

Panel on Information Technology and Broadcasting
Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Sir/Madam,

Support Establishment of Innovation and Technology Bureau

We are writing this letter on behalf of IET Hong Kong to LEGCO in support of the establishment of Innovation and Technology Bureau (ITB).

Since the second Policy Address from Chief Executive Leung Chun-ying released on January, 2014, the government will be restructured and might re-launch Innovation and Technology Bureau. Two years ago, the restructuring of headquarters 'package' motion took a plunge in the Legislative Council, so that the restructuring plan of Innovation and Technology Bureau is impossible. However, in December 2013, "Hong Kong-produced" instrument with "Chang E III" has successfully landed on the moon. Hong Kong's support to national space research greatly inspires many Hong Kong people, and might indirectly leads to sparked calls for the re-establishment of Innovation and Technology Bureau.

The "Camera pointing mechanism system" of "Chang E III" is manufactured and developed by Professor KL Yung, Department of Industrial and Systems Engineering, Hong Kong Polytechnic University. Professor Yung has recently expressed that the real market for high-technology is civilian. He and his team hope that their technology could be widely used in medical and other areas one day.

As a large local Network of more than 4,500 members who have interests in various areas related to engineering and technology, We IET Hong Kong realized that success of science technology research and industrial development are difficult to achieve. Professor Yung's words are indeed the voices of many experienced IT practitioners. The goal of promoting high-tech market, forming virtuous track of official research could never be reached by single-handedly or niche forces, but requires long-term planning and practical implementation of the government.

In fact, the establishment of Innovation and Technology Bureau is a general, as well as impending trend.

Firstly, Hong Kong is lack of a complete, coherent science and technology policy. Although the Government has established Innovation and Technology Commission and the Hong Kong Applied Science and Technology Research Institute, the construction of Cyberport, Hong Kong Science & Technology Parks, and set up five R&D centers in Hong Kong since 2000, but its information technology, communications, science and technology policies are scattered under different departments. Hardly could

we perceive the projects' tangible results, not to mention the progress of the industry.

Secondly, the development of ICT technology industry is headed across industries, involving large scales of allocation and deployment of public resources, which requires government execution. For example, at present, the R&D investment accounts for 0.76% GDP (about HK \$ 13.3 billion). To achieve a similar level as Singapore (more than 2% of GDP), Hong Kong has to increase R&D investment, and, while the R&D investment increased by about 3-fold to approximately HK \$ 40 billion. Again, there is an urgent need for the Government to strengthen support for local technology companies abroad, especially to assist the application of local operations related licenses to establish a science and technology enterprises in Mainland market. In addition, the application of science and technology, combined with the commercial aspects require a cross-sectorial and inter-departmental cooperation.

Thirdly, according to 2014 report from Hong Kong Trade Development Council, the government has divides Hong Kong's economy into the financial, tourism, trade and logistics, and professional services industries. Among which the growth of trade and logistics has reached 25.5%, while that of innovation and technology was only 8.5%, which shows the outcome of the government ignorance and inability in adjusting industrial structure balance.

Compared with other countries, technology industry has been becoming a trend. Led by ICT brands such as Samsung, Huawei and HTC, Asian IT industry has growing fast and rapidly. However, Hong Kong is still migrating and conservative which is inevitable that IT practitioners feel disappointed. The Hong Kong government should be established Innovation and Technology Bureau as soon as possible, to show the importance of commitment to the development of the technology industry, and to make substantive and fruitful achievements in order to break the deadlock, and to promote long-term development of our society.

Thank you for your attention.

Yours faithfully,

IET Hong Kong

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