been contributing to the sustainable development for all industries by proactively introducing advanced technology or globally recognised standards to maintain the competitiveness of local enterprises that bridge through international markets.
- In recent years, we have introduced the "Industry 4.0" concept and relevant technology to Hong Kong. The whole concept and technology were also localised. We have established the first accredited "Industry 4.0" expert team in the city, assisting local enterprises to implement "Industry 4.0" related projects, helping them to upgrade, enhance productivity and increase competitiveness in local and overseas markets.

In terms of Project Management:

- It is HKPC's goal to achieve an excellent project management standard. We have already introduced a new mechanism to strengthen the steering efforts, especially on budgeting and time management, with aim to have all projects achieving cost recovery and on-time delivery. Should there be any technical difficulties or chances to exceed budget estimation, project officers are required to report to the management as early as possible, and try the best efforts for resolution.
- When implementing innovative technology projects, we adopt the same principle to serve the industry. If some projects might not be able to achieve cost recovery, however with objectives to bring benefits to the wider business sector, facilitate technological or industry development, HKPC will hence allocate resources to complete such projects.

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- The performance of the consultancy and R&D projects have been improved since the implementation of new management measures in July 2018. Take consultancy projects as an example, the average delay reduced to less than 10% now, as compared to about 30% over the past five years. HKPC management team will continue to motivate the team for progressive improvements.
- HKPC is serious about our R&D project management and commercialisation. In the R&D projects, we endeavor to assist all business sectors, especially SMEs, to facilitate the development of specialised technological know-how.

In terms of training:

- Training is of utmost importance to the talent development of Hong Kong, particularly in the areas related to innovation and technology, as well as management. In view of this, HKPC has already developed a more systematic market-research approach. We hope to organise more training courses that can fit the needs of the market in the future, contributing to the nurturing of talents.
- Thus far, we have seen an increase of more than 40% in the training business income for 2019-20 after the hard work of the HKPC team.
- The Audit Commission performed an extensive audit to HKPC. According to the 64 recommendations observed from the audit report, HKPC has already implemented more than 75%, with the rest to be implemented in the coming six months.

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- HKPC welcomes the comments from the wider community to our work, and I would like to express my gratitude to the Innovation and Technology Commission, as well as the Innovation and Technology Bureau for supporting the work of HKPC.
- The findings in the audit report motivate us to progress further. There are indeed lots of room for improvement at HKPC. We thank all sectors for their concern and watching. We will continue to perfect our way of doing, so as to match up with the expectations.
- We welcome the chairman and fellow legislators for their upcoming valuable comments. Thank you very much.

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