Information and Communications Technology Cluster

Fast Track To The Most Disruptive Industry Of Our Times
With the huge success and popularity of smart devices, internet and social media, our society has indisputably entered the era of Information and Communications technology. Coupled with the fast-growing global information and high connectivity, technology now has a profound effect on every aspect of society, cities and individuals. Fast emerging trends have resulted, including the Internet of Things (IOT), big data analytics, wireless networks, cloud computing, wearables, Fintech, etc and together, new and disruptive business models have emerged too.

In 2015, global online population is estimated to hit 3.2 billion, meaning about 40% of the world population has access to the internet. Worldwide ICT market will reach US$3.8 trillion in 2015 and ICT spending in emerging markets is forecast to grow 7.1% year over year. As one of the fastest emerging markets, China is the top country in terms of internet usage with over 640 million people online and a penetration of 46%.
In fact, China is one of the strongest markets in the world with huge potential on all facets of ICT. The China ICT market in 2015 is expected to reach USD465.6 billion, up 11.4% over 2014. In terms of online shopping market, China’s online retail giant Alibaba pulled in a record-breaking sales of US$9.3bn from its annual “Singles” Day shopping event on 11 Nov 2014, shipping 278 million orders. In terms of hardware, smart wristband and smart watch market in China is expected to grow 454.5% in 2015 to reach RMB 12.2 billion in sales. In terms of apps and software, smartphone and tablet games should generate more than US$5.5 billion by the end of 2015 in China, a 66-percent year-over-year increase.

All these figures point to a glorious future of ICT market in China and Hong Kong Science Park is your fast track to tap into the market.

---

3. [Internet live stats.](http://www.internetlivestats.com/internet-users/) (See footnote 1)
7. Jeff Grubb. [China’s mobile gaming industry will surpass the U.S. as it grows to $5.5B this year](http://venturebeat.com/2015/09/01/chinas-mobile-gaming-industry-will-surpass-the-u-s-as-it-grows-to-5-5b-this-year/) Retrieved on 10 Oct 2015.
The winning formula for ICT enterprises

01 STRONG GOVERNMENT POLICIES IN HONG KONG

The best place to set up your business is where the government is stable, credible and supportive. Hong Kong is one of your top choices.

BEST Place • TOP Choices
Funding support
The government is committed to long-term plans that foster innovation and technology in Hong Kong. By January 2015, its Innovation and Technology Fund (ITF) has provided about HK$8.9 billion for more than 4,200 projects. Diverse R&D funding schemes are available to tech companies, such as R&D Cash Rebate Scheme, Enterprise Support Scheme, Innovation & Technology Support Programme, General Support Programme for Patent Application Grant, and University Industry Collaboration Programme. For more details, please visit www.itf.gov.hk.

Intellectual property rights
Protection of intellectual property is the basis for creativity and innovation to flourish. Hong Kong has well-established intellectual property laws that are stringently enforced. According to The Global Competitiveness Report 2014-2015, Hong Kong ranks number 10 for its intellectual property laws and protection. Trademarks, copyrights, patents, design patents, and domain names are all protected by the laws.

Tax
The tax system is simple with low tax rate. Profits made in Hong Kong are taxed 16.5%. There is no VAT, no withholding tax, nor tax on capital gain, dividends or transfer of estate.

CEPA
Hong Kong and mainland China signed a free trade agreement known as Closer Economic Partnership Arrangement (CEPA) that grants Hong Kong businesses greater access in the mainland market. It’s the perfect springboard for foreign investors to tap into business potential in the mainland.

---

03 DIGITAL READINESS AND SOPHISTICATED INFRASTRUCTURE

For your ICT research and business to take off, you should pick a base where the ICT infrastructure is well developed, advanced and reliable. In Hong Kong, broadband network covers 100% of all commercial and residential premises with household and mobile broadband penetration rates of 83.4% and 229% respectively, among the highest in the world. Hong Kong also boasts the fastest internet in the world with a peak speed at 87.7 Mbps. Free wireless connection is available throughout the city via hot spots and the advanced LTE network.

---


Hong Kong is a knowledge-based economy with a pool of agile, skilled and multi-lingual ICT professionals. In 2014, over 83,000 ICT professionals were engaged in various sectors. Around 38% of them are involved in software design and development. The computer science and information system programmes of three local universities rank within the top 20 in the world. Over 2,200 ICT degree holders graduate from the eight higher education institutes in Hong Kong every year. Hong Kong also welcomes professional expatriates from all around the world. ICT scientific and technical expertise from the mainland China is also easily accessible when needed.

At the heart of Asia, Hong Kong is only a two-hour drive away from Pearl River Delta, China where a number of high-tech manufacturers are located. Most major cities in Asia (such as Beijing, Shanghai, Seoul, Tokyo, Bangkok, Kuala Lumpur, Singapore and Taipei) can be reached within four hours of direct flight from Hong Kong, making it the perfect IT base where regional projects can be effectively rolled out by its highly-skilled, multi-lingual ICT workforce.

---

ONE-STOP R&D SOLUTION

Hong Kong Science Park is home to over 200 ICT companies covering different products and services such as telecommunication and networking, soft apps and games, big data analytics, cloud computing, RFID, portable devices and IoT. Some 3,800 ICT professionals work in a conducive and inspiring environment where they exchange innovative ideas. From resources such as land, labour, finance and funding, via cluster synergy and networking for collaborative opportunities, to technical testing and commercialisation, Hong Kong Science Park has everything you need under one roof. Networking events and study tours hosted by the Park are highly popular among investors, academics and government officials. These are vital opportunities for tenants and incubatees to touch base with like-minded potential partners and collaborators in the region.

INCUBATION AND SUPPORT PROGRAMMES

The incubation programmes operated by Hong Kong Science and Technology Parks Corporation (HKSTP) provide incubation services to assist technology start-ups in their vulnerable inception stages, enabling them to grow and flourish.

Incu-Tech

A 3-year incubation programme for tech start-ups, Incu-Tech incubatees could enjoy subsidised rent on working space in the Technology Incubation Centre at the Park. Various business and technology supporting services are available.

Incu-App

An 18-month incubation programme that provides support to tech start-ups specialising in web/mobile applications and games. A range of tailor-made supporting services are provided to help their technology development and business growth.
**LEAP**

The Leading Enterprises Acceleration Programme (LEAP) is the initiative that provides in-depth assistance on business and corporate development to selected incubatees and graduates of HKSTP Incubation Programmes as well as selected current tenants of the Park for them to grow into regional or global enterprises. Business and investment matching, professional panel and mentoring services are also available for selected companies to prepare them for eventual IPO or M&A.

**HKSTP Venture Capital Partnership Programme**

HKSTP has its own Venture Capital Partnership Programme for selected tenants to connect with globally renowned venture capital firms, as funding alternatives other than raising capital in public markets or bank loan. For more details, please visit www.hkstp.org.

**Corporate Venture Fund**

The Corporate Venture Fund (CVF) is an initiative of HKSTP to fill the funding gap faced by local tech start-ups in the early stage by co-investing along with private investors into the equity of selected high-potential start-ups. For more details please contact the CVF Team at CVF@hkstp.org.

**Soft Landing Centre**

Setting up a full-fledged tech enterprise in Hong Kong without any funding and financial assistance could be difficult. What if there’s a way to test the water before setting up an operation in full swing? The Soft Landing Centre provides low-cost entry-level office facilities for those interested in making the first contact with investors, manufacturers and potential clients in Hong Kong, mainland China and other Asian markets. Office cubicles with reception service, Wi-fi access, shared conference room and basic office support are available for as little as HK$500 per week. The fee also covers business matching service, fundraising support, professional service referral, business plan consultancy and access to talent pool recruitment platform.

There is an admission and screening process for both Incubation Programme and Soft Landing Centre. For more details, visit www.hkstp.org.