

# Budget Speech by the Financial Secretary (7)

## Nurturing Talent

91. Human capital is a valuable asset for our society. To provide young people with more opportunities to broaden their horizons and apply their knowledge, the Government and relevant organisations have provided training, internship schemes, subsidies, etc. for young people to develop their strengths in different areas.

## Innovation and Technology

92. On I&T, last year we extended the funding period of the Researcher Programme (RP) and Postdoctoral Hub and increased the allowance under the RP. So far, the two programmes together have nurtured about 5 700 scientific research talent. We will expand the two programmes in March this year to cover all technology companies conducting R&D activities in Hong Kong. Moreover, we will consolidate the two programmes to provide more flexibility for engaging R&D talent.

93. The Government will also continue to implement the Re-industrialisation and Technology Training Programme, which provides subsidies to local enterprises for training their staff in high-end technologies. The programme has so far benefited over 2 000 staff with a funding of over \$13 million.

94. In January this year, we enhanced the Technology Talent Admission Scheme by doubling the technology areas covered by the scheme to 13. We have also extended its coverage to all companies engaging in relevant R&D activities in Hong Kong, which will help them attract more technology talent.

95. The Government has been striving to promote STEM education, with the aim of bringing new blood into the I&T industry. In the 2018/19 academic year, total student enrolments in STEM-related programmes funded by the University Grants Committee exceeded 35 000, representing an increase of 16 per cent over five years. I will set aside \$40 million to subsidise short-term internships for undergraduates and postgraduates taking STEM programmes in local universities.

## International Aviation Training Hub

96. AA established the Hong Kong International Aviation Academy in 2016 which has since then provided professional training programmes for over 68 000 participants. The Academy is conducive to the development of Hong Kong as an international training base for aviation talent.

## Maritime and Aviation Sectors

97. The Government will continue to collaborate with the maritime and aviation sectors to enrich their talent pool through measures such as

enhancing the Ship Repair Training Incentive Scheme and the Maritime and Aviation Internship Scheme under the Maritime and Aviation Training Fund, as well as introducing the Local Vessel Competency Enhancement Scheme. As at end of last year, over 8 400 students and in-service practitioners in the maritime and aviation sectors benefited from the Fund.

### Construction Industry

98. In my last Budget, I proposed the allocation of \$200 million for attracting young people to join the construction industry and step up training of workers. The CIC will take forward various initiatives, subject to funding approval by the LegCo.

99. The Government will continue to lead the construction industry to implement Construction 2.0 for enhancing its capacity and promoting its continuous development by advocating innovation, professionalism and revitalisation. In July 2019, the Centre of Excellence for Major Project Leaders was established to enhance the delivery capability of project leaders in the Government and the public sector.

### Arts Administration

100. To support the development of culture and arts in Hong Kong, I have allocated a total of \$216 million to the Arts Development Council and LCSD for providing about 700 placements for internship, scholarship and on-the-job training to strengthen the training of arts administrators.

### Youth Entrepreneurship

101. The Government has earmarked \$1 billion to support the work of the Youth Development Commission. Of this sum, the Commission has already expended \$500 million to implement a range of new programmes and measures, including injection of \$300 million into the Youth Development Fund to support youth innovation and entrepreneurship and promote upward mobility. About \$100 million under the Fund will be granted to support over 10 NGOs in implementing youth entrepreneurship projects, under which subsidies will be provided for nearly 200 young entrepreneurs who intend to start or have already started their businesses, while start-up support and incubation services will be rendered to about 4 000 young people.

### Provision of Internship Places

102. The Government will offer more internship opportunities to students by substantially increasing the short-term internship places in 2020-21 to almost 5 000. This will enable the students to better understand the operation of the Government and the public sector and gain experience, and thereby facilitating their planning ahead for future development.

### Guangdong-Hong Kong-Macao Greater Bay Area

103. The Greater Bay Area, with a population of over 70 million and a GDP of US\$1.6 trillion, presents an enormous market and ample room for development for Hong Kong.

104. Under the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area, Hong Kong is positioned in the Greater Bay Area not only as international financial, transportation and trade centres and an international aviation hub, but also as a global offshore Renminbi (RMB) business hub and an international asset management centre and risk management centre. Our services industry is heading for the development of high-end and high value-added services, and making great efforts to develop I&T industries as well as international legal and dispute resolution services.

105. Last year, the Leading Group for the Development of the Guangdong-Hong Kong-Macao Greater Bay Area (Leading Group) announced successively 24 key policy measures to benefit people from all walks of life and facilitate the development of our professional services sector in the Greater Bay Area. These measures would offer greater convenience to Hong Kong people developing their careers, working and living in the Greater Bay Area, and facilitate the flow of people, goods and capital within the area.

#### Financial Services Industry

106. The Leading Group has announced six finance-related measures, covering areas such as personal banking services and insurance. Regarding the establishment of a two-way wealth management connect scheme, good progress has been made in the discussions between Hong Kong and the Mainland. On the premise of ensuring prudent management of risks and protection of investors, the scheme aims to enable residents of Hong Kong and Mainland cities in the Greater Bay Area to invest in wealth management products in each other's market. This will create more business opportunities for the financial industries of the two places, and provide more choices for residents therein, thereby facilitating the cross-boundary flow and use of RMB, and in turn further reinforcing Hong Kong's position as the hub for offshore RMB business as well as the intermediary for capital flowing into and out of the Mainland. We will strive to implement the scheme as early as possible.

107. With the support of the Central People's Government, Hong Kong continues to be the world's largest offshore RMB business hub, with the largest offshore RMB liquidity pool as well as foreign exchange and over-the-counter interest rate derivatives market. With a leading position in RMB settlement, financing and asset management, Hong Kong has been playing a bridging role by providing a premier platform for international investors to access the Mainland market and allocate RMB assets. We will continue to explore with the industry and Mainland authorities on the expansion of the channels for two-way flow of cross-boundary RMB funds.

#### Innovation and Technology

108. Hong Kong is a highly internationalised and market-oriented city enjoying the unique advantage of "One Country, Two Systems". The R&D capabilities of our universities have attained world-class standard in many areas. Hong Kong's advantages include our competence in R&D, pool of talent, international experience and safeguards of intellectual property. In parallel, the Greater Bay Area features a host of leading I&T enterprises, exemplary capabilities in commercialising R&D results and advanced

manufacturing industries. Through mutual collaboration, Hong Kong and other cities in the Greater Bay Area can form a comprehensive production chain and bolster our overall competitiveness, thereby benefiting the development of I&T industry in Hong Kong and facilitate the development of the Greater Bay Area into an international I&T centre.

109. The Hong Kong-Shenzhen Innovation and Technology Park (the Park) in the Lok Ma Chau Loop is a key base for co-operation in scientific research for Hong Kong and Shenzhen in future. The Park will provide a maximum gross floor area of 1.2 million square metres, three times that of the Science Park. The Park is not only the largest I&T platform in Hong Kong so far, but also an important infrastructure for promoting local R&D and re-industrialisation. The first phase of ground treatment works is in good progress. We will seek funding from the LegCo for commencing the Main Works Package 1 and construction works of the first batch of buildings.

#### Belt and Road

110. The Belt and Road Initiative marks its seventh year this year. So far, over 160 countries and international organisations have become partners. There has been a growing interest in greening infrastructure, debt affordability and exchange rate risks among various parties. Moreover, RMB will be increasingly used. We can provide diversified services for Belt and Road projects in the areas of infrastructure financing, green finance, RMB products and services, insurance as well as other professional services.

111. Leveraging Hong Kong's platform function for taking forward Belt and Road projects, enterprises from within and outside the country can set up their regional headquarters here to open up new markets; carry out financing, treasury and risk management activities; and make use of our insurance, legal and dispute resolution services. Over the past few years, we have introduced an array of policy initiatives to enhance our competitiveness and attractiveness in this area.

112. On the other hand, the Government will continue to actively support local enterprises and professional services sectors to go global with Mainland enterprises to tap overseas markets by, among other things, setting up business in the Mainland's overseas Economic and Trade Co-operation Zones. We will also strengthen ties with overseas markets to seize the opportunities brought about by the Belt and Road Initiative.

(To be continued.)