

# Speech by SITI at luncheon of Law Society of Hong Kong's Forum on Doing Business in Hong Kong in a Rapidly Changing World (English only) (with photo)

Following is the speech by the Secretary for Innovation, Technology and Industry, Professor Sun Dong, at the luncheon of the Law Society of Hong Kong's Forum on Doing Business in Hong Kong in a Rapidly Changing World today (July 11):

Mr Chan (President of the Law Society of Hong Kong, Mr Chan Chak-ming), distinguished guests, ladies and gentlemen,

Good afternoon. It is my pleasure to join you at the Forum luncheon today organised by the Law Society of Hong Kong. Due to an unforeseen change of schedule, the Financial Secretary is unable to come today and he has invited me to join you all on his behalf.

The theme of the forum this year is "Doing Business in Hong Kong in a Rapidly Changing World". This morning's sessions explored Hong Kong's place as a centre for international and legal dispute resolution services in the Asia-Pacific region, as well as the tremendous opportunities from the development of the Guangdong-Hong Kong-Macao Greater Bay Area, GBA in short. And later on this afternoon, you will get a closer look at Hong Kong's future as an international financial centre and the factual situation on the National Security Law. From the programme today I think you can already see that, despite some challenges ahead, Hong Kong's future is full of opportunities. This is particularly true for Hong Kong's innovation and technology, I&T in short, development.

Overall, our economic situation is looking up as compared to last year. Since the border was reopened earlier this year, visitor arrivals have recovered further. Together with positive consumption sentiment, this has helped to boost retail sales. Looking ahead, inbound tourism and domestic demand will remain the major drivers of economic growth this year. In the medium and long term, our prospects will get better and better. A positive economic situation will be conducive to the development of all sectors in Hong Kong, including, of course, the development of I&T in Hong Kong.

No matter the current challenges, as the Mainland pursues high-quality development and Asia powers on as a major engine of global economic growth, there will be ample opportunities for Hong Kong in the years ahead. Among all, I&T has become the key to unlocking sustainable growth and reshaping the global political and economic landscapes. Many countries are injecting more resources and initiating more favourable policies to support I&T development.

Our unique features and institutional advantages under the "one country, two systems" principle will help us grasp those opportunities. As President Xi said in the celebrations of the 25th anniversary of Hong Kong's return to the motherland last July, we will adhere to this principle in the long run. The world may be rapidly changing, but "one country, two systems" is not going to change.

President Xi's visit to the Hong Kong Science Park last year also demonstrated the Central Government's full support in Hong Kong's I&T development. Promotion of I&T development ranks high on the agenda of this term of Government, with the objectives to provide new impetus to economic growth, develop a diversified economy, and create high-quality jobs. This is perfectly in line with the positioning of Hong Kong as an international I&T centre under the National 14th Five-Year Plan, and the strategies highlighted in the work report delivered at the 20th National Congress of the CPC (Communist Party of China).

In this regard, the Government promulgated the Innovation and Technology Development Blueprint in December last year to lay out four broad development directions and eight major strategies for Hong Kong's future I&T development in the coming five to 10 years. The Blueprint has also put forward a list of policy suggestions under our development directions, with the vision to chart Hong Kong in moving full steam towards our goal of becoming a leading international I&T centre with the staunch support from the motherland.

One of the broad development directions that we will put our prime focus is to further perfect our I&T ecosystem and promote interactive development of the upstream, midstream and downstream sectors. Hong Kong enjoys clear advantages in the upstream sector with our robust R&D (research and development) capabilities and our ability to achieve breakthroughs out of the blue. In order to further enhance the basic research in frontier technology fields such as artificial intelligence (AI) and quantum technology, the Hong Kong Special Administrative Region Government will earmark an additional funding of HK\$3 billion this year to promote the development of relevant facilities.

Apart from consolidating our upstream R&D strengths, it is important to promote the midstream and downstream sectors by incentivising the universities to proactively push ahead the technology transfer and to commercialise their outstanding R&D outcomes, thereby bringing real benefits to the community. To this end, we will be soon launching a new funding scheme, namely Research, Academic and Industry Sectors One-plus Scheme, RAISE+ Scheme in short, on a scale of HK\$10 billion to promote closer collaboration among industry, academic and research sectors and to accelerate the "1 to N" transformation of outstanding deep-tech R&D outcomes based on "0 to 1" research and industry development.

As an international financial centre and a metropolis attaching great importance to I&T, Hong Kong is also embracing the megatrend of Web3 development. Web3 has the potential to solve many pain points encountered in finance, trade, business operations and even day-to-day life. By balancing between implementing appropriate regulation and promoting development, Hong

Kong seeks to lead and drive innovative exploration and development, create new application models, and draw together top-notch companies and industry talent to build a thriving ecosystem.

At the same time, we are stepping up our effort on promoting industry development, in particular those with an edge and of strategic importance, such as life and health technology, AI and data science, as well as advanced manufacturing and new energy technology industries. For example, our Government will set aside HK\$6 billion this year out of the earmarked provision to provide subsidies for universities and research institutions to set up life and health technology research institutes. We will also conduct a feasibility study on the development of an AI Supercomputing Centre in Hong Kong to forge ahead with AI development.

We have also been working hard to attract high-potential and representative strategic tech enterprises from around the globe, particularly those from industries with strategic importance that I just mentioned, to set foot or expand their business in Hong Kong. I am most happy to share with you that we have made good progress in this regard following months of hard work.

Hong Kong is a highly open and livable international city and one of the world's freest economies. We have a mature legal system supported by a robust IP protection regime, which makes Hong Kong one of the best destinations for enterprises, including I&T start-ups, to set up and grow to success. The common law system and our independent judiciary are crucial elements of our world-class business environment. Our judicial processes are well recognised by the local and international community. In particular, our courts independently exercise their powers of adjudication, free from any interference as guaranteed under the Basic Law. This ensures that there is a fair, objective and impartial legal process for enforcing not only the law, but also private contracts, which is particularly important for businesses and investors from all over the world to have the confidence in the system and to do business here.

Ladies and gentlemen, I am sure everyone here has seen and felt that the rule of law is alive and well in Hong Kong and is as vibrant as ever. It is the cornerstone of Hong Kong's success and an important core value that underpins economic development. By upholding the rule of law, I am confident that Hong Kong will remain a great place for doing business. May I also take this opportunity to express my gratitude to the Law Society of Hong Kong for their continual efforts and dedication to safeguard the fair administration of justice while serving the legal profession.

In closing, I wish you all a rewarding experience today. Thank you.

