

**Submission by Hong Kong Cyberport Management Company Limited on
“Innovation and technology development and the re-industrialisation policy
in Hong Kong”**

Introduction

Hong Kong Cyberport Management Company Limited (Cyberport) welcomes the opportunity to offer views on Innovation and Technology (I&T) development and the re-industrialisation policy in Hong Kong.

While Hong Kong has been facing unprecedented uncertainties in the wake of societal and economic challenges, being an I&T ecosystem of over 1,500 companies, Cyberport stood firmly by its start-ups and community companies to weather short-term challenges. Despite all the difficulties, I&T continues to be envisaged as one of the key economic drivers in the years ahead, and thus it is timely for business community and stakeholders to share views on areas requiring government support and deliberations.

Government Policy

Since the formation of Innovation and Technology Bureau (ITB) in 2015, the HKSAR Government has accorded high priority to I&T development by investing over \$100 billion to support Hong Kong’s development into an international I&T hub. With I&T increasingly playing a pivotal role in the economic landscape of Hong Kong, Cyberport supports the Government’s policy on I&T to focus on eight major areas and to promote “re-industrialisation” for the local economy and traditional enterprises to move up the value chain.

Grooming tech talent

Youth are indispensable in sustaining I&T development. The government has allocated substantial resources to promote science and technology education in schools and universities in order to pave the way for nurturing local technology talents. Cyberport is also committed to nurturing the younger generation to be tech

savvy and inspiring their entrepreneurship. Cyberport collaborates with local and overseas universities and organises different types of training, workshop and competition as well as internship programmes to provide students with technology and entrepreneurship training as well as opportunities to stimulate their interests and gain working experience in the I&T field.

To lower the entry barrier for young technology talents to embark on entrepreneurship journey and develop a talent pool for the I&T industry, Cyberport offers various programmes and activities to support start-ups and entrepreneurs, including the Cyberport Creative Micro Fund (CCMF) which provides seed funding for proof of concepts and prototypes, and the Cyberport Incubation Programme (CIP) which provides a maximum of \$500,000 financial assistance and comprehensive entrepreneurship advice and support.

Start-ups need to be able to master advanced technology such as artificial intelligence (AI), blockchain and cyber security in order to stay competitive in the global market. To equip our start-ups with the state-of-the-art technology, Cyberport collaborates with various tech giants and industry organisations including Amazon Web Services (AWS), Hyperledger and IBM to offer training for technology enablement. Cyberport also acts as a bridge between our start-ups on one hand and large enterprises and technology companies on the other and match both parties to help shorten start-ups' Time-To-Market.

To further support the growth of the I&T sector, Cyberport sees that forward-looking industry analysis in areas such as industrial development, digital transformation and innovation would be essential. Turning such into reality would require collaboration with universities and academic research institutions to conduct and publish technology-related industry studies, and the promotion and dissemination of which would further help the industry converge efforts in driving next level of I&T innovation and achieving universality of digital knowledge.

Building technology infrastructure

The Cyberport campus is an important component of Hong Kong's I&T infrastructure, and is now housing over 700 I&T companies, start-ups and related companies forming a vibrant ecosystem. The proposed expansion of the Cyberport campus will further enlarge and strengthen Cyberport's ecosystem to support a larger number of tech companies, start-ups and technology solution deployment on a larger scale, and support development of new technology clusters.

Apart from campus infrastructure, with 5G, AI, Internet of Things (IoT) entering mainstream of promising technologies, Cyberport continues to invest and create an enabling environment with fitting infrastructure while expanding its repertoire of start-ups to better capture emerging opportunities in digital tech. The upcoming launch of AWS and a 5G lab can showcase the very best solutions from start-ups and provide a testing ground by way of sandbox to increase their business success rate.

I&T Cluster Development

Hong Kong is one of the few places in the world that attracts FinTech companies from both the East and West. FinTech is an essential technology cluster in maintaining Hong Kong's competitiveness as an international financial center. Indeed, FinTech continues to be one of Hong Kong's most successful and fastest growing tech domains.

The evolving FinTech community in Cyberport is currently home to nearly 400 companies, is focused on diversifying innovations and applications of blockchain, mobile payment, cybersecurity, AI, Big Data, automated transactions, and so forth, in exciting new fields.

Technology adoption by financial institutions is the critical factor leading to FinTech development. To encourage digital transformation in the sector, Cyberport is working closely with financial institutions to organise hackathons and business matching activities. Financial institutions could collaborate with FinTech start-ups on product innovation and co-create new solutions to address industry pain points. The application of FinTech can be extended to other related areas and fostering InsurTech, RegTech, LawTech and more.

In view of the current pandemic, digital transformation across different industries has been accelerated and created enormous opportunity for the I&T industry. On top of the existing clusters of Fintech, Smart living, digital entertainment & esports, Cyberport is of the view that the proliferation of IoT devices and sensors, supported by data collection tech, cloud computing and mobile tech are catalysing digital transformation based on AI/ Big Data Machine Learning. The advancement of technologies in 5G, nano technologies, IoT, artificial neural networks, Wi-Fi 6 and beyond are going to change user experiences and customers' expectations by enabling many innovative smart living solutions through a seamless

communications platform for next generation applications and solutions, in particular EdTech, RetailTech, PropTech and ConstrTech which can improve the efficiency and productivity of education, retail, property management and construction sectors in Hong Kong. Similar to other developed economies, Hong Kong is also facing population ageing. GeronTech will have great potential to improve the quality of life and functional ability of our elderly. There remains a great interest in social innovations from Cyberport community.

Investment funding

Through the concerted efforts and multiplying effect of the Cyberport Investors Network and the Cyberport Macro Fund, Cyberport connects its start-ups to tech investments, risk capital, and smart money, and helps start-ups utilise and optimise these resources. Additionally, the Cyberport Venture Capital Forum (CVCF) succeeded in bringing in new types of investors – corporate venture funds and family offices – to strengthen tech investment and corporate support for start-ups. Cyberport also built new connections with global investors, from the US, Europe to Asia and the Middle East.

Open Data

As part of the continuous efforts in promoting the opening up of data, the Government has developed the Public Sector Information portal for free public use. International experience shows that, with the advancement of information and communication technology, there can be active and creative value-added re-use of the portal by the community for commercial and non-commercial purposes free of charge if it is made available in digital format. Cyberport is in support of this policy initiative as this could allow I&T companies and start-ups to tap community wisdom to bring convenience to the public, promote innovation, create business opportunities and even encourage entrepreneurship.

Pro-Innovation Procurement

The new pro-innovation procurement policy implemented by the Government has also garnered Cyberport's full support. The increase in the technical weighting in assessment, introduction of innovative suggestion submitted by bidders as an assessment criterion, and no longer requiring bidders' experience as a pre-requisite

for participating in procurement will create more business opportunities for Cyberport's start-up community and other small and medium enterprises (SMEs) through participation in the bidding of government contracts on one hand, and assist Government departments in adopting various I&T solutions to improve public services on the other to achieve a win-win situation in this regard.

Promoting “re-industrialisation”

Cyberport support fully the Government's “re-industrialisation” policy to give new impetus to the development of Hong Kong and creates career opportunities for our younger generation. While the “re-industrialisation” will focus on high value-added products, IoT enabled smart devices will be a product sector with high potential. Many of Cyberport's start-ups in the smart living clusters are providing IoT and 5G enabled solutions. They can collaborate with manufacturers and inject smart elements into their products to be scaling up for smart production by traditional enterprises embracing I&T transformation. Cyberport would continue to collaborate with industry and trade associations to provide matching opportunities between manufacturers and Cyberport start-ups for solutions that can up-grade and transform products of the manufacturers.

Hong Kong Cyberport Management Company Limited
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