

MEDIA RELEASE

For Immediate Release

HKCS's Remarks on the October 2018 Policy Address **by Mrs Carrie Lam, CE of HKSAR**

Hong Kong, 10 October, 2018 - The Hong Kong Computer Society (HKCS), as the most well-established and the largest professional association in Hong Kong, is pleased to see their recommendations to the Government have been widely included in the latest 2018 Policy Address by Mrs. Carrie Lam, the Chief Executive (CE), which include new government procurement policy that supports local innovation, review of the outdated legislation and regulations that impede the development of innovation and technology, and the enhanced support for commercialization of scientific research results, in order to promote technology transfer and realization of R&D findings. The Policy Address also proposes items, such as further development of Smart City and encouragement to the industrial and commercial industry to make good use of I&T and promote re-industrialization. It also covers further introduction and training of scientific and technological talents, and the firming up of policy and implementation measures on opening up of government data, etc. HKCS supports the HKSAR Government on the decision to continue its devotion of attention and resources to the development of innovation technologies.

Ir. Ted Suen, President of the Hong Kong Computer Society said: "We are very pleased to see, for a second year, the Government has listened to our voice and devoted considerable resources in the development of technology and innovation in its Policy Address. To support the local innovation and technology, the Government is introducing a pro-innovation government procurement policy next year. And in order to minimize the hurdles for I&T industry, the government takes the initiative and decides to review the outdated legislation and regulations with consideration of the development of innovation and technology. It also enhances its R&D support, by doubling the funding for the relevant schemes under the I&T Fund."

Supporting the local innovation and technology--

In the latest 2018 Policy, the Government announced that it will introduce a pro-innovation government procurement policy in April next year. By raising the technical weighting in tender assessment, tenders with innovative suggestions will stand a better chance of winning government contracts. The Government will also enhance exchange with the sector and dissemination of procurement information to

facilitate the participation of I&T start-ups and small and medium-sized enterprises (SMEs) in government procurement

Reviewing the outdated legislation and regulations--

The Government will also review the outdated legislation and regulations with consideration of the development of innovation and technology. The PICO is now reviewing existing legislation and regulations, so as to remove outdated provisions that impede the development of I&T. The PICO is consulting the relevant sectors and sorting out the scope for the review. Among which, the second phase of the review that will cover the Telecommunications Ordinance will be proceeded, with aim to ensure the laws and regulations dovetail with the latest developments in technologies to pave the way for early adoption and provision of innovative services.

R&D funding support –

On the R&D support front, to fully unleash Hong Kong's strengths in scientific research and promote technology transfer as well as the realisation of R&D findings, funding for three relevant schemes under the I&T Fund will be doubled. The maximum annual funding for the Technology Transfer Office of each university will be increased from the existing \$4 million to \$8 million; the maximum annual funding for each specified university under the Technology Start-up Support Scheme for Universities will also be increased from the existing \$4 million to \$8 million; and the annual funding for each State Key Laboratory and each Hong Kong branch of the Chinese National Engineering Research Centre will be increased from the existing \$5 million to \$10 million to support scientific research and commercialisation of outputs.

Ted Suen said, "These initiatives could gear up the commercialization speed for R&D outcomes. We are pleased to learn that Government has positive feedback to the recommendations of HKCS."

Ted Suen added, "The Government takes the lead in the further development of Smart City, and encourage the industrial and commercial industry to make good use of I&T and promote re-industrialization. It also enhances the introduction and training of technology talents, while firming up the policy and implementation measures on opening up of government data including the Hospital Authority. These are all good government policies which deserve encouragement and support. Among these, we highly support the decision on the policy for opening up the government data. If we could implement this well, it could help turn the public data into a resource that can promote productivity and improve people's lives. As such, this measure will no longer

be simply a technological discussion, but also a topic of the governance of public data, which requires supervising policy and mechanisms, where there is still room for improvement. It is recommended that the HKSAR Government should speed up its work in this area.”

In addition, the Chief Executive has also proposed a number of new technology policy proposals, which are welcomed by the HKCS.

- **Encouraging the industrial and commercial industry to make good use of I&T and promote re-industrialization** -- To encourage the industries to engage in high-end production by tapping into I&T and application of smart technologies and production processes, and expediting the realisation of “re-industrialisation”, the Government proposes to allocate \$2 billion for launching a “Re-industrialisation Funding Scheme” to subsidise manufacturers, on a matching basis, to set up smart production lines in Hong Kong. The Precision Manufacturing Centre established by the Hong Kong Science and Technology Parks Corporation (HKSTPC) in Tai Po Industrial Estate and the Advanced Manufacturing Centre to be completed in Tseung Kwan O Industrial Estate will provide the industries with facilities for smart production. The Government also recommends providing an additional allocation of \$2 billion for the HKSTPC to identify suitable land in industrial estates for building manufacturing facilities required by the dedicated advanced manufacturing sector.
- **Enhancing R&D support** –
 - The Government will inject \$20 billion into the Research Endowment Fund (REF) of the RGC under the UGC to increase the provision of more stable research funding to help attract and retain talents. The Government will also ask the UGC to rationalise the use of different pots of REF for more effective deployment of funding.
 - In order to encourage private entities to increase support for the R&D work of universities, it is proposed to launch a new Research Matching Grant Scheme with a total commitment of \$3 billion for three years for applications by local degree-awarding institutions. R&D expenditure and donations from private sector and philanthropists secured by individual institutions would be matched by the Government for research-related purpose.
- **Cultivating and attracting I&T talents** –

- \$190 million recurrent expenditure per annum is to be reserved for supporting the RGC in introducing three new regular Fellowship Schemes, which will benefit post-doctoral fellows, researchers at associate professor and professor ranks, with aim to enable universities to attract and retain talents.
- Through the provision of additional resources and the updating of relevant policies and measures, the Government will nurture and attract talent for Hong Kong. On the I&T front, the Government has progressively introduced various initiatives, such as the Postgraduate Programme Finance Scheme for Local Students, the Technology Talent Admission Scheme, the Technology Talent Scheme and the enhanced Internship Programme, to proactively attract and nurture scientific research talent.
- The Education Bureau (EDB) has been promoting Science, Technology, Engineering and Mathematics (STEM) education in primary and secondary schools and will continue to enhance the support for schools in providing students with more learning, exchange and competition opportunities, with a view to unleashing their potentials in science and technology. Last year, the EDB issued a supplementary curriculum document on “Computational Thinking – Coding Education” for use by schools, and started organising intensive training programmes on STEM education for the leadership tier and mid-level administrators of schools. The STEM Education Centre at Lok Fu, Kowloon Tong, has commenced operation.
- To promote the use of I&T in addressing livelihood issues and create a fervid I&T atmosphere, the Government will allocate \$500 million for organising an annual “City I&T Grand Challenge” in the next five years. In addition to prize money, solutions selected will have the opportunity to be tried out in suitable public organisations for application and refinement.
- **Establishing Smart City –**
 - To allocate another \$500 million to TechConnect (block vote) set up by ITB, which supports government departments in planning and implementing technology projects, with a view to providing better services for the community.
 - To tap the views of the technology sector, the Office of the Government Chief Information Officer will set up a Smart Government Innovation Lab and invite the industry to put forward proposals on I&T applications and product suggestions for various public services, and trials and technology testing will also be arranged for suitable proposals.

- To cope with the rising challenges on law enforcement brought about by technological development, the Government will adopt a four-pronged strategy covering “application”, “research and development”, “analysis” and “fortification” of I&T to enhance the capabilities of law enforcement agencies.
- The Government will pilot “Construction 2.0” in public projects to promote industry enhancement with adoption of innovation technologies. We have also established a \$1 billion Construction Innovation and Technology Fund to encourage wider adoption of innovative technologies and stimulate the provision of cutting-edge solutions by local I&T enterprises for industry enhancement. Moreover, industry practitioners and students can observe the latest construction technologies under the auspices of the fund.
- To provide real-time arrival information of green minibuses (GMBs), the Government will fund and develop a data collection system and a mobile application, as well as install relevant devices on GMBs to enable passengers to access the real-time arrival information of GMBs through the mobile application.
- **Developing Fintech –**
 - The Government has adopted a five-pronged approach in facilitating Fintech development, namely promotion, facilitation, regulation, talents and funding.
 - The HKMA is processing the first batch of virtual banking licence applications. The licences are expected to be issued by end-2018 or early 2019 at the earliest.
- **Enabling the early launch of 5G services –**
 - The Government made advance planning to release sufficient radio spectrum with a total of 4 500 MHz in various frequency bands for assignment to mobile service operators in phases next year, thus enabling them to plan ahead and launch 5G services as soon as possible.
 - The Government will proactively open up suitable government premises and roof-tops for the installation of base stations by mobile service operators.
 - The Government will make use of the subsidy scheme to extend fibre-based networks to villages in remote locations in the New Territories and on outlying islands to provide the backbone for the extension of 5G coverage.

However, the HKCS will continue to follow up on the following recommendations, which are yet being recognized in this Policy Address.

- The “Technology Talent Admission Scheme” (TechTAS) should conduct mid-term evaluation and optimization, and the Scheme should be extended to internal start-ups of local universities and colleges, etc.
- Each of the government-funded research and development organisations should have clear performance assessment criteria and objectives to demonstrate how their respective division of work can assist Hong Kong's re-industrialization.
- In the Guangdong-Hong Kong-Macao Greater Bay Area, how would Hong Kong divide its work with different cities in the Bay Area as an industry center.? There is no specific content on the mechanism for cross-regional collaboration and the role played by the Hong Kong Government.
- The Government should take into account the manpower characteristics of the knowledge-based economy as a reference for the formulation of the population government. In terms of insurance and MPF arrangements, consideration should be given to people who continuingly work multi-disciplinarily, or in mobile workplaces, have early career participation, or retirement plans, or work with flexible working hours and other factors.
- The new regulatory requirements that brought out by the development of innovative technology, which include the application of robots and artificial intelligence, which may affect regulations on employment, discrimination, security and privacy, which the government should consider legislation.
- At present, there are seven major types of work in I&T industry that have been classified in the professional certification. However, with the advancement of technology, the professional certifications of “Data Science” and “Artificial Intelligence” will become even more important and the Education Bureau should introduce relevant classifications in the Qualifications

About the Hong Kong Computer Society (HKCS)

Founded in 1970, the Hong Kong Computer Society (HKCS) is a recognised non-profit professional organisation focused on developing Hong Kong’s Information Technology (IT) profession and industry. Their members come from a broad spectrum of Hong Kong’s IT community, from corporations to like-minded individuals, all coming together to raise the profile and standards of the IT profession and industry. As a well-established IT professional body, the Society is committed to professional and industry development as well as community services to ensure the IT sector continues to make a positive impact on peoples’ lives with three main goals, namely,

1) talent cultivation and professional development, 2) industry development and collaboration, and 3) the effective use of IT in our community.

For more details, please visit <http://www.hkcs.org.hk>.

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