

# 立法會 *Legislative Council*

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## **Panel on Commerce and Industry**

**Meeting on 18 July 2017**

### **Background brief on the development of InnoCell**

#### **Purpose**

This paper provides background information on the development of InnoCell. It also summarizes the views and concerns expressed by members on the subject during previous relevant discussions.

#### **Background**

2. In his 2017 Policy Address, the Chief Executive announced that to foster the development of the innovation and technology ("I&T") ecosystem, the Government would support the construction by the Hong Kong Science and Technology Parks Corporation ("HKSTPC")<sup>1</sup> of an InnoCell adjacent to the Hong Kong Science Park ("HKSP").<sup>2</sup>

3. InnoCell will provide residential units with flexible design and ancillary facilities, such as shared working spaces, for leasing to staff of the incubatees and

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<sup>1</sup> Hong Kong Science and Technology Parks Corporation ("HKSTPC") is a statutory body established in 2001 with a public mission to facilitate the establishment and the nurturing of a world-class technology community dedicated to applied research and development ("R&D") in Hong Kong, and to strengthen Hong Kong's position as a regional technology hub by promoting innovation, technology development and commercialization of five technology clusters, namely electronics, information technology and telecommunications, precision engineering, biotechnology, and green technology. The Government is the sole shareholder of HKSTPC which is governed by a Board of Directors appointed by the Government. HKSTPC operates and manages the Hong Kong Science Park, three Industrial Estates and the InnoCentre at Kowloon Tong.

<sup>2</sup> To meet the strong demand for space for R&D activities, the Administration proposed to develop Stage 1 of the Science Park Expansion Programme ("SPX1"), which involves the construction of two respectively 14-storey and 15-storey building blocks. The estimated development cost is \$4,428 million and the Finance Committee approved the funding proposal in May 2016. SPX1 is expected to complete by 2020.

start-ups in HKSP. It will also be open to scientific research personnel from outside Hong Kong who work for other companies in HKSP.

4. According to the Administration, the objective of InnoCell is to increase the competitiveness of HKSP by providing suitable accommodation and ancillary offices, thus attracting more high-quality research and development companies and recruiting more overseas and Mainland talents to Hong Kong.

5. InnoCell will be located on a piece of "Government, Institutions or Community" land of 0.28 hectare at the corner of Chong San Road and Science Park Road in Pak Shek Kok, next to the southeast entrance of HKSP. HKSTPC will carry out with the planning, preliminary design, cost estimate and other associated work for the InnoCell in accordance with the planning procedures under the Town Planning Ordinance (Cap. 131).

### **Previous discussions**

6. The Panel on Commerce and Industry ("the Panel") was briefed on the development of InnoCell in conjunction with other initiatives to promote I&T industry in Hong Kong at the meetings on 25 January and 21 March 2017 respectively. The subject of InnoCell was touched on at the special Finance Committee ("FC") meeting on 3 April 2017. The major views and concerns expressed by Members are summarized in the ensuing paragraphs.

### **Nurturing requisite local talents**

7. Noting that the proposed implementation of many large scale I&T infrastructure projects as announced in the 2017 Policy Address would generate a huge demand for talents in the industry, some members enquired about the Administration's plan for nurturing the requisite local talents to underpin the long-term development of I&T industry at the meeting on 25 January 2017.

8. The Administration advised that it had been promoting Science, Technology, Engineering and Mathematics education and implementing the Enriched Information Technology Programme in secondary schools to arouse students' interests in science and to create a stronger I&T culture. To encourage university graduates to pursue a career in I&T and nurture more talents, the Internship Programme launched in 2004 had supported over 2 400 interns. Moreover, InnoCell would be developed at HKSP to increase its competitiveness by providing suitable accommodation and ancillary offices, thus attracting more high-quality research and development companies and recruiting more talents to Hong Kong. The Hong Kong/Shenzhen Innovation and Technology Park in the Lok Ma Chau Loop would also attract top enterprises, universities and scientific research institutions from the Mainland and overseas to set up laboratories and

branches for carrying out research projects either on their own or in collaboration with others, which would help nurture more I&T talents for Hong Kong.

#### Work plan on development of InnoCell

9. At the special FC meeting on 3 April 2017 to examine the Estimates of Expenditure 2017-2018, members enquired about the work plan, schedule and manpower and resources required in 2017-2018 for InnoCell, as well as the application criteria for admission to InnoCell.

10. The Administration responded that HKSTPC was drawing up the planning, design and development cost estimate as well as a timetable for the development of InnoCell. The Administration said that it would apply for funding from FC when the specific proposals were available. As regards the admission criteria, the Administration advised that the main targets of InnoCell were overseas employees or visitors of incubatees/tenants and partner enterprises admitted to HKSP. HKSTPC would set up an assessment panel to work out the application criteria and conduct the vetting work for applications.

#### **Latest position**

11. The Administration will brief the Panel on the plan to develop InnoCell and seek the Panel's support for the proposed financing arrangements of the project. The Administration plans to submit the relevant funding proposal to FC for consideration in the fourth quarter of 2017.

#### **Relevant papers**

12. A list of relevant papers is in **Appendix**.

## List of relevant papers

Date of meeting	Meeting	Papers
25/1/2017	Panel on Commerce and Industry	<p>Administration's paper on "2017 Policy Address - policy initiatives of Commerce, Industry and Tourism Branch, Commerce and Economic Development Bureau" (<a href="#">LC Paper No. CB(1)464/16-17(03)</a>)</p> <p>Administration's paper on "2017 Policy Address - policy initiatives of Constitutional and Mainland Affairs Bureau in relation to Mainland and Taiwan co-operation" (<a href="#">LC Paper No. CB(1)464/16-17(04)</a>)</p> <p>Administration's paper on "2017 Policy Address - policy initiatives of Innovation and Technology Bureau" (<a href="#">LC Paper No. CB(1)464/16-17(05)</a>)</p> <p>Minutes of meeting (<a href="#">LC Paper No. CB(1)678/16-17</a>)</p>
21/3/2017	Panel on Commerce and Industry	<p>Administration's paper on "Policy on re-industrialisation and the latest development of the Industrial Estates and Hong Kong Science Park" (<a href="#">LC Paper No. CB(1)677/16-17(04)</a>)</p> <p>Background brief on policy on re-industrialization and the development of the Industrial Estates and Hong Kong Science Park prepared by the Legislative Council Secretariat (<a href="#">LC Paper No. CB(1)677/16-17(05)</a>)</p> <p>Minutes of meeting (<a href="#">LC Paper CB(1)917/16-17</a>)</p>

<b>Date of meeting</b>	<b>Meeting</b>	<b>Papers</b>
3/4/2017	Special meeting of the Finance Committee to examine the Estimates of Expenditure 2017-2018	Administration's replies to Members' initial written questions ( <a href="#">Reply serial nos. ITB081 and 118</a> )