

# CE's speech in delivering "The Chief Executive's 2021 Policy Address" to LegCo (4)

Developing into an International Innovation and Technology Hub

54. The current term Government has made unprecedented strides to promote I&T development by investing more than \$130 billion over four years. Hong Kong's I&T industry is flourishing at the moment, and the interaction among the Government, industry, academia and research sectors has also been strengthened significantly. To sustain this good momentum, we are keen to develop a more comprehensive I&T ecosystem, so as to enable re-industrialisation to take root in Hong Kong and complement I&T development in Shenzhen and the GBA, thus making I&T a new impetus to the economy of Hong Kong and developing Hong Kong into an international I&T hub as promulgated in the 14th Five-Year Plan.

Land/Infrastructure for I&T

Science Park

55. Next year marks the 20th anniversary of the Hong Kong Science and Technology Parks Corporation (HKSTPC), the flagship I&T institution in Hong Kong. The Science Park is now home to about 900 technology enterprises and start-ups in areas such as artificial intelligence, life and health, environmental technology, and four unicorns have been incubated therein so far. In the past three years, its tenants/incubatees have raised funds amounting to \$33 billion. It is estimated that for every \$1 invested by the HKSTPC, an external investment of \$13 would be attracted.

56. The Science Park expansion is being carried out in full swing so that more space can be provided for technology enterprises and start-ups. To prepare for future needs, I propose that the Government should immediately explore expanding the Science Park's capacity. In this regard, the Government will revive the Ma Liu Shui reclamation project which, together with the land to be vacated by the relocation of the Sha Tin Sewage Treatment Works to caverns, will provide a total of 88 hectares of new land. We propose that the newly provided land should be mainly for I&T development rather than the originally suggested residential use, so as to strengthen the development of the Eastern Corridor with I&T as a major economic function. We agree that opportunity should be taken to improve the public transport service connection of Pak Shek Kok and the Science Park. The Government will invite the MTR Corporation Limited (MTRCL) to study the construction of a new Science Park/Pak Shek Kok Station of the East Rail Line at the current site of The Hong Kong Education University (EdUHK) Sports Centre at Pak Shek Kok, and its reprovisioning at a site near EdUHK's main campus in line with the university's earlier request to facilitate the use by its students. The Government will also make the best use of the development potential of the

station site and its adjoining land to provide more housing and parking spaces, shops and public facilities for local residents. I have asked the DEVB, the THB and the Education Bureau (EDB) to work in collaboration with the MTRCL and EdUHK to press ahead with the project.

### Cyberport

57. Cyberport is another landmark I&T community in Hong Kong. Cyberport has accommodated a number of technology enterprises and incubated five unicorns, covering the areas of Fintech, smart living and digital entertainment. It is estimated that for every \$1 invested by Cyberport, an external investment of \$13 would be attracted. Over the past three years, the start-ups in Cyberport have also attracted investment of over \$12.5 billion. The Cyberport 5 Project, which will increase the gross floor area of Cyberport by more than 40% within four years, has commenced. In the long run, the proposed upgrading of the Hung Shui Kiu/Ha Tsuen as the New Territories North Modern Services Centre under the Northern Metropolis Development Strategy will be expanded to include Lau Fau Shan. Consideration may be given to the building of landmark I&T facilities with a scale comparable to Cyberport at a location facing Qianhai, Shenzhen on the other side of the Shenzhen Bay.

### The Loop

58. We are studying ways to expedite the construction of the HSITP in the Loop. Furthermore, the work related to "one zone, two parks" in the Shenzhen-Hong Kong I&T Co-operation Zone is making good progress. In the long run, under the Development Strategy, the HSITP and the areas around Lok Ma Chau/San Tin will be consolidated to form the San Tin Technopole where land for I&T-related uses is estimated to amount to about 240 hectares. This, together with the Shenzhen I&T zone, will form the Shenzhen-Hong Kong I&T Co-operation Zone of approximately 540 hectares, combining the strengths of both Hong Kong and Shenzhen to pool local and non-local talents, and becoming an essential propeller for the development of an international I&T hub in the GBA.

### Universities' Research Work

59. Our strong research capabilities have all along been well recognised both nationally and internationally. To date, Hong Kong has 16 State Key Laboratories, 6 Hong Kong Branches of Chinese National Engineering Research Centres and 22 Joint Laboratories with the Chinese Academy of Sciences. In recent years, the Central Government has made available quite a number of national research and development projects and funding schemes to researchers in Hong Kong. Hong Kong is blessed with a wealth of talents, with five world top-100 universities and many scholars and experts winning top international and national research awards.

60. To consolidate Hong Kong's leading position in basic research, we have accepted in principle the proposals of the University of Hong Kong (HKU) and The Chinese University of Hong Kong (CUHK) to provide the two universities with land for research use, including reserving a 4-hectare site currently zoned "Green Belt" at Pokfulam for HKU to construct facilities for deep

technology research, as well as supporting CUHK to use a 2.5-hectare site in the vicinity of the CUHK Medical Centre mainly zoned "Government, Institution or Community" to build research facilities and expand the Medical Centre, and at the same time improving the existing public transport interchange and parking facilities at the University Station of the East Rail Line. We will also support The Hong Kong Polytechnic University (PolyU) in exploring the use of its Hung Hom Bay Campus, which is currently used for self-financing post-secondary education, for academic and research development.

## Industrial Estates

61. The Government will continue to promote re-industrialisation with a five-pronged approach, namely infrastructure, talents, capital, technology and research, so as to make our industrial value chain more complete and our economy more diversified. The Advanced Manufacturing Centre at the Tseung Kwan O Industrial Estate and the Microelectronics Centre at the Yuen Long Industrial Estate will be completed in the middle of next year and in 2023 respectively. The good industry response to these two facilities indicates that many enterprises share the view that high value-added and technology-intensive manufacturing processes and production lines can be set up in Hong Kong. In view of this, I have invited the HKSTPC to start planning for the construction of the second Advanced Manufacturing Centre.

## Promoting Research and Development

62. Hong Kong has a solid foundation to develop into a global research collaboration hub. As a flagship project, the InnoHK research clusters have already attracted world-class universities and research institutes to collaborate with local universities in setting up 28 research laboratories. During my recent visits to some of these laboratories, I was impressed by the passion and perseverance of the research teams in pursuing technological breakthroughs and innovative business opportunities. I strongly believe that these laboratories and talents can help Hong Kong scale new heights in I&T development and further consolidate our position as a hub for global research collaboration.

63. Looking ahead, with the emphasis of the 14th Five-Year Plan on frontier fields such as life and health disciplines, I believe that Hong Kong should better leverage its strengths in life and health sciences to meet the country's needs. We have a solid foundation in research and a good number of world-renowned experts, whose achievements have been widely acclaimed. Our clinical trial centres are recognised by the National Medical Products Administration, and their data which meet the relevant clinical trial standards are also widely recognised by relevant bodies in the United States and the European Union. I now propose the setting up of an InnoLife Healthtech Hub in the HSITP in the Loop, with the 16 life and health-related laboratories in the InnoHK research clusters and the 8 State Key Laboratories in life and health disciplines as the basis, to focus on related research work. I know that quite a number of start-ups and large enterprises in life and health disciplines are interested in gaining a foothold in Hong Kong, so as to leverage our strengths in this area and the market potential

of the GBA. The San Tin Technopole will be able to provide land for the relevant research and advanced manufacturing industries.

64. Clinical data, clinical trials and drug registration are some of the key areas essential to the development of life and health technology. To this end, I have asked the Food and Health Bureau (FHB), the Hospital Authority (HA) and the Department of Health (DH) to conduct a comprehensive review of the current practices.

#### Technology Investments

65. The Government's Innovation and Technology Venture Fund (ITVF) co-invests with venture capital funds on a matching basis in local I&T start-ups. So far, ITVF has 11 Co-investment Partners. The HKSTPC's Corporate Venture Fund and Cyberport's Cyberport Macro Fund have expanded their investment coverage to beyond Series A stage. Furthermore, we have deployed 10% of the Future Fund to establish the Hong Kong Growth Portfolio last year for strategic investments in projects with a "Hong Kong nexus", with I&T being one of the target industries. To complement the existing multiplicity of funding schemes for the development of I&T sector and markets, the Government will make relevant investments by partnering with suitable private equity firms, focusing on assisting fast-growing I&T enterprises including start-ups. Besides, the HKSTPC will set up the GBA InnoExpress to help nurture start-ups on all fronts and support enterprises to "go global" and "attract foreign investment". I encourage more enterprises and fund investors to support the I&T development in Hong Kong.

#### Involvement in National Research and Development Work

66. Over the years, local universities have established close collaborative relationships with research institutions in the Mainland in various research programmes of which many have borne fruit. For instance, we are all proud of the fact that some of the instruments currently used on the Moon and Mars were developed by PolyU, which has actively participated in our nation's space exploration projects. I encourage Hong Kong scientists to continue taking part in these meaningful collaborations in order to contribute to our country.

#### Consolidating Hong Kong's Status as an International Aviation Hub

67. With its geographical advantage, managerial expertise and vast pool of aviation talents, Hong Kong has over the years established an extensive international aviation network, laying the foundation for the Hong Kong International Airport (HKIA) to become a pre-eminent international aviation hub. Although the global aviation industry, with Hong Kong being no exception, has been hard hit by the COVID-19 pandemic, I remain confident that our status as an international aviation hub could be consolidated and enhanced.

68. The construction of the Three Runway System to increase capacity is a strategic investment to enhance the competitiveness of the HKIA. It is also a key infrastructure project to enable a "city airport" to transform into an

“Airport City”. The reclamation of around 650 hectares of land has been largely completed, as have the pavement works for the 3,800-metre Third Runway. The commissioning of the Third Runway is targeted for 2022 and the full completion of the Third Runway System is scheduled for 2024. The Airport Authority Hong Kong (AAHK) has also undertaken various projects to improve the efficiency of the airport and overall passenger experience. It is proceeding at full speed with various high-end logistics projects in view of the rapid development of cross-boundary e-commerce in the region.

69. With the support of the Central Government and the Guangdong Province, I proposed in my Policy Address last year to leverage the HZMB to strengthen Hong Kong-Zhuhai airport co-operation, with the AAHK injecting equity in the Zhuhai Airport on the basis of market principles. While actively following up on the equity injection, the HKSAR Government also endeavours to establish a high-end aviation industrial cluster in Zhuhai in collaboration with the Guangdong Province, encompassing such fields as aircraft maintenance engineering, manufacturing and distribution of aircraft parts and components, and research on aircraft engineering. The Hong Kong International Aviation Academy (HKIAA) will also help nurture technical talents for the aviation sectors of Hong Kong, Zhuhai and the GBA.

(To be continued.)