

Speech by CE at Hongqiao International Economic Forum Parallel Session in Shanghai (English only) (with video)

Following is the speech by the Chief Executive, Mrs Carrie Lam, at the Hongqiao International Economic Forum Parallel Session on "Artificial Intelligence and Innovative Development: Ideas, Technology and Markets" in Shanghai today (November 5).

Distinguished guests, ladies and gentlemen,

Good afternoon. It is a pleasure to be here again for the second edition of the China International Import Expo and the Hongqiao International Economic and Trade Forum. I am delighted to speak at this parallel session and share with you Hong Kong's perspective in developing artificial intelligence (AI).

AI is undoubtedly one of the world's fastest-growing technologies in recent years, which brings us unprecedented opportunities. AI and its numerous related technologies – such as automation, machine learning, natural language processing, big data and analytics, as well as robotics – are adopted in a wide range of fields and industries, benefiting billions of people.

Take financial services as an example. The financial industry is one of the first to apply and enjoy the benefits of AI. AI gave birth to a new wave of innovative ideas and applications in financial services and has accelerated the growth of the Fintech market. As an international financial centre with 160 licensed banks and over 160 authorised insurers, we have the perfect soil to nurture and grow our Fintech ecosystem. The Hong Kong SAR Government and the financial services regulators have played our part, for example we introduced new listing rules last year in favour of technology companies; we issued eight virtual banking licences and two virtual insurer licences over the past year and rolled out what we called the Faster Payment System (FPS) which now handles on average 144 000 transactions amounting to over \$2 billion every day.

With the concerted effort of all Fintech stakeholders and a most-enabling environment, Fintech companies based in Hong Kong raised over US\$1.1 billion in the past five years. According to our latest survey, Hong Kong is home to over 600 Fintech companies. Some 40 per cent of them were actually founded overseas and chose Hong Kong as their Asia base to explore the huge China and Asia markets.

AI, through creation of innovative new services and new business models, is one of the key driving forces of innovation and technology (I&T). Foreseeing the unprecedented potential and opportunities of innovation and technology development, over the past two years, the Hong Kong SAR Government

has committed over US\$13 billion to promote I&T development in Hong Kong, including encouraging research and development (R&D), pooling together technology talent, investing in I&T infrastructure, supporting technology companies and start-ups, promoting "re-industrialisation" and popularising I&T education.

In particular, we have vigorously promoted the development of AI in Hong Kong. We aim to enhance our R&D capabilities in this area and are steaming ahead with the establishment of a world-class research cluster focusing on AI and robotics called AIR@InnoHK, at the Hong Kong Science Park, our flagship technology centre. The goal is to attract the world's top scientific research institutions and technology enterprises to Hong Kong for conducting impactful collaborative researches with local institutions. The overwhelming response from the global research community is very encouraging, with the Chinese Academy of Sciences, University College London, Harvard University and Johns Hopkins University among the many renowned institutions which have submitted proposals to us already. This research cluster is expected to come into operation in the next few months.

My Government is also determined to take the lead in the use of AI and related technologies. We have set up a Smart Government Innovation Lab to explore the application of AI and relevant technologies, including machine-learning, cognitive systems and intelligent agent etc, to enhance the provision of public services. Among other initiatives, we will be introducing chatbot functions to the Government's information portal and enquiry hotline to facilitate public search and use of e-Government services.

Ladies and gentlemen, talent is a key element to success in the AI field. Securing talent is high on our agenda. To tap into the pool of top-notch global talent, we have launched the Technology Talent Admission Scheme, which is a fast-track arrangement to admit overseas and Mainland R&D talent in focused technology areas. AI and robotics are among the 13 technology areas that we are targeting. To step up our efforts in pooling technology talents together, I announced in my Policy Address a few weeks ago that we will extend the coverage of the Scheme to include more companies and more technology areas.

Our country has placed great emphasis on AI development in recent years and become the world's AI powerhouse. The State Council released the New Generation Artificial Intelligence Development Plan in July 2017, setting a goal of becoming a global centre for AI technologies and AI economy by 2030. Hong Kong is determined to contribute to that goal, including through our active participation in the establishment of an international innovation and technology hub in the Guangdong-Hong Kong-Macao Greater Bay Area. We have also launched a new funding scheme to support and encourage further R&D collaboration between Hong Kong and the Mainland on projects related to AI. We will further capitalise on our advantages in R&D capabilities, technological infrastructure, a deep pool of talent and global connectivity, and continue to intensify our collaboration with the Mainland in making China a global leader in artificial intelligence.

Finally, I wish the China International Import Expo and the Hongqiao

International Economic and Trade Forum a great success and all of you a very fruitful day. Thank you very much.