

## LCQ6: Provision of land in the Northern Metropolis for the pioneering development of enterprises

Following is a question by the Hon Yim Kong and a reply by the Secretary for Development, Ms Bernadette Linn, in the Legislative Council today (June 21):

Question:

There are views that with reference to the successful experience in regional industry development on the Mainland and overseas, an effective means for governments to attract strategic enterprises is to provide land for strategic enterprises on concessionary terms within the shortest possible time, so as to facilitate the pioneering development of land by such enterprises and promote the rapid development of the regional economy. Therefore, land supply policy is one of the effective measures for the Government to attract the presence of strategic enterprises. In this connection, will the Government inform this Council:

(1) of the estimated amount of land, including brownfield sites and private land, that can be resumed from the development area of the Northern Metropolis within this year for new planning and development; and

(2) as it is learnt that in the development of the San Tin Technopole, the Government will consider adopting land disposal methods other than open tendering, including direct grant to suitable enterprises, whether it has studied if similar modes of land grant, such as simplifying the land application process in respect of designated land parcels for eligible enterprises or enterprise consortia and granting land to them at concessionary rates, can also be adopted for the development of various regions in the Northern Metropolis, with a view to achieving an effect of spearheading development?

Reply:

President,

The Northern Metropolis comprises a number of development projects, including Kwu Tung North/Fanling North, Hung Shui Kiu/Ha Tsuen and Yuen Long South New Development Areas which are under construction, and San Tin Technopole, New Territories North New Town, as well as expanded areas such as Lau Fau Shan, Tsim Bei Tsui and Pak Nai, Man Kam To/Lo Wu and Ma Tso Lung etc. which are under planning study. These planning studies will be largely completed by 2024, to be followed by detailed design stage for engineering works.

After consultation with the Innovation, Technology and Industry Bureau (ITIB), our reply to the two parts of Hon Yim's question is as follows:

(1) In recent years, the Government has intensified its efforts to invoke the Lands Resumption Ordinance (Cap. 124) and other applicable ordinances to resume private land for Government-led development projects such as New Development Areas, public housing and other public purposes. According to our earlier estimation, we will resume about 500 hectares of private land including brownfield sites for projects with confirmed development areas in five years from 2022-23 to 2026-27, with over 90 per cent in the Northern Metropolis, the total being about four times that of the 120 hectares resumed in the previous five years. The above figure has yet to include San Tin Technopole, Lo Wu/Man Kam To and New Territories North, Lau Fau Shan, Tsim Bei Tsui and Pak Nai, as well as the Ma Tso Lung area, which are under planning study. Once further details of the above projects are available, they will be counted towards the statistics on land to be resumed.

Considering only 2023-24, that is the current financial year, for projects within the Northern Metropolis, we will resume land required under Hung Shui Kiu/Ha Tsuen Second Phase Development, involving about 200 hectares of land.

(2) San Tin Technopole is strategically positioned as the hub for clustered innovation and technology (I&T) development to create synergy with Shenzhen's I&T zone. Within San Tin Technopole, land parcels of various sizes, including some sizable ones, are designed to provide flexibility for land disposals so as to cater for the needs of I&T facilities of different scales (start-ups and leading tech firms, etc.), different I&T fields (life and health technology, artificial intelligence and data science, advanced manufacturing, new-energy technology, etc.), and at different I&T stages (research and development, prototype, test production, mass production, etc.).

The Development Bureau has earlier announced the planning proposal and overall scale for the new land for I&T uses in San Tin Technopole. ITIB will commence later this year a consultancy study on these lands, with a view to providing recommendation for different land parcels on the development of specific I&T uses within the industry chain, the infrastructure and supporting facilities required, operation models, and strategies and measures for attracting enterprises and investment including land disposal approaches etc., to meet the needs of various I&T uses.

Under the conventional land disposal method for commercial and industrial land, the Government adopts open tendering and the land goes to the highest bidder. The Government will, after taking into account industry-specific policies, consider adopting unconventional land disposal methods, such as restricted tendering or direct land grant after negotiation. Regarding the land premium, it can be based on the bidder's premium proposal under open tendering or restricted tendering. The Government can also consider adopting a "two-envelope approach" under which the premium and non-premium proposals of bidders are considered as a whole. In the case of direct land grant, the land premium can be assessed based on the market price for

the proposed use, or at a concessionary premium based on policy considerations. The aforementioned land disposal methods can also apply to land for other industries, subject to the relevant industry-specific policies. The key consideration is whether the adoption of unconventional land disposal methods will be more effective than conventional approaches in contributing to the development of industries, for example, in attracting high-potential and representative strategic enterprises to establish their presence in Hong Kong, as well as bringing in advanced technologies and top talents. The approval mechanism should certainly be subject to internal monitoring and the information should be open and transparent.

Apart from land policies, the Office for Attracting Strategic Enterprises which commenced operation in December last year will formulate attractive special facilitation measures and arrangements for the target enterprises, including premises for setting up their operations in Hong Kong, research and supporting facilities, financial subsidy and grants, recruiting and attracting talents etc., aiming to provide tailor-made proposals for these enterprises.