

For discussion
13 November 2023

Legislative Council
Panel on Information Technology and Broadcasting

The Chief Executive's 2023 Policy Address
Policy Initiatives of Innovation, Technology and Industry Bureau

Purpose

The Chief Executive (“CE”) delivered the 2023 Policy Address (“PA”) on 25 October 2023. This paper aims to present the major initiatives and indicators for tasks related to the purview of the Innovation, Technology and Industry Bureau (“ITIB”) in the PA and PA Policy Measures.

Background

2. Innovation and technology (“I&T”) are instrumental for societal progress, serving as the major drive to spur economic development. All along, our country has been placing I&T at the core of its overall development and affirmed the important positioning of Hong Kong as an international I&T centre in the “Outline of the 14th Five-Year Plan for National Economic and Social Development of the People’s Republic of China and the Long-Range Objectives Through the Year 2035” (“the 14th Five-Year Plan”). Subsequently, in the Work Report of the 20th National Congress published in October 2022, it was highlighted that our country should adhere to the strategies of advancing through science and technology and workforce development, expedite the achievement of high-level technological self-reliance, improve the institutional set-up for scientific and technological innovation, boost the efficacy of national efforts in innovation, and that in pursuing economic growth, the country must focus on the real economy and promote “new industrialisation”.

3. The Chief Executive indicated in the 2022 PA that I&T would provide key impetus for Hong Kong’s high-quality economic development. Subsequently, the Government promulgated the Hong Kong I&T Development Blueprint (“the Blueprint”) in end-2022, setting out Hong Kong’s overall I&T development directions in the next five to 10 years from the perspective of top-level planning and design and key strategies under the four broad development directions, namely “to enhance the I&T ecosystem and achieve

‘new industrialisation’ in Hong Kong”, “to enlarge the I&T talent pool to create strong impetus for growth”, “to promote digital economy development and develop Hong Kong into a smart city” and “to proactively integrate into the overall development of the country and consolidate our role as a bridge connecting the Mainland and the world”, as well as eight major strategies.

4. Details of the new initiatives announced in the 2023 PA along the development directions of the Blueprint in paragraphs 5 to 27 below. Apart from the new initiatives mentioned in the main text, other initiatives mentioned in the PA Policy Measures are at **Annex 1**. Furthermore, the new indicators set by ITIB and relevant departments in the 2023 PA and on-going and valid indicators for specified tasks introduced in the 2022 PA are at **Annex 2**.

New initiatives

To enhance the I&T ecosystem and promote “new industrialisation” in Hong Kong as well as to enlarge the I&T talent pool to create strong impetus for growth

5. To further implement the development directions of enhancing the I&T ecosystem and achieving “new industrialisation” in Hong Kong as well as enlarging the I&T talent pool to create strong impetus for growth set out in the Blueprint, the 2023 PA puts forth new initiatives in three categories, namely “press ahead with ‘new industrialisation’”, “promote research and development (“R&D”) and transformation of results” and “new land supply for I&T use”.

Press ahead with “new industrialisation”

Set up the New Industrialisation Development Office

6. ITIB will set up a New Industrialisation Development Office, which will be led by the Commissioner for Industry (I&T) and adopt an industry-oriented approach to promote “new industrialisation”, support strategic enterprises to develop their businesses in Hong Kong, assist the manufacturing sector in upgrading and transformation by making use of I&T, and provide support for the growth of start-ups.

Set up a \$10 billion New Industrialisation Acceleration Scheme

7. To promote the downstream development of “new industrialisation”, we will provide more support to enterprises in the fields of life and health

technologies, artificial intelligence (“AI”) and data science, advanced manufacturing and new energy technologies. These include the setting up of a \$10 billion New Industrialisation Acceleration Scheme (“NIAS”), which provides funding support on a 1 (Government) : 2 (company) matching basis, subject to a funding ceiling of \$200 million, for these enterprises to set up new production facilities with its investment of no less than \$200 million.

8. To promote the development of I&T and “new industrialisation”, an adequate supply of quality technology talents is crucial. The Government has been making use of various means to expand the local I&T talent pool through a multi-pronged approach. We will also explore the feasibility of allowing enterprises under the NIAS to employ non local technical personnel more flexibly, and relaxing the number of subsidised research talents that can be employed.

Promote R&D and transformation of results

Facilitate R&D of microelectronics

9. We will establish the Hong Kong Microelectronics Research and Development Institute (“MRDI”) next year to lead and facilitate collaboration among universities, R&D centres and the industry, which will include exploring the third-generation semi-conductor core technology and leveraging the Guangdong-Hong Kong-Macao Greater Bay Area (“GBA”)’s well-developed manufacturing supply chains and enormous market. The newly-built Microelectronics Centre (“MEC”) will also be commissioned next year to provide advanced infrastructure and hardware facilities designated for microelectronics for MRDI and enterprises that would move in to MEC.

Support transformation of R&D outcomes from start-ups

10. The 2022 PA announced the setting up of the “Research, Academic and Industry Sectors One-plus (“RAISe+”) Scheme” to incentivise collaboration among industry, academic and research sectors and promote the transformation and commercialisation of research and development outcomes from universities. The Innovation and Technology Commission launched the Scheme and started accepting applications on 18 October 2023 with the results of the first round of applications to be announced in the first quarter next year. Besides, we will double the maximum annual funding provided for the Technology Transfer Office of each designated university to \$16 million, enabling universities to strengthen their support on technology transfer and expand marketing services. We will also attract more renowned Mainland and overseas start-up services agencies to set up their operations in Hong Kong for providing incubation services and development guidance.

Establish the third InnoHK research cluster

11. The *InnoHK* research clusters established at Hong Kong Science Park have successfully brought together leading researchers from around the globe. Two research clusters, focusing respectively on healthcare technologies and AI and robotics technologies, have set up 29 research laboratories involving more than 30 world-renowned universities and research institutes, with the aim to promote global research collaboration. We will make preparations next year for the establishment of the third *InnoHK* research cluster which focuses on advanced manufacturing, materials, energy and sustainable development.

New land supply for I&T use

12. All along, we have been endeavouring to provide space for the development of the I&T industries by increasing I&T land supply and upgrading supporting infrastructure. The Government will change the use of a two-hectare formed land in Sandy Ridge in the North District for I&T and related purposes. Having considered the location of the site, infrastructure planning, lead time for developing the site, commercial, transport and community facilities in the vicinity, as well as the industry's keen demand for similar facilities, the preliminary view is that the site may be feasible for development of data centres, which should not generate large people flow. Upon completing relevant statutory rezoning procedures and technical assessment, the site will be ready for I&T development, providing a disposed site for I&T use in a relatively short term in addition to the Loop. This aligns with the "South-North dual-engine (finance-I&T)" planning.

To promote digital economy development and develop Hong Kong into a smart city

13. One of the broad development directions outlined by the Blueprint is to promote digital economy and development of Hong Kong into a smart city. We will advance the development of digital government and promote digital economy by pursuing digital policies and adopting a data-driven approach, thereby enhancing citizens' quality of living.

Advance development of digital government

Drive development with data and policies

14. The Government will set up the Digital Policy Office by merging the existing Office of the Government Chief Information Officer ("OGCIO") and the Efficiency Office. Led by the Commissioner for Digital Policy, the new office will be responsible for formulating policies on digital government, data governance

and information technology (“IT”). It will consolidate IT-related resources within the Government, promote the opening up of data and application of digital technology by government bureaux and departments and various sectors, so as to roll out more digital government services that could bring convenience and facilitation to the public and businesses. Before the end of this year, we will also publish administrative guidelines to facilitate data flow and safeguard data security to provide a basis of the data governance policy.

15. The setting up of the Digital Policy Office involves the re-organisation of the establishment and consolidation of resources of two departments under ITIB. We are formulating the detailed proposals for subsequent consultation with staff representatives and advisory committees related to civil service matters and seeking the Legislative Council’s approval. We estimate that the relevant procedures for establishing the new office would be completed in the first half of 2024 at the earliest.

Promoting digital economy

16. To chart Hong Kong’s digital economy development, the Digital Economy Development Committee chaired by the Financial Secretary is conducting studies on digital infrastructure, cross-boundary data flow, digital transformation of enterprises and human resources support, with a view to putting forward its recommendations early next year.

Over a hundred of digital government and smart city initiatives

17. One of the key objectives of developing a digital government and smart city is to let members of the public and different sectors of society reap the benefits and convenience that digital policies could bring about. Starting from next year and within two years’ time, we will launch 110 digital government and smart city initiatives, which will leverage data and technologies such as AI, blockchain, big data analytics and geospatial analytics, to accelerate development of digital government and enhance e-government services. These initiatives include issuing and verifying certain licences and certificates electronically by using blockchain technology; enhancing security in public cargo working areas by employing AI technology; providing electronic payment options for all government fees within one year; and expanding AI chatbot application in the 1823 enquiry service, etc.

“Cross-boundary Public Services”

18. Moreover, the Hong Kong Special Administrative Region (“HKSAR”) Government will collaborate with the Guangdong Provincial Government to

develop the “Digital Bay Area” and promote the “Cross-boundary Public Services” initiative. Efforts include providing the “Cross-boundary Public Services” thematic website; facilitating identity verification of “iAM Smart” with the “Unified Identity Authentication Platform” of Guangdong Province; setting up self-help kiosks Guangdong and Hong Kong. These will enable citizens and businesses in both places to enjoy or manage “Cross-boundary Public Services” online with ease. We have launched the thematic website of “Cross-boundary Public Services”, an initial-phase project, including more than 50 Hong Kong services covering areas such as taxation, company registration, property and vehicle enquiry and registration, personal identification documentation and application for entry of talents, welfare and education, medical and health services. Furthermore, we have signed the “Co-operation Agreement between Guangdong and HKSAR on Cross-boundary Services” with the Government Services Data Management Bureau of Guangdong Province in November 2023 to deepen collaboration in government services.

Promoting AI development

19. AI development is advancing at high speed, and computing power is the key to propelling AI technologies and applications. OGCIO commissioned in May this year a consultancy study on the feasibility of establishing an AI Supercomputing Centre (“AISC”) in Hong Kong. The consultant pointed out that the demand for AI supercomputing services in Hong Kong has outstripped supply, and recommended the establishment of an AISC in Hong Kong as soon as possible. As a local strategic technology infrastructure to support the huge computing demand from universities, research institutions and related industry sectors, the AISC will help enhance Hong Kong’s R&D capabilities in various fields and fuel industry development. The consultant also opined that Cyberport possesses the required infrastructure and supporting facilities to establish the AISC, and is experienced in promoting the development of the I&T industry ecosystem. Cyberport is therefore considered to be the most suitable party to run the AISC.

20. The Government accepted the preliminary research findings of the consultant and has invited Cyberport to set up and operate the AISC. Cyberport has agreed to take forward the AISC development and is actively making preparation for the phased implementation of the AISC at its existing campus and the expansion site under construction. The first phase of development is expected to be completed and come into operation in the second half of 2024 at the earliest. In a bid to promote the development of the AI industry ecosystem, the Government will consider multi-pronged support measures, including initiatives to help local R&D teams to optimise the computing resources of the AISC.

To proactively integrate into the overall development of the country and consolidate our role as a bridge connecting the Mainland and the world

21. Our country is the strongest support for Hong Kong's I&T development. All along, we have been proactively integrating into national development and continuing to leverage Hong Kong's strengths to serve the country's needs. In order to implement the direction of proactively integrating into the overall development of the country and consolidating our role as a bridge connecting the Mainland and the world, the PA introduced additional measures to promote the convenient cross-boundary flow of innovation elements and to foster the synergistic development of Hetao Shenzhen-Hong Kong Science and Technology Innovation Co-operation Zone ("Co-operation Zone").

Promoting cross-boundary data flow

22. Facilitating cross-boundary data flow in the GBA is a key initiative to promote the development of digital economy and smart city in the area. To this end, the ITIB and the Cyberspace Administration of China entered into the "Memorandum of Understanding on Facilitating Cross-boundary Data Flow Within the Guangdong-Hong Kong-Macao Greater Bay Area" ("the MoU") in June 2023 that provides clear directions on fostering collaboration on facilitating cross-boundary data flow in the GBA under the national management framework on safeguarding the security of cross-boundary data. The cooperation efforts will help facilitate the safe and orderly data flow from the Mainland to Hong Kong, and thus is conducive to building Hong Kong into an international data hub and promoting the integration of the GBA economy and development.

23. In accordance with the MoU, we are liaising with the Cyberspace Administration of Guangdong Province on streamlining compliance arrangements for the flow of personal data from the Mainland to Hong Kong under an "early and pilot implementation" approach in the GBA. The facilitation measure is aimed for implementation on some of the most frequently used cross-boundary services such as finance and healthcare. We will consider extending the facilitation measure to other sectors in an orderly manner having regard to the effectiveness and experience in the pilot implementation of the arrangements.

Foster the Synergistic Development of the Co-operation Zone

24. The Co-operation Zone is one of the major co-operation platforms in the GBA under the National 14th Five-Year Plan. Located at the convergence point of the Northern Metropolis and the Guangzhou-Shenzhen innovation and technology corridor, the Co-operation Zone consists of the 87-hectare Hong Kong Park (i.e. Hong Kong-Shenzhen I&T Park, which will be referred as "HSITP")

below) and 300-hectare Shenzhen Park. To enhance collaboration and communication on Loop development, Hong Kong and Shenzhen established the Joint Task Force on the Development of the HSITP in the Loop (“Joint Task Force”) in 2017, which is co-chaired by the Secretary for Innovation, Technology and Industry and Vice Mayor of Shenzhen, with relevant representatives from governments and park companies of both sides. The Joint Task Force has held 10 meetings so far, with the recent one held in September 2023 in Hong Kong. At the September meeting, both sides were briefed about the progress of taking forward the development of the Co-operation Zone, the construction works of the HSITP by the HSITP Limited, the progress of the supporting infrastructure in the Loop from the Civil Engineering and Development Department, as well as the latest developments of the Shenzhen Innovation and Technology Zone from the Shenzhen Municipal People’s Government. In addition, both sides exchanged views on the future development of the Co-operation Zone, as well as dedicated cross-boundary measures which could be implemented in the Loop (such as enabling the travel of I&T personnel between the two places). The Central Government promulgated in August the Development Plan for Shenzhen Park of the Co-operation Zone, setting out the development positioning of the Shenzhen Park. The HKSAR Government will continue to work closely with the Shenzhen Municipal Government to foster the synergistic development of the Hong Kong Park and the Shenzhen Park under the vision of “one river, two banks” and “one zone, two parks”. Innovative measures under exploration are as follows:

- (i) providing travel convenience for R&D personnel by, for example, enabling those who have pre-registered to enjoy streamlined access between the two parks;
- (ii) facilitating cross-boundary capital flow within the Co-operation Zone;
- (iii) facilitating exchanges on data and samples (including clinical biological samples) collected for research or trials;
- (iv) capitalising on Hong Kong's advantages in convening international talents to play leading roles in participating in the work of the Co-operation Zone; and
- (v) taking forward frontier technological research and expediting pilot production and transformation in support of the development of the Co-operation Zone.

25. The Hong Kong Park will be developed in two phases from west to east. The preliminary planning for the first phase has been completed. With a total floor area of up to 10 million square feet, the Hong Kong park will contain various clusters with different industry themes, including life and health technology, research, academic and industry, AI and data science, and new technology advanced manufacturing, as well as a talent accommodation area and commercial and ancillary facilities. This will not only establish a diverse innovation and technology ecosystem, but also create a vibrant and sustainable new community. The first three buildings of the first phase will be completed gradually from the end of 2024 as planned. At the same time, the HKSAR Government will expedite and enhance the construction of high-quality research and industrial facilities through investment promotion and market forces. For latest development and work progress on the Hong Kong-Shenzhen I&T Park, details are set out at **Annex 3**.

26. The Hong Kong Park of the Co-operation Zone and the areas around Lok Ma Chau/San Tin are consolidated to form the San Tin Technopole to provide a total of 300 hectares of I&T land, contributing to the development of Hong Kong into an international I&T centre. San Tin Technopole is strategically positioned to be a hub for clustered I&T development. The spatial planning of the San Tin Technopole will align with the development positioning of the Co-operation Zone and fully integrate with the strategy on enhancing Hong Kong's I&T competitiveness to pave way for the future development of the Co-operation Zone in a forward-looking manner.

27. The Development Bureau has completed a public engagement exercise on the land use proposal for San Tin Technopole. The HKSAR Government will proceed to commence relevant statutory procedures in Q1 2024 once the land use proposal of San Tin Technopole is finalised. Site formation works is expected to start in 2024, subject to funding approval from the Legislative Council. The first batch of formed sites are expected to be available in 2026 the earliest. Meanwhile, the ITIB has commenced a consultancy study on the development plan specifically on the new land for I&T uses with a view to exploring I&T fields or industries suitable for development in there as well as the required infrastructure and supporting facilities so as to enable us to focus on attracting target enterprises to set up presence. It is expected that the study will be completed in 2024. We will ensure the policies can actively cater for the needs of different I&T uses and different scales of I&T enterprises to enhance synergy. We will also ensure the land use would not deviate from the planned I&T and related purposes.

Way forward

28. Hong Kong presents endless opportunities in I&T. The Government will continue to create favourable conditions for Hong Kong's I&T development along the four broad development directions in the Blueprint and communicate and collaborate closely with stakeholders for developing Hong Kong into an international I&T centre.

**Innovation, Technology and Industry Bureau
Innovation and Technology Commission
Office of the Government Chief Information Officer
Efficiency Office
November 2023**

Other initiatives mentioned in the 2023 Policy Address Policy Measures
(Categorised by the eight major strategies in the Hong Kong Innovation and Technology Blueprint (“the Blueprint”))

Policy Initiatives	Progress / Achievements
Taking forward various initiatives under the Blueprint	We will continue to press ahead with the implementation of various measures in the Blueprint.
(1) To enhance the innovation and technology (“I&T”) ecosystem and promote interactive development of the upstream, midstream and downstream sectors	
Attracting technology industries with an edge and are of strategic importance	The Innovation, Technology and Industry Bureau (“ITIB”) and Office for Attracting strategic Enterprises have contacted over 200 I&T enterprises, including top-notch enterprises in their respective industries. At present, nearly 30 of them have set up or expanded their operations in Hong Kong or planned to do so.
Intellectual property (“IP”) benefit sharing arrangements for research and development (“R&D”) projects subsidised by the Innovation and Technology Fund (“ITF”)	We will further discuss with universities the application of the IP benefit sharing arrangements under the Research, Academic and Industry Sectors One-plus Scheme to IPs generated from the R&D projects subsidised by ITF.
Establishing an <i>InnoHK</i> centre that conducts R&D on generative artificial intelligence (“AI”) technology	A new <i>InnoHK</i> centre is established by the Hong Kong University of Science and Technology in collaboration with the University of Hong Kong, Chinese University of Hong Kong, Hong Kong Polytechnic University and City University of Hong Kong to conduct R&D on generative AI technology. The centre will develop a series of open-source foundation models and technologies related to text and image generation, medical diagnosis, legal applications, etc., and conduct studies on the appropriate rules and guidelines regarding the application of AI technology.

Policy Initiatives	Progress / Achievements
Re-organisation of State Key Laboratories (“SKLs”)	To align with the national overall development plan, the Innovation and Technology Centre (“ITC”) is formulating a work plan on the re-organisation of SKLs in consultation with the Ministry of Science and Technology. We will invite relevant universities to submit applications on reorganisation, and will arrange assessment by experts. The re-organisation exercise is expected to be completed by end-2024.
Mid-term review of the <i>InnoHK</i> research clusters	We have invited experts from the Mainland and overseas to conduct a mid-term review of the work of <i>InnoHK</i> ’s research laboratories in end-2023 with the aim of supporting the continuous development of the research clusters and promoting Hong Kong as a hub for global research collaboration.
Promoting R&D on life and health technology	We will invite universities and research institutions interested in setting up life and health technology research institutes to submit proposals in 2023-24 with a view to promoting the development of life and health technology in Hong Kong.
Promoting the development of facilities in frontier technological fields	We will put forward detailed proposals for promoting the development of facilities in frontier technological fields with the earmarked funding of \$3 billion in 2024.
(2) To promote technology industry development and achieve “new industrialisation” in Hong Kong	
I&T facility of Cyberport at Lau Fau Shan	Cyberport will commence a planning study on the development of a new I&T facility at Lau Fau Shan to the west of the Northern Metropolis to capitalise on the opportunities brought about by its proximity to Qianhai on the other side of the Shenzhen Bay and promote technological development of modern services industry.

Policy Initiatives	Progress / Achievements
Second Advanced Manufacturing Centre (“AMC”)	The Hong Kong Science and Technology Parks Corporation (“HKSTPC”) is conducting a technical feasibility study on the construction of the second AMC, which is expected to be completed by the fourth quarter of 2023.
Stage 2 of the Science Park Expansion Programme	HKSTPC is implementing Batch 1 of Stage 2 of the Science Park Expansion Programme. The project is expected to be completed in the first quarter of 2025.
Cyberport 5 Expansion Project	Construction works commenced in 2021 and is aimed for completion in 2025 the earliest.
Extension of the relevant leases of InnoParks	HKSTPC is examining the relevant legal and implementation details with a view to finalising the arrangements as soon as possible.
New Industrialisation Funding Scheme (“NIFS”)	We have renamed the “Re-industrialisation Funding Scheme” as NIFS. In addition, we will allow enterprises applying for NIFS to carry out up to three projects concurrently with a total maximum funding of \$45 million. As at end August 2023, the NIFS Vetting Committee has supported 56 smart production lines from 34 applications. Among them, funding agreements have been signed for projects involving 47 production lines, 290 skilled employment opportunities and \$619 million of private investment.
(3) To diversify venture financing channels and support the development of start-ups and industries	
Cyberport’s Incubation Programme for Smart Living Start-ups	Cyberport will launch a new incubation programme by end-2023 to promote the development of more smart living start-ups.
(4) To promote I&T culture for all and enhance the overall I&T atmosphere in the community	
Aerospace popular science thematic gallery	We will set up Hong Kong’s first aerospace popular science thematic gallery within 2024 to showcase our country’s achievements in the field of aerospace.

Policy Initiatives	Progress / Achievements
Promoting popular science	We will strengthen co-operation with organisations of different sectors to foster within the community knowledge in popular science. The General Support Programme (“GSP”) under ITF aims to support non-research and development projects that contribute to the upgrading and development of our industries, the fostering of an I&T culture in Hong Kong as well as promoting popular science. Since its launch in 1999, as at end-September 2023, GSP has sponsored 403 projects with a total funding support at some \$760 million.
(5) To enrich I&T talent resources and develop an international talent hub	
Expediting the Web3 ecosystem development	Cyberport is expediting the Web3 ecosystem development through launching talent nurturing programmes, organising various thematic activities and raising industry and public awareness of the related technologies. The “Web3 Hub@Cyberport” set up by Cyberport so far has amassed more than 210 Web3-related technology enterprises.
New Industrialisation and Technology Training Programme (“NITTP”)	We have renamed the “Reindustrialisation and Technology Training Programme” as NITTP. From the launch of the Programme in August 2018 up to end-September 2023, over 4 700 public training courses were registered under the Programme and about 14 170 training grant applications submitted by enterprises were approved to subsidise local employees in receiving about 42 000 trainings in advanced technologies, involving a total funding amount of over \$550 million. In addition, we will work with the Hong Kong Productivity Council to strengthen training relating to “new industrialisation” for technicians.

Policy Initiatives	Progress / Achievements
Accommodation facilities for I&T talents	HKSTPC is conducting the technical feasibility study for the development of a new accommodation facility for I&T talents near the Science Park. The study is expected to be completed by end-2023. Furthermore, the Hong Kong-Shenzhen Innovation and Technology Park (“HSITP”) Limited is expected to complete the construction of the first accommodation facility for I&T talents at the HSITP within 2024.
IT Innovation Lab in Secondary Schools Programme	The IT Innovation Lab in Secondary Schools programme continues for implementation for three school years from 2023/24 to support publicly-funded secondary schools in conducting more IT-related extra-curricular activities.
(6) To accelerate the development of digital economy and smart city to enhance citizens’ quality of life	
Facilitating data exchange	We are developing the Consented Data Exchange Gateway (“CDEG”) and will launch the function of interfacing with the Commercial Data Interchange by end-2023 to facilitate the sharing of data from government departments to financial institutions upon the authorisation of their enterprise clients. We will roll out CDEG before end-2024 for citizens to authorise interchange of their personal data between government services for convenience to their use of government services (e.g. to obviate the need to submit their information repeatedly during applications for government services).
e-Government audit	All e-Government audit on government departments will be completed by end-2023.

Policy Initiatives	Progress / Achievements
“iAM Smart”	We will press ahead with the full adoption of “iAM Smart” by all departments by end-2025 to provide citizens with the option of one-stop electronic services, thereby providing “single portal for online government services”. We are upgrading the “iAM Smart” platform comprehensively to consolidate the frequently used services, streamline the service workflow and improve user experience. The first phase of “iAM Smart” platform upgrade has been completed in October 2023, facilitating members of the public who have not yet registered for “iAM Smart” for access to various kinds of practical daily information via the new design of the “iAM Smart” mobile app. Other functional upgrade for the overall design will be progressively launched within 2024.
Digitalisation of government services	We will digitalise all licences, services and forms involving application and approval by mid-2024. If in-person submission or collection of documents is required by law or international practice, applicants will only need to visit the government offices concerned once.
Strengthening technology adoption by the Government	We will continue to encourage the application of technologies in government departments to enhance the quality of public services through the Smart Government Innovation Lab, the TechConnect (block vote) and the E&M InnoPortal of the Electrical and Mechanical Services Department.
Promoting digital transformation of small and medium enterprises (“SMEs”)	Cyberport will launch the Digital Transformation Support Pilot Programme by end-2023 to assist SMEs in the retail and food and beverage industries in applying electronic payment and other digital packages.

Policy Initiatives	Progress / Achievements
(7) To deepen I&T co-operation with the Mainland for better integration into the overall national development	
<p>Implementing key items in the “Arrangement between the Mainland and Hong Kong on Expediting the Development of Hong Kong into an International I&T Centre” (“the Arrangement”)</p>	<p>Since signing of the Arrangement in March 2023, both sides have implemented quite a number of important measures, including the expansion of national science and technology programmes open to Hong Kong and promoting the cross-boundary flow of key elements of scientific research.</p> <p>We will continue to deepen co-operation and exchange with relevant Central authorities and various provinces/cities in the Mainland, so as to implementing key items in the Arrangement and expediting Hong Kong’s development as an international I&T centre.</p>
(8) To leverage Hong Kong’s advantages as an international city to foster global I&T collaboration	
<p>Establishment and development of international technology organisations and hosting of international I&T activities and academic exchange events</p>	<p>The first InnoEx was successfully organised in 2023 and attracted exhibitors from seven countries/regions, including 10 Mainland provinces and municipalities. We have also supported the hosting of various international I&T activities and academic exchange events in Hong Kong, including the Future Science Prize 2023, which was first organised in Hong Kong, and the first Hong Kong Laureate Forum.</p> <p>In 2024, we will continue to organise the InnoEx and actively support local universities or technology organisations to promote the establishment and development of international technology organisations in Hong Kong, including hosting of academic exchange events.</p>

**Work indicators set by the Innovation, Technology and Industry Bureau
and relevant departments**

(1) Indicators for Specified Tasks in 2023 Policy Address

1. Continue to press ahead better use of technology in service delivery amongst government departments:
 - Fully implement the provision of electronic payment option for all government fees **by Q3 2024** to provide the public with a choice to settle service payments through the Faster Payment System, and support payment with Mainland e-wallets for government services commonly used by Mainland visitors for their convenience; and
 - Expand the artificial intelligence (“AI”) chatbot service for the 1823 enquiry service in answering frequently asked questions under its scope of service, and use AI to assist in drafting replies for written enquiries, for enhancing the efficiency of case handling **by Q3 2024 or before**.
2. Set up the New Industrialisation Acceleration Scheme with total funding amount of \$10 billion under the Innovation and Technology Fund and invite applications **within 2024** to promote the downstream development of new industrialisation.
3. Commission the Microelectronics Centre in Yuen Long InnoPark **within 2024** for gradual move-in of the newly established Hong Kong Microelectronics Research and Development Institute and other tenants, in a bid to promote the development of microelectronics.
4. Cyberport to establish an AI supercomputing centre in phases, with the first phase expected for completion and operation **within 2024**.

5. Start making preparation **within 2024** for the establishment of the third *InnoHK* research cluster focusing on advanced manufacturing, materials, energy and sustainable development in the Hong Kong Science Park, and provide support to no fewer than **50** research projects in the first phase.

(2) On-going and Valid Indicators for Specified Tasks Introduced in 2022 Policy Address¹

1. Launch 110 new digital government and smart city initiatives **from 2024 to 2025**, including using blockchain technology for electronic issuance and verification of certain licences and certificates, and employing AI and video analytics to improve security of public cargo working areas.
2. Increase the annual usage of open data from 22 billion in 2021 to **58 billion in 2025**.
3. Continue to promote “iAM Smart”:
 - Increase the annual usage of “iAM Smart” (total transactions) progressively from 10 million in 2023 to **17.5 million in 2025**, a threefold increase as compared to 2021; and
 - Achieve the adoption of “iAM Smart” by all government departments to provide citizens with convenient and one-stop electronic services **by 2025**.
4. Digitalise all licences, services and forms involving application and approval **by mid-2024**. If in-person submission or collection of documents is required by law or international practice, applicants will only need to visit the government office concerned once.

¹ Some of the on-going and valid indicators introduced in 2022 have been updated or enhanced in light of the latest situation.

5. Continue to attract enterprises and investment:
 - Attract **by 2027** at least **100** innovation and technology (“I&T”) enterprises of high potential and representativeness to set up operations or expand their presence in Hong Kong, including at least **20** top-notch I&T enterprises.
6. Promote commercialisation of research and development (“R&D”) outcomes:
 - Complete vetting of the first round of applications under the Research, Academic and Industry Sectors One-plus Scheme and announce the results in **Q1 2024**; and
 - Increase the commitment of private capital in R&D projects under various ITF schemes from \$800 million in 2022 to **\$1.6 billion in 2027**.
7. Nurture start-ups:
 - Increase under the Innovation and Technology Venture Fund the cumulative private investment attracted for local I&T start-ups from \$1.7 billion in 2022 to at least **\$4 billion in 2027**; and
 - Increase the cumulative number of very early stage start-ups to be subsidised under the Technology Start-up Support Scheme for Universities from 330 in 2022 to **600 in 2027**.
8. Attract I&T talents:
 - Increase the cumulative number of applications approved for subsidising the recruitment of R&D talents under the Research Talent Hub scheme from around 10 500 in 2022 to **18 500 in 2027**; and
 - Increase the percentage of primary and secondary schools joining “Knowing More About IT” and “IT Innovation Lab in Secondary Schools” programmes from 54% in the 2021/22 school year to **90% in the 2024/25 school year**.

9. Expand under the STEM Internship Scheme the number of student interns from 3 000 in 2022 to **5 000 in 2027**.

10. Promote new industrialisation:
 - Increase under the New Industrialisation Funding Scheme the cumulative number of funded smart production lines in Hong Kong from about 30 in 2022 to **over 130 in 2027**; with corresponding cumulative skilled employment opportunities increasing from about 260 to **over 1 050**; and during the same period cumulative matching private investment rising from about \$340 million to **no less than \$1.3 billion**; and

 - Double the supply of floor area for advanced manufacturing in the InnoParks from over 100 000 square metres (“sq.m.”) in 2022 to **over 200 000 sq.m. in 2027**

**Planning of Phase 1 and Work Progress of the
Hong Kong Park of the Hetao Shenzhen-Hong Kong
Science and Technology Innovation Co-operation Zone
(i.e. the Hong Kong-Shenzhen Innovation and Technology Park)**

This Annex aims to brief the Panel on the planning of phase 1 and work progress of the Hong Kong Park of the Hetao Shenzhen-Hong Kong Science and Technology Innovation Co-operation Zone (“Co-operation Zone”), i.e. the Hong Kong-Shenzhen Innovation and Technology Park (“HSITP”).

Background

2. The Hong Kong Special Administrative Region (“HKSAR”) Government and the Shenzhen Municipal Government signed the “Memorandum of Understanding on Jointly Developing the Lok Ma Chau Loop by Hong Kong and Shenzhen” in 2017. Through the “Joint Task Force on the Development of the Hong Kong-Shenzhen Innovation and Technology Park in the Loop”, Hong Kong and Shenzhen have been liaising closely to exchange views on the development of the Co-operation Zone and the latest development of both parks.

3. After assuming office in 2022, the Chief Executive proposed to study how to expedite the development of the HSITP and optimise its functions. The first three buildings of Batch 1 of the first phase development will be completed gradually from the end of 2024 as planned. At the same time, we will expedite and enhance the construction of high-quality research and industrial facilities through investment promotion and market forces.

4. Furthermore, the HKSAR Government announced the Hong Kong Innovation and Technology Development Blueprint (“the Blueprint”) in 2022 to set out a clear development path and a systematic strategic plan for Hong Kong's innovation and technology (“I&T”) development in the next five to 10 years, leading the city at full steam towards the vision of becoming an international I&T centre. We propose, inter alia, enhancing the I&T ecosystem and proactively integrating into the overall development of the country to consolidate Hong Kong's role as a bridge connecting the Mainland and the world. Taking into account Hong Kong's strategic advantages, the Blueprint also recommends focusing on the development of industries such as life and health technology, artificial intelligence (“AI”) and data science, advanced manufacturing and new energy technology.

Result of Phase 1 Planning Review Study

5. The HSITP will be developed in two phases from west to east. Phase 1 sites will be further divided into three batches, and its planning has been completed initially. Together with the Batch 1 development (a total of eight buildings) for which funding was approved by the LegCo in 2021, and design and construction works of these buildings have also started, the gross floor area (“GFA”) of the Batches 2 and 3 will be increased. The total GFA of Phase 1 will be increased from its original 535 250 square meters to 1 million square meters.

6. The Phase 1 development will provide Research and Development (“R&D”) (Wet Lab / Advanced Manufacturing) buildings, Dry Lab / Offices buildings, Research, Academic and Industry buildings, Talent Accommodation, Visitor Lodges, Commercial and Ancillary facilities, etc. The preliminary GFA distribution of Phase 1 is tabulated as follows:

Planned use	Percentage	GFA (square meters)
Wet Lab / Advanced Manufacturing	52%	520 000
Dry Lab / Office buildings	22%	220 000
Research, Academic and Industry buildings	5%	50 000
Talent Accommodation and Visitor Lodges	10%	100 000
Commercial and Ancillary facilities	11%	110 000

7. According to current planning, uses in Phase 1 include Life and Health Technology Zone, Research, Academic and Industry Zone, AI and Data Science Zone, New Technology & Advanced Manufacturing Zone, and the supporting facilities such as Talent Accommodation Zone, Small Urban Living Quarters and the Central Boulevard. Details are provided in **Figure A** – Zoning on Uses. The design themes of the Park encompass energy, water, greenery, shade, tone and color, rhythm, interaction and wellness. Details are provided at **Figure B** – Preliminary Landscape Concepts. To meet the needs of users in the Park and

future management arrangements, HSITP Limited will provide communal facilities such as internal roads, Central Boulevard, district cooling system, pedestrian footbridges, etc. As shown in **Figure C** – Architectural Conceptual Rendering, height of buildings in Phase 1 will also increase from west to east, with height of buildings varying from not higher than 14mPD (around two storeys) to 208mPD (around 40 storeys), whereas those adjacent to Shenzhen River and green belt at the south will be lower.

Initiatives for which the Central Government’s support is sought

8. Apart from taking forward hardware construction, cross-boundary innovative elements including talent, materials and data are key to the Co-operation Zone’s “one river, two banks”, “one zone, two parks”. As such, the HKSAR government will continue our active collaboration with Shenzhen, as well as integration into the national development, thereby promoting the advantages of “one zone, two parks” under “one country, two systems” in the Co-operation Zone and ensuring smooth flow of talent, materials and data, and serving as the bridgehead for intensive I&T co-operation between the two places. Innovative measures under active exploration by two sides include:

- (i) The Co-operation Zone will operate under the mode of “one zone, two parks”, with research personnel going to work early and returning home late between two places every day. As such, it is necessary to provide convenient clearance mode and facilities to provide travel convenience for R&D personnel by, for example, enabling those who have pre-registered to enjoy streamlined access between the two parks, and adopting technology to facilitate faster movement, such as the use of facial recognition technology to achieve contactless clearance. In addition, to facilitate I&T personnel travelling frequently between two sides on a daily basis, the HKSAR Government will explore the construction of cross-boundary footbridge between two parks but exact location is subject to discussion between the two Governments;
- (ii) Hetao can become an important stronghold for key I&T enterprises from Mainland or overseas to set up offshore headquarters or research centres. The HKSAR Government will discuss with relevant Central ministries on facilitating cross-boundary capital flow in the Co-operation Zone;
- (iii) Both Governments will consider simplifying clearance procedures for research materials and equipment, by means such as

“green channel”, “white list” etc., thereby facilitating exchanges on data and samples (including clinical biological samples) collected for research or trials;

- (iv) The Innovation, Technology and Industry Bureau of the HKSAR Government signed the “Memorandum of Understanding on Facilitating Cross-boundary Data Flow Within the Guangdong-Hong Kong-Macao Greater Bay Area” with the Cyberspace Administration of China in June 2023 which set out that under national cross-boundary data security management system framework, cross-boundary data flow collaboration will be promoted to facilitate the convenient and orderly cross-boundary flow of data from Mainland to Hong Kong. On the premise of complying with national data security laws and regulations and risk controllability, the HKSAR Government will strive to adopt a pilot trial approach to strive to expand the cross-boundary data flow from the Mainland to Hong Kong for use by enterprises in the Hong Kong Park of Hetao.

Way forward

9. To align with the schedule of progressive completion of the first three buildings in Phase 1 from end-2024 onwards, the HSITP Limited is actively taking forward business promotion work, with a view to attracting outstanding I&T enterprises to set up business in the Park. Meanwhile, the HSITP Limited is also formulating suitable rental policies, with reference to the operating modes of industry parks in the Mainland and overseas. The HSITP Limited will continue to act in concert with the HKSAR Government, and to achieve synergistic effect with the Shenzhen I&T Zone.

10. Subject to actual market conditions, the Phase 1 development of the HSITP will be refined along the above framework. The HSITP Limited will commence relevant planning works of the Phase 2 development.

Figure A – Zoning on Uses in Phase 1

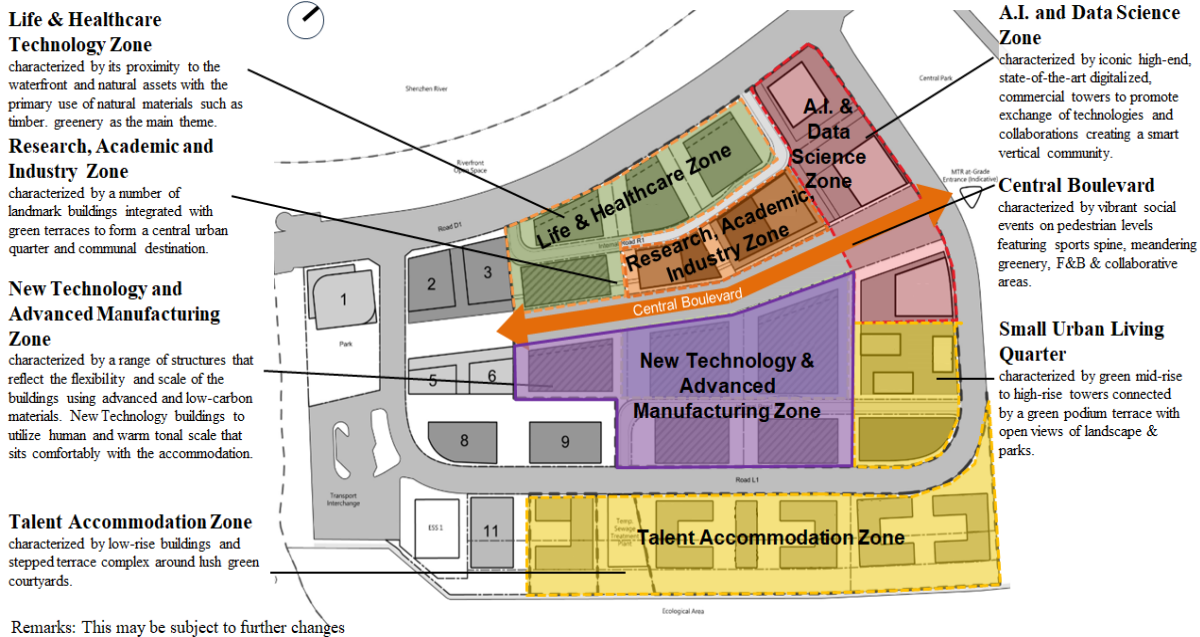


Figure B – Preliminary Landscape Concepts (5 Zones character)

A.I. & Data Science Zone

1. Entrance Emphasis with Tree line
2. Sitting out areas along the periphery of precinct for point of gathering
3. Balconies with green edges to soften building profiles



Research, Academic and Industry Zone

1. Emphasis on indoor – outdoor transaction
2. Seamless connection of interior & Exterior space
3. Creating Point of gathering at location where possible



Advanced Manufacturing & New Technology Zone

1. Emphasis on indoor – outdoor transaction
2. Seamless connection of interior & Exterior space
3. Creating Point of gathering at location where possible



Remarks: This may be subject to further changes.



Life & Healthcare Technology Zone

1. Rooftop gardens with greenery
2. Meadow-like rooftop gardens with local tree planting
3. Maximization of Interior Landscape



Talent Accommodation Zone

1. Lush tropical like greenery with multiple levels of planting
2. Creating point of gathering & lush garden setting with modern touch
3. Maximize the greenery provision in promote of wellness



Figure C – Architectural Conceptual Rendering

