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Hon Tommy Cheung Yu-yán, SBS, JP,
Chairman of Finance Committee
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Mr. Cheung,

Communications Association of Hong Kong (CAHK)
supports the idea of setting up the new Innovation and Technology Bureau (ITB)

A History of Success

From a barren rock to a world-class metropolis, the story of Hong Kong's success is well known, especially by its residents. To a large degree, it was freedom of action, thanks to the government's laissez-faire attitude which began in the 1980s, that led to this city's telecommunications and ICT growth over the decades. Numerous innovative ideas were unleashed in a vibrant atmosphere of healthy competition, culminating into today's strong ICT market with ample choices and resources for both consumers and enterprises, dynamic technology job market, and Hong Kong's global stature as a leading urban center of high-technology. Technology, of course, has benefitted Hong Kong's many other key sectors including finance and tourism.

An Eroding Edge

Yet Hong Kong's technological advantage, sprouted so many decades ago, is being eroded, especially in the last twenty years. Regional neighbors have observed Hong Kong's success and have been making substantial efforts towards replicating, and superseding, this city's technological edge. Their governments have been strong supporters of these initiatives, and they have in fact been very successful to a large extent, so much so that even Google nixed Hong Kong as the location for its data center plans, and instead put its investments toward expanding in Singapore and Taiwan.



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This Google case is a prime example of the eroding situation of Hong Kong's ICT leadership, and also pinpoints the fact that Hong Kong must strive to develop its own unique set of Intellectual Property so as not to continue to be beholden to the technology of others. By being overly dependent on others, Hong Kong's success will then lie not in the hands of its hard-working and forward-thinking residents but the whims of these third-parties who do not necessarily have Hong Kong's best interests in mind.

Hong Kong is full of people and enterprises who are great adopters of technology. All around we can clearly see clever and productive uses of technology in our city. All we need is governmental leadership and support to encourage more local growth of local ideas that can lead to global success.

Hong Kong as Hub of Technology

Because innovation and technology are critically important for businesses, consumers and Hong Kong's general community, a newly created Innovation and Technology Bureau would be best positioned to initiate and drive the transformation of Hong Kong into a regional ICT hub. It is time for Hong Kong to boldly embark upon a new era of technological development, arising from the boundless potential that new emerging technologies are creating (such as the Internet of Things).

It is our opinion that a new Innovation and Technology Bureau can best help Hong Kong achieve success by focusing on the following core areas:

- Identifying, formulating and developing comprehensive and appropriate ICT standards and policies through dedicated high-level leadership, turning innovation and technology into our strengths and ensuring the sustainable growth of Hong Kong's economy.
- Collaborating with various resources and strengthening linkages among stakeholders to create greater synergy among government bodies, education institutions, private and public sectors.
- Developing new opportunities and a sustainable future for the next generation of residents, spanning from their formative education to long-term career opportunities.
- Evolving Digital 21 strategies effectively, by implementing practical uses of a new generation of technologies, such as the Internet of Things (IoT), Cloud computing, mobile Internet, and others, in the daily lives of residents of this Smart City.



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Hong Kong is again on the verge of another explosive era of technological development. Our deep history of success proves that this city and its residents are fully capable of seizing this ICT opportunity. An Innovation and Technology Bureau can empower Hong Kong to achieve this, through strong policy coordination across innovation and technology industries.

We have now gained all the support and will from the ICT industry, pre-conditions and pre-requisites and resources to establish the Innovation and Technology Bureau, and the proposal has been tabled to the Legislative Council for quite some time. We ask the Council to fully support and swiftly approve its establishment without delay. As you well know, ICT moves quickly and every second counts. We are not merely risking Hong Kong running behind our regional competitors. We are also providing ample time for our competitors to develop and fortify their advantages, with respect to their once formidable foe.

Hong Kong is world-class. Let us *authoritatively* prove it to the world.

Yours Sincerely,

Stephen Ho
Chairman

Communications Association of Hong Kong

c.c. All legislators on the establishment of the Innovation and Technology Bureau.