

Box 3.1**Hong Kong as a knowledge-based economy**

Hong Kong is moving steadily towards a knowledge-based economy, as borne out by the set of selected indicators below¹.

<u>Indicator</u>	<u>1998</u>	<u>2008</u>
Value-added of knowledge-based industries (KBI) ² (\$Bn)	222	414 ⁽²⁰⁰⁷⁾
<i>As % of GDP at current factor cost</i>	18.2	26.7 ^(2007@)
Persons engaged in KBI ('000)	403.3	492.3 ⁽²⁰⁰⁷⁾
Professionals and associate professionals as % of employed population (%)	21.0	26.1
Percentage of labour force with post-secondary educational attainment (%)	22.4	31.0
Number of information technology (IT) workers	44 800	66 700
<i>Per 1 000 persons in labour force</i>	14	18
Total IT expenditure in the business sector (\$Bn)	15.6	32.2 ⁽²⁰⁰⁷⁾
<i>As % of GDP</i>	1.2	2.0 ^(2007@)
Business technological innovation expenditure (\$Bn)	6.7 ⁽²⁰⁰¹⁾	15.7 ⁽²⁰⁰⁷⁾
<i>As % of total business receipts</i>	0.09 ⁽²⁰⁰¹⁾	0.17 ⁽²⁰⁰⁷⁾
Expenditure on research and development (\$Bn)	5.6	12.4 ⁽²⁰⁰⁷⁾
<i>As % of GDP</i>	0.43	0.77 ^(2007@)
Number of researchers (Full-time equivalent)	6 800	19 600 ⁽²⁰⁰⁷⁾
<i>Per 1 000 persons in labour force</i>	2.1	5.4 ⁽²⁰⁰⁷⁾
Mobile subscriber penetration rate (%)	44	162
Broadband subscribers ('000)	392 ⁽²⁰⁰⁰⁾	1 948
<i>Per 1 000 population</i>	58 ⁽²⁰⁰⁰⁾	278

Note : (@) Figures are subject to revision later on.

¹ Extract from "Hong Kong as a Knowledge-based Economy – A Statistical Perspective 2009" published by the Census and Statistics Department.

² Knowledge-based industries cover high-technology industries (such as pharmaceuticals, office and computing machinery); medium-high-technology industries (including machinery and equipment, electrical machinery and apparatus); communications; finance and insurance; and business services (excluding property services). The classification of KBI in Hong Kong is modelled on the relevant industry classification of Organisation for Economic Co-operation and Development.

Box 3.1 (Cont'd)

The indicators revealed that knowledge-based activities have been on the increase in the Hong Kong economy. From a share of 18% in 1998, the value-added of KBI has risen solidly to around 27% of GDP at current factor cost in 2007. To meet the new employment opportunities and work requirements, the labour force has been undergoing an upgrading in both skill and education levels. By 2008, 31% of the labour force had post-secondary education, a notable increase from a share of 22% in 1998. Business sector likewise has been keen to invest in technological innovation and enhancement, with its IT spending doubling between 1998 and 2007 and the expenditure on technological innovation rising by over 130% between 2001 and 2007. The general public in Hong Kong is also savvy users of information and communication technology. Mobile phone and broadband penetration rates, having surged almost continuously over the past decade, now rank among the top both regionally and globally. The Government will continue to promote the development of knowledge-based activities and render support via provision of infrastructural facilities, manpower training, increased co-operation with the Mainland, etc. conducive to the competitiveness and growth of the Hong Kong economy.