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Press Release

Government endorses new strategy of innovation and technology

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The Government plans to set up research and development (R&D) centres under four technology areas and to subsume R&D in five technology areas under the development plan of the Applied Science and Technology Research Institute (ASTRI).

The proposal follows a public consultation exercise on the new strategy of innovation and technology development and it was endorsed by the Steering Committee on Innovation and Technology at a meeting held yesterday (December 9).

Under the new strategy, R&D centres will be set up under the technology areas of automotive parts and accessory systems; logistics and supply chain management enabling technologies; textile and clothing; and nanotechnology and advanced materials. The ASTRI will subsume R&D under the technology areas of communications technologies, consumer electronics, integrated circuit design, opto-electronics and Chinese medicine as part of its development plan.

Speaking at a press conference today (December 10), the Commissioner for Innovation and Technology, Mr Anthony Wong, said the Innovation and Technology Commission (ITC) released a consultation paper on June 30, 2004, which invited comments on the Government's 13 proposed technology focus areas for future development and the proposed R&D centres to coordinate R&D efforts in the focus areas.

"ITC has received a total of 167 written submissions on the consultation paper, including 15 submissions from universities and R&D institutions, 50 from industry associations and professional organisations, 66 from companies and 36 from individuals," he said.

"The vast majority of respondents supported the general direction and key initiatives of the new strategy and agreed that Hong Kong should focus its resources on technology focus areas where it has a competitive edge. They also agreed that setting up R&D centres would help improve the relevance of applied R&D to the needs of industry and enhance coordination among R&D institutions and the industry.

"Some respondents believed that given limited resources, the Government should not set up too many R&D centres at one time. In line with the market-driven, demand-led approach of the new strategy, the Government will first set up the four R&D centres in view of the criteria of existing research capability, competitive advantage, industry needs and market potential, industry commitment

and support; and clearly defined objectives for R&D centres," he added.

"On automotive parts and accessory systems, the rapid growth of the Mainland automotive industry has presented enormous opportunities for the Hong Kong industry. Taking into account the experience of the Hong Kong Productivity Council (HKPC) in the sector and the support it has been given by the industry, the HKPC will be invited to submit a proposal to host the R&D Centre.

"To consolidate its role as a major logistics hub and supply chain management (SCM) base, Hong Kong should continue to develop the necessary knowledge base in logistics and SCM enabling technologies. In particular, radio frequency identification (RFID) technology presents immense opportunities for revolutionising the industry by providing an unprecedented level of data collection and networking capability to logistics/SCM solution providers. We will invite publicly competitive bids for hosting this centre.

"The textile and clothing industry is one of Hong Kong's pillar industries. The Hong Kong Polytechnic University (PolyU) has much experience in the R&D of technologies in this area and has successfully completed many R&D projects that have brought enormous benefits to the industry. Many organisations and companies in the textile and clothing industry have pledged support for the PolyU to host the R&D Centre. The PolyU will be invited to submit a proposal to host the centre.

"Nanotechnology and advanced materials technology offer a powerful enabling technology platform that could lead to a wide spectrum of innovative products. Recognising the importance and potential of this area, the Innovation and Technology Fund (ITF) supported the establishment of the Institute of NanoMaterials and NanoTechnology at the Hong Kong University of Science and Technology (HKUST) in 2002 and the institute has been making good progress in its R&D work. To build on the existing infrastructure, the Government will invite the HKUST to expand the scope of the institute and to cooperate with other universities in becoming an R&D centre for nanotechnology and advanced materials which can provide strong support to the industry," Mr Wong said.

During the public consultation exercise, there has been strong support from the industry for strengthening R&D capability in communications technologies, consumer electronics, integrated circuit design and opto-electronics. These areas were identified by the ASTRI as its research priority areas in its new five-year plan. In addition, the Hong Kong Jockey Club Institute of Chinese Medicine (HKJCICM), a subsidiary of ASTRI, has already been set up to promote R&D in Chinese medicine in Hong Kong. As such, ASTRI is well positioned to undertake R&D in these five technology areas under its existing operation infrastructure. The Government will invite ASTRI to make a proposal on its plans under the new framework to pursue R&D in these five focus areas.

"Under the new strategic framework, the ITF will adopt a new three-tiered funding model. Tier one will be for the R&D centres. The ITF will be deployed to cover the cost of the initial operation of the R&D centres and to sponsor individual projects undertaken by them. The R&D Centres are expected to solicit industry commitment and participation in individual research projects through different modes of cooperation such as sponsorship, collaboration, contract research or forming consortia," Mr Wong said.

"Tier two will be for focus themes. Although R&D centres will not be set up for the other focus areas identified in the consultation paper, ie, advanced manufacturing technologies, digital entertainment, display technologies and medical diagnostics and devices, we consider them to be relevant focus areas to be supported. Individual projects will be supported under the current Innovation and Technology Support Programme (ITSP) of the ITF," he said.

"Tier three will be for innovative projects. Since new technologies with good market potential tend to be more forward-looking in nature and may not have immediate application, strong industry support may not be available at the start. Biotechnology projects are good examples. Therefore, it would be more appropriate to support R&D efforts in these areas based on the present "bottom-up" approach by funding individual projects by universities and research institutes through the ITSP," Mr Wong said.

The Government plans to invite proposals to host the R&D centres in January to February 2005 and to set up the R&D Centres in the second half of 2005.

"We hope that the R&D centres will act as focal points for conducting applied R&D and provide platforms for commercialisation of applied R&D deliverables," he added.

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