

LCQ16: New Industrialisation Acceleration Scheme

Following is a question by the Hon Jimmy Ng and a written reply by the Acting Secretary for Innovation, Technology and Industry, Ms Lillian Cheong, in the Legislative Council today (January 15):

Question:

The Government launched the New Industrialisation Acceleration Scheme (NIAS) in September 2024 which aims to provide funding support for enterprises engaging in industries of strategic importance (i.e. life and health technology, artificial intelligence and data science, and advanced manufacturing and new energy technologies) to set up new smart production facilities. In parallel, as an effort to encourage enterprises with projects approved under NIAS to carry out or increase their scale of research and development, the Government has introduced two initiatives accordingly, namely the Research Talent Hub for NIAS (RTH-NIAS) and the Technology Talent Admission Scheme for NIAS (TechTAS-NIAS), so as to facilitate the engagement of research talents and non-local technical personnel. In this connection, will the Government inform this Council:

(1) of the following information in respect of NIAS since its launch (set out by the aforesaid three industries of strategic importance): (i) the number of applications received, and among them, the respective numbers of those that were successful, unsuccessful and pending approval; (ii) the average amount of funding granted among the successful cases; and (iii) the average time taken for vetting and approving each of the applications;

(2) among the enterprises with projects approved under NIAS, of the respective numbers of successful applications for RTH-NIAS and TechTAS-NIAS, as well as the respective approved quotas of engaging research talents and non-local technical personnel; whether the Government will raise the quotas under these two initiatives; if so, of the details; and

(3) given that the quota of engaging non-local technical personnel by enterprises under TechTAS-NIAS is valid for 24 months, whether the validity period of such quota will be extended to bring it on a par with the 36-month project duration of NIAS, so as to facilitate follow-up on the projects concerned by the non-local technical personnel; if so, of the details; if not, the reasons for that?

Reply:

President,

My reply to various parts of the question raised by the Hon Jimmy Ng is as follows:

(1) The New Industrialisation Acceleration Scheme (NIAS) was launched in September 2024, with the first application received in mid-November. As at December 31, 2024, the NIAS has received a total of six applications. The new smart production facilities proposed to be established by the applicant enterprises encompass areas including life and health technology, as well as advanced manufacturing and new energy technologies. The total budget for the NIAS projects initially proposed by the six applicant enterprises is approximately \$3 billion.

The Innovation and Technology Commission (ITC) is reviewing the aforementioned six applications and is requiring the applicants to clarify and submit supplementary documents and information. After receiving all the required documents and information, the ITC will submit the applications to the New Industrialisation Vetting Committee (the Vetting Committee) for consideration. Applications supported by the Vetting Committee will be submitted to the Commissioner for Innovation and Technology for approval.

The actual processing time for applications will depend on various factors, such as the complexity of applications, as well as comprehensiveness and clarity of the information provided. For each project, the minimum total project cost is \$300 million; the enterprise has to contribute no less than \$200 million; and the Government will cover a maximum of one-third of the total approved project cost or \$200 million, whichever is lower.

(2) To encourage enterprises under the NIAS to carry out or increase their scale of research and development in Hong Kong, the ITC has established a new stream under the Research Talent Hub (RTH-NIAS). In addition to the quotas of engaging four research talents under the existing RTH, enterprises with projects approved under the NIAS can engage an additional 36 talents for a total of engagement period of three years on a 1 (Government): 1 (enterprise) matching basis, with the Government covering up to half of the maximum monthly allowance under the RTH.

Besides, we have established a separate category under the Technology Talent Admission Scheme (TechTAS-NIAS) for enterprises under the NIAS. By allotting quotas for admitting the technical personnel to those enterprises funded by NIAS, they are provided with assistance to proceed with their plans for procurement, installation and operation of necessary equipment and machinery in Hong Kong. Each enterprise may apply for up to five TechTAS-NIAS quotas.

Having an approved project under the NIAS is the prerequisite for applying the RTH-NIAS and TechTAS-NIAS. Since the NIAS has just been launched and no enterprise has project approved under the NIAS, no application has been received under the RTH-NIAS or the TechTAS-NIAS. The ITC will review whether there is a need to adjust the quotas under the RTH-NIAS and TechTAS-NIAS as necessary.

(3) With reference to the TechTAS, the validity period of the TechTAS-NIAS quotas will be two years. Enterprises with allotted quotas may submit a

written request to the ITC with full justifications for an extension of quota validity period.