

LC Paper No. CB(1)1090/20-21 (These minutes have been seen by the Administration)

Ref: CB1/PS/3/20

## **Panel on Commerce and Industry**

## Subcommittee on Issues Relating to the Stimulation of Hong Kong's Economy

## Minutes of meeting on Friday, 30 April 2021, at 10:45 am in Conference Room 2A of the Legislative Council Complex

Members present	:	Hon Jimmy NG Wing-ka, BBS, JP (Chairman) Hon YIU Si-wing, BBS (Deputy Chairman) Hon Jeffrey LAM Kin-fung, GBS, JP Hon WONG Ting-kwong, GBS, JP Hon Christopher CHEUNG Wah-fung, SBS, JP Hon SHIU Ka-fai, JP Hon CHAN Chun-ying, JP
Members attending	:	Hon Michael TIEN Puk-sun, BBS, JP Hon YUNG Hoi-yan, JP
Members absent	:	Hon MA Fung-kwok, GBS, JP Ir Dr Hon LO Wai-kwok, SBS, MH, JP Hon CHUNG Kwok-pan
Public officers attending	:	Agenda item II
		Financial Secretary's Office
		Ms Jessie WONG Head, Budget and Tax Policy Unit

	Financial Services and the Treasury Bureau
	Mr Ricky CHONG Principal Assistant Secretary for Financial Services and the Treasury (Treasury)(Special Duties)
	Commerce and Economic Development Bureau
	Dr Bernard CHAN, JP Under Secretary for Commerce and Economic Development
	Miss Wendy CHUNG Deputy Commissioner for Tourism
	Agenda item III
	Innovation and Technology Bureau
	Dr David CHUNG, JP Under Secretary for Innovation and Technology
	Ms Rebecca PUN, JP Commissioner for Innovation and Technology
	Mr Alan LO Deputy Secretary for Innovation and Technology
Clerk in attendance :	Mr Boris LAM Chief Council Secretary (1)3
Staff in attendance :	Miss Rita YUNG Senior Council Secretary (1)3
	Mr Terence LAM Council Secretary (1)3
	Ms May LEUNG Legislative Assistant (1)3

Action

## I. Date of next meeting and item for discussion (LC Paper No. CB(1)831/20-21(01) -- List of proposed items for discussion)

<u>Members</u> noted that the next meeting would be held on Friday, 28 May 2021 at 10:45 am to discuss the item on "Initiatives to promote Hong Kong's professional services active participation in the 'domestic circulation' through the amended Agreement on Trade in Services under the Mainland and Hong Kong Closer Economic Partnership Arrangement".

## Way forward of the Subcommittee

2. <u>The Chairman</u> advised that members had agreed at the first meeting of the Subcommittee held on 22 December 2020 that the Subcommittee should complete its work in around six months' time before the Sixth Legislative Council stood prorogued. The last meeting of the Subcommittee was scheduled for May 2021. <u>Members</u> agreed that the Subcommittee would complete its work after the May meeting.

(*Post-meeting note*: Members were informed vide LC Paper No. CB(1)918/20-21 on 18 May 2021 that, at the instruction of the Chairman, the meeting on 28 May 2021 be rescheduled to Monday, 28 June 2021, from 2:30 pm to 4:30 pm.)

II. Measures announced in the 2021-2022 Budget to stimulate the local economy including issuing consumption vouchers and supporting tourism

(LC Paper No. CB(1)831/20-21(02)	 Administration's	paper	on
	"Consumption Vou	cher Schei	me"
LC Paper No. CB(1)831/20-21(03)	 Administration's	paper	on
	"Initiatives Suppor	ting Tou	rism
	in the 2021-2022 B	udget")	

3. <u>The Subcommittee</u> deliberated (index of proceedings in the **Appendix**).

# III. Update on measures to promote the development of innovation and technology in Hong Kong (LC Paper No. CB(1)831/20-21(04) -- Administration's paper on

Paper No. CB(1)831/20-21(04) -- Administration's paper on "Update on measures to promote the development of innovation and technology in Hong Kong" 4. <u>The Subcommittee</u> deliberated (index of proceedings in the **Appendix**).

## **IV.** Any other business

5. There being no other business, the meeting ended at 12:27 pm.

Council Business Division 1 Legislative Council Secretariat 6 July 2021

#### Proceedings of the meeting of the Subcommittee on Issues Relating to the Stimulation of Hong Kong's Economy on Friday, 30 April 2021, at 10:45 am in Conference Room 2A of the Legislative Council Complex

Time	Speaker	Subject(s)	Action		
Marker	•		Required		
Agenda it	Agenda item I – Date of next meeting and item for discussion				
000350 – 000448	Chairman	The Chairman informed members of the date of the next meeting and the item to be discussed thereat.			
Agenda it		nnounced in the 2021-2022 Budget to stimulate the suing consumption vouchers and supporting tourism			
000449 -	Chairman	Opening remarks.			
000544		opening remarks.			
000545 – 000802	Chairman Administration	Briefing by the Head, Budget and Tax Policy Unit, Financial Secretary's Office ("FSO") on the latest development of the Consumption Voucher Scheme ("CV Scheme") (LC Paper No. CB(1)831/20-21(02)).			
000803 – 001159	Chairman Administration	Briefing by the Under Secretary for Commerce and Economic Development ("USCED") on the Administration's initiatives supporting tourism as announced in the 2021-2022 Budget (LC Paper No. CB(1)831/20-21(03)).			
001200 – 002151	Chairman Mr CHAN Chun-ying Administration	<ul> <li>On the CV Scheme, Mr CHAN Chun-ying enquired about:</li> <li>(a) the definition of "people who had not resided in Hong Kong for a long period of time" as regards the "residing in Hong Kong" requirement in the eligibility criteria;</li> <li>(b) whether the coverage would include consumption on local tours and staycation in local hotels;</li> <li>(c) how the four selected Stored Value Facility ("SVF") operators could differentiate the payments made with the consumption vouchers ("CVs") within each SVF account;</li> <li>(d) how the additional income generated from the CVs by each SVF operator could be calculated, and how the Administration could ensure that the SVF operators would provide rebate to</li> </ul>			

Time Marker	Speaker	Subject(s)	Action Required
		<ul> <li>(e) how the Administration would address the difficulties encountered by aged citizens and the underprivileged when they registered for the CV Scheme and used the CVs.</li> </ul>	
		Head, Budget and Tax Policy Unit, FSO responded that:	
		<ul> <li>(a) as regards the "residing in Hong Kong" requirement in the eligibility criteria, it was initially proposed that people who had been absent from Hong Kong for a certain period of time before a specified date not due to specified reasons would not be eligible for the CV Scheme. The Administration was aware that since the outbreak of the Coronavirus Disease 2019 ("COVID-19") epidemic, some Hong Kong residents had been staying outside Hong Kong and unable to return to Hong Kong. FSO/the Financial Services and the Treasury Bureau ("FSTB") was working with the Immigration Department on the details of the "residing in Hong Kong" requirement;</li> </ul>	
		<ul> <li>(b) the CV Scheme aimed to stimulate local consumption, and the coverage of the CVs would be as extensive as possible, including consumption at physical and online stores of local businesses in the retail, food and beverage, and services sectors. Consumption on local tours and staycation in local hotels would hence be covered;</li> </ul>	
		<ul> <li>(c) the Administration was working in full swing with the selected SVF operators to prepare for the CV Scheme. Every possible practical means would be explored to facilitate the use of the CVs, with a view to boosting consumption. For Octopus, the public could use their Octopus as usual and arrangement would be in place to link the amount of eligible spending to the amount of CVs disbursed. For the other three SVFs, the related registrants could choose whether to use the CVs or the value in the e-wallet for each transaction. The details of the CV Scheme would be announced as soon as possible;</li> </ul>	
		(d) the additional income generated from the CVs	

Time Marker	Speaker	Subject(s)	Action Required
		by each SVF operator could be estimated based on the number of accounts which had been registered for the CV Scheme, the value of payments made with the CVs, the administrative fees for each transaction, etc The SVF operators had agreed to rebate the additional income generated from the CV Scheme to consumers or merchants by various means, taking into account their own operational model and commercial arrangements; and	
		(e) making reference to the arrangements of the Cash Payout Scheme, FSO/FSTB would discuss with the Social Welfare Department on appropriate measures to render assistance to people with special needs in the registration and collection process. These people might authorize other designated persons as their agents to register and collect the CVs on their behalf.	
002152 - 003117	Chairman Deputy Chairman Administration	The Deputy Chairman said that the COVID-19 epidemic had dealt a heavy blow to the tourism industry, bringing it to a standstill. The revival of the tourism industry would premise on the successful containment of the epidemic. He urged the Administration to:	
		<ul> <li>(a) roll out a new phase of the "Spend-to-Redeem Free Tours" and the "Staycation Delights" programmes, given the overwhelming responses to the two programmes;</li> </ul>	
		<ul> <li>(b) further extend the application deadlines of the Travel Agents Incentive Scheme and the Green Lifestyle Local Tour Incentive Scheme beyond March 2022;</li> </ul>	
		<ul> <li>(c) actively explore the establishment of "Travel Bubbles" with economies other than Singapore, such as Macao;</li> </ul>	
		<ul> <li>(d) re-allocate any unused funding of the \$765 million earmarked for the Hong Kong Tourism Board ("HKTB") in 2021-2022 to provide direct support to businesses and practitioners of the local tourism industry; and</li> </ul>	
		(e) allow the resumption of cruise tourism with less stringent requirements.	

Time Marker	Speaker	Subject(s)	Action Required
		USCED responded that:	
		<ul> <li>(a) the Administration had increased the funding commitment for the Travel Agents Incentive Scheme by \$50 million to about \$150 million to further enhance the support for the travel industry;</li> </ul>	
		<ul> <li>(b) the implementation agents, namely HKTB and the Travel Industry Council of Hong Kong ("TIC") for the Travel Agents Incentive Scheme and TIC for the Green Lifestyle Local Tour Incentive Scheme, would continue to review the implementation of the two schemes with the Government;</li> </ul>	
		(c) with a relatively stable epidemic situation, the Administration would endeavour to resume cross-border travel in a gradual and orderly manner, and continue to explore the establishment of "Travel Bubbles" with Macao and other economies that had a relatively stable epidemic situation and close economic and trade relations with Hong Kong;	
		(d) the Administration noted the difficulties faced by the tourism industry amid the COVID-19 epidemic, and would continue to liaise with the industry, as well as review and enhance the support measures for the industry where appropriate; and	
		(e) starting from 29 April 2021, licensed travel agents had been allowed to resume organizing local group tours of not more than 30 persons subject to conditions. As the local epidemic situation continued to improve, the Administration would prepare for the resumption of tourism activities, including cruise tourism, in an orderly manner subject to the adoption of appropriate social distancing and anti-epidemic measures. The Administration would maintain close communication with the trade when considering resumption of "cruise-to-nowhere" travel in Hong Kong.	
003118 – 004144	Chairman Mr Michael TIEN Administration	Mr Michael TIEN expressed the following views and suggestions on the CV Scheme:	

Time Marker	Speaker	Subject(s)	Action Required
		(a) the CVs should be usable for spending on public transport, including taxi fares;	
		(b) the CVs should be issued in two or three instalments; and	
		(c) in calculating the amount of rebate to each merchant, the overall proportion of the total value of payments made with the CVs to the total value of transactions of each SVF operator within the particular period could be applied to the total administrative fees payable by each merchant in the period.	
		Head, Budget and Tax Policy Unit, FSO responded that:	
		<ul> <li>(a) the Administration noted Mr Michael TIEN's views and suggestions on the CV Scheme. The Administration was working in full swing with the SVF operators for implementation of the Scheme; and</li> </ul>	
		(b) in light of concerns about double subsidy, the current thinking was that the CVs would not be usable for spending on public transport covered by the Public Transport Fare Subsidy Scheme ("Subsidy Scheme"). Spending on taxi fares, which was not eligible spending under the Subsidy Scheme, would be covered by the CV Scheme.	
		Mr Michael TIEN enquired about how the Administration could prevent the use of the CVs for consumption at overseas online stores.	
		Head, Budget and Tax Policy Unit, FSO responded that the coverage of the CVs would include consumption at physical and online stores of local businesses. The Administration was discussing with the SVF operators on practical means to restrict the use of the CVs to local consumption only.	
004145 – 004747	Chairman Mr Christopher CHEUNG Administration	<ul><li>Mr Christopher CHEUNG enquired about:</li><li>(a) how the period of time for people not residing in Hong Kong was calculated under the eligibility</li></ul>	
		<ul><li>criteria of the CV Scheme; and</li><li>(b) whether Hong Kong residents who chose to</li></ul>	

Time Marker	Speaker	Subject(s)	Action Required
		reside in Guangdong and Fujian under the Guangdong Scheme and the Fujian Scheme; and Hong Kong residents studying outside Hong Kong would be eligible for the CV Scheme.	
		Mr Christopher CHEUNG considered that the CVs should be usable for spending on public transport.	
		Head, Budget and Tax Policy Unit, FSO responded that:	
		<ul> <li>(a) FSO/FSTB was working with the Immigration Department on the details of the "residing in Hong Kong" requirement;</li> </ul>	
		(b) acceptable reasons for the continuous absence from Hong Kong included residing in Guangdong and Fujian under the Guangdong Scheme and the Fujian Scheme; studying or working outside Hong Kong; participating in the Working Holiday Schemes, etc. during the related period. Details would be set out when the CV Scheme was launched;	
		(c) taking into consideration the policy intent of the CV Scheme to stimulate local consumption, in principle, the CVs would not be usable for payments to the Government and public organizations/public utilities, public transport services covered by the Subsidy Scheme, etc.; and	
		<ul> <li>(d) the Administration was carefully considering the different views expressed by the public on the CV Scheme, and would finalize the implementation details as soon as possible. The Administration would strive to strike the best balance among various needs based on the principles of simplicity, convenience and security, with a view to launching the CV Scheme as early as possible.</li> </ul>	
004748 – 005337	Chairman Mr SHIU Ka-fai Administration	<ul> <li>Mr SHIU Ka-fai expressed the following views:</li> <li>(a) the COVID-19 epidemic had dealt a heavy blow to the business environment of the retail trade. In 2020, there was a notable year-on-year decline in the number of persons engaged in the retail industry;</li> </ul>	

Time Marker	Speaker	Subject(s)	Action Required
		(b) he supported the launch of the CV Scheme to stimulate the consumer sentiment, enabling the funding under the CVs to circulate in the local economy, so as to boost local consumption and accelerate economic recovery; and	Required
		(c) he would discuss with the retail sector to promote the installation and usage of electronic payment devices by local merchants.	
		Mr SHIU Ka-fai enquired about:	
		(a) the number of instalments and amount of each instalment of the CV Scheme; and	
		(b) the types of merchants in the services sector covered by the CV Scheme.	
		Head, Budget and Tax Policy Unit, FSO responded that:	
		<ul> <li>(a) the Administration was carefully considering the different views expressed by the public on the CV Scheme, and would finalize the implementation details, including the number of instalments, the amount of each instalment, the validity period, etc. as soon as possible;</li> </ul>	
		(b) the coverage of the CVs would be as extensive as possible, including consumption at physical and online stores of local businesses in the retail, food and beverage, and services sectors; and	
		(c) the Administration would strive to strike the best balance among various needs based on the principles of simplicity, convenience and security. The details of the CV Scheme would be announced as soon as possible.	
005338 - 005912	Chairman Mr WONG Ting-kwong	Mr WONG Ting-kwong expressed the following views:	
Administration		(a) the CVs should be usable for spending on public transport;	
		<ul><li>(b) the administrative expenses of \$600 million of the CV Scheme were too high; and</li></ul>	
		(c) the Administration should urge the SVF	

Time Marker	Speaker	Subject(s)	Action Required
		operators to lower the relevant fees for the installation and usage of the electronic payment devices by local merchants, as well as the administrative fees for processing payments made with the CVs.	<b>_</b>
		Head, Budget and Tax Policy Unit, FSO responded that:	
		<ul> <li>(a) in light of the concerns about double subsidy, it might not be appropriate to allow the use of the CVs on public transport expenses covered by the Subsidy Scheme;</li> </ul>	
		(b) the estimated administrative expenses of \$600 million was only a rough estimate. It covered the expenses for manpower in different departments, setting up relevant computer systems and other ancillary facilities, service fees of the SVF operators and other service agents, etc The Administration would strive to reduce the administrative expenses of the CV Scheme as far as possible; and	
		(c) the SVF operators had agreed to waive, as far as practicable, relevant fees for the installation and usage of electronic payment devices by local merchants (in particular small and medium enterprises) as well as the administrative fees for processing payments made with the CVs.	
005913 – 010504	Chairman Ms YUNG Hoi-yan	Ms YUNG Hoi-yan expressed the following views:	
010304	Administration	(a) the CV Scheme should include the beauty services sector and after-school tutorial centres;	
	(c)	<ul> <li>(b) the Administration should allow registration of more than one SVF accounts for each eligible person;</li> </ul>	
		(c) the validity period of the CVs should be one year; and	
		<ul><li>(d) the administrative expenses of \$600 million of the CV Scheme were too high, compared with that of the Cash Payout Scheme.</li></ul>	
		Head, Budget and Tax Policy Unit, FSO responded that:	

Time Marker	Speaker	Subject(s)	Action Required
		<ul> <li>(a) taking into consideration security concerns on fraud and unauthorized use related to the CVs, each eligible person could only register with one SVF account for the CV Scheme. In addition, given the different operational arrangements among different SVFs, allowing registration of more than one SVF account by each eligible person might render the workflows of the CV Scheme very complicated;</li> </ul>	
		<ul> <li>(b) the Administration was carefully considering the different views expressed by the public on the CV Scheme, and would finalize the implementation details as soon as possible, including the number of instalments, the amount of each instalment, the validity period, etc The Administration would strive to strike the best balance among various needs based on the principles of simplicity, convenience and security; and</li> </ul>	
		(c) the preparatory work and disbursement arrangement for the CV Scheme would be more complicated than those of the Cash Payout Scheme. As such, the administrative expenses of the two schemes were not directly comparable. The estimated administrative expenses of \$600 million were only a rough estimate. The Administration would strive to reduce the administrative expenses of the CV Scheme as far as possible.	
Agenda it	em III – Update on n Hong Kong	neasures to promote the development of innovation a	nd technology in
010505 – 010556	Chairman	Opening remarks.	
010557 – 010911	Chairman Administration	Briefing by the Under Secretary for Innovation and Technology ("USIT") on the Administration's major measures to promote the development of innovation and technology ("I&T") in Hong Kong in three areas, namely encouraging research and development ("R&D"), pooling technology talents, as well as fostering the commercialization of R&D outcomes (LC Paper No. CB(1)831/20-21(04)).	
010912 – 011427	Chairman Mr CHAN Chun-ying Administration	Mr CHAN Chun-ying expressed concerns about how the development of I&T could stimulate Hong Kong's economy in the short term and enquired about:	

Time Marker	Speaker	Subject(s)	Action Required
		<ul> <li>(a) the ratio of Hong Kong's gross domestic expenditure on R&amp;D ("GERD") to the gross domestic product ("GDP") in 2020; and</li> </ul>	
		(b) the number of employees engaged in the I&T industry.	
		USIT and Commissioner for Innovation and Technology ("CIT") responded that:	
		<ul> <li>(a) I&amp;T was a top policy area of the current-term Government. The Innovation and Technology Fund ("ITF") had long been a major tool for the Government to promote technology upgrading and innovation. The annual expenditure of ITF increased by over seven times from over \$700 million in 2013-2014 to over \$5.3 billion in 2020-2021. The Administration also encouraged private companies to invest in R&amp;D projects and technology start-up activities;</li> </ul>	
		<ul> <li>(b) Hong Kong's GERD had continually been on the rise, from around \$16.7 billion in 2014 to around \$26.3 billion in 2019, representing an increase of 57%. The ratio of GERD to GDP rose from 0.73% in 2014 to 0.92% in 2019. The figures for 2020 would be available by the end of 2021; and</li> </ul>	
		(c) take the Hong Kong Science Park ("HKSP") which was Hong Kong's flagship technology infrastructure as an example, about 9 000 R&D personnel were working in HKSP at present. The Administration would strive to nurture and retain more I&T talents in Hong Kong.	
011428 – 011945	Chairman Ms YUNG Hoi-yan Administration	Ms YUNG Hoi-yan supported the development of I&T in Hong Kong. She called on the Administration to:	
		<ul> <li>(a) attract and retain I&amp;T talents to conduct R&amp;D work in Hong Kong;</li> </ul>	
		(b) foster commercialization of R&D outcomes; and	
		<ul> <li>(c) enhance I&amp;T cooperation with other cities in the Guangdong-Hong Kong-Macao Greater Bay Area ("GBA"). In particular, the</li> </ul>	

Time Marker	Speaker	Subject(s)	Action Required
		Administration should promote the flow of talents between Hong Kong and Shenzhen to deepen the relationship between the two places in I&T cooperation.	Requireu
		USIT responded that:	
		<ul> <li>(a) R&amp;D was the foundation of I&amp;T. The Administration had been implementing various measures to support universities, public organizations and private enterprises in conducting R&amp;D work to foster the long-term development of I&amp;T and the economy in Hong Kong;</li> </ul>	
		<ul> <li>(b) the Administration had been adopting a three-pronged approach in expanding the I&amp;T talent pool in Hong Kong by nurturing, retaining and attracting talents. The major measures were pitched at target groups at different life stages, ranging from nurturing citizens' interest in I&amp;T since young to pooling local and overseas I&amp;T talents;</li> </ul>	
		<ul> <li>(c) fostering commercialization of R&amp;D outcomes was crucial to building a comprehensive industry chain for I&amp;T. The Administration had been assisting enterprises in launching their R&amp;D outcomes in the market via various initiatives and investment funding, as well as putting in place different funding schemes to facilitate the commercialization of R&amp;D outcomes by the academia and private organizations;</li> </ul>	
		<ul> <li>(d) the Hong Kong Special Administrative Region ("HKSAR") Government would make every endeavour to enhance I&amp;T cooperation with other cities in GBA. The HKSAR Government was developing the Hong Kong-Shenzhen Innovation and Technology Park ("HSITP") at full steam, with a view to establishing "one zone, two parks" with the Shenzhen Innovation and Technology Zone ("SZ I&amp;T Zone") being developed by the Shenzhen Government in order to leverage the complementary advantages of both sides; and</li> </ul>	
		(e) the HKSAR and Shenzhen Governments had agreed that before the completion of the first	

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		batch of buildings in HSITP, the Hong Kong Science and Technology Parks Corporation would lease and manage certain areas of the SZ I&T Zone, so that institutes and enterprises that were interested in starting their business in GBA could first establish their presence there.	
011946 – 012758	Chairman Deputy Chairman Administration	On the initiatives put forth by the Chief Executive in the 2017 Policy Address to develop I&T, the Deputy Chairman enquired about the Administration's measures and progress in the following four major areas, namely (i) reviewing existing legislations and regulations; (ii) opening up government data; (iii) Government to lead changes to procurement arrangements; and (iv) strengthening popular science education.	
		The Deputy Chairman urged the Administration to step up the adoption of technology to enhance operational efficiency and improve public services. In particular, the Innovation and Technology Bureau ("ITB") should take the lead to coordinate and review the progress of adoption of technology of various government bureaux and departments ("B/Ds").	
		USIT responded that:	
		<ul> <li>(a) on the review of existing legislations and regulations to develop I&amp;T in Hong Kong, the Policy Innovation and Coordination Office ("PICO") was responsible for policy research and innovation from a holistic and strategic perspective. ITB would follow up on PICO's recommendations on policies and initiatives in relation to I&amp;T</li> </ul>	
		<ul> <li>(b) the Administration announced an open data policy in 2018 to drive B/Ds to open up more data in machine-readable format for free use by the public. B/Ds were required to formulate annual open data plans to be published on their websites. The Office of the Government Chief Information Officer ("OGCIO") would coordinate the Government's open data policy in response to requests made by the public;</li> </ul>	
		<ul> <li>(c) the Administration launched in 2019 a set of pro-innovation procurement policy. In order to provide start-ups and small and medium-sized</li> </ul>	

Time Marker	Speaker	Subject(s)	Action Required
		enterprises with more opportunities to participate in bidding, tenderers' experience was no longer an essential requirement for participating in procurement. Elements of "innovation" had also been included in the assessment criteria of government departments; and	•
		<ul> <li>(d) the Government released the Smart City Blueprint for Hong Kong 2.0 ("Blueprint 2.0") in December 2020 setting out over 130 smart city initiatives. The goal was to bring convenience to members of the public so that they could better perceive the benefits of I&amp;T in their daily lives. To promote Smart Government, various B/Ds had been taking steps to implement the initiatives in Blueprint 2.0 and expedite their adoption of information technology solutions for improving the quality and efficiency of public services. The Government would review the progress of implementation of the initiatives regularly.</li> </ul>	
012759 – 013133	Chairman Administration	The Chairman called on the Administration to give priority consideration to locally developed computer software and applications in government procurement.	
		USIT responded that:	
		<ul> <li>(a) the Government launched in 2019 a set of pro-innovation procurement policy, which increased the range of technical weighting from 30-40% to 50-70%. Elements of "innovation" had been included in the assessment criteria of government departments;</li> </ul>	
		(b) the Public Sector Trial Scheme under ITF was launched in 2011. It currently supported all technology companies conducting R&D activities in Hong Kong to produce prototypes or samples of their R&D outcomes and/or conduct trials in the public sector, so as to assist more local technology companies in realizing and commercializing their R&D outcomes; and	
		<ul> <li>(c) OGCIO established the Smart Government Innovation Lab ("Smart Lab") in 2019 to promote the wider adoption of I&amp;T in government departments to improve public</li> </ul>	

Time Marker	Speaker	Subject(s)	Action Required
		services. The work of the Smart Lab included matching business needs raised by departments with solutions and products suggested by the industry; arranging thematic workshops and collaborating with relevant departments to conduct proof-of-concept testing for solutions with potential.	
013134 – 013926	Chairman Mr SHIU Ka-fai Administration	Mr SHIU Ka-fai supported the development of I&T in Hong Kong. He urged the Administration to attract overseas I&T talents to conduct R&D work in Hong Kong.	
		USIT and CIT responded that:	
		<ul> <li>(a) the Administration had been adopting a three-pronged approach in expanding the I&amp;T talent pool in Hong Kong by nurturing, retaining and attracting talents. In addition to nurturing local talents, the Administration would strive to attract overseas I&amp;T talents to Hong Kong, as well as Hong Kong students studying in the Mainland or overseas to return to Hong Kong;</li> </ul>	
		(b) the Research Talent Hub ("RTH") subsidized eligible companies or organizations to engage up to four graduates in Science, Technology, Engineering and Mathematics ("STEM")-related disciplines from a local university or a well-recognized non-local institution to conduct R&D work. The maximum engagement period for each research talent was generally 36 months. RTH provided a maximum monthly allowance of \$32,000 for each research talent with a doctoral degree. Over 1 500 applications for postdoctoral research talent had been approved;	
		<ul> <li>(c) the Technology Talent Admission Scheme provided a fast-track arrangement for eligible companies to admit overseas and Mainland technology talents to undertake R&amp;D work in 13 technology areas in Hong Kong. In order to encourage cross-fertilization of local and non-local talents, the eligible companies had to fulfil the requirement of employing a specified number of local technology talents at the same time. Among the approved quotas, around 60% were for Mainland talents, around 26%</li> </ul>	

Time Marker	Speaker	Subject(s)	Action Required
		<ul> <li>were for talents from Asia (other than the Mainland), and around 10% were for talents from Europe, America and Australia; and</li> <li>(d) the Global STEM Professorship Scheme would be launched this year to support the universities funded by the University Grants Committee in recruiting internationally renowned I&amp;T scholars and their teams to undertake teaching and research work in Hong Kong.</li> </ul>	
013927 – 014444	Chairman Ms YUNG Hoi-yan Administration	Ms YUNG Hoi-yan called on the Administration to adopt technology to support the safeguarding of national security. In this connection, the Administration should nurture talents in technology security, as well as step up promotion and public education in this area.	
		<ul> <li>USIT and CIT responded that:</li> <li>(a) national security encompassed a wide range of areas including technology security and information security. The safeguarding of national security was under the purview of the Security Bureau. ITB and the Security Bureau would organize promotional campaigns in collaboration to strengthen public understanding of cyber security and national security;</li> </ul>	
		(b) OGCIO would formulate and implement internal measures to tackle cyber security threats in the Government, and conduct regular review on the Government information technology security policy as appropriate;	
		(c) the Administration was committed to providing the community with a secure and reliable cyber environment, including enhancing the awareness and response capability of public and private organizations as well as members of the public on cyber security, and nurturing cyber security professionals. OGCIO, the Hong Kong Computer Emergency Response Team Coordination Centre, and the Hong Kong Internet Registration Corporation Limited had all along been working closely to provide appropriate support to the public; and	
		(d) the Administration would continue to strengthen the nurturing of local cyber security talents,	

Time Marker	Speaker	Subject(s)	Action Required		
		promote the best practices in information security, and enhance cyber security of enterprises through different measures.			
Agenda it	Agenda item IV – Any other business				
014445 – 014502	Chairman	Closing remarks.			

Council Business Division 1 Legislative Council Secretariat 6 July 2021