

Innovation & New Technologies emerging in Hong Kong

INNOVATION HONG KONG

Gordon Lam

Chairman, Sinofuture Group Limited
XMember, Hong Kong Trade Development Council (HKTDC)
China Business Advisory Committee

August 2020



Guangdong-Hong Kong-Macao Greater Bay Area (GBA)

China's Greater Bay Area

GDP of cities, Hong Kong and Macau



Source: HSBC Research

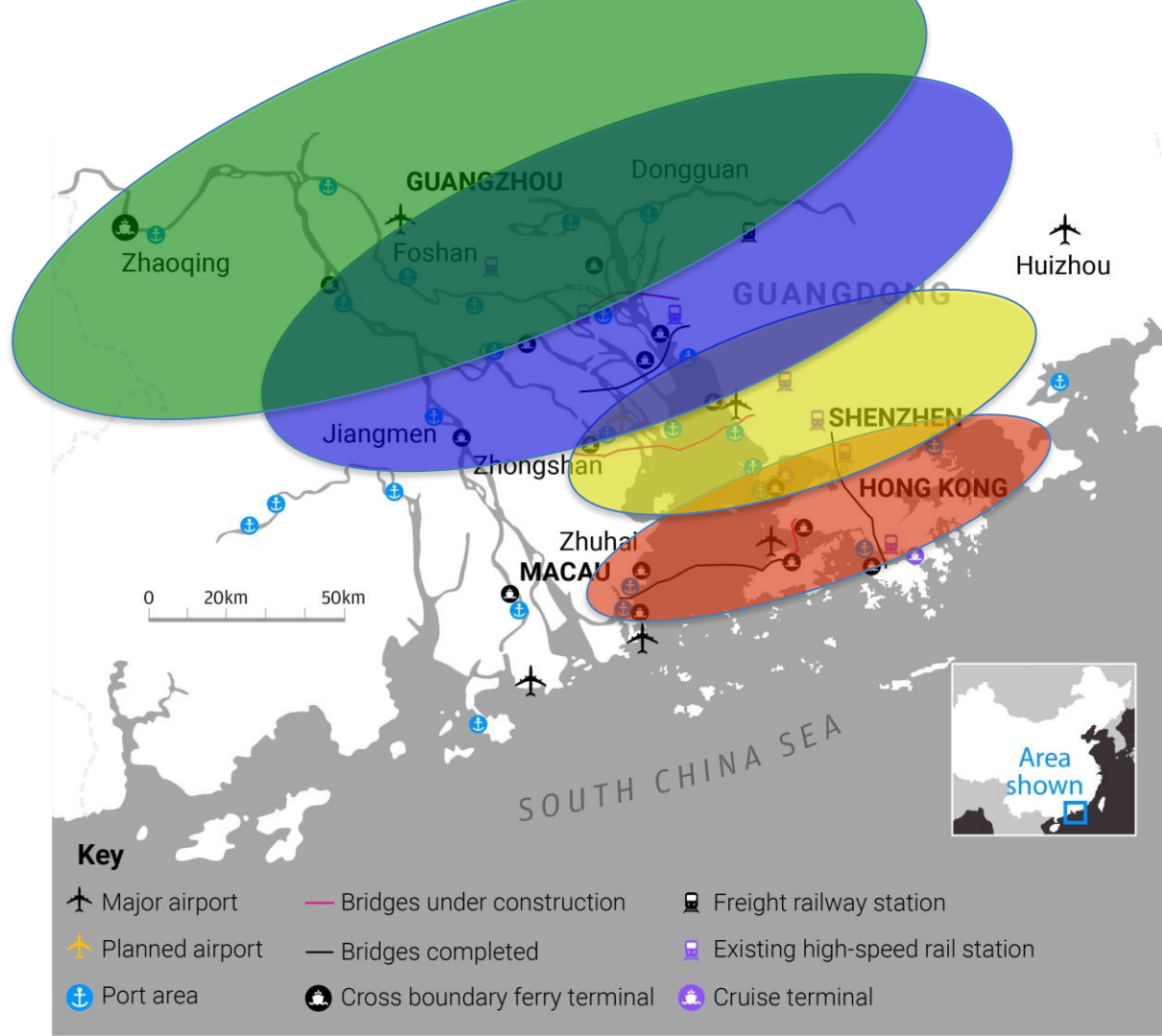
BBC

Hong Kong	Tertiary industry (service industry), international financial, transportation and trade centre
Shenzhen	advanced technology, modern logistics, financial services and cultural industry
Guangzhou	advanced manufacturing industries : automobile, electronics and petrochemical
Foshan	machinery equipment, household appliances, ceramic building materials, metal processing and metal products, textiles and garments, electronic information, food and beverages, fine chemicals and pharmaceuticals
Dongguan	electronic information, electrical machinery and equipment, textile, garment, shoes and accessories, food and beverage processing, and papermaking and paper products
Huizhou	electronic information and petrochemicals, automotive and equipment manufacturing and clean energy industries
Macao	tourism and gambling industries
Zhongshan	equipment manufacturing, household appliances, textiles and garment, electronics, lighting, healthcare and pharmaceuticals
Jiangmen	new energy, new lighting, new materials, high-end equipment manufacturing, and green household appliances
Zhuhai	electronic information; home appliances; electricity and energy; biopharmaceuticals and medical devices, petrochemicals and precision machinery
Zhaoqing	new energy vehicles industry, advanced equipment manufacturing, energy conservation and environmental protection, high-end new electronic information and biomedicine

The GBA – Unique Value Chain in the World

- Branding, Design & Creatives – Hong Kong & Guangzhou
- International Trade & Marketization – Hong Kong
- Freight and Forwarding - GBA Ports
- High-end manufacturing -
Guangzhou, Dongguan and Huizhou
- Financing –
Hong Kong & Shenzhen
- Basic Research –
Hong Kong, Guangzhou and Shenzhen





Future of GBA is – Collaboration in Technology + Finance (Fintech)



- Create an environment for facilitating business operation and ease of living for innotech talents
- Set up rules and regulations to facilitate the development of innotech industry (e.g. IP rights protection, privacy protection, combating cyber crimes etc.)
- Shenzhen+Hong Kong Technology collaboration in big data, mobile internet, cloud computing, smart city, e-governance, internet finance (e.g. block chain, eYC, insurtech), e- commerce etc.

Future of GBA – A leading global brand



OPPORTUNITIES IN GBA BY LEVERAGING HONG KONG ■

Hong Kong's highly international business environment

- Attract international innovation and technology enterprises to enter the GBA
- Help Mainland innovation and technology enterprises go global



Hong Kong, Shenzhen and other Greater Bay Area cities specialising in advance manufacturing

- Complement one another in a number of areas including capital, scientific research, and production



A consumer base of 70 million people

- Relatively and increasingly wealthy
- Within just an hour or so travelling from Hong Kong



Hong Kong + Asia + Belt & Road Opportunities



- Home of 8,000+ International companies' Asia-Pacific HQ, including sales, operations, R&D, regional administration, distribution and corporate treasury
- World's busiest cargo airport
- Connections to about 190 destinations worldwide
- 1000+ daily flights by over 100 airlines
- 23 minutes to Central Business District from Airport
- One hour from the Guangdong-Hong Kong-Macao Greater Bay Area (GBA)
- World's largest offshore hub in Renminbi (RMB) settlement
- 7 Free Trade Agreements, with Mainland China, New Zealand, Member States of the European Free Trade Association (EFTA), Chile, Macao, the Association of Southeast Asia Nations (ASEAN) and Georgia
- Another 20 signed mutual Investment Promotion and Protection Agreements with 20 economies

Hong Kong Growth Opportunities



Belt and Road Initiative

- Signed an Arrangement with the National Development and Reform Commission
- Six key areas are covered: finance and investment; infrastructure and maritime services; economic and trade facilitation; people-to-people bonds; taking forward the Guangdong-Hong Kong-Macao Bay Area Development; and enhancing collaboration in project interfacing and dispute resolution services



Free Trade Agreement with ASEAN

- Tariff reduction: reduce or eliminate customs on goods of Hong Kong origin
- Fewer restrictions: lifting the cap on foreign ownership to more than 50 percent in many sectors of individual ASEAN markets
- Entry and stay: Hong Kong business visitors to stay up to 90 days in individual ASEAN markets
- Investment protection: fair treatment on Hong Kong investments and enhanced protection against non-commercial risks



Guangdong-Hong Kong-Macao Bay Area

- Comprises Hong Kong, Macao and nine Guangdong cities with a population of 68 million and a combined GDP of US\$1.5 trillion
- To promote economic integration in the area and to develop external links in order to establish a significant position in the global economy



Innovation and Technology

- Focus on AI and robotics, FinTech, Smart City and healthy aging/biomedicine
- HK\$20 billion for the first phase of the Hong Kong-Shenzhen Innovation and Technology Park in the Lok Ma Chau Loop
- Technology Talent Scheme: HK\$500 million
- Innovation and Technology Venture Fund Scheme: HK\$2 billion
- Smart City development: HK\$700 million
- Technology Talent Admission Scheme (TechTAS)



Karolinska
Institutet



中國科學院
CHINESE ACADEMY OF SCIENCES

Think Asia's Innovation, Think Hong Kong!

1. Fintech (mobile payments, wealthtech, insurtech, virtual banks)
2. Biotechnology
3. Artificial Intelligence
4. Gerontech
5. Food Technology
6. Green Technology
7. Smart City
8. eSports
9. IoT
10. Smart Manufacturing / Additive Manufacturing



How to use the Hong Kong Advantage?

Most common business activities by overseas businesses

- Sales and Marketing

e.g. local and region sales and marketing operation to promote your own products and services to international buyers

- Research & Development

e.g. HK Science Park, Cyberport, 8 World-class top universities, testing new retail products

- Sourcing and Procurement

e.g. access of most dynamic exhibitions, fairs, and events to obtain newest products

- Regional Office/Regional HQ Management

e.g. location to manage Far East agents, suppliers and manufacturing

- Treasury Functions

e.g. Regional or Global Financial and Foreign Exchange Management

Innovation & New Technologies Emerging in Hong Kong

Gordon Lam

Chairman, Sinofuture Group Limited

XMember, Hong Kong Trade Development Council (HKTDC) China Business Advisory Committee

August 2020

