Promotion of I & T Development in Hong Kong

March 2011

創 新 科 技 署
Innovation and Technology Commission

The 2011-12 Budget

Innovation and Technology Sector

- Financial Secretary to take up chairmanship of Steering Committee on Innovation and Technology;
- Strengthen collaboration in scientific research with the Mainland. Will provide an annual sum up to $2 million to each of the 12 Partner State Key Laboratories in Hong Kong;
- Hong Kong Science and Technology Parks Corporation granted about 8 hectares of land in Tseung Kwan O Industrial Estate for setting up of high-end data centres. Government continues to explore appropriate measures to facilitate the development of more high-end data centres in Hong Kong.

A. Reform of Innovation and Technology Fund (ITF)

B. R&D Cash Rebate Scheme

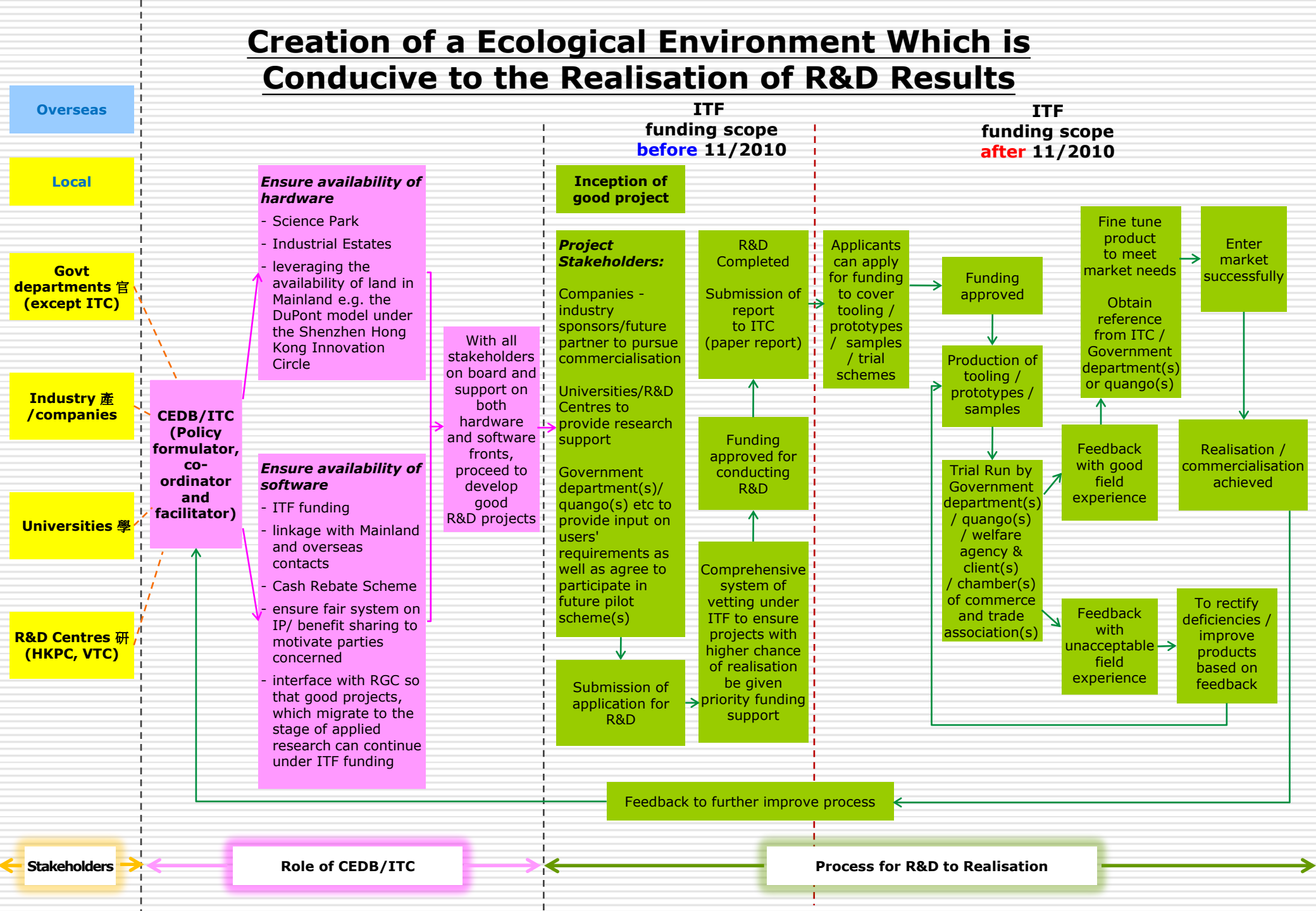
C. Promoting Use of LSCM's Products/Technologies in the Public Sector

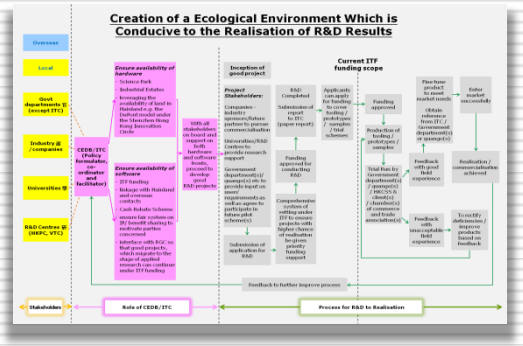
A. Reform of Innovation and Technology Fund

Phase 1: Improvement Measures

- Scope of ITF funding:
  - Production of samples/prototypes and conducting of trial schemes. Funding support up to 30% project cost (some technical issues to be sorted out)
  - Follow-on funding (e.g. second phase)
  - Funding for cluster projects (e.g. 3 different projects to combat water pollution at a certain location)

Creation of a Ecological Environment Which is Conducive to the Realisation of R&D Results





Overseas

Local

Govt departments 官 (except ITC)

Industry 產 /companies

Universities 學

R&D Centres 研 (HKPC, VTC)

CEDB/ITC (Policy formulator, co-ordinator and facilitator)

Ensure availability of hardware

- Science Park
- Industrial Estates
- leveraging the availability of land in Mainland e.g. the DuPont model under the Shenzhen Hong Kong Innovation Circle

Ensure availability of software

- ITF funding
- linkage with Mainland and overseas contacts
- Cash Rebate Scheme
- ensure fair system on IP/ benefit sharing to motivate parties concerned
- interface with RGC so that good projects, which migrate to the stage of applied research can continue under ITF funding

With all stakeholders on board and support on both hardware and software fronts, proceed to develop good R&D projects

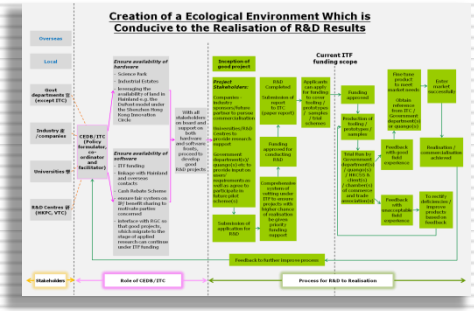
Stakeholders

Role of CEDB/ITC

Inception of good project

ITF Funding Scope before 11/2010

ITF Funding Scope after 11/2010



Project Stakeholders :

Companies - industry sponsors/future partner to pursue commercialisation

Universities/R&D Centres to provide research support

Government department(s)/

quango(s) etc to provide input on users' requirements as well as agree to participate in future pilot scheme(s)

Submission of application for R&D

Comprehensive system of vetting under ITF to ensure projects with higher chance of realisation be given priority funding support

Funding approved for conducting R&D

R&D Completed

Submission of report to ITC (paper report)

Applicants can apply for funding to cover tooling / prototypes / samples / trial schemes

Funding approved

Production of tooling / prototypes / samples

Trial Run by Government department(s) / quango(s) / welfare agency & client(s) / chamber(s) of commerce and trade association(s)

Feedback with good field experience

Feedback with unacceptable field experience

To rectify deficiencies / improve products based on feedback

Fine tune product to meet market needs

Obtain reference from ITC / Government department(s) or quango(s)

Enter market successfully

Realisation / commercialisation achieved

Feedback to further improve process

Process for R&D to Realisation

New Assessment Framework for Innovation and Technology Support Programme (ITSP)

	Components	Weighting
(1)	Scientific Component	20%
(2)	Technical Capability	20%
(3)	Financial Considerations	16%
(4)	Existence of a Holistic Plan to Realisation/Commercialisation	16%
(5)	Relevance with Government Policies or in Overall Interest of the Community	12%
(6)	IP Rights and Benefit Sharing	8%
(7)	Management Capability	8%

Current Position

- November 2010
  - Consent obtained from Commerce and Industry Panel on the proposal for improving ITF funding mechanism
- March 2011
  - New ITSP Application Guide and Form available at: www.itf.gov.hk
  - ITSP (Tier 2 and Tier 3) is now open to application until 29 April 2011

Innovation and Technology Support Programme

Application Form

(Platform and Collaborative Research Projects)

General

1. Please read the '**Guide to Filling in the Application Forms of the Innovation and Technology Support Programme (ITSP)' ("Guide")** before completing this form. (Please use ITF Form 2.0 for Tier 3/Seed projects.)

2. Application should be submitted by the lead applicant. Application submitted by individuals will not be accepted.

3. In case of an application involving more than one party (e.g. the lead applicant and industry co-applicant under a collaborative project), the lead applicant should fill in the form.

4. If an applicant wishes to apply for more than one project (as in the case of cluster projects), it should complete one form in respect of each project.

5. Please complete this form in either Chinese or English (with the exception of certain sections for the purpose of uploading to the ITC webpage in future as necessary).

6. Please attach annex(es) if space provided in the form is insufficient. Other information in support of the application, e.g. diagrams, photos, videos, samples, etc. are welcomed.

7. All information provided in the form will be used for processing the application and for related purposes, e.g. project monitoring, statistical analysis, etc. It may be disclosed to other Government departments or third parties, if such disclosure is necessary for the purposes of processing the application and related purposes.

8. This form must be submitted in hard copy in triplicate (1 original plus 2 duplicate copies). In addition, a soft copy, preferably in MS Word 2003 or above, should be provided.

Innovation and Technology Commission

Innovation and Technology Fund
Innovation and Technology Support Programme
Guide to Filling in the Application Forms

This Guide explains how to complete the application forms of the Innovation and Technology Support Programme (ITSP) under the Innovation and Technology Fund (ITF).

2. Details of the ITF and the ITSP are available at http://www.itf.gov.hk. In addition to the information in this Guide and the application forms, the Innovation and Technology Commission (ITC) may issue supplementary information and guidelines from time to time. Please check the ITF website to see if there is any updating before submission.

3. If you have any question on this Guide and the application forms, please contact -

ITF Secretariat (ITSP Section)
Innovation and Technology Commission
20/F, Wu Chung House
213 Queen's Road East, Wan Chai
Hong Kong
Tel : (852) 2737 2229
E-mail : enquiry@itc.gov.hk

B. R&D Cash Rebate Scheme

- 10% rebate for ITF projects and projects undertaken with local R&D institutions
- e.g. a $1mn Collaboration Project:

	HK$
(a) R&D expenditure borne by the company	500,000
(b) Profit tax saved (16.5%)	(82,500) (a x 16.5%)
(c) Cash rebate (10%)	(50,000) (a x 10%)
(d) Taxable part of the cash rebate (16.5%)	8,250 (c x 16.5%)
Actual R&D expenditure	**375,750 (a–b–c+d)**

Only 37% of total cost

- If company engages with R&D Centre in a HK$1mn Collaboration Project (50/50) and applies for funding for production of samples/prototypes and user trial (maximum funding up to 30% of Project cost) —

R&D Project

	HK$
R&D expenditure borne by the company	500,000
Profit tax saved (16.5%)	(82,500)
Cash rebate (10%)	(50,000)
Taxable part of the cash rebate (16.5%)	8,250
Actual R&D expenditure	**375,750**

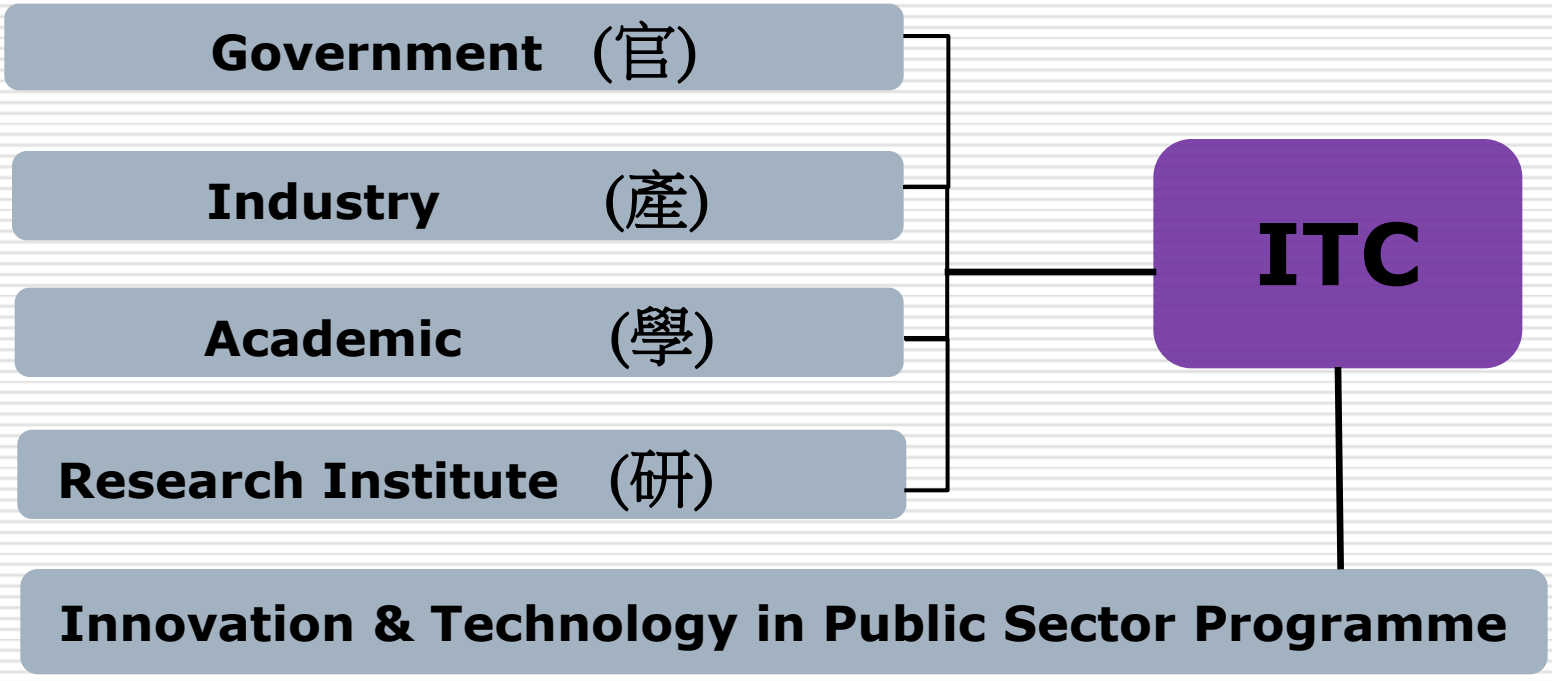
Samples/ Prototypes/ User trial

Funding support for samples/prototypes /user trial (up to 30% of Project cost) **($300,000)** → **$ 75,750**

- Therefore, maximum support from Government — HK$924,250 (~ 92%)

C. Promoting Use of LSCM's Products/Technologies in the Public Sector

Liaison with key players



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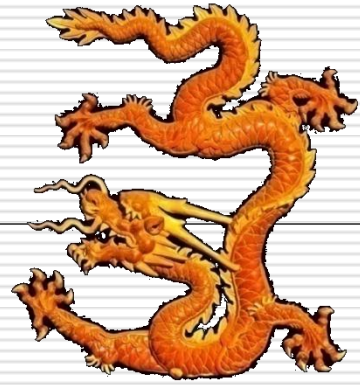
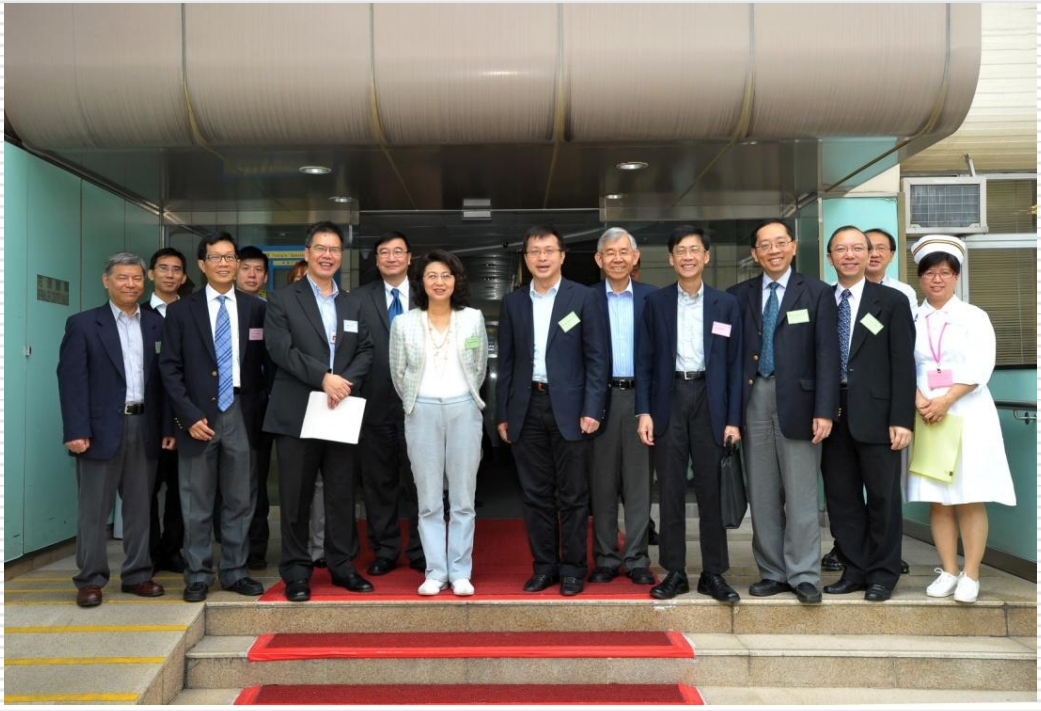
One-Stop Support



- ITC serves as a conduit to match user needs with technology know-how developed by innovators/researchers;
- ITC provides funding: ITF and Cash Rebate Scheme;
- Government users to provide inputs on user requirements to I&T suppliers, ie. matching demand with supply;
- Government departments and public bodies to conduct trial use of research deliverables;
- User feedback after trial use would facilitate innovators/researchers to fine-tune research outputs to products more in line with market demand;
- I&T suppliers build referencebility.

- Hospital Authority
- Other Government Departments



Projects

- E-Lock-based enabling technology for monitoring the container cargo transshipment process;
- RFID and Sensor-based Productivity Enhancement System for Human-operated Workplace;
- RFID Tags and Management System for tracking new born babies in hospital;
- RFID Tags and Management System for Paediatric Mixed Specialties Ward (detect and avoid close contact between male and female patients).

Focusing on Key Areas

- Port and border
- Health and welfare
- Food and retail

Thank you!