[LCQ13: Developing Hong Kong into international innovation and technology centre](#)

        Following is a question by the Hon Martin Liao and a written reply by the Secretary for Innovation, Technology and Industry, Professor Sun Dong, in the Legislative Council today (March 26):

Question:

        On developing Hong Kong into an international innovation and technology centre, will the Government inform this Council:

(1) as there are views pointing out that there is more than sufficient room for trial and error for start-ups in Hangzhou, including a failure-tolerant institutional design at the policy level, government subsidies for research and development (R&D) and a science and technology innovation fund on the funding front, and multi-capital in the market to patiently accompany their growth, whether the Innovation and Technology Industry-Oriented Fund set up by the Hong Kong Special Administrative Region (HKSAR) Government will formulate reference guidelines to increase the weighting of multi-dimensional indicators, such as innovative capability, growth potential and R&D intensity of enterprises, when guiding patient capital investments;

(2) as there are views that Hangzhou's continuous progress in implementing "one visit at most" service is a result of Mainland departments streamlining administration and delegating power, as well as deepening reforms of the administrative vetting and approval system, whether the SAR Government will draw on Hangzhou's administrative and entrepreneurial experience to conduct a comprehensive review of the efficiency and quality of the services provided by government departments, including the speed of vetting and approving applications for supporting funds and the efficiency of resource docking, and urge the relevant government departments and public organisations to formulate guidelines to enhance efficiency; if so, of the details; if not, the reasons for that;

(3) as the 2025-2026 Budget proposes to establish the Hong Kong AI Research and Development Institute, with the expansion of application scenarios being one of its focuses, and as there are views that industry-specific vertical large models can promote "Artificial Intelligence (AI) Plus" and empower various industries on the condition of vertical large models being integrated with industry-specific data and knowledge, what plans the Government has put in place to mobilise the innovative power of enterprises and guide leading enterprises, small and medium enterprises, data service providers, etc. to step up the supply of high-quality industry-specific data elements; and

(4) as it is learnt that Hangzhou and its surrounding regions are able to provide start-ups with comprehensive industrial chain support (e.g.

Deepseek's industrial chain is entirely based in Hangzhou, while Hangzhou Yushu Science And Technology Co., Ltd. relies on the resources of Hangzhou and two of its neighbouring cities, namely, Yiwu and Shanghai), what measures the SAR Government has put in place to promote co-operation with other Mainland cities in the Guangdong-Hong Kong-Macao Greater Bay Area in terms of resources for the AI industry in order to improve the AI industrial chain?

Reply:

President,

In respect of the question raised by the Hon Martin Liao, my reply is as follows:

(1) The Innovation, Technology and Industry Bureau and the Innovation and Technology Commission are currently preparing for setting up the $10 billion Innovation and Technology Industry-Oriented Fund (ITIF) to channel more market capital to invest in emerging and future industries of strategic importance. According to our current plan, the ITIF will cover five thematic areas, and one or more sub-fund(s) will be set up under each thematic area. Each sub-fund will have a fund duration of up to 12 years, fully realising the characteristics of patient capital which focuses on long-term investments with a higher risk tolerance. This will contribute to the on-going support for the growth, expansion and maturity of the innovation & technology (I&T) industry.

The Government will participate as a Limited Partner of the sub-funds and make contributions to each. Fund managers selected through an open application will become General Partners of the sub-funds and shall be responsible for setting up the sub-funds in the form of a limited partnership fund. They shall also raise market capital for the sub-funds, manage the daily operation of the sub-funds, as well as invest in suitable projects in accordance with the investment framework.

Based on a market-oriented operation, we hope that fund managers will leverage their professional investment capabilities to identify I&T enterprises of high potential, conduct comprehensive evaluations, and make reasonable investment decisions in compliance with relevant investment requirements. This will provide appropriate financial support to I&T enterprises and promote the long-term development of the related industries.

(2) The Digital Policy Office (DPO) is committed to driving various bureaux/departments (B/Ds) in the adoption of I&T to enhance operational efficiency and improve public services. The DPO also provides advice and consultancy services to various B/Ds in areas such as digital technology and innovative technology applications, data sharing, business process re-engineering, design thinking, change management, etc., with a view to accelerating the development of digital government, thereby continuously enhancing government efficiency and service quality.

In respect of promoting e-government services, all licences and government services involving application and approval (about 1 480 items in

total) and forms (over 3 800) have been fully digitalised by mid-2024, i.e. enabling submission of application, payment and collection of documents by electronic means for relevant licences and services. If in-person submission or collection of documents is required by law or international practice, applicants will only need to visit relevant government offices no more than once.

In 2024-25, through the "Be the Smart Regulator" and "Streamlining of Government Services" programmes, the DPO worked with 47 B/Ds in proposing some 180 business facilitation and streamlining measures for about 400 licences and services, such as obviating the need for businesses and general public to submit information repeatedly for their licence and government service applications by leveraging cross-departmental data exchange, and shortening the time required for handling and approving applications by automating the verification processes, etc.

In addition, B/Ds are rolling out over a hundred of digital government and smart city initiatives progressively, including the application of artificial intelligence (AI) and chatbot technologies to improve government hotline services; application of data analytics, geospatial analysis and visualisation dashboard technologies to improve service management; and adoption of video analytics to enhance security surveillance at public cargo working areas.

(3) High-quality data are essential for promoting the training of large language models (LLMs), research and development (R&D) of industry-specific vertical LLMs, and industry applications. The Government has all along been implementing the open data policy and actively encouraging public and private organisations to open up more data for innovative applications by the industries. Currently, the Open Data Portal has published over 5 500 datasets, covering various industries and sectors including finance, education, transportation, community and social welfare, law and security, etc. The Common Spatial Data Infrastructure has also published over 1 000 spatial datasets, covering different aspects such as planning, lands, buildings, transport. These two platforms help the industry develop more and better industry-specific vertical LLMs and innovative solutions by leveraging the datasets and integrating them with LLMs, industry data and technologies available in the market. Meanwhile, the facilitation measure on the "Standard Contract for the Cross-boundary Flow of Personal Information Within the Guangdong-Hong Kong-Macao Greater Bay Area (Mainland, Hong Kong)" has been extended to all industries to further promote more cross-boundary services to benefit the public and businesses, while facilitating data flow in the Greater Bay Area (GBA) and expediting the development of digital economy and smart city.

In addition, the Hong Kong Artificial Intelligence Research and Development Institute, to be established as announced by the 2025-26 Budget, will also spearhead and support Hong Kong's innovative R&D and industrial application of AI, and facilitate upstream R&D, midstream and downstream transformation of R&D outcomes and application scenarios of AI.

(4) The Government has been co-ordinating and promoting the development and application of information and communications technology, including AI, with Guangdong through the Hong Kong/Guangdong Expert Group on Co-operation in Informatisation (EGCI). The EGCI will strengthen the co-operation between Guangdong and Hong Kong in AI R&D, outcome transformation and application development, and implement co-operation initiatives to complement the development of the GBA into an international technology innovation centre.

Besides, the two I&T flagships in Hong Kong (viz. the Hong Kong Science and Technology Parks Corporation and Cyberport) have been actively expanding their partnership network in the GBA to assist enterprises in respective technology parks to expand their businesses in the GBA and attract enterprises in the region to set up operations in the parks. Taking Qianhai as an example, Cyberport signed a co-operation agreement with the Qianhai Authority in January 2021 and deepened the co-operation agreement in August 2024. So far, two enterprises from Qianhai have settled in Cyberport, including one focusing on AI animation production. In addition, about 10 Cyberport enterprises are exploring to set up businesses in Qianhai, and nearly half of them are related to AI including start-ups that apply AI in education technology, e-commerce and insurance technology. On the other hand, the Hong Kong Science Park Shenzhen Branch commenced operation in 2023 to enable institutes and enterprises interested in starting their business in the GBA to establish a presence there. As of December 2024, a total of 58 enterprises and R&D centres were admitted, with approximately 40 of them involved in AI-related businesses.

The Hetao Shenzhen-Hong Kong Science and Technology Innovation Co-operation Zone is one of the major co-operation platforms in the GBA. The Hong Kong Special Administrative Region Government promulgated the Development Outline for the Hong Kong Park of the Hetao Shenzhen-Hong Kong Science and Technology Innovation Co-operation Zone (the Development Outline) in November 2024, setting out the vision and mission, planning, development directions, strategies and targets of the Hong Kong Park. As set out in the Development Outline, the Hong Kong Park will focus on the development of core frontier technological fields including AI; strengthen the supporting infrastructure required for the development of AI technologies; and establish a cross-boundary data flow management mechanism, so as to attract Mainland and overseas enterprises engaging in AI to the Loop to set up and expand their businesses therein.