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<u>**Hong Kong Computer Society's Response to Chief Executive's 2024 Policy Address**</u>
<u>*Support the Establishment of a 10 billion-dollar I&T Industry-Oriented Fund,*</u>
<u>*Hong Kong New Industrialisation Development Alliance to promote closer collaboration among*</u>
<u>*the Government and the industry, academia, research and investment sectors,*</u>
<u>*Well utilising the land of Northern Metropolis and The Hetao Co-operation Zone to foster I&T,*</u>
<u>*Encouraging Integrated Development of Digital Economy and Real Economy,*</u>
<u>*Promoting the integration and development of Education, Technology and Talent,*</u>
<u>*Proactively develop FinTech and Cross Border Data Interconnectivity*</u>

October 16, 2024 Hong Kong - The Hong Kong Computer Society (HKCS), as the longest-standing ICT professional association in Hong Kong, expressed its active support to this year's Chief Executive Policy Address. HKCS highly welcomed today's Policy Address, with the formulation of key policies on innovation, technology and industry in various fields. In particular, it endorses the establishment of 10 billion-dollar I&T Industry-Oriented Fund and the formation of Hong Kong New Industrialisation Development Alliance to promote closer collaboration among the Government and the industry, academia, research and investment sectors. The Society also appreciates plans to enhance the development of smart cities and digital policies, effectively utilising the land of Northern Metropolis and The Hetao Shenzhen-Hong Kong Science and Technology Innovation Co-operation Zone to foster I&T industries. These initiate aims to assist various sectors in adopting digital transformation, facilitating the Integrated Development of Digital Economy and Real Economy to align the development of "New Quality Productive Forces". Additional, the establishment of the "Committee on Education, Technology and Talents" is welcomed as a mean to coordinate and advance the integration of education, technology and talent development while actively promoting FinTech, cross-border data interconnectivity, and low-altitude economy to meet the need of Hong Kong to integrate itself into overall development of the country.

Advising the Government to plan and deploy in advance to expand the computing power facilities

Dr. Rocky Cheng, President of the Hong Kong Computer Society, said: "The Hong Kong Computer Society makes recommendations for consideration by the Policy Address every year. This year we are glad to see that the government has proposed various concepts and implementation targets, which echo our recommendations, especially the emphasis on developing new quality productive forces and applying artificial intelligence (AI) as a core element of the new industrialisation, The Policy Address mentions that approximately 20 hectares of new I&T land will be released in San Tin Technopole from 2026 to 2027. The data centres and related I&T lands in Sandy Ridge will also be expanded to 10

hectares. Furthermore, the construction of 3 buildings of Hong Kong Park of the Hetao Shenzhen-Hong Kong Science and Technology Innovation Co-operation Zone will commerce by year-end, with 5 additional buildings expected to be completed within 5 years. This demonstrates the commitment of the Government to effectively utilise land for I&T development. The Steering Committee on the Hong Kong-Shenzhen I&T Park in the Loop has been established and chaired by Chief Executive, to lead the Hong Kong SAR Government to formulate the overall strategy, planning and layout for the development of the Hong Kong Park. The Development Outline for the Hong Kong Park of the Hetao Shenzhen-Hong Kong Science and Technology Innovation Co-operation Zone will be published later this year. The Government is also exploring with the Mainland authorities the trial implementation of innovative facilitation measures, including facilitating cross-boundary travel of designated personnel of the two parks, enabling the cross-boundary movement of materials by using low-altitude, unmanned aerial vehicles, and facilitating cross-boundary fund transfers by Mainland enterprises settling in the Hong Kong Park. This cooperation zone will be developed into an important source of new quality productive forces nurtured by the Country, which we are pleased to see."

Dr. Cheng stated that HKCS suggests the Government should plan and deploy in advance to expand the computing power facilities, and attract more AI-related industries from both domestic and international sources to settle in Hong Kong. This move is in response to the massive computing power demands following the integration of government, industry, academia, research and investment as well as to drive industrial development.

Supporting the Government's Adopting of local inventions

"Policy Address 2024 proposes the introduction of digital technology in various fields, particularly the application of AI, to accelerate the development of smart cities and eGovernment. HKCS has consistently urged the Government to take the lead in procurement by adopting more local inventions. We are pleased to note that the Digital Policy Office (DPO) will endeavour to fortify information systems of the Government and public organisations. The DPO will also spearhead the pilot use of a locally developed generative AI document processing copilot application in government departments. About 20 digital government and smart city initiatives will also be launched this year, including using blockchain technology for issuing electronic certificates for designated civil service examinations and electronic licensing by the Fire Services Department, as well as the use of AI for handling public enquiries. We believe these steps are in the right direction. The Society is pleased to see the Policy Address this year emphasising deepening reforms and committing to integrating cutting-edge technologies across various policy domains to further innovate governance. We hope that the DPO can play a coordinating role across departments, comprehensively review the services of decision-making departments and public institutions, promote the digital development of a smart government, and suggest a more proactive collaboration with the local ICT industry to leverage technology to enhance

service efficiency and introduce more technology applications that benefit the public and businesses. Additionally, the Government will introduce a bill later this year to require critical infrastructure operators to undertake obligations to protect their computer systems, so as to reinforce their resilience against cybersecurity challenges. This targeted approach is indeed a commendable solution and deserving of support."

HKCS has consistently advocated for the effective application of information technology within society. Therefore, it warmly supports the various measures in the Policy Address aimed at assisting small and medium-sized enterprises (SMEs) in their digital transformation. This includes the scope of Cyberport's Digital Transformation Support Pilot Programme will be expanded to cover the retail and food and beverage sectors, as well as industries such as tourism and personal services, subsidising SMEs for digital transformation on a one-to-one matching basis, thereby promoting the integration of the real economy with the digital economy. Additionally, the Society endorses efforts to promote more cross-boundary services to benefit the public and businesses while facilitate data flow throughout the Greater Bay Area (GBA), including extending the Standard Contract for the Cross-boundary Flow of Personal Information within the GBA (Mainland, Hong Kong) from banking, credit referencing and healthcare sectors to all sectors. Dr. Cheng believes these initiatives will significantly aid Hong Kong's further integration into the Greater Bay Area's development as well as align with the overall development of the Country.

Collaboration of the Government, industry, academia, research and investment sectors enhances New Quality Productive Forces Development

HKCS expresses strong support for the government's increased investment in I&T, as well as its initiative to lead market funding and innovate investment strategies in this sector. Dr. Cheng states: "We are pleased to see the government expand its investment in developing Hong Kong as an International I&T hub, particularly through the establishment of the 10 billion-dollar I&T Industry-Oriented Fund, which is 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, AI and robotics, semi-conductors and smart devices, advanced materials and new energy. The goal is to systematically build an I&T ecosystem. Moreover, there are plan to optimise the Innovation and Technology Venture Fund, redeploying $1.5 billion to set up funds jointly with the market, on a matching basis, investing in start-ups of strategic industries, to further enhance Hong Kong's start-up ecosystem. The I&T Accelerator Pilot Scheme with a funding allocation of $180 million will be launched, aiming to attract professional start-up service providers with proven track records in and beyond Hong Kong to set up accelerator bases in Hong Kong. Furthermore, the Government will draw up a medium to long-term development plan for new industrialisation in Hong Kong and will also press ahead with the establishment of the Hong Kong New Industrialisation Development Alliance to promote closer

collaboration among the Government and the industry, academia, research and investment sectors, building a co-operative platform for new industrialisation in Hong Kong. This includes providing more financing opportunities and fostering I&T co-operation between newly-listed companies in Hong Kong and local universities, which will greatly contribute to enhancing Hong Kong's I&T ecosystem."

Glad to see the government attaches great importance to the young IT talent cultivation

Dr. Cheng expresses his pleasure at the government's recognition of the need to cultivate young technological talent. He notes that the Hong Kong IT industry has long faced challenges related to a gap in talent development, which is why the HKCS has been dedicated to young IT talent cultivation. The Policy Address specifically mentions the establishment of the "Committee on Education, Technology and Talents", led by the Chief Secretary for Administration, the committee will co-ordinate and drive the integrated development of education, technology and talents, expand connections, formulate policies to attract and cultivate talents, foster the development of technologies, and also promote Hong Kong as an international hub for high-calibre talents. Such forward-thinking measures are commendable, and the HKCS is willing to support the committee by offering its expertise in cultivating technological talent. Additionally, HKCS welcomes the Government's intensified efforts to attract and retain talent. This includes updating the Talent List to include talents required for development of the "eight centres", expanding the list of universities under the Top Talent Pass Scheme, and extending the validity period of the first visa of high-income talents under the scheme from two years to three years. The proactive invitation of top-tier talent to develop in Hong Kong is also expected to alleviate the industry's manpower shortages effectively. HKCS suggests that the government further enhance the functions of the "Office for Attracting Strategic Enterprises" and "Hong Kong Talent Engage" to provide more comprehensive support for top talents and key enterprises interested in relocating to Hong Kong.

About the Hong Kong Computer Society (HKCS)

Founded in 1970, the Hong Kong Computer Society (HKCS) is a recognised non-profit professional organisation focused on developing Hong Kong's Information Technology (IT) profession and industry. Their members come from a broad spectrum of Hong Kong's IT community, from corporations to like-minded individuals, all coming together to raise the profile and standards of the IT profession and industry. As a well-established IT professional body, the Society is committed to professional and industry development as well as community services to ensure the IT sector continues to make a positive impact on peoples' lives with three main goals, namely, 1) talent cultivation and professional development, 2) industry development and collaboration, and 3) the effective use of IT in our community.

For more details, please visit http://www.hkcs.org.hk.

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