

立法會
Legislative Council

LC Paper No. CB(1)1248/18-19

(These minutes have been seen
by the Administration)

Ref : CB1/PL/CI

Panel on Commerce and Industry

Minutes of meeting
held on Tuesday, 21 May 2019, at 2:30 pm
in Conference Room 1 of the Legislative Council Complex

- Members present :**
- Hon YIU Si-wing, BBS (Chairman)
 - Hon Alvin YEUNG (Deputy Chairman)
 - Hon Jeffrey LAM Kin-fung, GBS, JP
 - Hon WONG Ting-kwong, GBS, JP
 - Hon Steven HO Chun-yin, BBS
 - Hon WU Chi-wai, MH
 - Hon MA Fung-kwok, SBS, JP
 - Hon Charles Peter MOK, JP
 - Hon CHAN Chi-chuen
 - Hon Dennis KWOK Wing-hang
 - Hon Christopher CHEUNG Wah-fung, SBS, JP
 - Hon Martin LIAO Cheung-kong, SBS, JP
 - Dr Hon CHIANG Lai-wan, SBS, JP
 - Hon CHU Hoi-dick
 - Hon Jimmy NG Wing-ka, JP
 - Hon SHIU Ka-fai
 - Hon CHAN Chun-ying, JP
 - Hon LAU Kwok-fan, MH
- Members absent :**
- Ir Dr Hon LO Wai-kwok, SBS, MH, JP
 - Hon CHUNG Kwok-pan

**Public officers
attending**

: Agenda item IV

Innovation and Technology Bureau

Mr Nicholas W YANG, GBS, JP
Secretary for Innovation and Technology

Mrs Millie NG, JP
Deputy Secretary for Innovation and Technology (1)

Innovation and Technology Commission

Ms Annie CHOI, JP
Commissioner for Innovation and Technology

Mr Ivan LEE, JP
Deputy Commissioner for Innovation and Technology

Agenda Item V

Invest Hong Kong

Mr Stephen PHILLIPS
Director-General of Investment Promotion

Mr Vincent TANG
Associate Director-General of Investment
Promotion 3

Commerce and Economic Development Bureau

Ms Leona LAW
Principal Assistant Secretary for Commerce and
Economic Development (Commerce and Industry)2

**Attendance by
invitation**

: Agenda Item IV

Hong Kong Science and Technology Parks Corporation

Mr Albert WONG
Chief Executive Officer

Mr YIU Hing-leung
Director, Advanced Manufacturing

Clerk in attendance : Mr Desmond LAM
Chief Council Secretary (1)3

Staff in attendance : Mr Joey LO
Senior Council Secretary (1)8

Mr Terence LAM
Council Secretary (1)3

Ms May LEUNG
Legislative Assistant (1)3

Miss Zoe YIP
Clerical Assistant (1)3

Action

I. Confirmation of minutes of meeting

(LC Paper No. CB(1)1047/18-19 -- Minutes of meeting held on
19 March 2019)

The minutes of the meeting held on 19 March 2019 were confirmed.

II. Information paper issued since last meeting

(LC Paper No. CB(1)904/18-19(01) -- Administration's further response to
Hon CHU Hoi-dick's letter
regarding his concerns over the
implementation of, and effectiveness
of the measures taken by Hong
Kong Customs and Excise
Department in law enforcement in
the trade control of strategic
commodities)

2. Members noted the above paper issued since the last meeting and raised no further questions on the issue concerned. The Chairman said that the issue had been addressed and no further follow-up action was considered necessary.

III. Date of next meeting and items for discussion

(LC Paper No. CB(1)1046/18-19(01) -- List of outstanding items for discussion

LC Paper No. CB(1)1046/18-19(02) -- List of follow-up actions)

3. Members noted that the next regular Panel meeting would be held on 18 June 2019 at 2:30 pm to discuss the following items proposed by the Administration –

- (a) Single E-Lock Scheme and the extension of its applicability in the Guangdong-Hong Kong-Macao Greater Bay Area; and
- (b) Latest Development of the Hong Kong Authorized Economic Operator Programme operated by the Customs and Excise Department.

(Post-meeting note: Members were informed under LC Paper No. CB(1)1188/18-19 on 18 June 2019 that the above June regular meeting was rescheduled for Tuesday 25 June 2019 at 4:30 pm.)

IV. New measures to promote re-industrialization

(LC Paper No. CB(1)1046/18-19(03) -- Administration's paper on "New measures to promote 're-industrialisation'"

LC Paper No. CB(1)1046/18-19(04) -- Paper on the re-industrialization policy and Industrial Estates prepared by the Legislative Council Secretariat (updated background brief))

4. The Chairman drew members' attention to Rule 83A of the Rules of Procedure which provided that members should not speak on a matter in which they had a direct or indirect pecuniary interest, except where they disclosed the nature of that interest.

Presentation by the Administration

5. At the invitation of the Chairman, Secretary for Innovation and Technology ("S for IT") briefed the Panel on the Administration's financial proposals to promote re-industrialization, including the proposed injection of HK\$2 billion into the Innovation and Technology Fund ("ITF") for launching the Re-industrialisation Funding Scheme ("RFS") and the proposed allocation of an additional HK\$2 billion

for the Hong Kong Science and Technology Parks Corporation ("HKSTPC") to develop the Microelectronics Centre at Yuen Long Industrial Estate ("IE"). Details of the proposals were set out in the Administration's paper (LC Paper No. CB(1)1046/18-19(03)).

Discussion

Government's efforts to support re-industrialization

6. Mr Jimmy NG declared that he was a member of the Board of Directors of HKSTPC. He referred to the findings of the Hong Kong Startup Index Report 2018 released by EntreLink and stated that Hong Kong scored 48 out of 100 on the performance of ecosystems in eight assessment areas, and only ranked 9th among 10 neighbouring cities, whereas Singapore, Shenzhen and Beijing ranked first, second and third respectively. He said that Hong Kong even ranked 10th among the 10 cities in the assessment areas of funding availability (private sector), talent availability and pilot test availability, reflecting the difficulties being faced by start-ups in Hong Kong in these areas. Mr NG said that the shortage of research and development ("R&D") talent had been a major obstacle to Hong Kong's development of innovation and technology ("I&T") in the face of fierce regional competition. Moreover, the low R&D expenditure as a percentage of gross domestic product ("GDP") (0.73% compared to the global average of 2.3%) of Hong Kong had contributed to weakness in R&D investment. In this regard, Mr NG urged the Administration to allocate more resources to help enterprises recruit more R&D talent, and to raise the level of R&D expenditure as a percentage of GDP to stay competitive in R&D intensive environment.

7. S for IT said that the Administration had been actively promoting re-industrialization in Hong Kong, and had taken forward the development of the Precision Manufacturing Centre and the Advanced Manufacturing Centre ("AMC") to dovetail the policy on re-industrialization. In order to remove obstacles to I&T start-ups including those engaged in the field of microelectronics, the Administration had been supporting the development of re-industrialization through the provision of infrastructural, talent, financial and technical support. He said that the I&T scene in Hong Kong had become more vibrant and prosperous in the past few years. In 2014, there were only about 1 000 start-ups with no unicorn in Hong Kong. The total amount of direct investment in Hong Kong's start-ups by venture capital funds was around HK\$1.3 billion. In 2018, the number of start-ups in Hong Kong rose to over 2 600 (representing an increase of 1.5 times). At present, there were eight unicorns, and the number was anticipated to grow further. The total amount of direct investment in Hong Kong's start-ups by venture capital funds had increased to around HK\$18 billion. The total number of staff recruited by start-ups in 2018 had also increased three folds over that of 2014.

8. Mr WONG Ting-kwong supported the financial proposals and enquired about the progress of the Policy Innovation and Co-ordination Office's efforts to remove policy obstacles to the development of I&T industry in Hong Kong.

9. S for IT said that the Administration had always strived to remove policy obstacles to support the development of the I&T industry. For example, in a bid to promote the development of electronic sports ("e-sports"), the Administration had recently announced the exemption of a number of e-sports venues from the requirement of obtaining an Amusement Game Centre Licence under the Amusement Game Centres Ordinance (Cap. 435) given certain specific conditions were met. This was highly encouraging for the e-sports industry. The Administration would continue to introduce measures to support the development of the I&T sector in Hong Kong.

Development of the Microelectronics Centre

10. Noting that currently, there were not many microelectronics-related businesses located in the vicinity of Yuen Long IE, Mr CHAN Chun-ying was concerned whether the proposed development of the Microelectronics Centre would be an effective measure to help create synergistic effects and provide ancillary support to the interested enterprises to establish microelectronics and related production lines. He enquired whether the Administration had consulted the relevant sectors about their interest to set up microelectronics-related operations in the area.

11. S for IT said that the Microelectronics Centre would offer a range of important ancillary support to the industry in terms of dedicated facilities such as high standard super-clean rooms and waste treatment, etc. Commissioner for Innovation and Technology ("CIT") added that the proposed Microelectronics Centre could host around 10 microelectronics-related enterprises depending on their scale and would create clustering effects and enhance the growth of these sectors. Prior consultation conducted by HKSTPC with the microelectronics industry had confirmed the keen interest of a number of microelectronics-related enterprises in setting up operations in the proposed Microelectronics Centre which would host not only enterprises engaged in integrated circuit ("IC") design or production, but also in related industries such as advanced materials. The proposed Microelectronics Centre would be provided with dedicated facilities, such as those for high standard waste and water treatments. It would not affect the operation of other enterprises in the Yuen Long IE.

12. Mr Charles Peter MOK expressed support for the Administration's proposals to implement RFS and develop the Microelectronics Centre. He urged the Administration to keep abreast with the changing trends of the microelectronics

industry so as to devise tailor-made support measures to assist the growth of the sectors. He also urged the Administration to leverage the proposed Microelectronics Centre to nurture, attract and retain talent for the microelectronics industry.

13. S for IT said that the development of the semiconductor industry had come to a critical juncture of transition between second and third generation semiconductor technology. The predominant electronic components based on silicon would in the foreseeable future no longer be able to meet the increasing industrial requirements. The limitations of silicon as a semiconductor had led to the development of innovative materials such as silicon carbide and gallium nitride. As such, both the Administration and the industry considered that it was an opportune time to take forward the development of Hong Kong's microelectronics industry. Regarding the supply of suitable talent, while local universities had been grooming talent for the upstream section (i.e. design), leading downstream microelectronics companies had set up R&D centres in Hong Kong. The Administration would collaborate with local universities and tertiary institutions in formulating strategies for nurturing talent for different levels of the microelectronics industry, in particular the midstream level.

14. CIT added that the Administration and HKSTPC had maintained close contact with the industry and trade associations to understand their needs and aspirations. The positive response from the industry towards AMC at Tseung Kwan O IE and the strong interest they showed in establishing microelectronics-related production facilities had prompted the Administration to put forward the proposal of establishing the Microelectronics Centre. The Administration would continue to facilitate the development of the industry by matching the supply of talent from local universities and tertiary institutions with the demand of the industry. As a case in point, the majority of the 600-plus R&D professionals hired by a world leading IC packaging and assembly company in Hong Kong were graduates from local universities.

15. While expressing support for the proposal to establish the Microelectronics Centre and introduce RFS, Mr MA Fung-kwok said that the proposed injection of HK\$2 billion into ITF for launching RFS and another HK\$2 billion for HKSTPC to develop high-end production were overdue and insufficient. Nevertheless, he was pleased to note that effort on re-industrialization had finally garnered top-level support from the Administration. He enquired about the overall strategy of the Administration in this regard.

16. CIT said that the injection of an additional HK\$2 billion into HKSTPC to develop the Microelectronics Centre could be seen as the first step to address the needs of the industry. In this area, the strength of Hong Kong lied in IC design.

The proposed Microelectronics Centre would provide the necessary infrastructural support for the industry to set up production lines for pilot batch production.

17. Chief Executive Officer, HKSTPC ("CEO, HKSTPC") added that there had all along been a technology cluster in the field of microelectronics at Hong Kong Science Park ("HKSP"). There had been 40% growth in the number of companies of the relevant technology fields at HKSP in the past few years. With the rapid development of the Internet of Things, HKSTPC had been promoting the development of sensor technology, which was a pillar for powering the smart city initiative, by setting up Sensor Lab and Sensor Hub at HKSP, and had been witnessing more and more start-ups setting up sensor technology businesses in Hong Kong and at HKSP in particular.

18. Mr WONG Ting-kwong enquired how the proposed Microelectronics Centre could leverage the strength of leading companies in Shenzhen in technologies such as the 5th generation mobile network technology, graphene, microchips and new energy vehicles to attract microelectronics-related enterprises to set up business in the Centre. He also enquired about the expected timing of commissioning of the Centre and the industry's response to the proposal.

19. CIT said that the Microelectronics Centre could cater for the industry's demand for small-scale pilot batch production. Hong Kong could also leverage on its strong IC design capabilities which was needed by these industries, including those from the Mainland. When formulating the Microelectronics Centre proposal, HKSTPC had engaged in extensive discussion with the industry, and over 10 companies had indicated keen interest in setting up operations in the proposed Microelectronics Centre. Subject to the Finance Committee's approval, the conversion of an existing factory in Yuen Long IE into the Microelectronics Centre could start in mid-2019 for completion in the second half of 2020. Given the relatively short conversion period, the Microelectronics Centre could address the imminent needs of the industry, thereby facilitating the industry to seize the opportunity for developing microelectronics technology in Hong Kong.

Investment return of the proposed Microelectronics Centre

20. The Chairman enquired whether the rental of the proposed Microelectronics Centre would be pitched at a competitive level, and the projected investment return for the Centre.

21. CEO, HKSTPC said that HKSTPC had consulted various trade associations and commissioned a consultancy study in determining the rental level of the proposed Microelectronics Centre. As regards the investment return, it was expected that the investment in the Centre would break even within 20 to 30 years

Admin of operation. HKSTPC would also need to maintain adequate reserve to cater for the major repairs and refurbishment of the basic facilities including air-conditioning and electrical and mechanical equipment. Information on the rate of investment return and depreciation would be provided to the Finance Committee.

Eligibility criteria and funding principles of the Re-industrialisation Funding Scheme

22. Mr CHAN Chun-ying expressed support for the new measures to promote re-industrialization. Noting that the funding under RFS would be provided on a 1 (government):2 (enterprise) matching basis, with the Government covering a maximum of one-third of the total approved project expenditure or HK\$15 million per project, whichever was lower, Mr CHAN expressed concern that with a low government financing ratio of 33%, the creation of a legal charge in respect of the relevant production line would lessen the attractiveness of RFS. He also enquired about the effect of the legal charge vis-à-vis debentures which were commonly required by banks in providing credit facilities to companies.

23. S for IT said that although the Administration would create a legal charge in respect of the production line, it would provide flexibility for the funded projects by allowing the transfer of shareholding rights (rather than a transfer of the whole production line) and addition of new investors. CIT added that funding under RFS would be grants rather than loans, and would effectively reduce the funded enterprise's investment risk by one-third. The aim of the legal charge, which would take effect over a few years, was to retain the funded production line in Hong Kong for a reasonable period in order to bring substantive economic benefits to Hong Kong.

24. The Chairman expressed support for the Administration's measures to promote re-industrialization which would in turn raise Hong Kong's international competitiveness. Noting that enterprises would be allowed to apply for funding for a new project after completion of a previously approved project under RFS, he enquired about the definition of a "new project", and whether a project for upgrading and restructuring would be considered as a new one. He also enquired whether expenses for business promotion and software development would be eligible for funding.

25. CIT said that a new project would mean a different project involving a different production line. Whether an upgrading and restructuring project would be eligible for funding would depend on whether it involved the setting up of new advanced manufacturing facilities. No limit would be set on the total number of projects which could be approved in respect of an enterprise under RFS. Projects involving nurturing of talent, business promotion and software development could

apply for other funding schemes such as the Technology Talent Scheme, SME Export Marketing Fund and Enterprise Support Scheme respectively.

Summing up

26. The Chairman concluded that the Panel supported in principle the Administration's financial proposals to launch RFS and develop the Microelectronics Centre.

V. Promotion of inward investment

(LC Paper No. CB(1)1046/18-19(05) -- Administration's paper on "Promotion of Inward Investment"

LC Paper No. CB(1)1046/18-19(06) -- Paper on the work of Invest Hong Kong in promoting inward investment prepared by the Legislative Council Secretariat (updated background brief))

27. At the invitation of the Chairman, Director-General of Investment Promotion ("DGIP") briefed the Panel on the progress and results of Invest Hong Kong ("InvestHK")'s work in 2018 and the work plan for 2019-2020. Details were set out in the Administration's paper (LC Paper No. CB(1)1046/18-19(05)).

Discussion

Playing an active role in major Mainland initiatives

28. The Chairman enquired that of the 436 investment projects completed by InvestHK in 2018, the number of projects which were related to the Belt and Road Initiative and the development of the Guangdong-Hong Kong-Macao Greater Bay Area ("Greater Bay Area").

29. DGIP said that according to the findings of InvestHK's surveys on the completed projects, overseas and Mainland companies intending to set up or expand their businesses in Hong Kong would consider the overall business opportunities on offer. As regards the opportunities brought by the Belt and Road Initiative, InvestHK's promotion work included attracting companies from countries in the Belt and Road region to set up businesses in Hong Kong and facilitating international investors to engage in partnership projects in Belt and Road countries with Mainland companies through Hong Kong. As regards the Greater Bay Area development, InvestHK also saw keen interest from international investors and

investors from other parts of the Mainland in tapping the immense business opportunities. Dr CHIANG Lai-wan urged InvestHK to press for the free flow of talent, capital and goods and services across the Greater Bay Area so as to boost up the investment factors for overseas companies.

30. In response to Dr CHIANG Lai-wan's enquiry about the attractiveness of the Greater Bay Area to the United States ("US") and international investors, Associate Director-General of Investment Promotion 3 ("ADGIP3") advised that in April 2019, InvestHK, together with the Guangdong and Macao authorities, jointly organized a Symposium in Tokyo to promote the business opportunities of the Greater Bay Area development to the Japanese business community. As the first joint promotion event after the promulgation of the Outline Development Plan for the Greater Bay Area in February 2019, the Symposium was attended by over 1 100 participants, of which over 700 were from the Japanese business community. InvestHK had been following up with interested companies to assist in exploring business potentials of the Greater Bay Area via Hong Kong.

Impact of the trade conflict between China and the United States

31. While noting that InvestHK achieved good results in 2018, the Chairman and Mr WONG Ting-kwong were concerned that the results of InvestHK's work might be impacted by the trade conflict between China and the US. They enquired whether InvestHK would adjust its promotion strategy in response to the unstable global trade condition. The Chairman also urged the Administration to conduct studies on the impact of the trade conflict between China and the US on Hong Kong, and to formulate corresponding measures.

32. DGIP advised that international investors would consider a wide range of factors when making investment decisions, including the width and depth of market opportunities that might lie ahead. Most of the investors as approached by InvestHK still saw Asia as the engine of global economic growth. Investors would also consider the business environment in Hong Kong, including relevant geopolitical issues. The results of InvestHK's work in 2018 showed that international investors were still interested in setting up businesses in Hong Kong and exploring business opportunities in the regional market. In the face of the rise of protectionism at the international level, InvestHK would continue to diversify its work on the global scale. In 2018, InvestHK visited 43 countries to promote the benefits of leveraging Hong Kong's strength to penetrate the Mainland and regional markets. While keeping in view the developments of the US-China trade conflict, InvestHK's work in this aspect would continue in 2019.

Source countries of inward investment and factors affecting Hong Kong's attractiveness for inward investment

33. Noting that according to the 2018 Annual Survey of Companies in Hong Kong with Parent Companies Located outside Hong Kong conducted jointly by InvestHK and the Census and Statistics Department, Hong Kong was home to a record number of 8 754 overseas and Mainland companies in 2018, Mr MA Fung-kwok enquired about the breakdown of such companies by country and industry sector. He also enquired about the breakdown of completed investment projects in the creative industries sector by subsector, and InvestHK's promotion strategies in respect of attracting overseas creative industries to set foot in Hong Kong, as well as the major factors attracting these industries.

34. DGIP advised that the top five source countries of the investment projects were the Mainland, Japan, the US, United Kingdom and Singapore. The major industry sectors were import and export, wholesale and retail, finance and banking, professional business and educational services, and transportation and logistics. Factors attracting overseas creative industries to Hong Kong were broadly the same as those attracting other industries, including the considerable business opportunities in Hong Kong, the Mainland and the regional markets, and the sophisticated market scope encompassing gaming and e-sports.

35. ADGIP3 added that in order to promote Hong Kong as a vibrant creative industry hub, InvestHK had been putting much effort in attracting creative companies in the film-making, digital entertainment and fashion industries to set up operations in Hong Kong.

36. Mr CHAN Chun-ying suggested that for the sake of better presentation, InvestHK should provide, in its future reports to the Panel, information on the top eight to 10 source markets of investment projects completed in the past five years, instead of the top five source markets as shown in the histogram under paragraph 11 of the Administration's paper (LC Paper CB(1)1046/18-19(05)). DGIP noted Mr CHAN's suggestion and undertook to follow up accordingly.

Admin

37. In response to Mr CHAN Chun-ying's enquiry about InvestHK's performance in respect of bringing in direct investment in 2018, DGIP advised that the total investment amount arising from projects completed by InvestHK in 2018 was HK\$22.9 billion, creating a total of 5 268 jobs in 436 companies. ADGIP3 added that the figures on investment and jobs were provided by the companies concerned on a voluntary basis, and did not necessarily reflect the whole picture, as some of the companies had not disclosed relevant information to InvestHK.

38. Noting that the US was a major source of investment projects in 2018, Dr CHIANG Lai-wan enquired about the major types of investment by such US enterprises, and whether their investment decisions were affected by concerns about the trade conflict between the US and China.

39. DGIP advised that the investment were made by US companies mainly in the technology-related sectors such as biotechnology and the financial technology ("FinTech"), and also in the traditional financial services and consumer goods sectors. While US enterprises were keeping an eye on the developments of the US-China trade conflict, their investment decisions were not only based on short-term factors, but also medium- to long-term considerations. The fundamental economic potentials of Asia remained a major attraction to them.

Promotion focus of the StartmeupHK Team and the sector teams

StartmeupHK

40. Mr CHAN Chun-ying enquired about the effort of StartmeupHK team in assisting start-ups from overseas to set up or expand their businesses in Hong Kong.

41. DGIP advised that comprehensive support measures were provided for start-ups investing in Hong Kong, including multifarious funding schemes under ITF, tax reduction for R&D expenditure and admission schemes for outside talents, professionals and entrepreneurs. InvestHK would help these start-ups gain access to available funding schemes and support, and work with HKSP and Cyberport, as well as other private sector operators of accelerators, incubators and co-working spaces to support the development of start-ups.

Financial services sector and financial technology sector

42. Mr CHAN Chun-ying suggested that InvestHK should provide information on the performance of new entrants to the relevant industries to prospective investors when undertaking promotion work in the Mainland and overseas countries. He noted that in the pie charts in Annex B to the Administration's paper (LC Paper No. CB(1)1046/18-19(05)), the financial services sector was presented as one sector from 2014 to 2016 under the breakdowns of completed projects by sector in the respective years, only to be divided into two separate sectors, namely the financial services sector and FinTech sector from 2017 onwards. He enquired about the rationale for the separate presentation of the two interrelated sectors.

43. DGIP advised that in its sector-specific promotional events in the Mainland and overseas, InvestHK would share with potential investors detailed information on market conditions of the relevant industry sectors, and case studies of how

companies had leveraged Hong Kong as a base to develop their businesses in the Mainland and in Asia. He added that InvestHK, the Financial Services and Treasury Bureau and the three financial regulators had been working closely to develop Hong Kong's FinTech ecosystem. InvestHK had also set up a dedicated FinTech team aiming to attract top innovative FinTech enterprises and FinTech start-ups worldwide to Hong Kong. As there was significant interplay between the FinTech ecosystem and the traditional financial services sector, the FinTech team worked closely with the team responsible for the financial services sector in a collaborative manner.

Tourism and hospitality

44. The Chairman enquired about the division of responsibilities between InvestHK and the Hong Kong Tourism Board ("HKTb") in Mainland and overseas promotion of Hong Kong's tourism and hospitality industry. He urged InvestHK to invite representatives from the industry to join its promotional delegations to reap direct benefits.

45. DGIP said that InvestHK worked closely with HKTb, related organizations and industry players in overseas promotion of Hong Kong's tourism and hospitality industry. ADGIP3 added that in November 2018, InvestHK collaborated with the Government of the Macao Special Administrative Region and invited professionals from the food industry to conduct seminars in Chengdu and Wuhan with remarkable results.

Transport and logistics

46. In response to Mr WONG Ting-kwong's enquiry on InvestHK's work in promoting Hong Kong as an international maritime hub in the face of keen competition from neighboring countries such as Singapore, DGIP advised that InvestHK had set up a maritime desk within its Transport and Industrial Team which was collaborating closely with the Transport and Housing Bureau and the maritime industry to promote Hong Kong's strengths in traditional shipping, maritime services and new technology solutions for the maritime industry to international investors.

Innovation and technology

47. Noting that Hong Kong had a robust regulatory regime for pharmaceutical products and well-established pharmaceutical as well as testing and certification industries, Dr CHIANG Lai-wan suggested that InvestHK should make an effort to attract pharmaceutical companies from the Mainland and overseas to set up production lines in Hong Kong.

48. DGIP advised that InvestHK had been proactively discussing with both traditional pharmaceutical companies and biotechnology companies globally on the possibilities of setting up R&D and small scale production facilities in Hong Kong.

Aftercare Services

49. In response to Dr CHIANG Lai-wan's enquiry about the performance of investment projects completed by InvestHK, DGIP said that InvestHK operated an active programme of aftercare services for overseas and Mainland companies which InvestHK had helped set up in Hong Kong. Follow-up surveys revealed that 90% of the companies concerned continued to operate profitably in Hong Kong. ADGIP3 added that at the time of contact, the number of staff actually employed by the companies was largely the same as the number they had originally projected.

50. Dr CHIANG Lai-wan enquired about the nature of the 5 268 jobs created by the projects completed by InvestHK in 2018. ADGIP3 advised that such jobs ranged from junior to senior levels, and a majority (61%) of these were top management and professional jobs. DGIP added that such jobs included senior regional managers, managing directors, chief executives of operations through to frontline jobs of the tourism and hospitality sector, and involved a diverse range of functions including financing, sales and marketing and R&D. InvestHK would reflect to the relevant authorities any manpower shortages in the relevant segments of the labour market identified in their exchanges with overseas and Mainland companies for follow-up actions.

Admin 51. At Dr CHIANG Lai-wan's request, DGIP undertook to provide information on the investment project completed by InvestHK which involved the largest direct investment by an overseas or Mainland company, and details of the business nature concerned. DGIP also undertook to consider providing, in its future report to the Panel, information on (i) breakdown of jobs created and difficulties faced by companies in recruiting and retaining staff; and (ii) the amount of direct investment which the overseas or Mainland companies concerned had projected to bring in vis-à-vis the amount of direct investment such companies actually made.

VI. Any other business

52. There being no other business, the meeting ended at 4:25 pm.