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### Replies to supplementary questions raised by Legislative Council Members in examining the Estimates of Expenditure 2024-25

Director of Bureau : Secretary for Innovation, Technology and Industry

Session No. : 19

Consolidated e-file name: ITIB-2S-e1.docx

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**CONTROLLING OFFICER'S REPLY**

**SV-ITIB001**

**(Question Serial No. SV036)**

Head: (135) Government Secretariat: Innovation, Technology and Industry Bureau

Subhead (No. & title): ()

Programme: Not Specified

Controlling Officer: Permanent Secretary for Innovation, Technology and Industry (Eddie MAK)

Director of Bureau: Secretary for Innovation, Technology and Industry

Question:

Please provide the following supplementary information:

- (a) the details of the estimated annual expenditure of the Digital Policy Office; and
- (b) the recommendations on promoting the development of Hong Kong's digital economy, including details of the projects that are under planning or implemented, as put forward by the Digital Economy Development Committee after its one and a half years of work and research.

Asked by: Hon SO Cheung-wing

Reply:

- (a) The Chief Executive announced in the 2023 Policy Address that the Government will set up the Digital Policy Office (DPO) by merging the existing Office of the Government Chief Information Officer (OGCIO) and the Efficiency Office (EffO). To deploy suitable manpower to take forward the work, we propose to re-organise the existing manpower structures of OGCIO and EffO and transfer the manpower to DPO, and appropriately create one directorate post responsible for strengthening efforts in taking forward the facilitation of cross-boundary data flow, the development of "Digital Bay Area", the implementation of "Cross-boundary Public Services", as well as the liaison with the Mainland, etc.

The re-organisation proposal received support from the Legislative Council Panel on Information Technology and Broadcasting on 8 April 2024. Later on, we will submit the staffing proposal to the Establishment Subcommittee for consideration, and the relevant financial proposal to the Finance Committee (FC) for approval. As a result of

the proposal to establish the DPO, we will separately seek the approval of the FC for the necessary changes to the approved estimates of 2024-25 for the Innovation, Technology and Industry Bureau and OGCI. Details will be provided in the papers to be submitted to the Establishment Subcommittee and FC in due course.

- (b) Since its establishment in June 2022, the Digital Economy Development Committee (DEDC) has held 8 meetings while its 4 sub-groups have held a total of 27 working meetings and dozens of interview sessions with different experts, academics and industry representatives, with a view to undertaking in-depth studies on areas such as cross-boundary data flow, digital infrastructure, digital transformation and talent training. After one and a half years of work and research, the DEDC has submitted the report to the Government and put up a number of recommendations covering areas including spearheading digital policies; enhancing digital infrastructure; facilitating the safe and orderly flow and usage of data; expediting digital transformation of enterprises; and talent development. Please refer to [https://www.itib.gov.hk/en/digital\\_economy\\_committee/](https://www.itib.gov.hk/en/digital_economy_committee/) for details.

Relevant bureaux have commenced follow-up actions and studies on the implementation of individual feasible recommendations while the DEDC is deliberating on these recommendations. For example, regarding top-level design and policies, the 2023 Policy Address announced that the Government will set up the DPO, which will be dedicated to formulating policies on digital government, data governance and information technology as well as co-ordinating relevant departments in the implementation of measures relating to digital infrastructure, data flow and digital services. The Government has also promulgated the “Policy Statement on Facilitating Data Flow and Safeguarding Data Security in Hong Kong” in December 2023, putting forward 18 specific action items to promote the consolidation, application, opening up and sharing of data on one hand, and to enhance safeguards for data security and planning of related infrastructural facilities on the other. Regarding the facilitation of digital transformation in the society and the enhancement of digital infrastructure, the Government took the lead in 2023 to allocate \$500 million to Cyberport for launching the Digital Transformation Support Pilot Programme. In order to strengthen the promotion of electronic payment, government services will fully support electronic payment within a year, and will also provide the option of using Mainland e-wallets for payment of government services commonly used by Mainland visitors. In addition, Cyberport will establish the AI Supercomputing Centre in phases this year, and the Government will also implement the “Digital Corporate Identity” platform to enhance the local digital infrastructure

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**CONTROLLING OFFICER'S REPLY**

**SV-ITIB002**

**(Question Serial No. SV038)**

Head: (135) Government Secretariat: Innovation, Technology and Industry Bureau

Subhead (No. & title): ()

Programme: Not Specified

Controlling Officer: Permanent Secretary for Innovation, Technology and Industry (Eddie MAK)

Director of Bureau: Secretary for Innovation, Technology and Industry

Question:

It is stated in the Government's written reply that the Government has provided funding support to a local university through the Smart Traffic Fund for research about utilising satellite remote sensing technology to conduct periodic wide-area monitoring of vehicle flow on urban roads in Hong Kong. In this connection, will the Government advise whether it will consider utilising innovative technologies such as satellite remote sensing technology to cope with adverse weather conditions, incorporating such technology into the smart city initiatives to construct a smarter disaster management system, and collaborating with relevant academic institutions to further promote the development of satellite remote sensing technology?

Asked by: Hon WONG Kam-fai, William

Reply:

The Government has all along been encouraging various bureaux and departments (B/Ds) to enhance public services and city management by using innovative technologies. Besides, the Government has launched different funding schemes to support local organisations (including academic institutions) and enterprises to conduct research and development (R&D) projects, encourage cross-sectoral co-operation and facilitate technology adoption for promoting the development of smart city. For example, the Government provided funding support to a local university through the Smart Traffic Fund for research about utilising satellite remote sensing technology to conduct periodic wide-area monitoring of vehicle flow on urban roads in Hong Kong; provided funding support to Logistics and Supply Chain MultiTech R&D Centre through the Innovation and Technology Support Programme to collaborate with a local university for research about improving satellite synthetic aperture radar interferometry for more efficient and accurate monitoring of land subsidence over large land areas, thereby managing the risk of damage to infrastructure (such as airport runways,

roads, and buildings) due to surface subsidence or deformation; provided funding support to Automotive Platforms and Application Systems R&D Centre for research on next generation three-dimensional lane artificial intelligence localization augmentation for satellite navigation system; and provided funding support to a local university through the Guangdong-Hong Kong Technology Cooperation Funding Scheme for research on optimising the measurement and control of satellites in orbit and ground stations to collect more accurate data, thereby reducing the maintenance costs and improving the efficiency of aerospace systems. Besides, Hong Kong Observatory receives round-the-clock broadcasts from various geostationary and polar-orbiting satellites around the world to monitor weather and support its weather forecasting and warning services.

Regarding the adoption of innovative technologies in areas such as addressing extreme weather and disaster management, relevant B/Ds will continue to take an open and innovative approach to explore the viability and implementation strategies of different technology adoption solutions.

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**CONTROLLING OFFICER'S REPLY**

**SV-ITIB003**

**(Question Serial No. SV034)**

Head: (155) Government Secretariat: Innovation and Technology Commission

Subhead (No. & title): ()

Programme: (3) Planning for Innovation and Technology Development

Controlling Officer: Commissioner for Innovation and Technology (Ivan KB LEE)

Director of Bureau: Secretary for Innovation, Technology and Industry

Question:

It is stated in the Government's written reply that the Technology Talent Admission Scheme was launched in June 2018. As at end February 2024, a total of 965 quotas were allotted by the Innovation and Technology Commission and the Immigration Department (ImmD) approved a total of 486 visa/entry permit applications in accordance with the relevant quotas. In this connection, will the Government provide supplementary information on the breakdown of the sectors involved for the 486 visa/entry permit applications approved by the ImmD?

Asked by: Hon LUK Chung-hung

Reply:

As at end February 2024, the Immigration Department approved a total of 486 visa/entry permit applications in accordance with the relevant quotas under the Technology Talent Admission Scheme (TechTAS). The technology areas involved are categorised as follows:

<b>Technology area</b>	<b>Number of non-local persons approved for entry under TechTAS</b>
Artificial intelligence	111
Biotechnology	78
Cybersecurity	22
Data analytics	52
Financial technologies	67

<b>Technology area</b>	<b>Number of non-local persons approved for entry under TechTAS</b>
Material science	58
Robotics	34
Advanced communication technologies	16
Digital entertainment	12
Green technology	13
Integrated circuit design	9
Internet-of-Things	10
Microelectronics	4
Quantum technology	0
<b>Total</b>	<b>486</b>

The Government does not have the breakdown on the sectors involved.

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**CONTROLLING OFFICER'S REPLY**

**SV-ITIB004**

**(Question Serial No. SV035)**

Head: (155) Government Secretariat: Innovation and Technology Commission

Subhead (No. & title): ()

Programme: (4) Infrastructural Support

Controlling Officer: Commissioner for Innovation and Technology (Ivan KB LEE)

Director of Bureau: Secretary for Innovation, Technology and Industry

Question:

The Government has invited 45 experts from the Mainland and overseas to form an InnoHK Scientific Committee for conducting peer reviews on the work of the Research and Development (R&D) centres under the InnoHK research clusters (InnoHK). Please provide supplementary information to clarify:

- (a) whether the Government will require the R&D centres under InnoHK which have failed to pass the mid-term review to make improvements by a specific deadline and submit another application for assessment; and
- (b) whether the Government will conduct any assessments on the management and operation teams of the R&D centres under InnoHK; if yes, the assessment criteria.

Asked by: Hon WONG Kam-fai, William

Reply:

A consolidated reply to the various parts of the question is as follows:

During the mid-term review, the Assessment Panel formed by members of the InnoHK Scientific Committee (Scientific Committee) will be responsible for conducting reviews on the various Research and Development (R&D) centres. The Scientific Committee is composed of 45 non-local experts from nearly 40 world-renowned universities and research institutes, including Harvard University, Stanford University, University College London, University of Cambridge, University of Sydney, Tsinghua University, Chinese Academy of Sciences, etc. To ensure the review is conducted independently and impartially, Members of the Committee have completed the "Register of Interests" and the "Declaration of Interest" forms together with the "Confidentiality Agreement" prior to conducting the assessment. The Government and the InnoHK Steering Committee (Steering Committee) will make



reference to the assessment reports prepared by the Assessment Panel as well as the annual reports submitted by the R&D centres under InnoHK, and conduct a comprehensive examination on their research progress, administration, governance, operation, finance, etc. The Steering Committee, comprising representatives from the Government, the Hong Kong Science and Technology Parks Corporation, as well as leaders from the academic, research and business communities, was set up to advise the Government on matters concerning InnoHK, including the admission and assessment of the R&D centres under InnoHK.

For the R&D centres under InnoHK with performances not fully meeting the requirements of the review, they are required to make improvements within 6 months and submit a report to the Government for follow up review(s). The Government will pass the follow-up review report to the aforementioned Assessment Panel formed by members of the Scientific Committee and the Steering Committee for consideration as to whether the InnoHK centre would be invited to submit a second 5-year proposal.

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**CONTROLLING OFFICER'S REPLY**

**SV-ITIB005**

**(Question Serial No. SV033)**

Head: (47) Government Secretariat : Office of the Government Chief Information Officer

Subhead (No. & title): ()

Programme: (1) Use of Information Technology in Government

Controlling Officer: Government Chief Information Officer (Tony WONG)

Director of Bureau: Secretary for Innovation, Technology and Industry

Question:

The Government will set up the Digital Policy Office (DPO) by merging the existing Office of the Government Chief Information Officer and the Efficiency Office. In this connection, will the Government provide supplementary information on the staff deployment and the division of labour among the staff of the DPO?

Asked by: Hon CHAN Hok-fung

Reply:

The Chief Executive announced in the 2023 Policy Address that the Government will set up the Digital Policy Office (DPO) by merging the existing Office of the Government Chief Information Officer (OGCIO) and the Efficiency Office (EffO). To deploy suitable manpower to take forward these key initiatives, we propose to re-organise the existing manpower structure of OGCIO and EffO and transfer the manpower to DPO, and appropriately create 1 directorate post responsible for strengthening efforts in taking forward the facilitation of cross-boundary data flow, the development of "Digital Bay Area", the implementation of Cross-boundary Public Services, as well as the liaison with the Mainland, etc.

As stated in the LC Paper No. CB(1)369/2024(04) submitted to the Legislative Council Panel on Information Technology and Broadcasting, the Commissioner for Digital Policy (CDP) will lead the proposed DPO and assume the responsibilities of formulating policies and measures relating to digital government, data governance and information technology, and providing steer to bureaux/departments (B/Ds) on digital policies and their implementation. The post will be assumed by the incumbent Government Chief Information Officer. The CDP will be underpinned by 3 Deputy Commissioners, each heading a dedicated branch to deliver the work priorities of the DPO, namely digital government, data governance and digital infrastructure.

1. The Digital Government Branch will spearhead the development of digital government to bring impact, convenience and benefits to the public and businesses; prompting B/Ds to embrace a transformative mindset in public services; and proactively devising digital plans to enhance public services. The Digital Government Branch will be led by Deputy Commissioner (Digital Government) and the post will be filled by an Administrative Officer at Administrative Officer Staff Grade B1 (D4) rank. The establishment of the Digital Government Branch will be about 200 posts.
2. The Data Governance Branch is to formulate and promulgate policies and measures on data governance, with a view to opening up and sharing of more data; breaking information silos; harnessing technologies to analyse and leverage data; and innovating public services with the aid of Information Technology (IT) and data. The Data Governance Branch will be led by Deputy Commissioner (Digital Governance) and the post will be filled by a Deputy Head, Efficiency Unit (D3). The establishment of the Data Governance Branch will be about 370 posts.
3. The Digital Infrastructure Branch is responsible for ensuring the adequacy, security and robustness of the digital infrastructure, overseeing and implementing policies and measures relating to Government IT project's governance and cybersecurity, and deepening collaboration with the Mainland on the digital infrastructure and cross-boundary data flow so as to support the sustainable development of digital government, economy and society. The Digital Infrastructure Branch will be led by Deputy Commissioner (Digital Infrastructure) and the post will be filled by a Deputy Director of Information Technology Services (D3). The establishment of the Digital Infrastructure Branch will be about 330 posts.

The proposal on the re-organisation of the two offices was supported by the Legislative Council Panel on Information Technology and Broadcasting on 8 April 2024. The related staffing proposal will be submitted to the Establishment Subcommittee for consideration in due course.

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**CONTROLLING OFFICER'S REPLY**

**SV-ITIB006**

**(Question Serial No. SV037)**

Head: (47) Government Secretariat : Office of the Government Chief Information Officer

Subhead (No. & title): ()

Programme: (2) Information Technology Infrastructure and Standards

Controlling Officer: Government Chief Information Officer (Tony WONG)

Director of Bureau: Secretary for Innovation, Technology and Industry

Question:

It is announced in the 2024-25 Budget Speech an allocation of \$3 billion to implement a three-year Artificial Intelligence (AI) Subsidy Scheme. Will the Government advise this Committee whether the allocation will be used entirely to support the establishment of the AI Supercomputing Centre Cyberport for which the preparatory work is underway by Cyberport? If yes, what are the reasons?

Asked by: Hon KONG Yuk-foon, Doreen

Reply:

Cyberport is preparing for the establishment of the Artificial Intelligence (AI) Supercomputing Centre (AISC) in phases to meet the strong local demand for computing power, with an aim to enhance research and development (R&D) capabilities in different fields and promote industry development. The AISC will be operated under a market model. Cyberport will formulate the relevant operational arrangements having regard to market demand and its financial and human resources.

To support the development of the AI ecosystem in Hong Kong, it is announced in the 2024-25 Budget the allocation of \$3 billion to implement a three-year AI Subsidy Scheme with an aim to provide subsidy for eligible users of the AISC (including local universities, R&D centres and enterprises, etc.) to make the best use of computing power resources of the AISC. The allocation will also be used for strengthening the cyber and data security of the AISC, as well as conducting relevant promotional and educational activities for promoting the AI ecosystem development to enhance the interface and collaboration between the upstream, midstream and downstream components of AI ecosystem development. We will adopt a multi-pronged approach to promote the development of AI technology and industry.

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