

Speech by SITI at opening ceremony of AsiaBerlin Summit 2023 (English only) (with photo)

Following is the speech by the Secretary for Innovation, Technology and Industry, Professor Sun Dong, at the opening ceremony of AsiaBerlin Summit 2023 yesterday (June 12, Berlin time):

Mr Kai Wegner (Governing Mayor of Berlin), Dr Xu (Chairwoman of the AsiaBerlin Forum, Dr Feiyu Xu), distinguished guests, ladies and gentlemen,

Good morning, and hello from Hong Kong! It is my great pleasure to join you all today in Berlin, one of the coolest cities in the world and the hottest start-up scenes in Europe. As the annual flagship summit dedicated to economic ties between Asia and Berlin, the AsiaBerlin Summit provides an excellent platform for start-ups, investors and policymakers around the globe to connect and explore opportunities for cross-sector and cross-boundary collaborations. I am delighted to join you all in person today to share with you on this very special occasion our vision and efforts to develop Hong Kong into an international innovation and technology centre as well as Hong Kong's unique position as an ideal gateway to the Mainland China market.

I believe everyone here agrees that innovation and technology, I&T in short in my following speech, has become the key to unlocking sustainable growth and re-shaping the global political and economic landscapes. Many countries have developed more proactive technology development policies and allocated more resources on R&D (research and development), which accelerate the pace of technological breakthrough and advancement. Asia is no exception.

Asia is the world's most populous continent, with around 60 per cent of the world's population. While Asia is a relatively young market compared to the advanced Western economies, Asian countries are catching up and there is a high demand and huge potential for I&T development. The future of Asia in I&T is definitely bright and positive! Hong Kong, as the "Asia's World City", will certainly capitalise on our unique strengths and seize the golden opportunity from the wave of global innovation and technological revolution.

Indeed, promoting the development of I&T is of the top priority on the policy agenda of the current term of the Hong Kong SAR Government. With the unwavering support of the motherland and the enormous opportunities brought by the National 14th Five-Year Plan as well as the development of the Guangdong-Hong Kong-Macao Greater Bay Area, GBA in short, Hong Kong is well positioned for I&T development. Under "one country, two systems", Hong Kong has the distinctive advantages of enjoying strong support of the motherland and being closely connected to the rest of the world. Possessing the strategic geographical location being the primary gateway to Mainland China and the GBA, and highly accessible to all key Asian markets, Hong Kong continues to thrive as a bustling platform that connects I&T companies not

just in the Mainland China, but also internationally.

Hong Kong is also a highly open and livable international city and one of the world's freest economy. As the world's leading financial, trading and logistics hub, Hong Kong has developed a sophisticated financial system, a simple and low tax system, together with a mature legal system supported by a robust IP protection regime. All these favourable factors, combined with the Government's strong commitment to I&T development, have positioned Hong Kong as the innovation hub in the region.

Last December, we published the Hong Kong I&T Development Blueprint, which establishes a clear development path and systematic strategic planning for Hong Kong's I&T development over the coming five to ten years. The Blueprint sets out four major development directions and eight key strategies 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 key 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 capabilities and our ability to achieve breakthroughs out of the blue. Hong Kong boasts the highest concentration of top-quality universities globally, with five of them ranking in the world's top 70. Our scientific research standards, with many world-renowned scholars and experts in their respective fields producing revolutionary and forward-looking R&D results, have been widely recognised both nationally and internationally.

In order to further enhance the basic research in frontier technology fields such as AI (artificial intelligence) and quantum technology, the Hong Kong SAR Government will earmark an additional funding of HK\$3 billion this year, equivalent to around 350 million euros 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 launching later this year a new funding scheme namely Research, Academic and Industry Sectors One-plus Scheme, RAISE+ Scheme in short, in a scale of HK\$10 billion, approximately 1.2 billion euros 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 the industry development.

We are also stepping up our effort on promoting the industry development, in particular those with an edge and of strategic importance, such as life and health technology, AI and data science and advanced manufacturing and new energy technology industries. For example, our Government will set aside HK\$6 billion this year, equivalent to around 700

million euros, 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 the AI development.

On the other hand, green tech is also a key focus of our Government to promote decarbonisation and sustainable development. We are planning to organise an International GreenTech Week in Hong Kong later this year to pool together representatives, enterprises and investors from the green technology industries around the world. I know that this year's AsiaBerlin Summit also focuses on AI, energy transition and green tech, and we have many start-ups, companies and experts in these fields be here with us today. You are certainly our target enterprises and talents we are thirsting for.

Start-ups are the source of new jobs, new products and new services. Some people say that building start-ups is like an adventure. It is true that building start-ups can be more risky than setting up traditional businesses, but it also has the huge potential for higher returns. Therefore, choosing the right partner and location is particularly important for start-ups. Apart from the business-friendly environment I have mentioned earlier, the ease of raising capital and the availability of a wide range of I&T-focused funding from both public and private sources make Hong Kong one of the most popular bases for start-ups in Asia. The Hong Kong SAR Government has been sparing no effort to support start-ups, SMEs (small and medium enterprises) and tech enterprises through various funding schemes.

I would like to take this opportunity to introduce to you to our two I&T flagships, namely Hong Kong Science Park, the city's leading R&D base, and Cyberport, the largest innovative digital community in Hong Kong. The two I&T parks have provided comprehensive support to start-ups and I&T enterprises through a variety of entrepreneurship schemes and incubation programmes. For example, Science Park and Cyberport have respectively established the Corporate Venture Fund and the Cyberport Macro Fund to invest in their start-ups on a matching basis. The two Funds have attracted more than HK\$7.4 billion, equivalent to around 870 million euros, of private investment in total over the years. To further enhance our support to start-ups, an additional funding of HK\$775 million, or about 89 million euros will be allocated to launch different programmes this year to invest in or support the growth of tech start-ups by our two I&T flagships. Hong Kong is undoubtedly one of the best destinations for start-ups to set up and grow to success. We stand ready to support you on your journey to success in Hong Kong.

And of course, what Hong Kong can offer is much more than just funding support. In fact, we are not only looking for start-ups, but also high-potential and top-notch I&T enterprises from around the world to Hong Kong, with a view to pooling together global talents for building a vibrant innovation ecosystem. We welcome I&T companies to set up or expand their operations in Hong Kong, where they can leverage the seamless access to the gigantic market in the GBA and the Mainland China, and explore boundless business opportunities provided therein. Beyond that, let's not forget Hong

Kong's strategic position as a springboard to the Belt and Road countries. By making use of the HK\$35 billion fund, equivalent to around 4 billion euros, as well as the land and space made available for I&T use starting from 2024 in the Lok Ma Chau Loop and elsewhere in San Tin Technopole in Hong Kong, we welcome high quality enterprises and talents from all around the world to set foot in Hong Kong.

Ladies and gentlemen, I&T continues to shape the world in many ways and play a crucial role in global economic development. Only through close cross-regional co-operation and solid exchange between East and West could create a powerful synergy in global technological development and bring prosperity as well as benefits to the human societies. By making wise use of innovation and technology, I am confident that we could work together to build a more livable and sustainable world!

I am so excited to have Berlin as the first stop of my Germany's trip and I am going to visit a number of tech companies and institutes in Hamburg and Munich in the following days to study the development of advanced manufacturing and tech industries and experience the energetic I&T ecosystem in Germany. In return, I sincerely invite all of you here today to discover more about the new I&T development of Hong Kong, and join us in this exciting journey to develop Hong Kong into an international I&T centre. I hope Hong Kong will be your next destination and we sincerely welcome all of you to experience the vibrant and fascinating Hong Kong!

In closing, may I wish the Summit another great year of success and everyone a good day. Thank you and see you in Hong Kong!

