I am writing on behalf of the Federation of Hong Kong Industries（FHKI）to support the Government＇s proposal to set up the Innovation and Technology Bureau （ITB）．

Innovation and technology has played an important part in Hong Kong＇s past economic success．Amidst increasing global competition，innovation and technology will play an even more important role in the survival of the fittest process． Innovation and technology is relevant to all economic sectors，not just for traditional manufacturing industries，but also services industry．Not only will economic efficiency be enhanced，the standards of living for people will also be improved． Compared to other advanced economies，Hong Kong has a relatively small percentage of GDP ploughing back as R\＆D，and most R\＆D expenditure is publicly funded with a relatively low proportion of private investment．Much more needs to be done to encourage the whole community to invest in innovation and technology， and to cultivate an urge to innovate amongst the younger generation．

We consider it vital for a separate Bureau to be set up to lead and coordinate efforts in this respect．Identifying a Policy Secretary to shoulder the responsibility over the development and application of innovation and technology underpins the importance Government attaches to this policy area，and we fully support that．We urge the LegCo to give funding support for the setting up of ITB．We are unable to attend the Panel＇s deputation meeting on 3 May but we would appreciate it if the Panel would take into account our views．


Linda Ka－pik So
Director－General

