

Speech by STL at 22nd GS1 Hong Kong Summit (English only)

Following is the speech by the Secretary for Transport and Logistics, Mr Lam Sai-hung, at the 22nd GS1 Hong Kong Summit today (November 14):

Chairman May Chung (Chairman of GS1 Hong Kong Board), Director Ma (Director of the Commerce Office of the Economic Affairs Department, the Liaison Office of the Central People's Government in the Hong Kong Special Administrative Region, Mr Ma Zhanjun), Legislative Council members, distinguished speakers and guests, ladies and gentlemen,

Good morning. I am delighted to join you for this year's GS1 Hong Kong Summit with the theme "Driving Digitalisation and Sustainability for Tomorrow". A warm welcome to our visitors from around the world, and to those of you who are joining this event online.

Digitalisation has been transforming the marketplace for decades. Take for example, last Saturday, the 11th day of the 11th month – better known to shoppers in Mainland China as "Singles' Day", which has evolved into the world's largest annual shopping event, with all business done online. Without the help of digitalisation, our logistics sector would never be able to deliver the right parcels to the right customers at the right time, given the enormous volume of transactions amounting to hundreds of billions of Renminbi.

From the factory floor to the point of sale to the marketing department and beyond, new technologies have fundamentally altered the ways that businesses interact with consumers, and vice versa. And the rate of change continues to gather pace. Leveraging smart tools like data analytics, AI (artificial intelligence) and automation, businesses could more easily unlock business trends, streamline operations and reduce costs of doing business. At the same time, the vast amount of information generated in the digital era has raised consumers' awareness on sustainability issues, the hot topic of our time.

Environmentally-conscious consumers tend to ask more questions about the materials used and production line, the associated carbon footprint and social impact of the products and services they acquire from different parts of the world. Subscribing to the concept of sustainability will be a significant pull factor for attracting customers, amid the rising trend of eco-friendly consumers. For businesses to stay ahead of the curve, they must weave sustainability into their business processes and align digital transformation strategies with sustainable and ethical practices.

The Hong Kong Special Administrative Region Government takes heed of the inevitable trend and importance of driving digital and business transformation. The Digital Economy Development Committee, or DEDC in short, is working on a set of astute and forward-looking recommendations to chart

the development of Hong Kong's digital economy in various areas. Digital transformation would be one of the key pillars of the action plan to advance the digital maturity of our economy, in particular for SMEs (small and medium-sized enterprises). SMEs constitute the vast majority of businesses in Hong Kong, but they generally lack know-how and resources to kick-start and pursue their digital journey. As part of the DEDC's multifaceted strategy, Cyberport, with the funding support of the Government, will soon be rolling out the Digital Transformation Support Pilot Programme. This will help to subsidise SMEs in the retail and food and beverage sectors in adopting electronic payment and other digital packages.

Specifically on the logistics sector, the Action Plan on Modern Logistics Development was promulgated last month to map out the forward-looking strategies and actions to promote the high-quality and sustainable development of Hong Kong's logistics industry. Among the eight strategies set out, promotion of digitalisation and smart logistics development comes first. Our target is to develop Hong Kong into a sustainable, modern, high value-added and smart logistics hub, serving businesses and customers in Hong Kong and beyond.

The Government itself is also advancing the cause of digitalisation and digital transformation from within. As announced by the Chief Executive in his Policy Address last month, we will set up the Digital Policy Office to spearhead policies on digital government, data governance and information technology. This Office represents our clear commitment to building a digital government and delivering people-centric measures. As one of the key drivers in the transformational journey, the Digital Policy Office will open up more data, promote cross-department and cross-sector innovation, and encourage the adoption of AI and blockchain technologies in public services. All this will accelerate "smart government" and "smart city" development.

Naturally, our digitalisation endeavours will also foster closer integration with the Mainland, including the Greater Bay Area (GBA). As part of the Digital GBA strategy, the Hong Kong Government collaborates with the Guangdong Provincial Government on promoting the Cross-boundary Public Services initiative. This facilitates Hong Kong residents and enterprises to access and manage their cross-boundary public services electronically, and vice versa for our counterparts in the GBA. This initiative will support enterprises to deepen their business connections and capitalise on the opportunities across the boundary at a lower cost and in a more user-friendly manner.

Ladies and gentlemen, the future is digital. I congratulate GS1 Hong Kong on hosting this Summit, and I wish you all a very fruitful day of networking and knowledge sharing, and the best of digital business in the years to come. Thank you.