

Economic Development Commission established to maintain Hong Kong's long-term competitiveness

The Economic Development Commission led by the Chief Executive will, from a high-level, cross-departmental and cross-sectoral perspective, explore ways to make use of Hong Kong's long-standing advantages and the opportunities offered by our country, as well as focus on efforts to broaden our economic base, work on the overall strategy and policy to enhance our long-term development, and identify industries which present opportunities for Hong Kong's further economic growth, the Secretary for Commerce and Economic Development, Mr Gregory So, said today (January 17).

Speaking at a press conference to elaborate on initiatives in the 2013 Policy Address under his ambit, Mr So said, "Hong Kong is well placed to diversify its industries to meet the needs of our people for start-up initiatives, investment, business operation and employment. We must formulate a holistic industrial policy to deepen and expand our industries.

"Given the land and manpower constraints in Hong Kong, land-intensive and low value-added while labour-intensive industries may not help in creating high-quality job opportunities or be beneficial to the long-term development of the Hong Kong economy. We hence need to focus our resources in high value-added and high-technology industries or processes in which we have competitive edges or that have development potential."

With the aforesaid considerations, four Working Groups are set up under the Commission, which will look into issues concerning transportation; convention and exhibition industries and tourism; manufacturing industries, innovative technology and cultural and creative industries; and professional services.

Looking ahead, Mr So stressed, "The Government expects to collaborate with stakeholders and tap their wise counsel in jointly formulating a holistic economic development strategy and corresponding industry policy, with a view to further developing our economy, improving people's livelihood and maintaining Hong Kong's long-term competitiveness."

Mr So also noted that the Government attaches great importance to the development of enterprises, especially small and medium enterprises (SMEs), and endeavours to create an environment conducive to business.

"Our policy is to provide enterprises with adequate support in order to enhance their competitiveness. We will continue to provide various forms of support to SMEs, including the provision of loan guarantee and export credit insurance, assistance in developing brands and exploring new markets.

"On the other hand, the Government is also committed to providing adequate support to Hong Kong-funded enterprises operating in the Mainland. We will continue to assist them in exploring and developing the Mainland market by capturing the vast opportunities arising from the National 12th Five-Year Plan," Mr So said.

On the plan to study the promotion of Hong Kong as a hub for intellectual property (IP) trading, Mr So noted that the Government is committed to protecting IP rights, and that a robust IP protection regime is of vital importance to Hong Kong's economic growth, particularly in the development of creative industries, brands and technology-based industries.

To ensure that Hong Kong's patent system continues to meet present-day circumstances and that its future positioning is in alignment with the vision of developing into a regional innovation and technology hub, the Government has embarked on a comprehensive review of the system. It is planned to set out the way forward shortly.

"Under the knowledge-based economy, IP rights are increasingly commercialised and traded around the world. Hong Kong therefore has the potential to develop into a regional IP trading hub, given our outstanding business environment, robust IP protection regime, extensive investments across Asia with the Mainland as our hinterland, and experience in areas such as research and development (R&D), design, trading and business services in support of industrial production," Mr So said.

Development of IP trading activities has been flourishing in Hong Kong. As a regional platform for technology trading, Hong Kong exported US\$1.1 billion in technology to the Mainland in 2010. That put Hong Kong sixth in the world in exporting technology to the Mainland.

"We plan to set up a working group to study the overall strategy and the possible government supportive measures needed for promoting Hong Kong as a hub for IP trading. The working group will comprise government representatives, industry

stakeholders and experts from different fields," he said.

Mr So also introduced the industries where Hong Kong enjoyed clear advantages that the Government would like to develop, including innovation and technology, testing and certification, and creative industries.

On innovation and technology industry, Mr So pointed out that the Government would focus on the development of highly competitive sectors of the industries in light of Hong Kong's strengths, and provide software and hardware support.

As far as infrastructure is concerned, the Hong Kong Science and Technology Parks Corporation has commenced the Phase 3 development of the Hong Kong Science Park. Upon completion in 2016, the Phase 3 development project will be able to accommodate an additional 150 companies and provide 4,000 job opportunities. On software support, the Government introduced further improvement measures to the Innovation and Technology Fund (ITF) last year to better support realisation of the R&D results and training of local research personnel. The financial ceiling of each ITF project was increased from \$21 million to \$30 million.

"On collaboration with the Mainland, we have commenced various programmes to dovetail with the National 12th Five-Year Plan. We firmly believe that these programmes will help facilitate wider participation of the technology community in promoting the development of innovation and technology in the Mainland and leverage the enormous opportunities brought about by the focused development of technologies in the country," Mr So said.

On promoting testing and certification, Mr So said the Government had been working closely with the Hong Kong Council for Testing and Certification to improve accreditation services and promote the "Tested in Hong Kong, Certified in Hong Kong" brand.

Starting from this month, the Mainland and Hong Kong Closer Economic Partnership Arrangement has expanded, on a pilot basis in Guangdong, the scope of testing services that can be provided by Hong Kong testing organisations to food-related certifications. Those measures reflected the gradual acceptance of Hong Kong's testing results by the Mainland and would assist Hong Kong's testing and certification industry in exploring the Mainland market in the longer run.

On creative industries, Mr So said the Government would inject an additional \$300 million into the CreateSmart Initiative to support the industry to nurture talents, expand markets and build brands, as well as organise large-scale creative events to develop Hong Kong into the creative capital of the region.

This year, Create Hong Kong will launch the First Feature Film Initiative to select three film-production teams through a competition on screenplays. The winning teams will receive full funding from the Film Development Fund to take forward their proposals. This initiative allows film trade practitioners without experience in directing commercial films to direct their first commercial pieces.

Moreover, Comix Home Base and PMQ, two landmark buildings of the creative industries, are scheduled for opening this year. Create Hong Kong will assist in the relevant promotion and publicity works.

"We hope Comix Home Base and PMQ could foster the development of creative clusters to spur synergy and interaction, and become an important platform for promoting local ani-com and design industries," Mr So said.

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