

Speech by FS at HKTDC SmartBiz Expo and Asian E-tailing Summit 2020 (English only)

Following is the speech by the Financial Secretary, Mr Paul Chan, at the HKTDC SmartBiz Expo and Asian E-tailing Summit 2020 today (December 2):

Hello, friends from all over the world,

I'm pleased to join you today, online, for this splendid early Christmas present for businesses in Hong Kong, the Asian region, and beyond: 10 days in December filled with virtual business conferences, events and shows, beginning with the fourth SmartBiz Expo, during December 2 to 4, and culminating in the Asian E-tailing Summit, from December 9 to 11.

In between, unwrap and enjoy the dazzling business opportunities filling the Hong Kong International Franchising Show, the Business of Intellectual Property Asia Forum and DesignInspire.

For this, and more, my thanks to the Hong Kong Trade Development Council (HKTDC). As Margaret (Executive Director of the HKTDC, Ms Margaret Fong) noted, SmartBiz Expo and the E-tailing Summit showcase the promise of today's stay-at-home economy and the digital transformation that can help your business take full advantage of it.

Yes, even in challenging times, opportunity abounds.

This has certainly been an unprecedented year for challenges, with the COVID-19 pandemic profoundly affecting economies all over the world, Hong Kong included.

Just about every sector of our economy has been hit, from food and beverage to private consumption, tourism and investment. SMEs, in particular, are facing multiple challenges: disruption to operations, substantial drop in revenue, liquidity shortages, heightened export credit risks and more.

The Hong Kong SAR Government has introduced a series of wide-ranging relief measures, through the 2020-21 Budget and three rounds of Anti-epidemic Fund, amounting to more than \$300 billion.

That has helped keep businesses afloat, while protecting jobs and supporting the people of Hong Kong. Beyond that, however, there is an imminent need for SMEs to turn to innovation and technology (I&T), to look to digital transformation to find their way clear of the COVID-19 aftermath as quickly as possible.

In this regard, the Hong Kong SAR Government has launched a Distance Business Programme. It is designed to help companies maintain their

operations and services during the pandemic by adopting IT solutions.

The programme, which closed at the end of October, received more than 38 000 applications from over 32 000 companies. About 95 per cent of the applications came from SMEs.

Earlier this year, the Government also enhanced its Technology Voucher Programme, which subsidises local companies that adopt technological solutions to improve productivity or transform their business processes.

Not surprisingly, the number of applications received soared – from a monthly average of 50 in 2017 to more than 600 a month over the past six months.

And, I'm pleased to say, more than 3 000 applications have been approved. That, ladies and gentlemen, represents a success rate of more than 93 per cent and involves over \$500 million.

This year has seen the rise of an unprecedented stay-at-home trend – for work, school and leisure. That presents substantial business prospects for companies shifting to e-commerce, home digital entertainment or e-business in general.

But more than a short-term opportunity, innovation and technology is central to Hong Kong's future. And the Hong Kong SAR Government is aggressively pursuing that future.

In the past three years, the Government has devoted over \$100 billion to a great variety of I&T programmes and initiatives. They range from infrastructure provision and R&D to investment funding and talent development. And the Government will continue to boost the development of I&T as another priority sector for Hong Kong.

We may still have a ways to go before the pandemic loosens its painful grip on the local, and global, economies. But by embracing technology, and digital transformation, our companies can accelerate their business rebound. In doing so, they also help Hong Kong to respond to the COVID-19 challenge.

For instance, a monitoring system using Bluetooth low-energy wristbands paired with a dedicated mobile app and geo-fencing technology has been developed for the monitoring of those subject to home quarantine.

An interactive digital map and dashboard have been created to keep the public informed of the pandemic situation.

And an incubatee of the Hong Kong Science Park has successfully developed a real-time monitoring system, which remotely monitors body temperature, pulse, and blood oxygen level in real-time to help prevent the spread of COVID-19.

In March to April this year, a special call for the Public Sector Trial

Scheme was launched to support application of technologies in combatting the epidemic in Hong Kong. A total of over \$102 million has been granted to more than 60 insightful projects, some of which were from technology companies conducting R&D activities in Hong Kong.

Ladies and gentlemen, the SmartBiz Expo and the E-tailing Summit have everything you need to help you and your business find a rewarding, and sustainable, future. For that, my thanks again to the TDC.

I wish you all the best of business at TDC's December fairs, a Merry Christmas and a happy, and healthy, New Year. Thank you.