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# Promotion of Innovation and Technology Development in Hong Kong

**June 2013**

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# 1. Hong Kong's Competitiveness

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- **World's freest economy since 1995 -**  
*2013 Index of Economic Freedom, Heritage Foundation*
- **World's most competitive economy -**  
*World Competitiveness Yearbook 2012, IMD*
- **Most attractive to foreign direct investment –**  
*World Investment Report 2012, United Nations Conference on Trade and Development*
- **2nd most innovative economy in Asia -**  
*Global Innovation Index 2012, INSEAD*
- **Most competitive city in China -**  
*Chinese Academy of Social Sciences*
- **World's No. 1 financial Centre –**  
*Financial Development Index 2012, WEF*



## 2. Unique Strengths

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- ❑ World class universities
  - 3 local universities ranked within global top 50
  - 35% of graduates graduated with science, engineering and technology related degree
  
- ❑ Robust legal system and IP protection
  - Established common law regime
  
- ❑ Business friendly environment
  - Free flow of capital & information
  - Clean government
  - Low & simple tax regime
  - Strong capital raising and management capabilities



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□ Connectivity

- Mainland, in particular the Pearl River Delta
- Reaching half of world's population within 5 hours' flight

□ Cosmopolitan lifestyle & full of choices

□ Springboard to the Mainland



### 3. Policy Objective

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Government aims to -

- reinforce the innovation and technology (I&T) sector as an impetus for economic growth;
- spearhead Hong Kong's drive to become a world-class, knowledge-based economy.



## 4. Approach and Strategies

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- To create a vibrant ecosystem for all key players (including the Government, industry, academia and research sectors) to interact under a favourable environment characterised with excellent software and hardware support.

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## Government–

- provides world-class technological infrastructure;
- offers financial support to R&D and technology transfer;
- nurtures human resources development;
- strengthens Mainland and international collaboration in science and technology;
- fosters a vibrant innovation culture in the community.

# 5. Infrastructure

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## □ Hong Kong Science Park

- Over 420 companies
- Industry clusters
  - Electronics
  - ICT
  - Precision Engineering
  - Biotechnology
  - Green Technology
- Nurturing of start-up technology companies through the incubation programmes
- Phase 3 being developed





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## □ Industrial Estates (IE)

- Tai Po, Tseung Kwan O, Yuen Long
- For high technology manufacturing and services
- Continuous revitalisation
- Exploring the feasibility of extending the Yuen Long IE by 16 hectares for high value-added sectors



## □ Cyberport

- IT cluster
- International companies: eg. Microsoft, IBM, Sybase



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## □ 5 R&D Centres

- Automotive parts and accessory systems
- Information and communications technologies
- Logistics and supply chain management
- Nanotechnology and advanced materials
- Textiles and clothing

## □ Missions of R&D Centres

- Be the focal points of applied R&D, technology transfer and commercialisation of R&D deliverables
- Connect enterprises to upstream researches for commercialisation

## 6. Funding Support

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### □ Innovation and Technology Fund (ITF)

- Platform Projects: 10% from industry; 90% from ITF
  - Industry does NOT own intellectual property rights
- Collaborative Projects: 50% from industry; 50% from ITF
  - Industry owns intellectual property rights
- Up to 50% of the R&D expenditure of an ITF project can be spent outside Hong Kong

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□ **Enhancements of ITF since 2011** – to facilitate commercialisation of R&D deliverables

■ More comprehensive assessment framework

■ Enhancement of funding scope -

□ **Vertical extension** - Production of samples/prototypes and user trial via government department, public bodies and trade association) => Move away from paper research to real world applications.

□ **Horizontal extension** - Funding for cluster projects towards a common goal (e.g. 3 different projects to combat water pollution at a certain location).

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## □ **Small Entrepreneur Research Assistance Programme (SERAP)**

- Support technology entrepreneurs and small enterprises to carry out in-house R&D
- Dollar-to-dollar matching basis; up to US\$770,000 from ITF
- Expansion of funding scope to cover Production of prototypes, industrial design, pre-clinical/clinical trial since April 2012
- Applicant company holds all the intellectual property rights

## □ **R&D Cash Rebate Scheme**

- Company enjoys 30% rebate of R&D investment when engaging in either ITF projects or collaborative projects with local designated R&D institutions

# 7. Collaboration with the Mainland

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## □ 12<sup>th</sup> Five Year Plan

### Innovation

- Total R&D expenditure exceeds US\$200 billion by 2015 (i.e. % share in GDP will increase from 1.76% of GDP in 2010 to 2.2% of GDP in 2015)
- Breakthroughs in 7 emerging strategic industries -
  - energy saving and environmental protection;
  - next generation IT;
  - biotechnology;
  - high end equipment;
  - new energy;
  - new materials;
  - new energy cars.



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- ❑ Shenzhen-Hong Kong Innovation Circle
  - ❑ Four universities in Hong Kong have established “Industry, Academic and Research Bases” in the Nanshan High-Tech Zone of Shenzhen
  - ❑ Hong Kong Technology Cooperation Funding Scheme (TCFS) set up since 2004



## 8. Fostering Innovation Culture

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- ❑ InnoTech Month
  - Flagship event : [InnoCarnival](#)
- ❑ Announcement of Public Interest (API)
- ❑ Advertorials and interviews
- ❑ Innovation and Technology Scholarship Award Scheme
- ❑ Science Projects Competitions



## 9. Looking Ahead

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- Hong Kong is -
  - not only an international financial centre but also a regional R&D hub;
  - an important technology springboard in Asia;
  - the gateway to the Mainland which offers immense business opportunities.
  
- Government continues to provide a favourable ecosystem for innovation and technology development