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**Develop New Quality
Productive Forces Tailored
to Local Conditions**



Business of IP Asia Forum
亞洲知識產權營商論壇

IP & INNOVATION: STEERING NEW ECONOMIC GROWTH
知識產權與創新：驅動經濟增長 締造嶄新機遇



Background

Hong Kong is pressing ahead to become an international innovation and technology (I&T) centre with our Country's support under the 14th Five-Year Plan. At the end of 2022, we published the Hong Kong I&T Development Blueprint. This year, we set up the New Industrialisation Development Office. It focuses on the development of industries where Hong Kong enjoys international advantages, such as life and health technology, artificial intelligence and data science, as well as advanced manufacturing and new energy technology, under an industry-oriented principle. In the same vein, we launched the \$10 billion Research, Academic and Industry Sectors One-plus Scheme last year. It promotes the transformation and commercialisation of research and development outcomes from universities. We also rolled out the \$10 billion New Industrialisation Acceleration Scheme this year, supporting industries of strategic importance to set up smart production facilities in Hong Kong. We strive to develop new energy industries as well, releasing the Strategy of Hydrogen Development in Hong Kong this June, to nurture an environment conducive to the development of hydrogen energy.

In last year's Policy Address, I outlined the direction for developing our city into a health and medical innovation hub. We will establish the GBA International Clinical Trial Institute, together with an authority that registers drugs and medical devices under the "primary evaluation" approach to directly approve applications for registration based on clinical data. I also proposed the establishment of a "1+" mechanism to expedite the approval of new drugs for life-threatening or severely debilitating diseases. Relevant work has been taken forward for the benefit of the general public.

Government measures to promote I&T development in recent years have started to bear fruit. The International Institute for Management Development based in Lausanne, Switzerland, ranked Hong Kong among the top ten in the world and fourth in the Asia-Pacific region in its World Digital Competitiveness Ranking 2023. As of this August, the Innovation, Technology and Industry Bureau and the Office for Attracting Strategic Enterprises negotiated with over 100 strategic I&T enterprises to set up or expand their businesses here. This will lead to a total investment of more than \$52 billion. Riding on these achievements, we will continue to develop new quality productive forces tailored to local conditions, promoting the integrated development of digital economy and real economy, and advancing collaboration in I&T and among industries to generate new economic growth.

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Develop New Quality Productive Forces Tailored to Local Conditions

International Innovation and Technology Centre

Enhancing new industrialisation development and institutional setup

- Explore the formulation of a medium and long-term development plan for new industrialisation in Hong Kong to encourage the traditional manufacturing sector to upgrade and transform by making use of Innovation and Technology (I&T), strengthen the support for relevant professional services sectors, and accelerate the promotion of new industrialisation with Hong Kong's strengths. (ITIB)
- Facilitate the establishment of the Hong Kong New Industrialisation Development Alliance to pool together talents and resources from various fields to establish a co-operation platform for the Government, industry, academia, research and development (R&D) and investment sectors to, among others, foster I&T collaborations between newly listed companies in Hong Kong and local universities. (ITIB)

Taking forward the establishment of the third InnoHK research cluster

- Implement the establishment of the third InnoHK research cluster with focuses on advanced manufacturing, materials, energy and sustainable development. (ITIB)

Expanding funding support for research

- Launch a new round of the Research Matching Grant Scheme totalling \$1.5 billion to incentivise more organisations to support research endeavours of institutions. (EDB)

Increasing investment for the I&T industries

- Set up a \$10 billion I&T Industry-Oriented Fund to form a fund-of-funds to channel more market capital to invest in specified emerging and future industries of strategic importance, including life and health technology, artificial intelligence (AI) and robotics, semi-conductors and smart devices, advanced materials and new energy, etc., with a view to building an I&T industry ecosystem in a systematic manner. (ITIB)
- Optimise the Innovation and Technology Venture Fund by redeploying \$1.5 billion to set up funds jointly with the market, on a matching basis, to invest in start-ups of strategic industries, with a view to enhancing Hong Kong's start-up ecosystem. (ITIB)
- The Hong Kong Investment Corporation Limited will continue to exert its influence as "patient capital" to guide and leverage market capital for jointly attracting I&T industries to set up businesses in Hong Kong, thereby strengthening the local I&T ecosystem. (FSO)

Attracting international start-up accelerators to Hong Kong

- Allocate \$180 million to launch the Pilot I&T Accelerator Scheme at a one-to-two matching ratio between the Government and the institution, up to a subsidy ceiling of \$30 million. It aims to attract professional start-up service providers with proven track records from local and outside Hong Kong to set up accelerator bases in Hong Kong. (ITIB)

Enhancing I&T infrastructure

- The Cyberport's Artificial Intelligence (AI) Supercomputing Centre will come into operation in phases, providing a computing power of at least 300 petaFLOPS in 2024, thereby supporting the demand of local universities, R&D institutes and enterprises. (ITIB)
- Launch the AI Subsidy Scheme to promote the development of the local AI ecosystem. (ITIB)
- Continue to take forward the development of the Hong Kong Microelectronics Research and Development Institute, which was established in September 2024, and formulate and execute development policies to ensure its good governance. (ITIB)
- The Hong Kong Science and Technology Parks Corporation will explore the provision of more laboratories and related facilities in the Hong Kong Science Park or at nearby sites to support the development of technology industries with an edge. (ITIB)

Developing low-altitude economy

- Set up the Working Group on Developing Low-altitude Economy led by the Deputy Financial Secretary to formulate development strategies and cross-department action plans. It will kick start with projects on actual implementation and set aside specific venues for such purposes, followed by the drawing up of regulations, development of the institutional setup, research and development of infrastructure and networks. (DFSO, TLB and relevant bureaux)

- Take forward trial schemes on low-altitude economy progressively starting from early 2025, and collaborate with the industry and partner organisations to provide for the local testing of “regulatory sandboxes” on low-altitude flying application scenarios, thereby promoting the developing of the industry. (TLB and relevant bureaux)
- Update the existing aviation and other related legislation and regulatory regimes, and introduce low-altitude airspace regulations, including the relaxation of restrictions on “flying beyond visual line of sight” as well as the weight of and the carriage of goods by unmanned aircraft. (DFSO, TLB)
- Promote the interfacing with the Mainland on the joint development of cross-boundary routes, immigration and customs clearance arrangements, and infrastructure support, etc.. (DFSO, TLB)
- Commence technical studies and planning for the development of low-altitude physical facilities (such as vertiports and charging points), communications networks, flight route networks and management of low-altitude flying activities, laying the foundation for low-altitude economic activities in the future. (DFSO, TLB and relevant bureaux)

Promoting communications technology development

- Conduct a study on streamlining the vetting procedures of licence applications for operating Low Earth Orbi satellite to enhance the attractiveness and competitiveness of Hong Kong in the global satellite communications market. (CEDB)
- Continue to allocate appropriate spectrum timely with reference to the global radio planning and development to support more prevalent and advanced applications of communications technology (including 6G). (CEDB)
- Introduce proposed legislative amendments into the Legislative Council (LegCo) within 2025 to prohibit the re-sale of subscriber identification module (SIM) cards with real-name registration completed. (CEDB)

Taking forward R&D of aerospace science and technology

- Set up a research centre under the InnoHK research cluster to participate in the Chang'E-8 mission. (ITIB)

Promoting new energy development

- Implement the green transformation roadmap for public buses and taxis, earmark \$750 million under the New Energy Transport Fund for launching subsidy schemes for electric taxis and electric buses and subsidy scheme for trials of hydrogen fuel-cell heavy vehicles. (EEB)
- Encourage enterprises to carry out green technology demonstration projects at suitable sites in Hong Kong such as restored landfills, to demonstrate latest applications of green technologies, including new energy and renewable energy. (EEB)
- Set targets for sustainable aviation fuel (SAF) usage for flights departing from the Hong Kong International Airport, explore future supply and demand to formulate long-term plans for setting up the infrastructure to support the trading of SAF, with a view to facilitating the development of new industries. (TLB, EEB and relevant bureaux)
- Actively implement the strategies and initiatives in the Strategy of Hydrogen Development in Hong Kong, including the introduction of a bill into the LegCo within 2025 to ensure the safe use of hydrogen fuel in Hong Kong, and formulation of a hydrogen energy certification approach suitable for Hong Kong within three years, with a view to promoting the long-term development of green and low-carbon hydrogen application in Hong Kong. (EEB)

Regional Intellectual Property Trading Centre

Enhancing the intellectual property legislative framework

- Put forward in 2025 a proposal on further enhancement to the Copyright Ordinance regarding the protection for AI technology development. (CEDB)
- Table subsidiary legislation under the Copyright Ordinance in the LegCo within 2025 to specify libraries, museums and archives eligible for certain permitted acts and prescribe the conditions, and designate non-government-owned libraries, museums or archives that can be exempted from certain criminal liabilities. (CEDB)
- Launch a consultation within 2025 on the registered designs regime currently under review. (CEDB)
- Propose legislative amendments within 2025 to streamline IP litigation processes for the High Court to manage and hear these cases more effectively. (CEDB)
- The Trade Marks Registry under the Intellectual Property Department (IPD) will launch a new AI-assisted image search service within 2025 to facilitate public search of the trademark database. (CEDB)
- With the Central Government's support, Hong Kong plans to participate in the World Intellectual Property Organization (WIPO) Lex-Judgments Database in 2025 by sharing important IP case precedents of local courts, so as to showcase to the international community the quality of our IP-related judicial judgments. (CEDB)
- Continue to forge ahead with the preparatory work for implementing the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks in Hong Kong, and strive for the implementation of the international trade mark registration system as soon as possible. (CEDB)

Strengthening IP manpower training

- The IPD will promote IP to 200 000 students within the current term of the Government, doubling the original target, to reinforce awareness of respecting and protecting IP rights, and encourage students to actively explore and innovate. (CEDB)
- The IPD continues to enhance its manpower training programmes, with a target to provide IP training for 5 000 personnel across different industries within the current term of the Government. (CEDB)
- The IPD will collaborate with the Qualifications Framework Secretariat to develop practical teaching materials within 2025 for deployment by training providers, benefitting personnel across the 23 different industries under the Qualifications Framework. (CEDB)
- Complete a survey on Hong Kong's IP-related professional and business services within 2025 to facilitate future manpower planning. (CEDB)

Supporting the I&T sector with the patent system

- Continue to press ahead with the establishment of a WIPO Technology and Innovation Support Centre in Hong Kong, targeting for commissioning in 2025 the earliest. (CEDB)
- Continue to discuss with the patent agent sector and stakeholders to plan for the introduction of regulatory arrangements for local patent agent services, covering qualification, registration, etc., with an aim of nurturing professional talents and enhancing service quality. (CEDB)
- Continue to strive to strengthen the substantive examination capability of the patent examination team under the original grant patent system, targeting to increase the number of patent examiners in phases to about 100, with a view to acquiring institutional autonomy in conducting substantive patent examination in 2030. (CEDB)

Strengthening external promotion

- The IPD continues its liaison with the Mainland, regional and international organisations to promote Hong Kong's role as the regional IP trading centre, and work with the Hong Kong Trade Development Council (HKTDC) and relevant stakeholders to promote IP trading and professional services through trade missions, seminars and publicity programmes. (CEDB)
- Continue to co-organise with the HKTDC the annual Business of IP Asia Forum, which is expected to attract over 10 000 local, Mainland and overseas participants within the current term of the Government. (CEDB)
- The IPD continues to collaborate with the Department of Justice to promote IP mediation and arbitration services. (CEDB)
- The HKTDC continues to enrich the Hong Kong International Film and TV Market, the Hong Kong International Licensing Show, the Hong Kong Book Fair and the Asia IP Exchange Portal with more market trading elements, such as including more business-matching activities and providing additional market information on IP trading and professional support services, so as to strengthen support for local original works to exploit the Mainland and international markets. (CEDB, CSTB)

International Health and Medical Innovation Hub

Reforming the approval mechanism for drugs and medical devices

- Extend the "1+" mechanism to all new drugs, including vaccines and advanced therapy products (ATPs), and improve the approval mechanism to speed up the registration process, thereby facilitating good drugs for use in Hong Kong. (HHB)
- Set the timetable for establishing the Hong Kong Centre for Medical Products Regulation and the roadmap towards "primary evaluation", and formulate strategies and measures to facilitate R&D of drugs and medical devices. (HHB)

- Take forward the preparatory work for the statutory regulation of medical devices, so as to dovetail with the timetable for the establishment of the Hong Kong Centre for Medical Products Regulation. (HHB)

Strengthen R&D and translation of biomedical technology

- The GBA International Clinical Trial Institute in the Hong Kong Park of the Hetao Shenzhen-Hong Kong Science and Technology Innovation Co-operation Zone and the GBA International Clinical Trial Centre in the Shenzhen Park will jointly establish the GBA Clinical Trial Collaboration Platform in order to extend the R&D network, shorten the time required for starting and completing clinical trials, and thus expedite the translation of advanced biomedical technologies into clinical applications, and encourage pharmaceutical companies to commence more research activities and employ additional research experts in Hong Kong. (HHB)
- Establish the Real-World Study and Application Centre to open up the extensive and standardised local medical databases (including clinical data of the Hospital Authority and data from the Hong Kong Genome Project) to support clinical diagnosis and treatment, new drug development and public health research. Together with healthcare institutions in the Greater Bay Area, integrate real-world data generated from the Measure of using Hong Kong registered drugs and medical devices used in Hong Kong public hospitals in Guangdong-Hong Kong-Macao Greater Bay Area, jointly promote real-world study with the Guangdong Province to accelerate approval for registration of new drugs in Hong Kong, the Mainland and overseas. (HHB)
- Provide support on all fronts for conducting R&D, clinical trial and application of advanced biomedical technology in Hong Kong with a view to attracting global top-notch innovative enterprises and research organisations to set up operations in Hong Kong. (HHB)

- Provide support for conducting national or international conferences on professional healthcare in Hong Kong, taking full advantage of our world-class professional healthcare standards and extensive experience of international co-operation to promote mutual professional development as well as co-operation and exchanges with the Mainland and overseas countries. (HHB)

Promoting Integrated Development of Digital Economy and Real Economy

Accelerating digital trade development

- Foster participation in international discussions on the development of digital economy, and explore adding provisions on digital trade and cross-border e-commerce in bilateral trade agreements during negotiations. (CEDB, ITIB)
- Continue to take forward the design and development of the information technology system for Phase 3 of the Trade Single Window, with a view to rolling out new services by phases from 2026 onwards. (CEDB)
- The working group set up by the Hong Kong Monetary Authority (HKMA) will conduct in-depth study into future supply chain changes, and make recommendations on promoting digitalisation of trade, etc., thereby lowering the cost of trade and enhancing the trade ecosystem. (FSTB)

Financial technology innovation

- Continue to develop blockchain technology-based electronic payment ecosystems through various initiatives such as HKMA's Project Ensemble and the stablecoin issuer sandbox, and introduce a bill into the LegCo by end-2024 to regulate fiat-referenced stablecoin issuers with a view to promoting the healthy and orderly development of the market. (FSTB)

- The HKMA will launch a Digital Bond Grant Scheme to encourage more financial institutions and issuers to use tokenisation technology in capital market transactions. It will also continue to optimise the application of the Multiple Central Bank Digital Currency Bridge (mBridge) Project and increase the participation of the public and private sectors. (FSTB)
- Refine the proposals on regulating over-the-counter trading services of virtual assets (VA) in light of the conclusions of the public consultation conducted in early 2024, and complete the second round consultation in 2025, as well as putting forward a proposed licensing regime regulating VA custodian service providers. (FSTB)
- Issue a policy statement by end-2024 on the application of AI in the financial market, setting out the Government's policy stance and approach on promoting the responsible use of AI in the financial sector. (FSTB)

Facilitating cross-boundary e-commerce logistics services

- Review existing procedures to enhance the efficiency of cross-boundary distribution of goods, with a view to developing Hong Kong into a cross-boundary e-commerce logistics and distribution centre. (CEDB, TLB)
- Encourage the Hong Kong Export Credit Insurance Corporation to co-operate with more financial institutions and enhance financing support for e-commerce business. (CEDB)

Promoting digitalisation of housing estate construction and management

- The Hong Kong Housing Authority (HKHA) will enhance the application of technology in its public housing projects, which include the gradual application of the Project Information Management and Analytics Platform in new public housing projects starting from 2025 to attain digitalised works management, utilisation of 3D digital maps and virtual digital models, etc. in order to increase efficiency. (HB)
- The HKHA will establish a Centralised Estate Management Platform for the chosen 10 housing estates within 2025 to adopt such innovative technologies as the Internet of Things sensors, AI and mobile devices to help daily estate management. (HB)

Promoting LawTech

- Set up the Consultation Group on LawTech Development comprising representatives from the legal and dispute resolution sector, law schools and providers of LawTech solutions to help the Government formulate policies and measures on LawTech, thereby encouraging the legal sector to enhance its efficiency and competitiveness with the use of LawTech. (DoJ)