

**Thirty-eighth Meeting of
the Business Facilitation Advisory Committee**

***Agenda Item 2: Funding Schemes under the Innovation and
Technology Fund***

Purpose

This paper briefs Members on the funding schemes under the Innovation and Technology Fund (“ITF”).

Funding schemes under the ITF

2. Since its establishment in 1999, the ITF has been the Government’s main vehicle to finance projects that contribute to innovation and technology (“I&T”) upgrading in our manufacturing and services industries, as well as to support the development of the industries.

3. At present, there are 14 funding schemes under the ITF, each having its own objectives, scope, and modus operandi. Businesses in different stages of growth and development can make use of our funding schemes, with a view to enhancing their capability and competitiveness. These funding schemes can be categorised as follows:

Supporting R&D

- (a) the Innovation and Technology Support Programme (“ITSP”) which supports R&D projects undertaken by local universities/degree-awarding institutions as well as public research institutions¹. Private companies may collaborate with them on these projects. As at end August 2018, 2 553 projects have been funded, with total funding of about \$9

¹ They are the Hong Kong Productivity Council, the Hong Kong Applied Science and Technology Research Institute, the Nano and Advanced Materials Institute (NAMI), the Logistics and Supply Chain MultiTech R&D Centre (LSCM), the Hong Kong Research Institute for Textiles and Apparel (HKRITA), the Automotive Parts and Accessory Systems R&D Centre (APAS), the Vocational Training Council, the Clothing Industry Training Authority and the Hong Kong Institute of Biotechnology.

billion. Some of the projects have been commercialised or spun off into technology businesses;

- (b) the University-Industry Collaboration Programme (“UICP”) which provides dollar-for-dollar matching fund for R&D jointly undertaken by private companies and local universities. As at end August 2018, 341 projects involving six universities and 243 private companies have been supported, with total funding of about \$417 million;
- (c) the Enterprise Support Scheme (“ESS”) which was introduced in 2015 to provide dollar-for-dollar matching of up to \$10 million for private companies to carry out R&D projects. As at end September 2018, the ESS Assessment Panel has considered 322 applications, of which 87 were supported. They involve 79 private companies, with private sector contribution of over \$300 million and ITF contribution of over \$260 million;
- (d) the Research and Development Cash Rebate Scheme (“CRS”) which was introduced in 2010 to provide cash rebate² to private companies for their expenses in ITF R&D projects, or other R&D projects funded by these companies and undertaken by local universities/public research institutions. As at end August 2018, 1 155 companies have been granted cash rebate of about \$394 million;
- (e) the Midstream Research Programme (“MRP”) which was introduced in 2016 for midstream research projects undertaken by UGC-funded institutions. Private companies may partner with these institutions on the R&D work. As at end August 2018, eight projects have been supported, with total funding of some \$33.6 million;

Facilitating Technology Adoption

- (f) (f)the Public Sector Trial Scheme (“PSTS”) which supports public sector bodies to try out new technologies or products developed from ITF projects and by incubatees/graduate tenants of the Hong Kong Science and Technology Parks Corporation (“HKSTPC”) and Cyberport. As at end August

² The level of cash rebate was 10% in 2010, and was increased to 30% in 2012, then to 40% in 2016.

2018, 185 projects have been supported with funding of about \$301 million, benefitting 270 organisations;

- (g) the Technology Voucher Programme (“TVP”) which was introduced in 2016 to subsidise local enterprises, on a 2:1 basis, to use technology solutions to improve productivity, or facilitate the upgrading/transformation of their business process. So far, 1 300 companies have submitted applications. For the 890 that have undergone assessment, 849 were supported with total funding of over \$116 million. The success rate is 95%;

Nurturing Technology Talent

- (h) the Internship Programme which supports ITF projects and incubatees/I&T tenants of HKSTPC and Cyberport to hire local graduates as R&D interns, thereby nurturing more I&T talent. The ITF will provide a monthly allowance of \$16,000 and \$19,000 for graduates with a Bachelor’s degree and those with a Master’s or higher degree respectively. Since the launch of the programme in 2004, we have supported over 3 500 interns with funding of over \$800 million;
- (i) the Postdoctoral Hub programme, which was launched in August 2018, provides funding support to ITF recipients and incubatees/I&T tenants of HKSTPC/Cyberport to recruit up to two postdoctoral talent³ for R&D work. The ITF will provide a monthly allowance of \$32,000 for each postdoctoral researcher for up to 24 months. As of 22 October 2018, we have received 214 applications, among which 181 applications were approved with funding of over \$84 million;
- (j) the Reindustrialisation and Technology Training Programme (“RTTP”), which was launched in August 2018, subsidises local enterprises on a 2:1 matching basis to train their staff in advanced technologies, especially those related to “Industry 4.0”. As of 22 October 2018, the RTTP has received over 120 applications for public course registration, of which 54 have been approved for enterprises to apply. As for training grant applications, 35 applications have been approved, involving 66

³ The postdoctoral talent must possess a doctoral degree in a science, technology, engineering and mathematics (“STEM”)-related discipline from either a local university or a well-recognised non-local institution.

trainees and funding of about \$0.7 million;

Supporting Technology Start-ups

- (k) the Technology Start-up Support Scheme for Universities (“TSSSU”) which was launched in 2014 to support university professors and students to start technology businesses and commercialise their R&D results. An annual funding of \$4 million is provided to each university⁴;
- (l) the Innovation and Technology Venture Fund which was rolled out in September 2017 to co-invest with private venture capital funds in local I&T start-ups with an overall matching ratio of approximately 1:2;

Promoting an I&T Culture

- (m) the General Support Programme which supports non-R&D projects that help upgrade local industries and promote an I&T culture in Hong Kong. As at end August 2018, the programme has funded 201 projects with some \$298 million; and
- (n) the Patent Application Grant which provides funding support for first-time patent applicants. It was set up in 1998 and merged into the ITF in 2002. So far, 2 120 applications have been funded, involving over \$398 million and resulting in 672 applicants with patents granted.

4. In addition to the above funding schemes, the ITF also funds the operation of research centres / laboratories and university technology transfer offices to enable them to carry out more R&D work, commercialise their R&D outcome, or transfer their knowledge. The entities supported are:

- (a) four R&D centres i.e. NAMI, LSCM, HKRITA and APAS;

⁴ With a view to enhancing the support for local universities to start their technology businesses and commercialise their R&D results, the 2018 Policy Address announced that the maximum amount of funding provided to each designated university under the TSSSU will be raised from \$4 million to \$8 million each year. We are working on the implementation details.

- (b) technology transfer offices (TTOs) of six UGC-funded universities. Each TTO may receive up to \$4 million each year⁵;
 - (c) 16 State Key Laboratories (SKLs) in Hong Kong. Each SKL may receive up to \$5 million each year⁵; and
 - (d) six Hong Kong branches of Chinese National Engineering Research Centres (CNERCs). Each CNERC Hong Kong branch may receive up to \$5 million each year⁵.
5. Since its establishment, the ITF has committed funding of some \$14.6 billion.

Recent Development

6. In July 2018, the Finance Committee of the Legislative Council approved an injection of \$10 billion into the ITF to support the continued operation of the existing funding schemes and the introduction of various new initiatives. New initiatives in the pipeline are as follows -

- (a) *Partnership Research Programme (“PRP”)* - At present, both the ITSP and the UICP support R&D collaborative projects. The former supports collaborative projects between local public research institutions and private companies, and the latter supports collaborative projects jointly undertaken by private companies and local universities. Upon review, we plan to merge the UICP and the collaborative stream of the ITSP into a new PRP to achieve synergy and flexibility. We aim to roll out this consolidated programme in early 2019;
- (b) *Re-industrialisation Funding Scheme* - As announced in the 2018 Policy Address, to expedite the realisation of re-industrialisation, we propose establishing a \$2 billion Re-industrialisation Funding Scheme to subsidise manufacturers on a matching basis to set up smart production lines in Hong Kong. We are now studying and formulating the relevant operational details such as eligibility criteria, vetting

⁵ The 2018 Policy Address announced that the maximum amount of annual funding provided to each TTO, SKL and CNERC will be doubled (i.e. \$8 million per year for TTOs and \$10 million per year for SKL and CNERCs). We are working on the implementation details.

mechanism and criteria, and funding ceiling; and

- (c) *Establishment of the InnoHK research clusters at the Hong Kong Science Park* – The first two research clusters will focus on healthcare technologies and artificial intelligence / robotics technologies respectively. The objective is to make Hong Kong the hub for global research collaboration. We are now discussing with a number of top local, Mainland and overseas universities, research institutions and technology enterprises in the two technology areas to join the clusters and undertake collaborative research.

7. Commercial entities interested in our funding schemes under paragraph 3 may find more information (e.g. application guidelines and samples) on our website (www.itf.gov.hk) or contact our hotline (3655 5678) for more details. We have also produced a “Technology Funding at a Glance” booklet (at Annex) which summarises information of various public technology funding schemes for commercial entities’ reference. To facilitate application, ITF submissions can be made online.

Advice Sought

8. Members are invited to note the content of the paper.

Innovation and Technology Commission
October 2018



科技資助計劃概覽 Technology Funding at a Glance

你的企業能如何受惠？
How can your company benefit?



創新科技署
Innovation and
Technology Commission



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簡介 Introduction

香港特別行政區政府一直致力支援香港的創新科技發展，並透過「創新及科技基金」下的資助計劃，資助私營企業的內部研發工作、與本地大學及科研機構合作的研發、科技應用、聘請實習研究員及博士後專才、專利申請等。

我們明白科技初創企業在成立初期，通常需經過多個增長及發展階段，所需資金亦會隨着企業成長而遞增。就此，創新科技署、香港科技園公司及數碼港亦已推出了多項資助計劃，為科技初創企業提供財政方面的支援。

此外，工業貿易署亦為私營企業在其他業務範疇包括市場推廣及發展品牌等提供支援。

我們期望這本小冊子能為企業提供本地公營科技資助計劃的概覽。詳情請瀏覽相關的網站。

The Government of the Hong Kong Special Administrative Region is committed to supporting the development of innovation and technology in Hong Kong. Through funding programmes under the Innovation and Technology Fund, we provide funding support for private companies for their in-house research and development ("R&D"), R&D in collaboration with local universities or research institutions, technology adoption, recruitment of research interns and postdoctoral talent, patent application, etc.

We understand that technology start-ups normally need to go through many stages of growth and development in their initial years, and they require an increasing level of investment as they grow. In this connection, the Innovation and Technology Commission, Hong Kong Science and Technology Parks Corporation (HKSTPC) and Cyberport have launched a number of programmes to provide financial support for technology start-ups.

In addition, the Trade and Industry Department offers support to private companies in other business activities such as marketing and branding.

We hope this booklet will offer an overview of local public technology funding programmes for enterprises. For details, please visit the relevant websites.



科技資助計劃概覽

你的企業能如何受惠？

(I) 研發

(a) 內部研發

企業支援計劃 ¹	<ul style="list-style-type: none">• 每個項目的資助上限為 1,000萬元• 以等額出資方式資助• 企業可擁有項目的知識產權
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(b) 與大學及本地科研機構合作

創新及科技支援計劃 ¹	<ul style="list-style-type: none">• 與本地科研機構合作<ul style="list-style-type: none">- 企業投入最少 30% 的項目成本- 企業可擁有項目的知識產權或在指定時間內享有獨家使用權
大學與產業合作計劃 ¹	<ul style="list-style-type: none">• 與本地大學合作<ul style="list-style-type: none">- 企業投入最少 50% 的項目成本- 企業可擁有項目的知識產權

(c) 投資研發現金回贈

投資研發現金回贈計劃 ¹	<ul style="list-style-type: none">• 就以下發放 40% 現金回贈<ul style="list-style-type: none">- 為上述(I)(a)及(b)的研發項目投入的資金；或- 委託本地科研機構進行的研發項目
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(II) 科技應用

<p>科技券計劃¹</p>	<ul style="list-style-type: none"> 資助非上市本地企業使用科技服務和方案，以 <ul style="list-style-type: none"> - 提高生產力；或 - 升級轉型 每間企業的資助上限為 20萬元 以 2 (政府) : 1 (企業) 的配對方式提供資助
<p>公營機構試用計劃¹</p>	<ul style="list-style-type: none"> 在公營機構試用以下項目的研發成果 <ul style="list-style-type: none"> - 上述 (I) (b) 項已完成的研發項目 - 香港科技園公司及數碼港的培育公司和畢業生租戶的研發項目 (每個項目的資助上限為 100萬元)

(III) 其他支援

<p>專利申請資助計劃¹</p>	<ul style="list-style-type: none"> 資助首次為發明申請專利 每宗獲批申請的資助上限為 25萬元
<p>實習研究員計劃¹</p>	<ul style="list-style-type: none"> 資助以下機構聘請最多兩名本地畢業生擔任實習研究員，為期24個月 <ul style="list-style-type: none"> - 進行上述 (I) (a) 及 (b) 的研發項目的機構 - 香港科技園公司及數碼港的培育公司和創科租戶 每月津貼額： <ul style="list-style-type: none"> - 學士學位：16,000元 - 碩士或以上學位：19,000元
<p>博士專才庫企劃¹</p>	<ul style="list-style-type: none"> 資助以下機構聘請最多兩名博士後專才，為期24個月 <ul style="list-style-type: none"> - 進行上述 (I) (a) 及 (b) 的研發項目的機構 - 香港科技園公司及數碼港的培育公司和租戶 每月津貼額：32,000元
<p>再工業化及科技培訓計劃¹</p>	<ul style="list-style-type: none"> 資助企業人員接受高端科技培訓，尤其是與「工業4.0」有關的培訓 每間企業的資助上限為每年 50萬元 以 2 (政府) : 1 (企業) 的配對方式提供資助

(IV) 專為科技初創企業而設

<p>創科創投基金¹</p>	<ul style="list-style-type: none"> • 與風險投資基金共同投資本地初創企業 • 基金規模：20億元 • 以約 1 (政府)：2 (風險投資基金) 的配對比例進行投資 (每個項目上限為投資對象所要求投資總額的 40% 或 3,000萬元，以較低款額為準)
<p>香港科技園公司 科技企業投資 基金²</p>	<ul style="list-style-type: none"> • 以配對方式與天使投資者或風險投資基金共同投資香港科技園公司初創企業 • 提供種子至 A 輪投資期的資金 • 每間公司的投資上限為 800萬元
<p>數碼港創意微型 基金³</p>	<ul style="list-style-type: none"> • 為具備高發展潛力及創意的資訊及通訊科技初創企業提供種子基金 • 每個項目的資助上限為 10萬元
<p>數碼港投資創業 基金³</p>	<ul style="list-style-type: none"> • 提供前A輪投資期的資金，與投資者共同投資數碼港的初創企業 • 每項投資項目的累計投資金額介乎 100萬元 至 2,000萬元
<p>大學科技初創企業 資助計劃¹</p>	<ul style="list-style-type: none"> • 資助本地大學團隊成立科技初創企業 • 每間初創企業的資助上限為每年 120萬元，為期不超過三年

為其他業務提供的支援 *

<p>中小企業市場推廣基金⁴</p>	<ul style="list-style-type: none"> • 資助出口推廣活動 • 每間中小企的資助上限為 40萬元 • 每次申請上限為 10萬元或核準開支的 50%，以較低款額為準
<p>中小企業信貸保證計劃⁴</p>	<ul style="list-style-type: none"> • 為中小企業向貸款機構提供信貸保證，以取得貸款，用作 <ul style="list-style-type: none"> - 購置營運設備及器材 - 一般業務用途的營運資金 • 信貸保證上限 <ul style="list-style-type: none"> - 信貸額的 50%；及 - 每間中小企 600萬元
<p>發展品牌、升級轉型及拓展內銷市場的專項基金⁵</p>	<ul style="list-style-type: none"> • 資助本地企業透過發展品牌、升級轉型及拓展營銷，以發展內地及東盟業務 • 每個項目的資助上限為 100萬元或總核準開支的 50%，以較低者為準 • 每間企業在「內地計劃」及「東盟計劃」的累積上限各為 100萬元

*由工業貿易署提供的資助計劃

1 www.itf.gov.hk

2 www.hkstp.org

3 www.cyberport.hk

4 www.smefund.tid.gov.hk

5 www.bud.hkpc.org



Technology Funding at a Glance

How Can Your Company Benefit ?

(I) For Research & Development (R&D)

(a) In-house R&D

Enterprise Support Scheme ¹	<ul style="list-style-type: none"> • up to \$10 million per project - on a 1:1 matching basis - you own IP
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(b) Working with Universities and Local Research Institutions

Innovation and Technology Support Programme ¹	<ul style="list-style-type: none"> • in collaboration with local research institutions - you contribute at least 30% of project cost - you own IP or have exclusive time-limited licence
University-Industry Collaboration Programme ¹	<ul style="list-style-type: none"> • in collaboration with local universities - you contribute at least 50% of the project cost - you own IP

(c) R&D Cash Rebate

R&D Cash Rebate Scheme ¹	<ul style="list-style-type: none"> • 40% rebate for - your contribution to R&D projects under (I)(a) and (b) above; or - R&D projects contracted out to local research institutions
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(II) For Technology Adoption

Technology Voucher Programme ¹	<ul style="list-style-type: none"> • supports non-listed local enterprises in using technological services and solutions for - improving productivity; or - upgrading or transforming their business processes • up to \$200,000 per enterprise • on a 2 (Government) : 1 (enterprise) matching basis
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Public Sector Trial Scheme ¹	<ul style="list-style-type: none"> • for conducting of trials in the public sector for <ul style="list-style-type: none"> - completed R&D projects under (I)(b) above - R&D outcomes of incubatees and graduate-tenants of the HKSTPC and Cyberport (up to \$1 million per project)
(III) Other Support	
Patent Application Grant ¹	<ul style="list-style-type: none"> • supports first-time patent applications for inventions • up to \$250,000 per grant
Internship Programme ¹	<ul style="list-style-type: none"> • supports the recruitment of up to two local graduate interns for 24 months in <ul style="list-style-type: none"> - organisations undertaking R&D projects under (I)(a) and (b) above - incubatees and I&T tenants of the HKSTPC and Cyberport • monthly allowance <ul style="list-style-type: none"> - Bachelor's: \$16,000 - Master's or above: \$19,000
Postdoctoral Hub Programme ¹	<ul style="list-style-type: none"> • supports the recruitment of up to two postdoctoral talent for 24 months in <ul style="list-style-type: none"> - organisations undertaking R&D projects under (I) (a) and (b) above - incubatees and tenants of the HKSTPC and Cyberport • monthly allowance of \$32,000
Reindustrialisation and Technology Training Programme ¹	<ul style="list-style-type: none"> • supports staff training in advanced technologies, especially those related to "Industry 4.0" • up to \$500,000 per enterprise per year • on a 2(Government):1(enterprise) matching basis

(IV) Specifically For Technology Start-ups

<p>Innovation and Technology Venture Fund ¹</p>	<ul style="list-style-type: none"> • co-invests with venture capital funds in local start-ups • fund size: \$2 billion • on an approximately 1 (Government): 2 (Venture Capital Fund) matching ratio for investment (up to 40% of total investment amount sought by the investee company or \$30 million per deal, whichever is lower)
<p>HKSTPC Corporate Venture Fund ²</p>	<ul style="list-style-type: none"> • co-invests on a matching basis with angel investors or venture capital funds in start-ups of the HKSTPC • provides funding from seed up to Series A • up to \$8 million per company
<p>Cyberport Creative Micro Fund ³</p>	<ul style="list-style-type: none"> • provides seed funding to high potential and innovative start-ups in information and communications technology • up to \$100,000 per project
<p>Cyberport Macro Fund ³</p>	<ul style="list-style-type: none"> • provides pre-Series A funding to co-invest with investors in Cyberport start-ups • \$1 million - \$20 million accumulative investment per investee
<p>Technology Start-up Support Scheme for Universities ¹</p>	<ul style="list-style-type: none"> • supports teams of local universities to start technology businesses • up to \$1.2 million per start-up per year for no more than three years

Support for Other Business Activities*

<p>SME Export Marketing Fund ⁴</p>	<ul style="list-style-type: none"> • supports export promotion activities • up to \$400,000 per SME • up to \$100,000 or 50% of the approved expenditure per application, whichever is the less
<p>SME Loan Guarantee Scheme ⁴</p>	<ul style="list-style-type: none"> • provides loan guarantee to SMEs to secure loans from lending institutions for <ul style="list-style-type: none"> - acquiring business installations and equipment, or - working capital for general business uses • guarantee amount <ul style="list-style-type: none"> - up to 50% of the loan amount; and - up to \$6 million per SME
<p>Dedicated Fund on Branding, Upgrading and Domestic Sales ⁵</p>	<ul style="list-style-type: none"> • assists local enterprises to expand business in the Mainland and the ASEAN through brand development, upgrading and sales promotion • up to \$1,000,000 or 50% of the approved cost per project, whichever is the less • up to \$1,000,000 per enterprise under each of the “Mainland Programme” and the “ASEAN Programme”

* Funding schemes under the Trade and Industry Department

¹ www.itf.gov.hk

² www.hkstp.org

³ www.cyberport.hk

⁴ www.smefund.tid.gov.hk

⁵ www.bud.hkpc.org





查詢 Enquiry

如對資助計劃有任何查詢，可透過以下途徑與我們聯絡：

If you have any question about the funding schemes, please contact us through the following channels :

地址：香港添馬添美道 2 號政府總部西翼 21樓

Address : 21/F, West Wing, Central Government Offices,
2 Tim Mei Avenue, Tamar, Hong Kong

電郵

e-mail : enquiry@itf.gov.hk