

Panel on Commerce and Industry
Meeting on Tuesday, 17 July 2018 at 2:30 pm

Submission from Hong Kong Computer Society

Deputations' views on "Latest development of the Hong Kong Science Park and industrial estates, and the Administration's measures to support re-industrialization"

In our response to the 2017 Policy Address by Mrs. Carrie Lam, The Hong Kong Computer Society (HKCS) is positively impressed by the first Policy Address by Mrs. Carrie Lam, our Chief Executive, in that commendably it is by far the most technology and innovation -focused Policy Address in our history. In the last two years the Government has committed at least HK\$78 billion to promote I&T development, including an unprecedented HK\$50 billion allocated in this year's Budget.

We are in agreement with the multi-pronged approach to further encourage the development of the I&T ecosystem to achieve re-industrializations through

- the provision of land and suitable infrastructural facilities;
- quality R &D capabilities ;
- talent cultivation; and
- adequate and appropriate funding.

Through this Panel, other Legco sessions and the regular Government official replies to Legco Members' queries on I&T, we are kept aware and encouraged by the relevant activities and their progress. **We are pleased at this Legco Panel to have the opportunity to emphasize a number of pertinent observations:**

- **We wish to see more visible and dedicated efforts and resources to ensure successes in product adoption and the emergent products through our I&T and re-industrialization endeavours.** The arena for product adoption involves product design for commercialization, promotion and marketing, recognition and proliferation. Many a good product fails to reach its rightful potentials due to insufficient and ineffective measures in the “last mile” of this value chain.
- Supplementary and synergistic to successful product adoption is the anticipated **revision of the Government procurement policy to encourage local technological innovation** the study of which is expected to be completed in the second quarter of 2018 (REF: ITB reply to LCQ3: Procurement policy for information technology products and services November 2017). We look forward to a favorable procurement environment in which Government would provide impetus to the adoption of our local innovation.

- Similarly, we wish to be made aware of the progress in the expressed will in the 2017 Policy Address to **review existing legislation and regulations so as to remove outdated provisions that impede innovation.** With the rapid advancement in technology, new economic models lead to the emergence of new economic activities, and visionary regulations would facilitate the positive surge of these new opportunities. We urge the Government to give the legislative review the urgent priority it deserves.
- we welcome the now-launched 3-years **pilot fast-track Technology Talent Admission Scheme (TechTAS)** which as a start, be applicable to tenants and incubatees of the Hong Kong Science and Technology Parks Corporation and Cyberport that are engaged in selected areas of innovative technologies (detailed in ITB response to Legco question LCQ9: Attracting overseas technology talents to come to Hong Kong for career development May 2018). We wish to see an **assessment exercise in 18 months** to assess its performance, to allow for midterm scheme optimizing refinement. We also wish that the full Scheme would eventually cover other credible establishments in addition to HKSTP and Cyberport, E.g. in-house startups established by our tertiary institutions.
- While we welcome the **“Technology Talent Scheme”** to establish a **“Postdoctoral Hub”** to provide funding support for enterprises to recruit

postdoctoral talent for scientific research and product development, we wish to stress that not all talent, particularly in applied research, would need to have a PhD. We believe there are numerous productive talent, at the Bachelor or Master Degree level, who should also be benefited by this scheme. **We hope this talent scheme would be extended at least to the Master degree holders**, from “well-recognized universities” similar to the doctorate holders as defined in the Postdoctoral Hub.

- On infrastructure, the establishment of the **Data Technology Hub (DT)** and the **Advanced Manufacturing Center (AMC)** in TKO are welcomed addition to the basic facilities needed in Hong Kong to support our re-industrialization effort. We wish to see regular updates on the progress of these initiatives.
- On R&D support for re-industrialization, the role differentiation for the various publicly funded R&D centers (e.g. ASTRI, NAMI, LSCM...) is well understood. It would be appropriate to have clearer **KPI for these R&D centers** for the community to understand their accomplishment, including how they are supporting the re-industrialization effort. As an illustrative example, how HKPC, assigned with the task to promote the upgrade and transformation of industry, is assisting the R&D centers in promoting the adoption of new technologies in our industry sectors.

- **The Greater Bay Area (GBA) initiative has a far-reaching impact to Hong Kong as an industry hub**, as Hong Kong cannot function in isolation to become an industry hub by itself. An ecosystem with mutually-beneficial sharing of responsibilities and some form of role differentiation among the neighboring cities and regions are needed, which raises questions , e.g. what is the mechanism that is in place today to promote this type of regional cooperation and collaboration? Is there a role that the governments in the GBA can play to facilitate it? These are critical issues, upon which the GBA intra-regional coordinating mechanism is much expected to focus and facilitate.
- With the declared Trump's **trade policies**, the next few years - or longer- may not be one of continued globalization, but of regionalization in trade. Hong Kong needs to strategical figure out, a plan B, who our trading partners are likely to be if Trump's current trade policy continues, which in turn will also **drive the focus of our re-industrialization evolving efforts**.