

LCQ14: Hong Kong enterprises' investment in fields of innovation and technology on Mainland

Following is a question by the Hon Chan Yung and a written reply by the Secretary for Innovation, Technology and Industry, Professor Sun Dong, in the Legislative Council today (June 28):

Question:

The National 14th Five-Year Plan has expressed clear support for Hong Kong to develop into an international innovation and technology (I&T) hub. However, there are views that according to the Special Administrative Measures (Negative List) for Foreign Investment Access (2021 Edition) (the Negative List), Hong Kong investors are overseas investors on the Mainland and are not allowed to access some of the fields of biotechnology and information technology services industries, which is not conducive to Hong Kong leveraging its I&T strengths and supporting the development of the nation. In this connection, will the Government inform this Council whether it will strive for the Central Government's relaxation of the prohibition in the Negative List against investment by Hong Kong enterprises in the development and application of human stem cells as well as genetic diagnosis and treatment technology, and its permission for enterprises which have Chinese Hong Kong permanent residents serving as their major shareholders and are registered in the Lok Ma Chau Loop to access the Mainland market directly, so that such enterprises can be given the same treatment as that given to domestic-funded enterprises?

Reply:

President,

Our country has all along provided staunch support for Hong Kong's innovation and technology (I&T) development. Promulgated in March 2021, the "Outline of the 14th Five-Year Plan for National Economic and Social Development of the People's Republic of China and the Long-Range Objectives Through the Year 2035" indicated clear support for Hong Kong's development into an international I&T centre and, for the first time, included the Shenzhen-Hong Kong Loop as a major Guangdong-Hong Kong-Macao cooperation platform. All these fully demonstrate the Central Government's unwavering support for Hong Kong's I&T development. Hong Kong will make good use of the unique advantages under "one country, two systems" and its solid foundation in scientific research to seize opportunities brought about by the development of the Guangdong-Hong Kong-Macao Greater Bay Area, to integrate into national development and continue to leverage its strengths to serve the country's needs.

Hong Kong-Shenzhen Innovation and Technology Park (HSITP) is the park

on Hong Kong side of the Shenzhen-Hong Kong Innovation and Technology Co-operation Zone in the Loop. The Chief Executive's 2022 Policy Address mentioned that the HSITP is the bridgehead for I&T co-operation between Hong Kong and Shenzhen. On the basis of "one zone, two parks" and through in-depth co-operation with Shenzhen, we will study the trial implementation of a cross-boundary policy on I&T co-operation in an innovative, exclusive and designated manner, covering the effective cross-boundary flow of innovation elements such as materials, data and talent between the two places. To chart Hong Kong in moving towards the vision of an international I&T centre, the Hong Kong Special Administrative Region (HKSAR) Government promulgated the Hong Kong Innovation and Technology Development Blueprint in December last year to set out clear directions and major policies for the future I&T development in Hong Kong, among others, "to proactively integrate into the overall development of the country and consolidate our role as a bridge connecting the Mainland and the world".

The flow of innovation elements between the Mainland and Hong Kong is crucial to our I&T development. Not only will it facilitate our integration into the national innovation system, but also enhance our overall I&T competitiveness. In recent years, quite a number of important science and technology measures benefitting Hong Kong have been launched to facilitate the effective cross-boundary flow of innovation elements between the two places. In March this year, the HKSAR Government and the Ministry of Science and Technology (MOST) signed the "Arrangement between the Mainland and Hong Kong on Expediting the Development of Hong Kong into an International Innovation and Technology Centre", which is an important step in fostering the development of Hong Kong into an international I&T centre and marks a new page of scientific and technological collaboration between the Mainland and Hong Kong. The Arrangement covers six major co-operation areas, including deepening the scientific collaboration between the two places, sharing of innovation resources, transforming of research and development outcomes, exchange of talent, leveraging Hong Kong's advantages as an international city and strengthening the co-ordination of communication. It provides an action plan for promoting the I&T co-operation between the Mainland and Hong Kong and supports Hong Kong's development as an international I&T centre. The HKSAR Government will continue to actively dovetail with the MOST in relevant policy formulation for better co-ordination of communication among relevant departments in the Mainland and Hong Kong on matters such as I&T policies and resources, etc., and to rationalise relevant arrangements and formulate specific actions, with a view to promoting the effective implementation of the Arrangement and expediting the development of Hong Kong into an international I&T centre.

The HKSAR Government will continue to maintain close liaison with the relevant Central Government ministries and the Guangdong Provincial Government to actively explore measures to facilitate convenient cross-boundary flow of innovation elements. One of the measures which the HKSAR Government is actively striving for is the relaxation of the restriction on investment by Hong Kong enterprises in the development and application of human stem cells as well as genetic diagnosis and treatment technology in the negative list so as to allow more enterprises and experts

from Hong Kong to participate in the related human genetic research in the Mainland. Currently, according to the Mainland and Hong Kong Closer Economic Partnership Arrangement, while Hong Kong service suppliers may set up healthcare institutions in the Mainland in the form of wholly-owned entity, or in the form of equity or contractual joint venture with Mainland's healthcare institutions or enterprises, they are not allowed to launch services on genetic information, blood collection, pathological data, etc. There are many outstanding scientific research institutions and enterprises in Hong Kong engaging in scientific research on advanced therapies as well as genetic diagnosis and treatment. With a view to promoting the industry development and encouraging more groundbreaking research and technological improvement, the HKSAR Government will continue to actively strive for opening up relevant businesses in the Mainland to Hong Kong scientific research institutions and enterprises. As it involves details of discussion with the Mainland, we will make announcement at suitable juncture.