

LCQ7: Assisting innovation and technology enterprises in developing Belt and Road markets

Following is a question by the Hon Duncan Chiu and a written reply by the Secretary for Innovation, Technology and Industry, Professor Sun Dong, in the Legislative Council today (December 18):

Question:

There are views pointing out that the Belt and Road (B&R) Initiative is an important national development strategy, and Hong Kong, as a key link and the prime platform for the B&R Initiative, can play the role of a "super value-adder" under "one country, two systems", as well as leverage its edge in innovation and technology (I&T) development to assist B&R countries and regions in enhancing their development and advancement, and facilitate the in-depth integration of various economies in such countries and regions, so as to achieve mutual benefits and win-win outcomes. In this connection, will the Government inform this Council:

(1) of the number of I&T enterprises in Hong Kong which have successfully developed B&R markets so far with assistance provided by the Government, and the proportion of start-ups among such enterprises; the B&R countries and regions to which such enterprises have exported I&T products and solutions developed in Hong Kong, as well as the major technology areas, products and solutions involved; the relevant successful examples;

(2) whether the Government has, by drawing reference from the successful experience mentioned in (1), further explored ways to broaden and deepen measures to assist more I&T enterprises in Hong Kong in the development of B&R markets, thereby creating opportunities for the use of Hong Kong's products of scientific researches by more overseas countries; if so, of the results, and how it will take forward the relevant work in the future;

(3) whether the Government has grasped and gained an understanding of I&T enterprises in Hong Kong which intend to develop B&R markets, including the number and technology areas of the enterprises involved, as well as the countries and regions where such enterprises intend to explore markets; if so, of the details; if not, the reasons for that, and whether it will conduct a comprehensive survey and follow up subsequently;

(4) whether it will take the initiative to look into the demand for technological products in B&R countries and regions, and co-ordinate such demand for direct matching with I&T enterprises in Hong Kong; if so, of the specific details and implementation timetable; and

(5) whether it has explored ways to systematically and strategically assist

I&T enterprises, especially start-ups, in Hong Kong in exporting their newly developed I&T products and solutions to B&R countries and regions; if so, of the details, including the findings of the study and the earliest time for launching the relevant strategies and measures; whether it will consider setting up a dedicated B&R fund to provide I&T enterprises in Hong Kong with their most needed financial assistance in developing B&R markets?

Reply:

President:

The Government is committed to consolidating Hong Kong's role as the functional platform for the Belt and Road (B&R) and giving full play to our role as a "super connector" and "super value-adder", thereby making our contribution to the eight major steps taken by our country to support the joint pursuit of high-quality B&R co-operation (including the fifth major step: advancing scientific and technological innovation). The Chief Executive (CE) has established and led the Steering Group on Integration into National Development since December 2022 to provide steer to bureaux and departments to actively dovetail with the national strategies including the B&R Initiative. In addition, the Hong Kong Innovation and Technology (I&T) Development Blueprint promulgated in end-2022 also included "to proactively integrate into the overall development of the country and consolidate our role as a bridge connecting the Mainland and the world" as one of the four broad development directions.

In consultation with the Commerce and Economic Development Bureau (CEDB), the consolidated reply to the question raised by the Hon Duncan Chiu is as follows:

The B&R Summit, hosted annually by the Government, has been recognised by our country as a case of significance for the implementation of the B&R Initiative in building a global community of shared future. The ninth Summit was held on September 11 and 12, 2024, with the theme of "Building a connected, innovative and green Belt and Road". The Summit attracted around 6 000 government officials, business leaders and representatives of enterprises from over 70 B&R-related countries and regions, as well as more than 100 delegations and 38 state-owned enterprises from the Mainland.

Under the themes of "advancing scientific and technological innovation" and "promoting green development" of the eight major steps our country has taken to support the joint pursuit of high-quality B&R co-operation, the Belt and Road Office (BRO) under the CEDB and the Ministry of Commerce co-led a Hong Kong cum Mainland business delegation (including representatives from Hong Kong's I&T sector and start-ups) to visit Hungary and Kazakhstan in May 2024, and returned via Xinjiang, encouraging Hong Kong and Mainland enterprises as well as Hong Kong's professional services in jointly exploring the B&R markets and bringing back fruitful outcomes. The CE led a delegation to visit Laos, Cambodia and Vietnam from July 28 to August 2, 2024, during which a total of 55 memoranda of understanding (MOUs) and agreements were signed in areas including trade and economic partnerships, investment,

customs collaboration, education, logistics co-operation, tourism promotions, technological co-operation, aviation services, as well as financial, banking and capital market development. In addition, the Financial Secretary led a delegation from the financial and I&T sectors to Saudi Arabia between October 29 and 31, 2024 to strengthen and deepen the connections between Hong Kong and the Middle East in areas such as trade, finance, and I&T to promote Hong Kong on multiple fronts as well as to tell good stories of Hong Kong, and to explore greater business opportunities.

The CEDB will continue to organise outbound missions, project matching events, exchange and interface on B&R capacity building, and exchange sessions and seminars, etc, to capitalise on our role as a B&R functional platform and showcase the strengths of our professional services, thereby helping Hong Kong enterprises and professional services explore business opportunities. BR0 plans to organise a B&R cross-professional forum in 2025, inviting enterprises of B&R countries and the Mainland in Hong Kong to engage in high-level exchanges with Hong Kong professionals (including I&T professionals). The forum will focus on exploring opportunities in new fields of co-operation of innovation, digitalisation and green development, etc., with a view to promoting Hong Kong's professional services. BR0 will also maintain exchanges with various professional bodies, with the I&T sector and start-ups covered, to explore business opportunities in B&R markets.

Moreover, the Hong Kong Science and Technology Parks Corporation (HKSTPC) and Cyberport as the I&T flagship organisations in Hong Kong, have committed to supporting I&T enterprises to explore different markets, including those in the B&R regions, and have maintained liaison with their I&T park companies and provided appropriate support to those intending to develop the B&R market. Besides, the two I&T flagships have been actively expanding their network of collaborative partners in the B&R regions, for example through leading start-ups to participate in overseas exhibitions and other activities, with a view to assisting I&T enterprises in seeking collaboration and business opportunities. For example, the Secretary for Innovation, Technology and Industry witnessed the signing of MOUs between HKSTPC and Cyberport and a research institute in Saudi Arabia in March this year during his duty visit to Saudi Arabia. The MOUs jointly explore ways to facilitate landing of enterprises and further collaboration opportunities. The two parks also collaborate with the business sector and other partners to provide comprehensive support services for I&T enterprises, including business consultation, investment matching, manufacturing and launching of products. Cyberport also operates the "Overseas/ Mainland Market Development Support Programme" to facilitate start-ups in market expansion and attracting overseas and Mainland investors. Cyberport has approved over 340 marketing applications, of which more than 220 are related to countries and regions along the B&R, involving start-ups in technology fields such as indoor hydroponic farming machines, artificial intelligence communication cloud platforms, cross-boundary e-payment platforms, etc. In addition, HKSTPC assists I&T enterprises in developing the B&R market. Among them, a start-up has created artificial habitats and restored degraded marine ecosystems by combining professional knowledge in marine biology with state-of-the-art 3D-printing and material science, and successfully tapped the Middle East

market. The two I&T flagships will continue to liaise with their I&T park enterprises and the I&T sector, as well as actively participate in regional or international conferences and exhibitions, promote commercialisation of research and development outcomes and assist in the export of such products to both the Mainland and overseas market, with a view to aiding I&T enterprises in the expansion of business and investment opportunities.

Meanwhile, the Hong Kong Productivity Council (HKPC) has also launched a series of initiatives to help enterprises explore markets in the B&R region. These include facilitating Hong Kong industry associations to connect with their counterparts in the region; holding activities such as exhibitions, promotional platforms and exchange sessions in the B&R countries and regions to showcase Hong Kong's advanced technologies and products and organising seminars and study missions for Hong Kong industry players to deepen understanding of the local markets and learn from successful experiences. For example, two New Productive Forces Meetup events were held in October and December 2024 respectively, bringing together consulate generals from B&R countries, Southeast Asian chambers of commerce and Hong Kong enterprises to foster exchanges, thereby enhancing understanding of local market demands and promoting collaboration.

In addition, the Hong Kong Trade Development Council Belt and Road Portal provides information on expanding business opportunities to investors, project owners and related enterprises interested in B&R markets or projects, as well as lists out B&R-related success cases, including those from I&T enterprises, with a view to facilitating business matching and project participation among enterprises and professional services.

As regards financial support, the Government has been supporting local enterprises in developing overseas markets, including B&R countries and regions, through various funding schemes and support measures. Local I&T enterprises could also benefit from such support. Among others, the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) provides funding support on a matching basis to encourage non-listed Hong Kong enterprises (including I&T enterprises and start-ups) to develop brands, upgrade their business operations and expand new markets. To date, the funding scope of the BUD Fund covers the Mainland and 39 economies with which Hong Kong has signed Free Trade Agreements and/or Investment Promotion and Protection Agreements, including 21 B&R countries (Note). The SME Export Marketing Fund also provides funding support for small and medium enterprises to participate in export promotion activities and develop non-local markets (including B&R countries).

Note: Including New Zealand, Chile, Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, Vietnam, Georgia, Korea, Kuwait, Austria, Luxemburg, Türkiye, the United Arab Emirates, Bahrain and Peru.