

Opening remarks by S for IT at ASTRI 2018 Technovation Summit: A Smart Future Powered by AI (English only)

Following is the opening remarks by the Secretary for Innovation and Technology, Mr Nicholas W Yang, at the Hong Kong Applied Science and Technology Research Institute Company Limited (ASTRI) 2018 Technovation Summit: A Smart Future Powered by AI today (December 14):

MY (Chairman of ASTRI, Mr Wong Ming-yam), Charles (Legislative Council member Mr Charles Mok), Hugh (Chief Executive Officer of ASTRI, Mr Hugh Chow), distinguished guests, friends, ladies and gentlemen,

Good morning. It is my honour and pleasure to join you all today at ASTRI Technovation Summit. I would like to thank ASTRI for hosting this annual signature event, with a new name, Technovation Summit, this year. Indeed, I am very glad to see a big gathering of distinguished experts, industry leaders, academics and a group of ASTRI alumni who will share with us their insights on the power of artificial intelligence, or AI, today.

AI is an important topic for all human beings nowadays. Together with big data, data analytics and robotics, AI has unlocked a whole new world of potential opportunities, driving business transformations and changing our way of life. Manufacturing, healthcare, public services, transport and logistics, banking and finance, retail – you name it – can all benefit from the ever more intelligent machines and systems. More importantly, the adoption of AI and robotics technology releases human capital from difficult, dangerous, dirty and tedious jobs, so that human beings can focus on higher value-added work, thereby driving business growth, increasing productivity, and improving our daily living.

Hong Kong definitely has an edge in developing AI. With an increasingly vibrant innovation and technology ecosystem, Hong Kong has nurtured and attracted the best research talents in AI. According to Scopus, universities in Hong Kong as a whole ranked number three globally in terms of producing the most highly cited and impactful research on AI.

We have also nurtured some of the leading AI technology companies in the world. One of our home-grown unicorn start-ups, SenseTime, has been entrusted by the national Ministry of Science and Technology to establish the National Open Innovation Platform for Next Generation Artificial Intelligence on Intelligent Vision. To further facilitate the pooling together of world-class talent, institutions and enterprises in AI, we are working at full steam to build the research cluster we call AIR@InnoHK, focusing on AI and robotics technologies, right here in the Hong Kong Science Park. We are making good progress, and we expect the first batch of research institutions will start moving into the cluster in the second half of 2019. This would create more opportunities for research institutions like ASTRI and our local universities

to collaborate with top-notch institutions from around the world to unleash the potential of AI. If you are interested, please talk to ASTRI and other designated R&D institutions for collaboration opportunities.

The legislative amendment for effecting the super tax deduction for qualifying R&D activities has already been passed by our Legislative Council in October. The deduction is 300 per cent for the first \$2 million of qualifying R&D activities and 200 per cent for the remaining amount. What's more, there is no cap on the amount of this super tax deduction. R&D expenditures incurred by enterprises on April 1 this year and thereafter would benefit from this new policy. Our goal is to incentivise private enterprises to conduct more R&D activities, including those in AI.

At the same time, we will continue to render full support under the Innovation and Technology Fund (ITF) to finance applied R&D projects on AI. I am glad that in making full use of the ITF, ASTRI, our flagship R&D centre, is already working closely with many industry partners to adopt AI technologies. For example, ASTRI has collaborated with some local banks to develop a smart investment platform which provides investment options through the use of AI, big data analytics and machine learning. It has also developed an AI system on Chinese character recognition that recognises different handwritten Chinese characters for enhancing the efficiency of document processing. In addition, ASTRI has developed 3D scanning and object recognition technologies for robots to facilitate the migration of manufacturing industry towards Industry 4.0. I look forward to seeing more exciting and collaborative AI projects from ASTRI and other research institutions in the future.

The Government will also lead by example by adopting AI to improve public services. We will introduce AI and chatbot functions to the GovHK portal in 2019 to facilitate public search and access of e-Government services. A pilot chatbot service at the 1823 call centre to handle public enquiries will also be launched. A new big data analytics platform will be built by 2020 to enable real-time data sharing among government departments, encouraging further development of AI applications and big data analytics. Our purpose here is not to make money but to facilitate our citizens so that we can provide them with better public services.

Ladies and gentlemen, AI is an important technology area with unprecedented opportunities. I am sure, with the concerted efforts of the industry, academia, R&D centres and the Government, Hong Kong would be playing a crucial role in developing more AI applications to bring better life for our citizens in the future.

Last but not least, I wish the Summit a great success and all of you a very fruitful and enjoyable day. I also wish all the visitors from abroad a pleasant stay in Hong Kong.

Thank you.