

**Legislative Council**  
**Panel on Information Technology and Broadcasting**

**Memorandum of Understanding on**  
**Co-operation in Information and Communications Technology**

**Purpose**

This paper briefs Members on the conclusion of Memorandum of Understanding (MOU) on co-operation in information and communications technology (ICT) between Hong Kong and other countries which are advanced in the use of ICT.

**Background**

2. With the development of ICT, the world has transformed into a global knowledge-based economy. The use of ICT has broken down geographical and time barriers which enables people from different parts of the world to work together in a cohesive manner, as well as to compete with each other, on an “anytime and anywhere” basis. In this globally connected world, the establishment of international co-operation is a key to ensure Hong Kong’s success as a leading digital city in the region. This is also one of the key initiatives under our Digital 21 Strategy.

3. Hong Kong has been fostering ties in ICT co-operation with other countries which are advanced in the use of ICT. The aim is to create synergy and to establish mutually beneficial relationship with these countries to enhance each others’ ICT development. As a result, it strengthens our competitiveness and status in the global knowledge-based economy, and raise our profile in the partner countries as well.

4. Since May 1998, we have entered into co-operative arrangements in the field of ICT with eleven countries. They are Canada, Australia, the United Kingdom (UK), Finland, India, Israel, South Korea, Germany, France, the Netherlands, and Italy. We also plan to enter into similar arrangement with Ireland shortly. The fact that these countries are interested in establishing such arrangements with Hong Kong reflects our position in the field of ICT in the international arena.

5. Priority areas for co-operation under these arrangements include e-commerce, E-government, Internet applications, ICT research and development, etc. Activities in the public and private sectors as well as in the academic field are covered within the scope of these arrangements.

6. Co-operation under these arrangements may take various forms, which include forming delegation to visit and study each others' practices and explore business opportunities, encouraging investment and technology partnership, accelerating commercial and industrial exchange, fostering business partnership between companies, facilitating technology development efforts, promoting joint research programmes and educational exchanges, as well as exchange of policy/regulatory information.

### **Co-operative Activities**

7. Numerous co-operative activities have taken place under the aegis of these arrangements between Hong Kong and the partner countries in both the public and private sectors. Examples of these cases which are related to such activities include :

- (a) Hutchison Telecom and Research in Motion (a leading technology company in Waterloo) of Canada launched Asia's first palm-sized BlackBerry Wireless Handheld, which provides wireless email solution for business, in Hong Kong;
- (b) Hongkong Post and Diversinet Corp (a leading IT security company in Toronto) of Canada launched the world's first mobile e-cert system in Hong Kong to facilitate the conduct of secure mobile commerce;
- (c) Teranet (a leading IT company in Canada on solutions for land title registration) works with a local IT company to obtain a major contract to develop and maintain the Integrated Registration Information System of the Lands Registry;

- (d) the Electronic Service Delivery (ESD) scheme contractor co-operate with Neo-products of Melbourne to deploy in Hong Kong smart and secure information kiosks manufactured in Australia for the delivery of ESD services;
- (e) the National Institute of Information Technology of India partners with the School of Professional and Continuing Education of the University of Hong Kong to roll out IT courses in Hong Kong this year;
- (f) seminar on high-tech development cum trade-matching sessions held in Hong Kong to facilitate partnership and trade matching between ICT companies in Hong Kong and Israel;
- (g) virtual trade mission (VTM), which provides a convenient platform for trade matching through video conferencing, has been organised by the Ontario Exports Inc. of Canada and the Hong Kong Trade Development Council for Hong Kong and Canadian ICT companies to explore opportunities for business co-operation. Similar VTM, arranged by the Hong Kong Wireless Technology Industry Association (HKWTIA) and the Wireless Innovation Network of British Columbia (WINBC) of Canada, is held to facilitate trade-matching between the wireless technology companies in Hong Kong and British Columbia;
- (h) the INTEGER Hong Kong Pavilion, which is an action research demonstration project for intelligent and green buildings, has been opened since November 2001 at the Tamar Site, Central. It is a joint project between the public and private sectors of Hong Kong and UK;
- (i) a high-level Finnish technology delegation participated in a seminar on technology co-operation between Finland and Hong Kong in November 2001. A Hong Kong technology delegation visited Finland in May 2002 to explore collaboration in different areas of technology, during which, engineering service agreement between Hong Kong and Finnish companies was signed;

- (j) HKWTIA established partnership alliance with the WINBC and the Canadian Wireless Telecommunications Association (CWTA) to promote wireless technology and build co-operative ties between the wireless technology industries in Hong Kong and Canada. Members of the CWTA took part in the 2002 Hong Kong Information Infrastructure Expo and Conference while HKWTIA will take part in Communications 2002 in Canada in November this year;
- (k) the Hong Kong Information Technology Federation Ltd. and the Information Technology Association of Canada signed a partnership agreement at Softworld 2002 to jointly promote IT and build co-operative ties between Hong Kong and Canadian IT companies; and
- (l) the National Institute for Research in Computer Science and Control of France works together with the University of Hong Kong to develop a joint research center with co-operation programmes to create synergy in research and development in ICT. A workshop on multimedia has already been held.

8. Apart from these specific collaboration activities, there are numerous exchanges and visits between Hong Kong and our partner countries which help generate a lot of opportunities for fostering different types of collaboration, e.g. Hong Kong forming trade delegation led by the Commerce, Industry and Technology Bureau/Information Technology and Broadcasting Branch to take part in CeBIT in Germany, Softworld in Canada as well as Telecom Israel. At the same time, our partner countries also form trade delegation to be led by senior officials to attend ITU Telecom Asia as well as the Information Infrastructure Expo and Conference held in Hong Kong.

9. We are also working with the Hong Kong Trade Development Council to launch in early 2003 an ICT portal containing information on Government IT projects and other IT market information of our partner countries, through exchange of information under these co-operative arrangements, so that Hong Kong's ICT industry can explore taking part in these projects.

10. We also work closely with our partner countries to organize seminars, workshops and discussion forum which benefit each others' industry, e.g. a joint seminar with the French Trade Commission on smart card technology and electronic payment solutions was held in June which has brought a group of French companies with expertise in the areas of smart card and electronic payment to Hong Kong to present their services and products to the Hong Kong industry.

11. We also take advantage of the activities held under these co-operative arrangements to attract ICT companies in our partner countries to come and invest or operate in Hong Kong, e.g. Diversinet Corp of Canada has established its operation in Hong Kong, Sonera of Finland has become a Cyberport tenant, Philips of the Netherlands as well as Checkpoint (the world leader in firewall technology) of Israel have established their Asia-Pacific headquarters in Hong Kong, etc. We also publicize to them the strategic role that Hong Kong can play in helping them explore the Mainland market, especially with the entry of China into the World Trade Organisation.

### **Value of these Co-operative Arrangements**

12. We consider these co-operative arrangements valuable to Hong Kong's development as a leading digital city. They have raised our profile in the partner countries as well as in the international arena. They have provided a focal point and established a mechanism for the government of Hong Kong and the partner countries to work together to facilitate the development of each other's ICT industry. They have also provided the momentum and driving force for various co-operative activities to be organized. The Hong Kong ICT industry has found the arrangements useful as the co-operative activities organized, often involving the governments of the two sides or with their endorsement, enable the local industry to access the market in these partner countries more effectively and efficiently than it could achieve by its own efforts.

### **Resources Deployed**

13. The Information Technology and Broadcasting Branch of the Commerce, Industry and Technology Bureau has deployed one Deputy Secretary, one Principal Assistant Secretary and one Assistant Secretary to look after the day-to-day work of these co-operative arrangements as a part of their overall duties. We also redeploy other

existing resources to carry out co-operative activities under these arrangements as and when necessary.

### **Way Forward**

14. We consider that we have already established a sufficiently wide co-operative network in the ICT field to support Hong Kong's development as a leading digital city in the region, with existing resources available. We will focus on strengthening and consolidating our collaboration with existing partner countries in future.

15. We will renew the MOU we have concluded with Canada (signed in May 1998 and expiring in May 2003) in coming December. The Minister of Industry Canada will lead a Canadian government and trade delegation to take part in ITU Telecom Asia 2002 to be held in Hong Kong and we will take the opportunity to renew the MOU with Canada. .

**Information Technology and Broadcasting Branch  
Commerce, Industry and Technology Bureau  
October 2002**