

# LCQ20: Development of artificial intelligence

Following is a question by Dr the Hon Lo Wai-kwok and a written reply by the Secretary for Innovation, Technology and Industry, Professor Sun Dong, in the Legislative Council today (March 19):

Question:

There are views that the development of artificial intelligence (AI) is ever-evolving and has become an important driving force for developing new quality productive forces and promoting technological revolution and industrial transformation. It has been reported that some AI enterprises on the Mainland have recently developed large language model with higher efficiency and lower cost, demonstrating the enormous potential of AI innovation. Moreover, the Hong Kong Innovation and Technology Development Blueprint published by the Innovation, Technology and Industry Bureau in 2022 proposes to focus on the development of AI and data science industries. In this connection, will the Government inform this Council:

(1) whether it will expeditiously formulate a comprehensive AI development blueprint and strategy, and provide comprehensive supporting policy measures in respect of the cooperation among the Government and the industry, academia, research and investment sectors, including the formulation of relevant legal and regulatory frameworks, land supply, dedicated funding, tax concessions, training and admission of talents, technological research and development (R&D), market development and regional cooperation, so as to capitalise on Hong Kong's edge to promote AI's R&D and application with enhanced speed and efficiency; if so, of the details; if not, the reasons for that;

(2) whether it will allocate additional resources to expedite the admission and training of AI talents and support the application of AI in the industries and public services, as well as encourage people engaging in different industries to learn to make use of AI to comprehensively upgrade their skills through subsidy schemes such as the Continuing Education Fund, with a view to promoting the empowerment of industries and business with AI; if so, of the details; if not, the reasons for that; and

(3) whether it will further strengthen the coordination with the Mainland cities in the Guangdong-Hong Kong-Macao Greater Bay Area in respect of promoting AI development, particularly when the Mainland has successively introduced policy initiatives such as the Implementation Opinions of the People's Government of Guangdong Province on expediting the creation of a hub for innovation in general AI in the province and Measures of the Shenzhen Municipality for building an AI pioneer city, whether Hong Kong will explore with the Mainland ways to strengthen the relevant cooperation and positive interaction; if so, of the details; if not, the reasons for that?

Reply:

President,

In respect of the question raised by Dr the Hon Lo Wai-kyok, having consolidated the information provided by the Education Bureau and the Labour and Welfare Bureau, my reply is as follows:

(1) Artificial Intelligence (AI) is at the core of developing new quality productive forces. It is a key industry that Hong Kong is committed to developing, and it lends support to the upgrading and transformation of traditional industries. The Hong Kong Innovation and Technology Development Blueprint (the Blueprint) published by the Innovation, Technology and Industry Bureau (ITIB) at the end of 2022 has proposed to focus on the development of AI industry, setting out clear strategic directions and detailed action plan for promoting the development of AI in Hong Kong. On this basis, the Government has been implementing a series of initiatives to support the development of AI in recent years, thereby realising the AI development strategy. Key initiatives include:

- (i) Continuously nurture local talents and gather top-notch researchers from all around the world, as well as foster global research collaboration, through the AIR@InnoHK research cluster and its research and development laboratories focusing on AI and robotic technologies, including the Hong Kong Generative Artificial Intelligence Research and Development Center (HKGAI) set up in 2023 with the support of the AIR@InnoHK platform;
- (ii) Cyberport set up the Artificial Intelligence Supercomputing Centre (AISC) to enhance the local supply of high-performance computing power;
- (iii) Put in place a \$3 billion AI Subsidy Scheme to subsidise local universities, research institutes and enterprises, etc. in leveraging the computing power of AISC to achieve scientific breakthrough;
- (iv) Continue to promote data centre development, including commencement of the rezoning procedures to convert the Sandy Ridge innovation & technology (I&T) site in the North District for data centre and related development, so as to support the development of digital industry including AI; and
- (v) Prepare to set up a \$10 billion I&T Industry-Oriented Fund, and include AI and robotics as one of its thematic areas of emerging and future industries of strategic importance, with a view to channelling more market capital to promote the development of AI and robotics industries.

In addition, to further promote the research and development (R&D) and applications of AI in Hong Kong, the 2025-26 Budget announced that \$1 billion has been earmarked for the establishment of the Hong Kong Artificial Intelligence Research and Development Institute to spearhead and support Hong Kong's innovative R&D and industrial application of AI, as well as to facilitate upstream R&D, midstream and downstream transformation of R&D outcomes, and application scenarios.

(2) The Government has introduced a series of measures to step up efforts in nurturing local talents and attracting those from the Mainland and overseas, as well as to promote AI applications including that for public services.

In terms of training local talents, apart from encouraging the University Grants Committee (UGC)-funded universities to offer programmes which cater for Hong Kong's development needs and expand the talent pool of important areas such as I&T, the Government also subsidises students to pursue designated self-financing undergraduate and sub-degree programmes through the Study Subsidy Scheme for Designated Professions/Sectors, with a view to nurturing talent in support of specific industries with keen demand for human resources, including the Computer Science discipline which is related to AI. The UGC also launched the Fund for Innovative Technology-in-Education in 2023, with a funding allocation of \$100 million, to provide an impetus for the eight UGC-funded universities to harness innovative and breakthrough technologies in transforming pedagogies and enriching student learning experiences, as well as fostering academia-industry collaboration, thereby nurturing their students to become a digitally competent and technologically responsible generation in the digital economy.

In addition, in response to the manpower demand of the industries, the Vocational Training Council with the Government's support established the Hong Kong Institute of Information Technology (HKIIT) in November 2023, which specialises in the provision of information and technology and other technology-related programmes covering a wide range of disciplines including AI. The HKIIT admitted its first cohort of students in the 2024/25 academic year.

The New Industrialisation and Technology Training Programme under the Innovation and Technology Fund also subsidises local enterprises for their staff to receive training in advanced technologies, which includes AI-related training.

Meanwhile, Hong Kong residents aged 18 or above are eligible to enrol in more than 20 AI-related courses under the Continuing Education Fund (CEF) and claim for CEF subsidy upon successful completion of the courses.

As for attracting AI talents from the Mainland and overseas, the Technology Talent Admission Scheme (TechTAS) provides a fast track arrangement for eligible companies to admit Mainland and overseas technology talents to undertake R&D work in Hong Kong. As at end-January 2025, 152 non-local persons approved for entry under TechTAS were related to AI. Besides, the Government has included in the Talent List a number of professions in the I&T segment, including Experienced AI Specialists, etc. Outside talents who meet the eligibility criteria for relevant professions can enjoy immigration facilitation when applying under the Quality Migrant Admission Scheme, the General Employment Policy and the Admission Scheme for Mainland Talents and Professionals.

In respect of AI applications including those enhancement to digital government services, the HKGAI announced its self-developed HKGAI V1 large language model (LLM) in February this year. It aims to launch to the market a chatbot based on its LLM this year for use by the general public. Since mid-2024, the Government has commenced the pilot use of HKGAI's locally developed generative AI document processing copilot application (HKPilot) to assist government personnel in handling document processing tasks such as

drafting, translation and summarisation of documents. The Digital Policy Office (DPO) has invited all bureaus and departments (B/Ds) to arrange government personnel of different grades to participate in the pilot. On top of these, B/Ds will roll out over a hundred of digital government and smart city initiatives progressively from 2024 to 2025, of which nearly half involve the application of big data analytics and AI technology. The above-mentioned and other initiatives related to the application of AI technology are mainly supported by the Capital Works Reserve Fund Head 710 Computerisation Subhead A007GX (Block Allocation) managed by the DPO, and other government I&T-related resources.

(3) Given the distinctive advantages under "One Country, Two Systems", Hong Kong is poised to converge both Mainland and international data, creating a favourable environment for strengthening our AI-related collaboration with the Mainland (particularly cities in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA)). Through the Hong Kong/Guangdong Expert Group on Co-operation in Informatisation, the Government has been co-ordinating and promoting the development and application of information and communications technology (including AI) between Guangdong and Hong Kong, and implementing co-operation measures to complement the development of the GBA into an international I&T centre. In addition, the ITIB signed the "Co-operation Agreement on Technology and Innovation Exchange between Guangdong and Hong Kong" with the Department of Science and Technology of the Guangdong Province in March 2023 to further deepen technology and innovation exchanges as well as bolster collaborative innovation of industries, academia and research between the two places. The Guangdong-Hong Kong Technology Cooperation Funding Scheme jointly implemented by the Guangdong and Hong Kong governments has also been encouraging co-operation between universities, research institutions and technology enterprises from both places in various technology areas (including AI), and promoting work on high technology and the transformation of scientific and technological achievements, with a view to enhancing the productivity and competitiveness of enterprises in both places.

The Hetao Shenzhen-Hong Kong Science and Technology 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, etc.; 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 Loop to set up and expand their businesses therein.