

**Speaking Notes of the Secretary for Innovation, Technology and
Industry at the Special Meeting of the Finance Committee
on 19 April 2024 (Friday)**

Chairman, Members,

Promoting Hong Kong's innovation and technology (I&T) development and accelerating Hong Kong's high-quality development is one of the focus areas of this year's Budget. The Budget also announced devoting more resources to chart Hong Kong in moving full steam towards our vision of an international I&T centre. I will give an overview of the relevant key measures in the Budget along four directions.

(1) Consolidating Hong Kong's research and development (R&D) strengths and promoting technology industry development

2. We are dedicated to consolidating Hong Kong's R&D strengths, supporting the midstream transformation and realisation of research outcomes with a view to advancing the development of technology industries. With regard to artificial intelligence (AI), the Budget allocated \$3 billion to launch a three-year AI Subsidy Scheme to support local universities, research institutes and enterprises etc. to leverage computing power of Cyberport's AI Supercomputing Centre's; strengthen cyber security and data protection of the Centre; and launch promotional and educational activities to promote the ecosystem development. As for microelectronics, the Hong Kong Microelectronics Research and Development Institute will be established

within this year to support the R&D of third generation semiconductors. On life and health technology, from the \$10 billion earmarked, we will allocate \$2 billion to support the InnoHK research clusters to establish presence in the Loop and another \$200 million to provide assistance to start-ups engaging in life and health technology in the Hong Kong-Shenzhen I&T Park (HSITP) in the form of incubation and acceleration programmes, etc., thereby facilitating the setting up of the InnoLife Healthtech Hub in HSITP. Furthermore, we will launch a \$3 billion Frontier Technology Research Support Scheme to assist the eight University Grants Committee (UGC)-funded universities, on a matching basis, in setting up research facilities and conducting research projects led by leading local and international researchers and provide a maximum of \$16 million annual funding to the Technology Transfer Office of each UGC-funded university. These measures will further enhance Hong Kong's I&T ecosystem and better realise our basic technology research capabilities in making breakthroughs out of the blue.

(2) Developing I&T infrastructure and promoting “new industrialisation”

3. The Loop development is of great significance to Hong Kong's high-quality development. We will continue to support the development of HSITP. First three buildings will be completed progressively by end of this year, and construction of the other five buildings will commence after relocation of the isolation facilities in an orderly manner.

4. For “new industrialisation”, the Government will launch the \$10 billion New Industrialisation Acceleration Scheme (NIAS) within this year to fund enterprises in life and health technology, AI and data science, and

advanced manufacturing and new technology that invest no less than \$200 million in setting up new production facilities in Hong Kong on a matching basis of 1 (Government):2 (Company), subject to a funding ceiling of \$200 million per enterprise. Enterprises that participate in NIAS may receive subsidies under the Research Talent Hub to engage research talent, and, on a pilot basis, engage a small number of non-local technical personnel under the Technology Talent Admission Scheme.

(3) Developing digital economy and promoting the community's digital transformation

5. Digital economy has become a new driving force for economic development. As a new key production factor, data links different industries and sectors, empowering enterprises to enhance efficiency, boost their competitiveness and create fresh business opportunities. Since March 2024, Cyberport has invited the first batch of small and medium enterprises to apply for the \$500 million Digital Transformation Support Pilot Programme to acquire ready-to-use basic digital solutions including electronic payment. The Government will also launch a \$300 million “Corporate Digital Identity” platform to facilitate the conduct of online business transactions and services. In addition, the Government has commissioned an expert group to undertake study on how to develop a robust data trading ecosystem in Hong Kong, etc.

6. Furthermore, in order to promote digital inclusion, the Government will allocate \$100 million under the Social Innovation and Entrepreneurship Development Fund to provide training on digital technologies and technical support to elderlies aged 60 or above in Hong Kong

in the coming three years, which is expected to benefit at least 50 000 elderlies. The first batch of programmes is expected to commence in the fourth quarter this year at the earliest. We have also implemented various Cross-boundary Public Services measures, including setting up of the first Hong Kong Cross-boundary Public Services self-service kiosk in Guangzhou in February 2024, and are planning to set up self-service kiosks in more Mainland cities of the Greater Bay Area (GBA) to facilitate residents and enterprises in the GBA to access Hong Kong government services.

(4) Nurturing I&T start-ups and talent

7. With regard to nurturing I&T start-ups, the Hong Kong Science and Technology Parks Corporation will launch the Co-acceleration Programme to pool the efforts of the I&T industry to nurture I&T start-ups with high potential as regional or global enterprises. In addition to existing measures on nurturing and attracting talent, the Government will also allocate an additional funding of \$134 million to continue subsidising publicly-funded primary schools for two academic years under the “Knowing More About IT” Programme to enhance primary school students’ interests in information technology and its application. These measures will be conducive to pooling together and nurturing Hong Kong’s I&T talent.

Conclusion

8. Our country has always been offering strong support for Hong Kong’s I&T development. Generally speaking, various measures for promoting the I&T development are gradually taking effect. The Government

will continue to invest and build up a vibrant I&T ecosystem. We have full confidence in the I&T development in Hong Kong. I would like to express my gratitude to all Members again for the support to the I&T development all along. I appeal for the continual support of Members and the public for the work of ITIB. Thank you, Chairman.

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