

Speech by SCED at virtual event of StartmeupHK Festival 2021 (English only)

Following is the speech by the Secretary for Commerce and Economic Development, Mr Edward Yau, at a virtual event of the StartmeupHK Festival 2021, SHAPERZ – Shaping the Future of Work for SMEs, today (May 24):

Ladies and gentlemen,

Good morning and a very warm welcome from Hong Kong to everyone joining us today wherever you are in the world. I'm honoured to welcome you to the opening of this year's StartmeupHK Festival, organised by InvestHK, which this year celebrates its sixth anniversary.

To state the obvious, the world has faced massive disruption due to the COVID-19 pandemic. But with vaccines being rolled out across the world, there is a light at the end of the tunnel. This year's Festival focuses on looking forward towards the many exciting opportunities for start-ups to unlock, and puts a spotlight on the many strengths and benefits that Hong Kong offers for the start-up community.

Setting the tone for the exceptional events to come this week, it's my pleasure to introduce to you our first main event of the week, SHAPERZ, bringing you the latest technological innovations adopted by small and medium enterprises (SMEs), scale-ups and corporates that are shaping the future of work.

Technology has changed how we connect, consume and create in the workplace and caused a huge shift in the way businesses are run. The widespread adoption of automated tools featuring developments such as artificial intelligence, robotics, cloud computing and the Internet of Things has transformed manufacturing and industrial practices and the way we work.

Today's event showcases what the future of work will look like, and how businesses globally are thriving and adapting to meet the needs that the new normal demands of us. SHAPERZ aims to encourage SMEs to adopt the latest innovative technology that will help their business to grow, optimise their costs, and, ultimately, be a driving force for our economic rebound.

In Hong Kong, the innovation and technology (I&T) space is going from strength to strength. The city has been a perfect testing ground and launchpad for start-ups, with everything a start-up needs: funding, markets, infrastructure, talent, a simple tax regime, and a business-friendly environment.

With the pandemic changing customer habits and impacting revenue, SMEs are increasingly looking to innovative products and services in a bid to

market to customers, grow their sales, enhance customer service and streamline business operations. The event today will showcase some of the SME-friendly solutions available and share successful case studies to help this very important segment of the economy.

The Government has also rolled out a raft of support measures in its Anti-epidemic Fund to help companies leverage technology to improve their businesses. These include subsidies for early deployment of 5G, a lawtech fund, and a \$1.9 billion Distance Business Programme.

The Government has also set up a \$2 billion Innovation and Technology Venture Fund to co-invest in start-ups on a matching basis with selected private venture capital funds in Hong Kong. As part of a broader initiative, it has committed more than \$100 billion to promoting innovation and technology development, with a focus on eight key areas including increasing resources for research and development, pooling technology and talent, providing investment funding, and supplying I&T infrastructure.

What's more, for businesses that need funding, as one of the world's foremost international financial centres Hong Kong offers everything from trade finance and working capital through to green bonds, and of course listing opportunities on the Hong Kong Stock Exchange.

And these opportunities are evident. The number of start-ups in 2020 was up an impressive 51 per cent over 2017 at 3 360. What's more, 26 per cent of co-founders are from outside of Hong Kong, with the Mainland, USA, UK and Australia leading the way.

Beyond Hong Kong itself, the Greater Bay Area is a huge draw for foreign direct investment. With its focus on innovation and financial services, Hong Kong is in a unique position for collaboration opportunities. With a consumer market of 72 million and home to many of China's most innovative businesses, high-end manufacturing, research and development facilities and tech-savvy talent, it is just too big and vibrant to ignore.

In short, for businesses looking to tap into the Mainland China market or other markets in Asia, Hong Kong is a perfect launchpad with a strong track record for helping businesses to grow and succeed. We are very much open for business. We hope that you enjoy today's event and the rest of the StartmeupHK Festival this week. For those of you attending virtually from overseas, we look forward to seeing you in Hong Kong soon. Thank you.