

Part 3

Innovation, Technology, and Industry Development

Introduction

The HKSAR Government will closely align with strategies under the National 15th Five-Year Plan, and fully leverage Hong Kong's unique advantages to accelerate the city's development into an international I&T centre and an international hub for high-calibre talents, nurture and grow emerging and future industries, expedite the upgrading and transformation of traditional industries, and build up new competitive edges, thereby promoting the high-quality development of Hong Kong's real economy.

Hong Kong's Five-Year Plan should seize opportunities presented by the new round of technological revolution, and through leveraging its advantages in internationalisation, high degree of openness, business facilitation, a sound legal system, and world-class educational resources, strengthen collaboration across government, industry, academia, research, and investment sectors, and attract and retain targeted talents. It should also, having regard to local circumstances, develop new drivers for technological innovation and new industrialisation, facilitate the expansion and quality enhancement of high-end service industries, and vigorously drive the restructuring of traditional industries, removing obstacles to industry development. By doing so, Hong Kong will be able to achieve diversified development, and thus contribute to the country's realisation of high-level self-reliance in science and technology and establishment of a new development paradigm.

Current Situation

In recent years, the HKSAR Government has actively collaborated with the I&T sector to intensively roll out a number of development strategies and blueprints. Notable results have been achieved in the I&T ecosystem, talent attraction, and industry diversification. Hong Kong's I&T ecosystem and industry scale have expanded substantially over the past decade. In terms of international recognition, Hong Kong ranks among the top globally in the World Digital Competitiveness Ranking and the World Talent Ranking. With

a world-class healthcare system, advanced research infrastructure, and close connectivity with the world, Hong Kong is uniquely positioned to develop into a health and medical innovation hub. On the other hand, as a geographically small city, Hong Kong has long been constrained by scarce land resources and relatively high costs. Its industrial scale remains modest and its industrial base is relatively narrow. There remains a certain degree of mismatch between the commercialisation mechanism for R&D outcomes and industry demand.

Policy Directions and Key Proposals

This document sets out the following preliminary and forward-looking policy directions for public discussion and refinement:

1. Accelerate the development of Hong Kong as an international I&T centre
 - Optimise I&T parks, laboratory facilities, testing platforms, and data infrastructure to support the commercialisation of R&D outcomes.
 - Further increase investment in basic scientific research, and drive the development of key sectors including frontier technologies, life and health technology, advanced manufacturing, new energy, microelectronics, and data science.
 - Deepen the implementation of the AI+ Initiative, accelerate the transformation of AI R&D outcomes and development of application scenarios, promote the deep integration of AI across various industries, and refine the framework for AI and data governance.
 - Guide enterprises to increase investment in and support for I&T development, explore more application scenarios for R&D outcomes in areas such as AI, digital technologies, and life and health technology, and strengthen the collaborative framework across government, industry, academia, research, and investment sectors.
 - Accelerate and enhance efficiency in the construction of the Hetao Hong Kong Park and San Tin Technopole, so as to foster coordinated development at upstream, midstream, and downstream levels, and build a comprehensive I&T industry ecosystem.

- Strengthen connectivity with the Mainland in data, capital, talents, markets, etc., and provide more facilitation measures and safeguards for the industry, academia, research, and investment sectors in both the Mainland and Hong Kong to leverage their respective strengths.
- Develop Hong Kong into a health and medical innovation hub, accelerating pharmaceutical R&D and clinical trials, as well as the development of biotechnology and precision medicine as industries, while attracting global pharmaceutical enterprises and top-notch talents to Hong Kong.

2. Develop Hong Kong as an international hub for high-calibre talents

- Advance the integrated development of education, technology, and talents to attract more researchers, elite students, and enterprises to pursue development in Hong Kong; and undertake far-sighted and strategic planning for educational resources in light of Hong Kong's development directions and needs, so as to strengthen applied education and skills training, accelerate the interdisciplinary and frontier cross-disciplinary development, and facilitate enterprises in nurturing their own industry talents.
- Refine the strategies for nurturing, attracting, and retaining targeted talents, intensify efforts to recruit global talents, and review the effectiveness of talent policies for dynamic adjustments, so as to retain talents genuinely needed by Hong Kong and help them integrate into the city.
- Facilitate Hong Kong talents in travelling to and from the Mainland and working there, and foster regional talent flow so that talents can have greater room for advancement while serving and contributing to the national development.
- Attract non-local students to study in Hong Kong, establishing the "Study in Hong Kong" and "Study Tour in Hong Kong" brands; and encourage publicly-funded universities to actively organise more exchange activities to broaden the international perspectives of local students.

3. Promote the integrated development of traditional industries with competitive edge and new industries, expand the range and scale of industries, enhance the competitiveness of professional services, and achieve long-term diversified economic development
- Empower the upgrading, transformation, and brand-building of traditional industries through technology, upgrade the local industry chains, enhance cost-effectiveness and align with market needs, and support industries in which Hong Kong enjoys a competitive edge and a good international reputation, such as Chinese medicine, medical products, food, and cultural and creative industries, in expanding their markets.
 - Leverage Hong Kong's advantages in its common law system, as well as international legal talent and dispute resolution services, to consolidate its status as an international legal and dispute resolution services centre.
 - Improve the protection for I&T outcomes and the legal framework to provide industries with a better environment and fertile soil for development.
 - Promote the creation, protection, management, and commercialisation (which covers valuation, financing, assignment, licensing and other transactions) of intellectual property, so as to build a more robust intellectual property market ecosystem.

Matters for Consultation

Members of the public may offer views on the aforementioned policy directions, viable policy tools, and the areas in which Hong Kong holds the greatest strengths or potential with regard to accelerating Hong Kong's development into an international I&T centre, a health and medical innovation hub, and an international hub for high-calibre talents, as well as fostering industry development.