

Chapter 16

Innovation, Technology and Industry

The National 14th Five-Year Plan and the Recommendations for the National 15th Five-Year Plan both indicated clear support for Hong Kong's development into an international innovation and technology centre. To realise this vision, Hong Kong attracts top-notch overseas and Chinese Mainland research institutions with its strong research capability, robust intellectual property protection regime, world-class technological infrastructure and the opportunities presented by national development.

The Innovation, Technology and Industry Bureau formulates innovation and technology (I&T) policies in Hong Kong. The bureau is supported by the Innovation and Technology Commission and the Digital Policy Office.

The Innovation and Technology Commission promotes and supports applied research and development (R&D) and technology transfer and application. It also promotes internationally accepted standards and conformity assessment services to underpin technological development and international trade in Hong Kong.

The Digital Policy Office promotes data-driven, people-centric and outcome-based digital policies to enhance the government's efficiency and services, bringing benefits to citizens and the business sector through digital government and smart city development.

Leveraging Hong Kong's competitive edge, the government develops a high value-added and diversified economy which embraces the development of new economic sectors. The government also encourages industry participation to capitalise on opportunities emerging from the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) development and the Belt and Road Initiative, in order to generate new impetus for the territory's economic development.

The Hong Kong I&T Development Blueprint sets out the city's overall I&T development plan over the next five to 10 years under four broad directions and eight major strategies, covering enhancement of the I&T ecosystem and new industrialisation; enlargement of the I&T talent pool; promotion of the development of digital economy and smart city; and integration of Hong Kong into the overall development of the country.

Infrastructure

Hong Kong Science and Technology Parks Corporation

The Hong Kong Science and Technology Parks Corporation (HKSTPC) is responsible for managing Hong Kong Science Park and the InnoCentre, and provides all-round support services to technology start-ups for promoting technology transfer and commercialisation of R&D results, as well as supporting the sustainable development of the I&T ecosystem. Hong Kong Science Park provides around 420,000 square metres of gross floor area for R&D activities and was home to about 1,400 companies as at end-2025. The total workforce was around 20,000, around 14,000 of whom were researchers.

The HKSTPC is also responsible for managing three InnoParks in Tai Po, Yuen Long and Tseung Kwan O, which together provide 217 hectares of serviced land for I&T and manufacturing setups. Key projects in recent years include the Advanced Manufacturing Centre and Microelectronics Centre.

Cyberport

Home to more than 2,300 digital technology companies, Cyberport promotes the development of a digital technology ecosystem. Its campus provides 98,000 sq m of rental office area, including Smart-Space and other co-working areas used by more than 800 start-ups. An expansion of Cyberport is under way to provide an additional 36,000 sq m of office space.

Cyberport also offers start-up incubation programmes, funding support for market development and participation of accelerators, as well as venture capital investment.

Cyberport's Artificial Intelligence Supercomputing Centre (AISC) provides computing power of 3,000 peta-floating point operations per second to support the demand of research institutes and the industry. The government also implements the \$3 billion AI Subsidy Scheme, mainly to provide subsidies to local institutions, R&D centres and enterprises, for leveraging AISC's computing power to promote scientific breakthroughs.

Hong Kong-Shenzhen Innovation and Technology Park

The Hong Kong-Shenzhen Innovation and Technology Park Limited is a wholly owned subsidiary of the HKSTPC, responsible for building, operating, maintaining and managing the Hong Kong-Shenzhen Innovation and Technology Park of the Hetao Shenzhen-Hong Kong Science and Technology Innovation Co-operation Zone (Hong Kong Park). The first three buildings of batch 1 development in the Hong Kong Park have been completed, and superstructure and groundwork construction for the remaining five buildings has begun. The park officially opened in December.

San Tin Technopole

The San Tin Technopole, situated in the Northern Metropolis, spans 210 hectares, which when combined with the Hong Kong Park's 87 hectares, means around 300 hectares of I&T land can be provided, forming a crucial node for the integrated development upstream, midstream and downstream of I&T industries by providing them with space for offices, prototyping, test and pilot production, as well as manufacturing.

In November, the government promulgated the Conceptual Outline of the Development Plan for the Innovation and Technology Industry in the San Tin Technopole. The outline sets a clear development strategy for the San Tin Technopole by providing development vision, objectives and positioning, industrial spatial layout, and a development model.

Hong Kong Productivity Council

The Hong Kong Productivity Council aims to help local enterprises adopt advanced technologies and production processes and increase productivity. It provides integrated support for their business operations in Hong Kong and the Chinese Mainland, focusing on manufacturing technologies, information technologies (IT), environmental technologies and management systems. It also promotes new industrialisation and smart city development.

Research and Development Centres

The government has five R&D centres to drive and coordinate applied R&D and to promote the commercialisation of R&D results and technology transfer: Hong Kong Applied Science and Technology Research Institute; Hong Kong Microelectronics Research and Development Institute; Hong Kong Research Institute of Textiles and Apparel; Logistics and Supply Chain MultiTech R&D Centre; and Nano and Advanced Materials Institute.

The Nano and Advanced Materials Institute and Hong Kong Applied Science and Technology Research Institute will merge from 1 April 2026.

Hong Kong Council for Testing and Certification

The Hong Kong Council for Testing and Certification advises the government on the overall development strategy of the testing and certification sector. The Chinese Mainland has been opening up its market to Hong Kong's testing and certification sector through the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA). The council promotes the liberalisation measures under CEPA, helps the testing and certification sector explore opportunities in the GBA, and encourages manpower development in the sector.

Hong Kong Accreditation Service

The Hong Kong Accreditation Service operates according to international standards and is active in international and regional accreditation communities. It has mutual recognition arrangements with accreditation bodies in 122 economies, allowing the results of tests, calibrations, certifications, inspections, validations and verifications provided by its accredited organisations to be recognised globally, thus facilitating cross-border business.

Standards and Calibration Laboratory

The Standards and Calibration Laboratory is Hong Kong's official custodian of physical measurement reference standards and provides calibration services traceable to the International System of Units. It represents Hong Kong, China as a signatory to the Mutual Recognition Arrangement of the International Committee for Weights and Measures, and its calibration certificates are recognised internationally, with mutual recognition established with 101 overseas partner institutions. It also provides proficiency testing schemes for local testing and calibration laboratories to assess their technical competence.

Standards-related Services

The Quality Services Division offers standards-related free technical advice. It also represents the Hong Kong Special Administrative Region in major forums relating to standards and conformance issues and acts as Hong Kong, China's enquiry and notification point under the World Trade Organization's Technical Barriers to Trade Agreement.

Innovation and Technology Development

R&D and Technology Transfer

Hong Kong's gross domestic expenditure on R&D (GERD) amounted to \$35.7 billion in 2024, and the ratio of GERD to Gross Domestic Product was 1.13 per cent.

The government offers tax deductions for R&D expenditure incurred on or after 1 April 2018. The deduction is 300 per cent for the first \$2 million of such expenditure and 200 per cent for the remaining balance. There is no cap on the amount of tax deduction. The total amount of R&D expenditure eligible to claim tax deduction for the year of assessment 2023-24 was about \$4.6 billion.

The restructuring exercise of the State Key Laboratories was completed in 2025. In the 2025-26 financial year, the government continued to provide annual funding of up to \$20 million to each of the 15 State Key Laboratories and six branches of the Chinese National Engineering Research Centres in Hong Kong.

Starting from the 2025-26 financial year, the maximum amount of annual funding support for the Technology Transfer Office of each designated university¹ is \$12.8 million.

The Innovation and Technology Fund assists in upgrading technology and promoting innovation in manufacturing and services. In 2025, it committed around \$5.2 billion to supporting over 5,200 projects undertaken by research institutions and the industry, ranging from R&D and subsidising enterprises to adopt I&T and introduce smart production lines, to promoting I&T culture. More than 990 were R&D projects with total funding of around \$3 billion².

The Innovation Hub@HK website showcases the R&D outcomes of Hong Kong universities, public research institutes and InnoHK research laboratories. The website provides a one-stop platform to connect universities, research institutes and the industry to facilitate commercialisation and technology transfer of R&D outcomes.

The government has set aside \$1 billion to establish the Hong Kong AI Research and Development Institute. The institute will spearhead and support innovative R&D and industry application of artificial intelligence (AI). It is expected to come into operation in 2026.

The government has allocated \$6 billion to establish the Life and Health Technology Research Institute to foster cross-institutional and multidisciplinary collaboration among universities and research institutions from Hong Kong, the Chinese Mainland and overseas. It aims to leverage Hong Kong's R&D strengths in life and health sciences, complemented by AI, to build a world-class research platform. Preparatory work for its establishment will be completed within 2026.

InnoHK Research Clusters

To promote global research collaboration, the government has allocated \$10 billion to the InnoHK initiative. Two InnoHK research clusters have been set up, namely Health@InnoHK, focusing on healthcare technologies, and AIR@InnoHK, focusing on AI and robotics technologies.

Through InnoHK, local universities and research institutions have collaborated with more than 30 world-renowned universities and research institutions from 12 economies and established 30 research laboratories cumulatively. The government is also establishing a third InnoHK research cluster, SEAM@InnoHK, focusing on sustainable development, energy, advanced manufacturing and materials. The R&D centres under the cluster will be set up progressively starting from the first half of 2026.

The government has also assisted in piloting the use of generative AI document processing applications, developed by the Hong Kong Generative AI Research and Development Center

¹ The designated universities are City University of Hong Kong, Hong Kong Baptist University, Lingnan University, the Chinese University of Hong Kong, the Education University of Hong Kong, the Hong Kong Polytechnic University, the Hong Kong University of Science and Technology and the University of Hong Kong.

² Figures include around \$2.2 billion funding support for InnoHK research clusters, involving around 500 R&D projects.

based on a local large language model. A trial version of HKChat, an intelligent chatbot developed by the centre, was made publicly available in November.

Start-ups

In 2025, Hong Kong entered the Top 40 ranking for the first time in the *Global Startup Ecosystem Report*. The number of start-ups increased to more than 5,200 in 2025, up nearly 40 per cent compared with 2021.

The Innovation and Technology Venture Fund encourages venture capital funds to co-invest with the government in local I&T start-ups. As at end-2025, the fund had invested about \$510 million in 48 local I&T start-ups and attracted about \$5.1 billion in private investment. The government launched the enhanced scheme at the end of 2024 by redeploying up to \$1.5 billion to set up funds jointly with the market, on a matching basis, to invest in start-ups of strategic industries.

The HKSTPC's Corporate Venture Fund and Cyberport Macro Fund co-invest with angel investors or venture capital funds in start-ups from Hong Kong Science Park and Cyberport respectively.

The Technology Start-up Support Scheme for Universities supports teams from six local universities³ to start technology businesses and commercialise their R&D results. In the 2024-25 financial year, the annual funding for each university was up to \$16 million. As at end-2025, around \$563 million had been approved for 624 start-ups, which had derived over 2,700 intellectual property rights from their R&D. About 350 start-ups had taken their products or services to market and close to 430 start-ups had received funding injections.

The \$10 billion Research, Academic and Industry Sectors One-plus Scheme promotes the transformation and commercialisation of R&D outcomes from universities. The scheme funds, on a matching basis, research teams from universities with the potential to become successful start-ups to complete their projects in two stages within around five years. Funding support from \$10 million to \$100 million is provided to each approved project. A total of 49 projects were supported in the first two rounds of the scheme, a government funding commitment of more than \$2 billion.

Pooling and Nurturing Talent

The government aims to expand Hong Kong's I&T talent pool by nurturing, retaining and attracting talent, with relevant initiatives spanning across different stages of life.

The IT Innovation Lab in Secondary Schools and Knowing More About IT programmes subsidise secondary and primary schools respectively to organise extra-curricular IT activities. As at end-2025, over 1,000 schools joined the programmes with approved funding of more than \$900 million.

³ City University of Hong Kong, Hong Kong Baptist University, the Chinese University of Hong Kong, the Hong Kong Polytechnic University, the Hong Kong University of Science and Technology and the University of Hong Kong

The STEM Internship Scheme encourages students of science, technology, engineering and mathematics (STEM) at eligible universities to undertake short-term full-time internships related to I&T. As of November, the scheme had supported over 19,000 internship opportunities.

The Research Talent Hub funds each eligible organisation or R&D project to engage up to four graduates for R&D work. Companies subsidised under the New Industrialisation Acceleration Scheme may further engage a specific number of research talents and/or technical personnel on a one-to-one matching funding basis. As at end-2025, about \$8.7 billion had been used to fund over 15,700 positions.

The Global STEM Professorship Scheme helps local universities attract world-renowned I&T scholars and their teams to undertake teaching and research work in Hong Kong. As at end-2025, 68 selected scholars had taken up posts.

The Technology Talent Admission Scheme provides fast-track admission to Hong Kong for R&D talent. Since its launch in 2018 to end-2025, a total of 1,346 quotas had been allotted by the Innovation and Technology Commission. The scheme was further enhanced in December with a view to expediting the admission of I&T talent from around the world by eligible companies to facilitate their technology-related R&D activities in Hong Kong.

The \$3 billion Frontier Technology Research Support Scheme was launched in September to provide funding support, on a matching basis, to eight local universities⁴ in recruiting international top-notch researchers to Hong Kong and procuring facilities to conduct research projects in frontier technology fields. Each approved application may receive funding support ranging from around \$100 million to \$300 million.

Smart City

More than 130 initiatives set out in the Smart City Blueprint for Hong Kong 2.0, published in 2020, have been completed or are ongoing to make Hong Kong a more liveable smart city.

The government implemented over 100 digital government and smart city initiatives between 2024 and 2025, providing the public with more convenient public services.

The iAM Smart platform allows users to access more than 1,400 online services and e-forms from government, public and private organisations with a single digital identity. As at end-2025, more than 4 million residents had been registered as users. The iAM Smart platform has completed a full upgrade of its functions and user experience, providing more convenient services to citizens and businesses and achieving the goal of a 'single portal for online government services'. New functions released included Digital Document, Personal Assistant, Mini-program Platform and Step-up Authentication.

The Digital Transformation Support Pilot Programme, implemented by Cyberport under government funding, provides subsidies on a one-to-one matching basis to eligible small and

⁴ City University of Hong Kong, Hong Kong Baptist University, Lingnan University, the Chinese University of Hong Kong, the Education University of Hong Kong, the Hong Kong Polytechnic University, the Hong Kong University of Science and Technology and the University of Hong Kong

medium enterprises (SMEs) in the food and beverage, retail, tourism and personal services sectors to adopt e-payment and other ready-to-use basic digital solutions. In total, around 8,800 SME applications were approved. The government will enhance the programme in 2026 to include AI and cybersecurity solutions, thereby boosting the competitiveness and information security of SMEs.

The Standard Contract for Cross-boundary Flow of Personal Information within the Guangdong-Hong Kong-Macao Greater Bay Area facilitates a cross-boundary data flow within the GBA. Since 2024, the facilitation measure has been extended to all sectors, promoting more cross-boundary services to benefit the public and businesses.

The government aims to set up the Digital Corporate Identity Platform by end-2026, enabling Hong Kong corporations to securely and efficiently undergo corporate identity authentication and signature verification when using e-government services or conducting online business transactions. A sandbox programme was rolled out at the end of 2025 allowing interested parties to conduct proof-of-concept tests and develop their applications.

New Industrialisation

The Microelectronics Centre in Yuen Long InnoPark provides a gross floor area of about 38,580 sq m. The installation of specialised systems in the centre's pilot production facilities is expected to be completed in 2026.

The Hong Kong Microelectronics Research and Development Institute is taking forward the installation of two pilot lines at the Microelectronics Centre, striving to put them into operation in 2026 to support product development and trial production. The HKSTPC is refurbishing buildings that have been returned by lessees or re-entered through enforcement of lease terms for use as advanced manufacturing space, so as to increase the supply of floor area for advanced manufacturing in the InnoParks.

The New Industrialisation Funding Scheme subsidises manufacturers on a matching basis to set up new smart production lines in Hong Kong. It funds one-third of the total project cost, or \$15 million, whichever is lower. As at end-2025, nearly 120 production lines had been supported with total funding of about \$402 million.

The \$10 billion New Industrialisation Acceleration Scheme was launched in 2024 to provide funding support on a matching basis for enterprises engaging in industries of strategic importance, which include life and health technology, AI and data science, as well as advanced manufacturing and new energy technologies. In November, the application threshold for the scheme was relaxed with the minimum total project cost requirement lowered from \$300 million to \$150 million, and funding will be provided on a matching basis for the employment of relevant technical personnel, in addition to that of research talents.

To dovetail with the national strategy of developing patient capital, the Legislative Council Finance Committee approved the setting up of the \$10 billion Innovation and Technology Industry-Oriented Fund in July. The selection of fund managers is under way, with the aim for the fund to commence operation in 2026.

The New Industrialisation and Technology Training Programme subsidises local employees on a matching basis to receive training in advanced technologies. By end-2025, it had provided some \$699 million in funding for training over 27,310 people.

The New Industrialisation Development Office adopts an industry-oriented approach to promote new industrialisation, facilitate strategic enterprises to develop their businesses in the city, assist the manufacturing sector in upgrading and transformation by making use of I&T, and provide support for start-ups.

The Pilot Manufacturing and Production Line Upgrade Support Scheme was launched in November, providing 1:2 (government:enterprise) matching support, to encourage local manufacturers, especially SMEs with no prior experience in smart production investment, to adopt smart production technology solutions and upgrade their production lines.

Since 2023, the government has facilitated nearly 500 leading I&T enterprises or those with potential to develop, set up or expand business in Hong Kong. It has also driven the application of innovative technologies in scenarios in Hong Kong, thereby facilitating Mainland enterprises to enhance their products and services to better interface with international markets.

A major task stated in the National Government Work Report in 2025 is to develop new quality productive forces tailored to local conditions, which can introduce new industries and new development modes to Hong Kong and promote economic diversity, thereby enhancing the city's overall competitiveness. The government has been collaborating with the Ministry of Industry and Information Technology and Department of Industry and Information Technology of Guangdong Province to advance regional new industrialisation during the period of the National 15th Five-Year Plan.

In December, the government commenced a study on the medium- to long-term development of new industrialisation in Hong Kong.

Sandy Ridge Data Facility Cluster

The government put the Sandy Ridge Data Facility Cluster site, with an area of around 11 hectares, to open tender from October to December. The site will provide advanced computing power facilities and promote the development of data and AI-related industries.

Use of I&T in Government, Business and Community

The AI Efficacy Enhancement Team was set up in 2025 to coordinate and steer government departments to apply AI technology effectively to their work, explore process re-engineering, and promote technological reform in departments to improve efficacy.

The government opens up data in machine-readable format on its Open Data Portal for free use. As at end-2025, there were over 5,700 open datasets on the portal, alongside approximately 1,050 spatial datasets released on the Common Spatial Data Infrastructure Portal.

The Consented Data Exchange Gateway enables citizens to authorise government departments to share their personal data within the government, facilitating their use of digital

government services and enhancing the operational efficiency of government departments. As at end-2025, the gateway had handled over 34 million data exchanges.

The TechConnect (block vote) supports the government to plan and implement I&T projects to enhance the operational efficiency and quality of public services, as well as capability to safeguard public safety. As at end-2025, it had supported 171 projects proposed by 36 bureaus or departments.

As at end-2025, the Smart Government Innovation Lab had matched over 160 business needs of departments with technology solutions and arranged proof-of-concept tests for over 90 solutions. Among them, more than 50 projects were being planned for or under pilot implementation. The lab also advocated innovative applications with AI for pilot use in relevant departments to enhance the quality and efficiency of public services.

The government encourages the elderly to use information and communications technology through a web-based learning portal, outreach programme, mobile digital service stations and enriched training. It also promotes accessible design of websites and mobile applications to benefit the disabled.

The Social Innovation and Entrepreneurship Development Fund encourages cross-sectoral collaboration on the development of innovative ideas, products and services to address poverty and social exclusion issues and foster social cohesion. Since its launch, some 750 projects have been funded, benefiting nearly 600,000 people. With \$100 million allocated from the fund, the Smart Silver Digital Inclusion Programme for Elders was launched in 2024 to provide training on digital technologies and technical support for those aged 60 or above; by end-2025, more than 100,000 elderly people had participated.

Cooperation with Chinese Mainland

The National 14th Five-Year Plan supports Hong Kong's development into an international I&T centre and includes the Hong Kong-Shenzhen Innovation and Technology Park as a major platform of cooperation in the GBA. The 'Recommendations of the Central Committee of the Communist Party of China for Formulating the 15th Five-Year Plan for National Economic and Social Development' adopted at the Fourth Plenary Session of the 20th Central Committee of the Communist Party of China in October, also indicated clear support for the development of Hong Kong into an international I&T centre.

About RMB 1.4 billion of R&D funding has been approved for universities and research institutions in Hong Kong. The Ministry of Science and Technology has approved five Mainland branches established by Hong Kong universities to transfer human genetic resources to Hong Kong for research.

The government promotes technological cooperation with the Mainland through regular mechanisms, including the Mainland/Hong Kong Science and Technology Cooperation Committee, and the Guangdong-Hong Kong Expert Group on Cooperation in Technology and Innovation.

The government has been promoting the Cross-boundary Public Services initiative and, by end-2025, self-service kiosks, as well as iAM Smart self-registration kiosks, had fully covered the nine Mainland cities of the GBA and Macao, enabling residents and enterprises to access Hong Kong public services and register for iAM Smart without the need for cross-boundary travel.

The government continues to implement the Co-operation Agreement on the Development of New Quality Productive Forces and the Promotion of New Industrialisation, signed with the Ministry of Industry and Information Technology in 2024. The agreement aims to support Hong Kong in developing new quality productive forces and promoting new industrialisation according to local conditions. It also strengthens exchanges between the two places in the fields of industry and IT, promoting cooperation and joint development in industries where both places have clear advantages.

International I&T events

Hong Kong hosted the first World Internet Conference Asia-Pacific Summit and the third InnoEX in April, promoting regional digital collaboration and further strengthening the city's position as an international I&T centre.

Websites

Cross-boundary Public Services: www.crossboundaryservices.gov.hk

Cyberport: www.cyberport.hk

Digital Policy Office: www.digitalpolicy.gov.hk

Hong Kong Applied Science and Technology Research Institute: www.astri.org

Hong Kong Council for Testing and Certification: www.hkctc.gov.hk

Hong Kong Microelectronics Research and Development Institute: www.mrdi.org.hk

Hong Kong Productivity Council: www.hkpc.org

Hong Kong Research Institute of Textiles and Apparel: www.hkrita.com

Hong Kong Science and Technology Parks Corporation: www.hkstp.org

Hong Kong-Shenzhen Innovation and Technology Park Limited: www.hsitp.org

iAM Smart: www.iamsmart.gov.hk

Innovation, Technology and Industry Bureau: www.itib.gov.hk

Innovation and Technology Commission: www.itc.gov.hk

InnoHK: www.innohk.gov.hk

Innovation Hub@HK: www.innovationhub.hk

Logistics and Supply Chain MultiTech R&D Centre: www.lscm.hk

Nano and Advanced Materials Institute: www.nami.org.hk

Open Data Portal: www.data.gov.hk

Smart City Portal: www.smartcity.gov.hk