

Innovation and technology

Overview

With opportunities brought by the National 13th Five-Year Plan and the Guangdong-Hong Kong-Macao Bay Area development, Hong Kong can capitalise on its advantages in R&D capabilities, technological infrastructure, legal system and intellectual property to act as a strategic bridge for innovative companies looking to access the Mainland market.

New initiatives

- In the 2018-19 Budget, the Financial Secretary allocated an additional HK\$50 billion (US\$6.4 billion) to promote Hong Kong's innovation and technology (I&T) development through different areas such as investing in infrastructure development, R&D collaboration, nurturing start-ups and promoting industries. Key measures include:
 - \$20 billion to develop the first phase of the **Hong Kong-Shenzhen Innovation and Technology Park** in Lok Ma Chau Loop;
 - \$10 billion additional injection into the **Innovation and Technology Fund**;
 - \$10 billion to support the **establishment of two research clusters** on healthcare technologies and on artificial intelligence and robotics technologies;
 - \$10 billion to the **Hong Kong Science and Technology Parks Corporation** to build research-related infrastructure and facilities and enhance support for its tenants and incubates;
 - \$200 million to **Cyberport** to enhance support for start-ups and promote the development of a digital technology ecosystem; and \$100 million for Cyberport to promote the development of e-sports.
- A **Technology Talent Admission Scheme** (TechTAS) fast-tracks arrangements for overseas and Mainland research and development talent.
- Universities and research institutions in Hong Kong are allowed to apply for **science and technology funding of the Central Government and use the funding here in Hong Kong**.

On-going efforts

- Develop **Lok Ma Chau Loop** into the Hong Kong-Shenzhen Innovation and Technology Park.
- Support and participate in the development of the **Guangdong-Hong Kong-Macao Bay Area into an international innovation and technology hub**.

Innovation and technology stakeholders

- **Hong Kong Science Park** is home to about 660 technology companies.
- **Cyberport** is a creative digital community with over 1,000 companies.
- **Hong Kong Science and Technology Parks Corporation** has set up a subsidiary company – Hong Kong-Shenzhen Innovation and Technology Park Limited – which is vested with responsibility to build, operate, maintain and manage the Hong Kong-Shenzhen Innovation and Technology Park in Lok Ma Chau Loop.
- **The Hong Kong Applied Science and Technology Research Institute** focuses on applied research (fintech, intelligent manufacturing, next generation network, health technologies, and smart city).
- **Academy of Sciences of Hong Kong** advises the Government on research and technology-related policies.
- The **United States' Massachusetts Institute of Technology (MIT)** set up its first overseas Innovation Node in Hong Kong in 2016.
- **Karolinska Institutet** (Sweden) opened a research facility at Science Park in 2016 to strengthen its research in the field of regenerative medicine.

- **Guangzhou Institutes of Biomedicine and Health** under the Chinese Academy of Sciences **set up a stem cell and regenerative medicine research centre** at Science Park in 2017.
- **Hong Kong-Mainland collaboration:** There are currently 16 Partner State Key Laboratories in Hong Kong and 6 Hong Kong branches of the Chinese National Engineering Research Centres.
- **Harvard SEAS** (Harvard John A. Paulson School of Engineering and Applied Sciences) and the **Faculty of Engineering at the University of Hong Kong (HKU)** signed in early December 2018 a Memorandum of Understanding to set up a joint laboratory of instrumentation for precision medicine. (updated in December 2018)

Supporting start-ups

- **2,300 start-ups** in Hong Kong (+16% year-on-year), and **6,300 start-up jobs** (+21% year-on-year) according to the 2017 start-up survey by InvestHK.
- **\$2 billion Innovation and Technology Venture Fund** (launched in Sept 2017) to co-invest on a matching basis with selected private venture capital funds in Hong Kong.
- **Private sector:** Alibaba Group launched a \$1 billion Hong Kong Entrepreneurs Fund; Sequoia Capital initiated the Hong Kong X-Tech Startup Platform.
- **Cyberport:** \$200 million Cyberport Macro Fund providing initial venture capital funding support to local digital technology start-ups to scale up and accelerate their progress.
- **Hong Kong Science and Technology Parks Corporation:** Incubation programmes and \$50 million Corporate Venture Fund.
- **InnoCell** to be built adjacent to Hong Kong Science Park will provide residential units with flexible design, ancillary facilities and shared working spaces to foster the development of the I&T ecosystem in Hong Kong.

Smart city

- **Hong Kong Smart City Blueprint:** sets out a vision to build Hong Kong into a world-class smart city. Major areas are "Smart Mobility", "Smart Living", "Smart Environment", "Smart People", "Smart Government" and "Smart Economy".
- **Smart City key infrastructure projects:** electronic identity (eID), smart lampposts, Next Generation GovCloud and Big Data Analytics Platform.
- **Wi-Fi Connected City** programme: to further expand common brand Wi-Fi.HK coverage in Hong Kong, the free Wi-Fi hotspots will increase to 34,000 by 2019.
- **Asia's No.2 and World's No. 11 in IMD World Digital Competitiveness Ranking 2018**, which rates the ability of an economy to adopt new digital technology. (updated in June 2018)
- **South East Asia & Oceania's No.4 and World No.14 in World Intellectual Property Organization's Global Innovation Index 2018**, which rates the innovation performance of 126 economies worldwide. (updated in July 2018)

Fintech

- **Fintech development** complemented by Hong Kong's highly-developed financial services and ICT sectors.
- Hong Kong has **138 fintech start-ups, up 60%** from 2015 according to InvestHK's 2016 start-up survey.
- **Supervisory Sandboxes** launched by the Hong Kong Monetary Authority (HKMA), Securities and Futures Commission and Insurance Authority.
- **Faster Payment System** to be launched by HKMA in September 2018.
- **QR code standard** being developed for retail payments.
- **Distributed ledger technology (DLT)** guidelines being developed by HKMA.
- **Revised Guideline on Authorization of Virtual Banks** was issued by HKMA in May 2018.