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THE BOTTOM LINE

Fuelling Hong Kong's innovation path: Lessons from Singapore

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CHINESE President Xi Jinping's visit to the Hong Kong Science and Technology Parks Corporation (HKSTP) last year re-emphasised Hong Kong's innovation trajectory. The visit, coupled with the 2017 Framework Agreement and the 2019 Outline Development Plan, further underlined the importance of Hong Kong in Xi's vision for the Greater Bay Area's (GBA) innovation advancement.

Hong Kong's aspirations to become a thriving innovation and technology hub can be fuelled by learning from Singapore's success in this field.

In the competitive innovation landscape of Asia, Singapore has emerged as a frontrunner in both the quantity and quality of patents, as highlighted by a recent study from Asia Competitiveness Institute. In 2021, Singapore registered more than 6,000 patents and earned more than US$11.6 billion in revenue from intellectual property (IP), according to statistics from the Intellectual Property Office of Singapore and IndexMundi.

While Hong Kong too has been working towards innovation, it earned only US$0.7 billion from IP in 2020, underscoring the need to understand the factors contributing to the gap with Singapore and draw valuable lessons for progress.

Pulling talent in, and getting it to stay

One major challenge for Hong Kong lies in its limited appeal to research and development (R&D) professionals, with many talented individuals drawn to other vibrant cities in the GBA. Notably, Shenzhen has proved to be fertile ground for incubating R&D talent and activities, being home to numerous innovation centres and tech companies such as Huawei and Tencent.

Retaining young graduates and motivating them to contribute knowledge to the city has been another struggle. While Hong Kong has introduced initiatives such as the Top Talent Pass Scheme and relaxed immigration requirements for non-local graduates, the recently launched GBA Youth Employment Scheme has sparked debate about its potential effect of driving youngsters from Hong Kong to other GBA cities.

Looking at Singapore, one of the city-state's longstanding measures in cultivating foreign talent and knowledge transfer has been its Service Obligation Scheme for international students. For example, recipients of graduate scholarships from A*Star, one of Singapore's prominent R&D institutes, are required to work for a certain number of years in Singapore-based companies. To catch up, Hong Kong must also strategise and implement similar policies to retain and groom top talent.

Although famous as a global financial hub, Hong Kong is yet to develop its innovation capability. In the case of Singapore, the biomedical sciences have been a significant pillar, contributing to nearly 20 per cent of the country's gross expenditure in research and development, and providing more than 8,000 jobs in 2020.

Mainland China has also succeeded in pioneering a "digital silk road", demonstrating its particular advantage in advancing 5G technology. Shenzhen-based tech company Huawei has emerged as a global leader in this field, holding most of the 5G standard essential patents.

Capitalising on strengths

The strengths of HKSTP in areas such as artificial intelligence and robotics have captured Xi's attention. The city could carve out its unique growth paths in these sectors by forming domestic or international collaborations to improve its attractiveness to R&D talent and unleash its potential in innovation.

Furthermore, Hong Kong must adapt to the global dynamic to ensure sustainable innovation growth. While the city has prioritised the safety and health of its residents during the Covid-19 pandemic by erecting strict border restrictions, the curbs have resulted in a drop in the number of international visitors, a squeeze-out of expatriates, and waning attractiveness for multinational corporations seeking to establish their regional headquarters in the city.

Singapore, in contrast, has seized the opportunity to attract overseas investors and talents by staying open. Indeed, nearly half of the foreign headquarters set up in Asia are located in Singapore, and 93 per cent of its granted patents in 2021 were contributed by foreign applicants.

With the relaxation of its mask mandate this year, Hong Kong should reinvigorate its economic links and rebuild international attractiveness. Doing so will play a pivotal role in securing the city's future success in innovation and closing the gap with Singapore.

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