

Press Release

For Immediate Release

HKSTP Supports Budget to Bolster Hong Kong's Innovation and Technology Edge to Usher a New Vision and Era of Prosperity for the City

Key Takeaways

- Government annual budget doubles-down on Hong Kong's I&T ventures and strategic tech industries and talent
- HKSTP Venture Fund sees HK\$400M boost to HK\$1 billion, plus HK\$110 million added to HKSTP Acceleration Programme
- New industrialization strategy sees Microelectronics R&D Institute advance city's growing microelectronics industry

(Hong Kong, 22 February 2023) - Hong Kong Science and Technology Parks Corporation (HKSTP) fully supports the 2023-24 Budget (the Budget) announced by the Financial Secretary today. The Budget allocates resources to promote Hong Kong's innovation and technology (I&T) ventures, develop strategic industries, as well as provide incentives to attract Mainland and overseas businesses and talent to the city. These measures will undoubtedly strengthen Hong Kong's thriving I&T ecosystem and fuel economic development.

Dr Sunny Choi, Chairman of HKSTP, said "HKSTP is encouraged to see the Budget's clear and continued commitment to invest in the future of Hong Kong's I&T development. We welcome the proposed measures to support the development of I&T infrastructure, businesses, and talent. This includes injecting capital into the Corporate Venture Fund (HKSTP Venture Fund) and launching a Co-acceleration Programme to support even more high-potential start-ups. The Budget also realises "new industrialization" which is fundamental to the development of our I&T industry and in attracting high-quality enterprises to establish a presence in Hong Kong. HKSTP will continue to engage across all sectors, seize national opportunities and build a brighter future as a champion for I&T."

Allocating Resources to Support Start-ups

The Government has stepped up its investment in technology start-ups, including an injection of HK\$400 million into the HKSTP Venture Fund. In addition to the HK\$600 million currently under management, the total amount will be increased to \$1 billion. Since its establishment in 2015, the HKSTP Venture Fund has invested in 27 tech ventures, whilst attracting private investment with a ratio of 1:18. That is, every dollar invested by the fund attracts 18 times in private investment, providing the necessary funding to support promising early and growing tech ventures.

As outlined in the Budget, HKSTP will consolidate existing Acceleration Programme and inject an additional amount of HK\$110 million to launch a Co-acceleration Programme in collaboration with partners to support the growth of tech ventures with high potential into regional or global enterprises.

Since 2015, the HKSTP Acceleration Programme has helped tech ventures raise a total of over US\$400 million (HK\$3.1 billion) in funding. These achievements are a testament to the programme, reflecting the growth potential and quality of its participants. During the fiscal year 2021-2022, the total company valuation of tech ventures on this programme grew by over 250% while investment funds raised by 100%. The Co-acceleration Programme will engage cross-sector to provide enhanced value-added services for I&T companies, including scenario testing platforms, business consulting, investment matching, talent recruitment, product manufacturing and distribution and more,

supporting more entrepreneurs to achieve success in the global stage.

Propel “New Industrialisation” and Lead Hong Kong’s Economy to Achieve Another Leap Forward

Hong Kong is home to a flourishing community of world-class microelectronics researchers. The Budget’s proposal to establish a Microelectronics Research and Development Institute will help the city advance its growing microelectronics industry, seize relevant growth opportunities, support the sustainable development of Hong Kong’s economy, and better serve the national mission. Aligned to this, HKSTP is developing the Microelectronics Centre (MEC) in the Yuen Long INNOPARK to provide advanced manufacturing facilities for relevant industries in this field. The MEC is expected to open in 2024.

High value-added advanced manufacturing is conducive to economic growth and job creation. The Advanced Manufacturing Centre (AMC) in the Tseung Kwan O INNOPARK was unveiled in April 2022, providing a gross floor area of circa 110,000 square metres. Current tenants include companies specialising in civil satellites, advanced materials and services related to smart logistics. HKSTP is also conducting a feasibility study on the construction of a second AMC to provide more space for the industry and further drive the development of “new industrialization” in Hong Kong.

Strategic Investment in Innovation to Diversify Economic Development

Life science and health technology and artificial intelligence (AI) technology have always been the strengths of Hong Kong’s I&T development. HKSTP supports the Budget’s proposal to conduct a feasibility study on the development of an AI Supercomputing Centre, as well as the allocation of HK\$6 billion for universities and research institutes to establish thematic research centres to enhance support for the transformation of R&D outcomes as well as R&D activities related to life science and health technology. HKSTP also welcomes the HK\$3 billion earmarked to enhance basic research in frontier technology fields including AI and quantum technology. These moves can help Hong Kong further build upon the city’s basic technology research capabilities to achieve more original breakthroughs.

To accelerate the development of Hong Kong’s green economy, the Budget proactively encourages green industries to move towards a vision of green transformation. HKSTP supports government’s efforts in building a green technology ecosystem and related innovations to attract leading Mainland and overseas companies, as well as tech ventures to set up in Hong Kong. HKSTP wholeheartedly supports the Government’s GreenTech initiatives that welcome more high potential tech ventures and companies, achieves positive outcomes for I&T through collaboration, as well as expediting Hong Kong’s development into an international GreenTech and GreenFi Centre.

Holistic Approach and Incentives to Attract Businesses and Talent to Hong Kong

HKSTP is pleased to learn that the government has introduced a mechanism to provide facilitation for companies domiciled overseas for re-domiciliation to Hong Kong. This can help attract and grow high-quality corporates in Hong Kong, as well as further promote the city’s I&T ecosystem. The new Capital Investment Entrant Scheme will bring in not only investment but also top talent from around the world to the local market. This move will help Hong Kong further enrich its talent pool, increase its Gross Domestic Product (GDP), and make I&T a key driver of the city’s economic growth.

HKSTP is on a mission to attract, retain and encourage talent to pursue technology careers in Hong Kong. We launched the “Talent Game On 2K23” talent programme in February with a series of tech-

inspired activities including the annual “Hong Kong’s largest I&T Career Expo”, to attract graduates and overseas talent from all backgrounds, including Science, Technology, Engineering and Mathematics (STEM) and non-STEM backgrounds to an array of career opportunities in the local I&T ecosystem.

Conclusion

Hong Kong has entered a golden era for I&T development, with the government commencing land use planning for the San Tin Technopole, the flagship Northern Metropolis I&T project in the region covering 150 hectares of new land for I&T usage. Meanwhile, the Hong Kong-Shenzhen Innovation and Technology Park in the Lok Ma Chau Loop will be gradually completed, positioning Hong Kong as a “South-North dual engine (finance-innovation and technology)” in the new industry pattern.

HKSTP is pleased to be a partner organisation on the Task Force on Promoting and Branding Hong Kong. The Corporation will work in alignment with Government departments and related units to promote Hong Kong’s advantages as well as support the “Happy Hong Kong” campaign, to tell the world the good stories of Hong Kong, and attract overseas talent to the city.

Building upon our advantages as international I&T hub, HKSTP will continue to collaborate extensively with stakeholders across government, industry, academic and research sectors to strengthen our global status.



Photo 1: Sunny Chai, Chairman of HKSTP, said, “We are encouraged to see the Budget’s clear and continued commitment to invest in the future of Hong Kong’s innovation and technology ecosystem”.



Photo 2 & 3: The Budget further drives the development of “new industrialisation” in Hong Kong. HKSTP is also conducting a feasibility study on the construction of a second Advanced Manufacturing Centre (AMC). The AMC in the Tseung Kwan O INNOPARK was unveiled in April 2022, current tenants include companies specialising in civil satellites, advanced materials and services related to smart logistics.

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About Hong Kong Science and Technology Parks Corporation

Hong Kong Science and Technology Parks Corporation (HKSTP) has for over 20 years committed to building up Hong Kong as an international innovation and technology hub to propel success for local and global pioneers today and tomorrow. HKSTP has established a thriving I&T ecosystem that is home to three unicorns and Hong Kong’s leading R&D hub with over 12,000 research professionals and over 1,200 technology companies focused on healthtech, AI and robotics, fintech and smart city technologies.

Established in 2001, we attract and nurture talent, accelerate and commercialise innovation and technology for entrepreneurs on their journey of growth in Hong Kong, to the Greater Bay Area, Asia and beyond. Our growing innovation ecosystem is built around our key locations of Hong Kong Science Park in Shatin, InnoCentre in Kowloon Tong and three modern INNOPARKs in Tai Po, Tseung Kwan O and Yuen Long. The three INNOPARKs are realising a vision of re-industrialisation for Hong Kong. The goal is sectors like advanced manufacturing, electronics and biotechnology are being reimaged for a new generation of industry.

Through our infrastructure, services, expertise and network of partnerships, HKSTP will help establish innovation and technology as a pillar of growth for Hong Kong, while reinforcing Hong Kong’s international I&T hub status as a launchpad for global growth at the heart of the GBA innovation powerhouse.

More information about HKSTP is available at www.hkstp.org.

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