



## Press Release

### For Immediate Release

#### **Hong Kong Computer Society's Response to the 2018-2019 Budget: Innovation and Technology Is Reaffirmed As An Economic Driver In the New Era**

**28 February 2018, Hong Kong** – Hong Kong Computer Society (HKCS) expressed high commendations for the Budget today, which was based on what the Society had earlier called “by far the most technology and innovation-focused Policy Address in our history”. As an IT professional body dedicated to promoting the Information and Communications Technology (“ICT”) industry and its talents, HKCS was pleased to see many of the strategic technological and innovation initiatives mentioned in the Chief Executive’s Policy Address such as tax incentives for R&D investment, widening of the eligibility of the Technology Voucher Programme and significant innovation funds being affirmed by the Budget. It shows that the government recognises innovation and technology to be a key force in driving economic development and in enhancing the competitiveness of Hong Kong as a world city by reserving an additional \$50 billion this year for supporting IT development apart from the \$10 billion reserved last year.

HKCS also applauds additional initiatives in the Budget which have not been mentioned in the Policy Address before, namely, earmarking \$10 billion to establish research clusters on healthcare, AI and robotics technologies to attract R&D and collaboration with the world’s top scientific research institutions and enterprises; allocating \$200 million to Cyberport to support start-ups and promote the development of a digital technology ecosystem; commissioning the Hong Kong Monetary Authority (HKMA) to make plans for an Academy of Finance to cultivate local financial talent and maintain our edge as a top financial centre in Asia; raising the ceiling of the Continuing Education Fund (CEF) from \$10,000 to \$20,000 and extending the upper age limit for applicants; proposing a \$1 billion Construction Innovation and Technology Fund to support the construction industry in adopting and harnessing innovative technology; and enhancing our talent admission arrangements to attract overseas talent to cater for the development needs of various sectors and industries.

HKCS President Ir. Ted Suen said, “As one of the most well-established IT professional bodies in Hong Kong dedicated to promoting the development of ICT, innovation and technology, HKCS is extremely pleased to see the government adopt a new mindset by acknowledging the pivotal role of innovation and technology in elevating our overall competitiveness. In this year’s Budget, many financial support schemes have been put forward to strengthen the capacity and efforts of local IT enterprises, R&D investment, talent cultivation and industrial automation, as well as to encourage businesses to step up their technology application. Apart

from granting substantial funding to the Hong Kong Science Park and Cyberport for nurturing local IT start-ups, the government also encouraged more technology application in different industries such as construction, healthcare, etc., and matching funds will be provided to support private enterprises in cultivating talents, which demonstrate a strong emphasis on innovation and technology.

He added, “We find it quite commendable that most of the strategic technological and innovation projects mentioned in the Policy Address have received notable funding in this year’s Budget. This will benefit all levels of the Hong Kong society from the government to the private sectors, driving innovation and technology in their own respective realms and encourage various sectors to incorporate IT as an increasing part of their daily operations.”

Besides, HKCS has made these observations on today’s Budget Address:

- **Smart City initiatives:** While the Chief Executive’s Policy Address earlier has put forward some of the key infrastructure projects for developing Hong Kong into a Smart City, only one reference was made to Smart City in the Budget Address. While the idea of Smart City implicitly encompasses different aspects of our daily lives, we wished that the Budget could have explicitly put particular focus on it to remind the Hong Kong people that we are making headway to become a sustainable Smart City, as this is a strategic goal of every major city in the world.
- **Training and education of local talents and attracting overseas talents:** Sound IT infrastructure needs to be complemented by strong talents if Hong Kong is to become a true knowledge-based economy. We wish that the government would elaborate its plans for attracting overseas talents in the IT industry to supplement our local resources. In any case, HKCS stands ready to contribute its IT knowledge and provide training in relevant areas to cultivate more IT talents in Hong Kong.
- **Application procedures and selection criteria of innovation funds:** We urge the government to continuously review the eligibility criteria and streamline application procedures of the innovation funds it has proposed, to ensure adequate and pertinent participation from eligible ventures.
- **Technology Talent Scheme:** While we welcome the “Postdoctoral Hub” which provides funding support for enterprises to recruit postdoctoral talent for scientific research and talent development, we wish to point out that not all eligible talents, particularly in applied research, need to have a PhD. There are numerous productive talents at the Bachelor or Master level and those with good demonstrable practical experience whom the government can also take into consideration for being included in the scheme.

Furthermore, among our Council members are suggested two initiatives to foster industry development in Hong Kong:

- **Continuing Education Fund (CEF):** HKCS fervently supports the government’s decision to raise the ceiling of CEF from \$10,000 to \$20,000 per person. We further suggest that the government consider granting a maximum fund of \$10,000 per 10-year cycle, to be renewed every 10 years with no cap on the number of cycles
- **Attract overseas biotechnology enterprises:** The government may consider inviting large-scale “weighted voting rights” and non-profit-making biotech companies to list their stocks in Hong Kong. While the latter may entail some risk, it will provide incentive for top-tier global technology enterprises to set up base in Hong Kong

Ir. Ted Suen concluded, “Overall, we find the Budget to be significantly promising from the perspective of driving innovation and technology on a society level. If implemented well, we believe these initiatives can reinforce Hong Kong’s position as a hub of technological research, innovation and investment.”

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### **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. Our 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 information, please visit <http://www.hkcs.org.hk>.

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**For media enquiries, please contact Man Communications Limited:**

Davis Man

Tel: (852) 2862 0042; Mobile: (852) 9408 4928

Email: [davisman@mancommunications.com](mailto:davisman@mancommunications.com)