

**Speaking Notes for  
the Secretary for Innovation and Technology  
at the Special Meeting of the Finance Committee  
on 3 April 2017**

- Chairman, the Government injected over \$18 billion extra funding last year to foster the innovation and technology (“I&T”) development of Hong Kong. The funding applications of all projects were approved by the Finance Committee in the last legislative session. In the past year, my colleagues and I have been actively taking forward the relevant work, including: commencing Stage One Expansion Programme of the Science Park; developing an Advanced Manufacturing Centre and Data Technology Hub at the Tseung Kwan O Industrial Estate; conducting a consultancy study on the smart city development blueprint; implementing the “Wi-Fi Connected City” project; launching the “Midstream Research Programme for Universities” and “Technology Voucher Programme”, etc. The remaining “Innovation and Technology Venture Fund” and “Innovation and Technology Fund for Better Living” will be rolled out before end-June this year.
- With the connection and collaboration of the Government, industry, academia and research sectors, a vibrant I&T ecosystem is gradually taking shape. We are going to make persistent efforts and put forward new measures to further promote I&T development, thereby injecting new momentum for the diversified economic development of Hong Kong.
- With regard to infrastructure, the development in the Lok Ma Chau Loop is of significant strategic importance. The planned development of the “Hong Kong-Shenzhen Innovation and Technology Park” will be the largest I&T platform ever in the history of Hong Kong. The key base for scientific research cooperation to be set up in the Park will attract leading enterprises, research and development (“R&D”) institutions and higher education institutions from the Mainland and overseas, bringing together talents from around the world.
- To enhance support for I&T experts from outside Hong Kong, the Hong Kong Science and Technology Parks Corporation (“HKSTPC”) will build an InnoCell near the Science Park, providing accommodation with flexible

design and supported by facilities such as co-working space. We plan to consult the relevant Panel of the Legislative Council and seek funding from the Finance Committee this year.

- In addition, the Hong Kong Productivity Council will establish an Inno Space within this year to provide workspace and technical support to entrepreneurs and young people, assisting them in turning their innovative ideas into industrial design and products.
- On capital, the Budget this year has set aside \$10 billion to further support I&T development. We will make good use of these resources, consider holistically all feasible and appropriate uses, and consult all stakeholders and the Legislative Council. We have also separately set aside \$500 million to assist departments in using I&T to enhance efficiency and improve services.
- As regards talents, we will, in collaboration with Invest Hong Kong and the Economic and Trade Offices in different locations, strive to attract relevant enterprises and universities in areas such as biotechnology, big data, Internet of Things, artificial intelligence and smart city to Hong Kong. Through attracting overseas talents and technologies, as well as nurturing more cross-industry, cross-sector local talents, we shall promote “re-industrialisation” of Hong Kong.
- Regarding emerging industries, e-sports is a new area with economic development potential, which can help boost the local gaming industry and the development of the related technologies (such as virtual reality technologies). We have engaged Cyberport to explore the latest technology and industry developments in this regard. It is expected that Cyberport will submit the findings to the Government in mid-2017.
- In terms of policy support, the Advisory Committee on Innovation and Technology has completed its review on the existing strategies for I&T development and has drawn up a series of policy objectives for achievement by 2020, including: increasing Hong Kong’s Gross Domestic Expenditure on R&D as a percentage of Gross Domestic Product (“GDP”) to 1%; reversing the declining trend of the manufacturing sector as a percentage of GDP; and encouraging the private sector to increase R&D investment with

a view to adjusting the ratio of public to private R&D expenditure from the existing 56:44 to 45:55. These indicators provide a clear direction for our future development.

- The Budget this year has proposed to set up a committee on I&T development and “re-industrialisation” to co-ordinate the I&T development and “re-industrialisation” of Hong Kong through a higher-level and cross-bureaux approach. We are now working on the terms of reference and composition of the committee with a view to initiating the appointment exercise of the committee as soon as possible.
- My introduction will stop here. I hope Members will support our proposals, allow us to implement the measures as soon as possible to support Hong Kong’s I&T development. Thank you, Chairman.