

# LCQ8: Promoting development of artificial intelligence

Following is a question by Dr the Hon Johnny Ng and a written reply by the Secretary for Innovation, Technology and Industry, Professor Sun Dong, in the Legislative Council today (March 27):

Question:

The Financial Secretary indicated in the Budget delivered last month that the first phase facility of the Artificial Intelligence (AI) Supercomputing Centre (AISC) in Cyberport was expected to start operating within this year at the earliest, and the computing power of the AISC was expected to reach 3 000 petaFLOPS by early 2026 at the soonest, with the scale of such power being equivalent to the capacity of processing nearly 10 billion images in one hour. In addition, the Government will allocate \$3 billion for the launch of a three-year AI Subsidy Scheme to support universities, research institutes and enterprises to, among others, leverage the AISC's computing power and strengthen the cyber security and data protection of the AISC. Regarding promoting the development of AI, will the Government inform this Council:

(1) as the Financial Secretary has indicated in the 2023-2024 Budget that \$3 billion will be earmarked to promote the development of facilities in relation to AI, quantum technology, etc, and attract leading innovation and technology (I&T) talents, research teams and enterprises from the Mainland and overseas to Hong Kong, thereby promoting cross-sectoral research co-operation, how the aforesaid funding was used in the past year, and whether it has assessed the effectiveness of the relevant work, including the number of world-class I&T enterprises, talents as well as research and development projects attracted to Hong Kong, and their names in a list (set out in a table);

(2) given that the projected computing power of the AISC can only reach 3 000 petaFLOPS, while some experts estimate that the demand for supercomputing capacity in Hong Kong will rapidly increase to 15 000 petaFLOPS within the next few years and the computing power of the AISC can hardly be expected to cope with such demand, whether the authorities have formulated corresponding plans in advance to tie in with the rapid development of I&T in Hong Kong, such as setting up additional supercomputing centres;

(3) whether it has assessed if the provision of \$3 billion for implementing the AI Subsidy Scheme is adequate, and whether the authorities will provide additional funding in a timely manner as appropriate; and

(4) given the changes in geopolitical situation, many regions have imposed trade restrictions on China in recent years in respect of technology items (e.g. the passage of the CHIPS and Science Act of 2022 by the United States (US) which strictly restricts the export of chips to chip companies in China,

as well as the tightening of restrictions on investment in specified technology areas by the US last year), whether the Government has assessed if Hong Kong's relevant technology trade and AI technology development have been affected as a result, and whether it has implemented corresponding counter measures, so as to maintain its own advantages while integrating into the overall development of the country?

Reply:

President,

Regarding the question from Dr the Hon Johnny Ng, our reply is as follows:

(1) As announced in the 2024-25 Budget, the Government will implement the Frontier Technology Research Support Scheme to assist the eight funded universities, on a matching basis, to procure facilities and conduct research projects spearheaded by top-notch researchers from the Mainland and overseas, covering various fields such as artificial intelligence (AI), quantum information, integrated circuit, clinical medicine and health, and genome technology and biotechnology. The Government will allocate \$3 billion from the previously earmarked funding to take forward the initiative. The Government is studying the details and specific arrangements of the support scheme and plans to consult the concerned institutes within this year, and will then consult the Legislative Council.

(2) Cyberport is now actively making preparations for the establishment of an AI Supercomputing Centre (AISC). The first phase facility is expected to commence operations in the second half of 2024 at the earliest. Upon the completion of the Cyberport 5 expansion, the second phase facility of the AISC will be able to provide a computing power of 3 000 petaFLOPS in early 2026 at the earliest.

Upon the commissioning of Cyberport's AISC, the Government will explore how to further meet Hong Kong's medium-to-long term demand for computing power with reference to the local AI ecosystem and latest technological development, including the feasibility of promoting the development of more advanced computing power facilities.

(3) Proposed in the 2024-25 Budget, the Government will allocate \$3 billion to launch a three-year AI Subsidy Scheme with the objectives of (i) supporting local universities, research institutes and enterprises, etc, to leverage the AISC's computing power and achieve scientific breakthroughs; (ii) strengthening the AISC's cybersecurity and data protection; and (iii) promoting the local AI ecosystem through training, promotion and educational activities, etc. The proposed funding is expected to provide significant support to the industry in leveraging the computing power facilities, attracting talent, enterprises and research projects in Mainland and overseas to Hong Kong, as well as promoting local AI and data science development. We plan to evaluate the overall operation and effectiveness of the Subsidy Scheme when the AISC comes into full operation in 2026.

(4) The Hong Kong Special Administrative Region (HKSAR) Government has been striving to promote innovation and technology (I&T) development in Hong Kong. Against the backdrop of a complicated and volatile environment of international competition, the best ways to ensure the sustainable I&T development in Hong Kong are to integrate into the overall national development, to strengthen our own I&T system and to consolidate our edge as an international city. With the support of our country, the HKSAR Government has every confidence in developing Hong Kong into an international I&T centre.

As a highly international city, Hong Kong's I&T sector has been successful in attracting funds, enterprises, technologies and talents from different regions around the world. When conducting procurement and launching products, Hong Kong's I&T sector would typically not rely on or target at a single market. The HKSAR Government has also been encouraging enterprises to adopt a diversified marketing strategy to attract investments from various places around the world, so as to reduce dependence on a specific market. At the same time, we have been taking forward the sustainable development of Hong Kong's I&T ecosystem by strengthening our research and development capabilities, allocating more resources on I&T, and enhancing the supporting infrastructure, etc, including the above-mentioned funding schemes to support frontier technological research and the AI development. Impact of any unilateral policies implemented by individual country will under no circumstances waver our determination in developing Hong Kong into an international I&T centre. The HKSAR Government will continue to closely monitor the matter and respond with appropriate measures.