

## Eight per cent increase in Hong Kong's gross expenditure on research and development in 2017

According to the report "Hong Kong Innovation Activities Statistics 2017" released today (December 31) by the Census and Statistics Department, the gross domestic expenditure on research and development (GERD) of Hong Kong in 2017 amounted to \$21.28 billion, representing an increase of 8 per cent compared with 2016. The GERD as a ratio to the Gross Domestic Product in 2017 was 0.8 per cent.

A government spokesman said, "Innovation and technology (I&T) is a priority policy area of the current-term Government. Since the establishment of the Innovation and Technology Bureau in 2015, significant resources have been devoted to strengthening Hong Kong's I&T ecosystem and stimulating research and development (R&D) activities."

The spokesman said that a number of new initiatives were introduced last year to promote I&T development, such as providing enhanced tax deduction of up to 300 per cent for R&D expenditure incurred by enterprises, and injecting \$10 billion into the Innovation and Technology Fund to support more R&D work by universities, public research institutes and private enterprises. In addition, \$10 billion has been allocated for setting up two research clusters at the Hong Kong Science Park to attract top local, Mainland and overseas R&D institutions to conduct more collaborative research in Hong Kong. A total of \$10.3 billion has also been allocated to the Hong Kong Science and Technology Parks Corporation and the Hong Kong Cyberport Development Holdings Limited to enhance their incubation programmes and support for technology enterprises. These measures will induce further investment in R&D.

"The Steering Committee on Innovation and Technology, chaired by the Chief Executive, will continue to closely monitor the progress of the above measures. We expect the effect of these measures to increasingly come through in subsequent years, contributing to further increase in the level of GERD," the spokesman said.