

Speech by CE at StartmeupHK Festival 2020: Startup Impact Summit (English only) (with photo/video)

Following is the speech by the Chief Executive, Mrs Carrie Lam, at the online conference of StartmeupHK Festival 2020: Startup Impact Summit today (July 7):

Ladies and gentlemen,

Good morning. Hello from Hong Kong and welcome to the fifth edition of the StartmeupHK Festival. This year, the Festival has to go virtual due to the epidemic. However, it remains an annual innovation and start-up extravaganza, offering a lot of inspiration to all of us. For that, my thanks to the six individual conference organisers, the event's many sponsors and the overall Festival organiser, Invest Hong Kong, for putting together another signature event.

Establishing a start-up is no small decision and I believe entrepreneurs will take into account a host of factors. Business and living environment as well as prospects and opportunities are no doubt crucial. In the light of the fact that Hong Kong has been hitting local and overseas news headlines recently, I feel obliged to give you an update on our city, which I hope will help dispel some misrepresentations.

Hong Kong has been traumatised by some unprecedented social disruptions characterised by escalating violence, vandalised shops, acts and activities calling for independence of Hong Kong, intimidation of people holding a different political view and threats and doxxing against thousands of police officers on the social media. In short, our reputation as a safe city has been tarnished and the normal business operation has been severely hampered.

For Hong Kong which is an inalienable part of China and a local administration enjoying a high degree of autonomy directly under the Central People's Government, threats posed to national security simply could not be tolerated. Hong Kong is supposed to enact local legislation to safeguard national security but we have not been able to do so after 23 years since our return to the Motherland. It is against this background and for the sake of countering the present "defenceless" situation, the Standing Committee of the National People's Congress, the highest organ of state power in China, has enacted a national law to safeguard national security in Hong Kong. This resolute decision of the Central Government is supported by the HKSAR Government and some three million Hong Kong people who took part in a signature campaign over a period of just eight days. Safeguarding national security through legislation at the state level is in line with international practice and has been put in place in many countries around the world. There is simply no valid reason why China alone should be inhibited from enacting national security legislation to protect its territory and its nationals.

Unlike national security laws in many countries which are wide-ranging, this particular National Security Law only criminalises four types of acts and activities. They are secession, subversion of state power, terrorist activities and collusion with a foreign country or with external elements to undermine national security. It will only target a very small minority of people who have committed those offences, while the life and property, basic rights and freedoms of the overwhelming majority of Hong Kong residents will be protected. Stability will be restored and Hong Kong will provide the environment conducive for businesses to flourish.

I am not going into the details of the law save to impress upon you that the legitimate rights and freedoms currently enjoyed by Hong Kong people will not be affected. Hong Kong will continue to be a free and open society. The rule of law including an independent judiciary will be as robust as ever. In short, the favourable factors of Hong Kong in attracting start-ups remain unchanged. Indeed, the number of startups in Hong Kong has doubled over the past five years from about 1 500 to over 3 000.

Of course, for all things to resume normal, we will have to conquer COVID-19 first, something the world as a whole has not yet succeeded. However, Hong Kong has responded to the challenge quite admirably, if I may say so. To date, our multi-pronged strategy has been among the most effective in the region and well beyond. And I am glad to tell you that innovation and technology has played an important role, which underlines our potential in this area.

To give you some examples, a monitoring system using Bluetooth low-energy wristbands paired with a dedicated mobile app and geo-fencing technology has enabled the monitoring of over 200 000 individuals under home quarantine here in Hong Kong up to now. An interactive digital map and dashboard has been created to keep the public informed of the pandemic situation. Open data in machine-readable format and application programming interfaces are also available for those looking to conduct their own analysis or develop websites, mobile apps and other programmes. We are also distributing a reusable face mask, known as the CuMask+, free to every Hong Kong resident. Developed and patented by the Hong Kong Research Institute of Textiles and Apparel, the CuMask+ won a Gold Medal at the 2018 International Exhibition of Inventions of Geneva for its groundbreaking technology and its ergonomic design.

As remote working or service has become a new trend during the epidemic, we launched the Distance Business Programme to support enterprises to continue their business and services during the epidemic by adopting IT solutions. We have recently decided to triple the financial commitment to the Programme to about US\$200 million in view of the positive response to the Programme. These and other coronavirus-inspired developments underline my Government's commitment to innovation and technology. In my three years as Chief Executive of the Hong Kong Special Administrative Region, we have allocated more than US\$13 billion dollars to support innovation and technology (I&T) initiatives and programmes.

I believe Government support is instrumental in expanding our start-up

base. That's evident in the diversity of programmes we offer. For financing, there's the US\$260 million Innovation and Technology Venture Fund. Working together with venture capital funds, it invests in local I&T startups at a ratio of about one to two – with the latter coming from our venture capital investors. To date, we've partnered with six venture capital funds, closing 16 deals totalling more than US\$10 million.

Start-ups are also involved in a number of programmes under the Innovation and Technology Fund. The Public Sector Trial Scheme, for example, provides funding support of about US\$130,000 per project for public-sector trials inspired by promising research and development (R&D). We are expanding the Scheme: all technology companies conducting R&D activities in Hong Kong will soon be eligible to apply.

Within Government, we encourage start-ups and SMEs through our pro-innovation procurement policy. It opens up public data for research, encouraging departments to apply technology and technology-driven solutions more vigorously.

Innovative technology can be deployed to great effect in delivering public services and smart-city applications. To that end, we launched the Smart Government Innovation Lab earlier this year. It connects government to innovative companies. The initiative helps match suggested products to service needs, enabling proof-of-concept and accelerating Hong Kong's smart-city path.

Our flagship I&T centres, Hong Kong Science Park and Cyberport, continue to be Government's preeminent partners in promoting start-ups.

Looking to the future – and I'm talking here about the Greater Bay Area – we are developing a major innovation and technology park in concert with the Shenzhen Government. The Hong Kong-based park, rising near the boundary with Shenzhen, will serve as a regional and international base for cooperation in scientific research. To date, US\$2.6 billion has been set aside for initial development, with the first batch of I&T buildings scheduled for completion by 2023. Soon after, start-up companies with an R&D focus will find themselves with ready access to the Mainland.

We certainly have what it takes to seize the far-reaching promise of the Greater Bay Area, thanks to our world-class financial and professional services sectors, our R&D strengths, world-class universities and intellectual property protection regime. No less important, our One Country, Two Systems connectivity will smooth the way for companies in the Greater Bay Area, throughout the region and around the world. I understand that the Startup Impact Summit will get going soon and it will spotlight the Greater Bay Area, together with a variety of overseas markets, promoting investor matching, start-up services and pitch sessions. I am sure you will enjoy it.

Ladies and gentlemen, wherever you are, however you're connected, whatever your business and goals may be, I know you will enjoy and profit from this year's StartmeupHK Festival. And I look forward to seeing you in person, right here in Hong Kong, at next year's Festival.

Thank you.

