

**Speaking Notes for  
the Secretary for Innovation and Technology  
at the Special Meeting of the Finance Committee  
on 19 April 2018**

- Chairman, since setting up the Innovation and Technology Bureau in November 2015, the Government has put in a huge amount of resources for fostering innovation and technology (“I&T”) development. We have implemented measures ranging from encouraging research and development (“R&D”), promoting “re-industrialisation”, supporting start-ups and nurturing I&T talents, to forging ahead with smart city development and promoting the use of I&T to improve people’s livelihood. Last October, the Chief Executive set forth in the Policy Address eight major areas to step up I&T development, mapping out a clear direction for our work.
- The Financial Secretary announced in the 2018-19 Budget to allocate an additional amount of over \$50 billion to further speed up the development of I&T in Hong Kong, with unprecedented efforts, through investing in infrastructure, R&D collaboration, nurturing start-ups and promoting industries.
- First, on infrastructure, the Government will set aside \$20 billion as the first tranche of funding for developing the Hong Kong-Shenzhen Innovation and Technology Park (“the Park”) in the Lok Ma Chau Loop, which is a huge and long-term project to make Hong Kong an important international I&T hub in the Bay Area. This provision will cover the site formation, infrastructure and superstructure works, as well as initial operation of the Park.
- Secondly, we will inject \$10 billion into the “Innovation and Technology Fund” to keep up our support for local applied R&D work and I&T projects through its different funding schemes. Of this, \$500 million will serve to implement the “Technology Talent Scheme”, comprising a “Postdoctoral Hub programme” and a “Reindustrialisation and Technology Training Programme”. To enable more start-ups and medium-sized enterprises to benefit from the Technology Voucher Programme, we have removed the requirement on having one year of substantive business operation in Hong Kong, and expand the programme to cover enterprises of all sizes from the day of the Budget announcement.

- Thirdly, \$10 billion will be earmarked to support the establishment of two research clusters in the Hong Kong Science Park, one focusing on healthcare technologies and the other on artificial intelligence and robotics technologies, with a view to attracting world class scientific research institutions and technology enterprises to Hong Kong to join force with our local universities and scientific research institutions in conducting more midstream and downstream R&D projects, which will serve to nurture more technology talent in Hong Kong. We will provide financial support to non-profit-making scientific research institutions that will establish their presence in these two clusters.
- Fourthly, we will allocate \$10 billion to the Hong Kong Science and Technology Parks Corporation (“HKSTPC”). Of this, \$3 billion will be used to support HKSTPC to construct research-related infrastructure and facilities, including small batch experimental production facility and animal research facility, robot testing facility etc., so as to further reinforce and develop Hong Kong’s R&D capabilities. The remaining \$7 billion will be used for enhancing HKSTPC’s support services for its tenants and incubatees, including expanding HKSTPC’s Corporate Venture Fund and Incubation Programme, attracting international technology enterprises to set up in the Science Park and improving the facilities in the Science Park.
- Fifthly, \$300 million will be allocated to Cyberport. Of this, \$200 million will be used for enhancing support for start-ups and promoting the development of a digital technology ecosystem. Cyberport will enhance its incubation programme and put forward new support measures to attract more multinational companies to set up offices and R&D units in Hong Kong. The remaining \$100 million will be used for fostering the development of e-sports industry. Cyberport will develop its arcade into a local e-sports and digital entertainment node and provide support for nurturing talents and developing the e-sports industry.
- We are working hard to prepare for the various new initiatives in discussion with relevant stakeholders, including HKSTPC and Cyberport. We will seek funding approval from the Legislative Council on the above initiatives in due course.

- In the past two years, my colleagues and I spare no efforts in implementing various new initiatives, building an ecosystem with the necessary hardware and software as well as nurturing talents to promote I&T development in Hong Kong. Our works, including the launching of various funding schemes, providing infrastructure, taking forward the development of the Loop, introducing enhanced tax deduction for R&D, promulgating the “Smart City Blueprint”, and setting up the “Committee on Innovation, Technology and Re-industrialisation” and the “Steering Committee on Innovation and Technology”, demonstrate the boldness and determination of the government to press ahead I&T development.
- I wish to thank the Finance Committee for the support rendered to ITB’s work, including approving all our funding and establishment proposals, enabling us to move ahead with our agenda with adequate manpower and resources. I hope Members will support our new proposals so that we can implement the various measures as soon as possible to further support Hong Kong’s I&T development. Thank you, Chairman.

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