

Speech by FS at International Data Industry Alliance Global Summit (English only)

Following is the speech by the Financial Secretary, Mr Paul Chan, at the International Data Industry Alliance (IDIA) Global Summit today (May 27):

Allen (Honorary Chairman of the IDIA, Mr Allen Yeung), Herbert (Co-Chairman of the IDIA Mr Herbert Chia), Vincent (Co-Chairman of the IDIA Mr Vincent Chan), Leo (President of KN Group, Mr Leo Chan), representatives of governments from around the world, distinguished guests, ladies and gentlemen,

Good morning.

It is a pleasure to join you today for the inaugural Global Summit of the International Data Industry Alliance, IDIA. This is a timely and important gathering, a platform to champion the development of the digital economy and explore its vast potential together. It also reflects our shared commitment to shaping a more innovative, interconnected and inclusive digital future.

For those who have travelled from afar, a very warm welcome to Hong Kong.

The promise of data

There is no doubt that data has become the lifeblood of the digital era. If oil was the "black gold" of the 20th century, then data is the "digital gold" of the 21st century. Generated through our daily lives and increasingly intelligent technologies, data is reshaping industries, business models and the way we live, and redefining value creation.

In 2024, China generated 41 zettabytes of data, a 25 per cent increase from the previous year. That is equivalent to some 136 billion books if stored on paper. The value of data is immense. Last year, China's digital economy delivered over US\$4.8 trillion in revenue.

With the rise of artificial intelligence (AI), this value will only grow. High-quality, accessible and well-governed data is essential for training large language models, optimising applications, and unlocking new industrial and commercial opportunities. That makes cross-boundary and cross-sector collaboration all the more important.

Hong Kong's approach to data

Hong Kong is an active participant in cross-boundary data collaboration. Allow me to share our journey – our approach to data, our strengths, what we are building, and where we are heading. I hope our experience can offer

insights for the discussions today.

Our strengths

Our digital strategy is anchored on three core principles: openness, global connectivity and value creation. Under the "one country, two systems" arrangement, Hong Kong remains an open, diverse and international city with the free flows of goods, capital, talent – and crucially, data. This is our unique institutional strength and a key pillar of our competitiveness.

We also continue to serve as a "super connector" between China and the rest of the world, a point that I will return to later.

What we are building

Building on these strengths, Hong Kong has a clear vision to foster an AI-driven digital economy. This requires a whole-of-community approach, and the Government is leading by example.

To this end, we established the Digital Policy Office last year. It oversees digitalisation of government services, develops digital infrastructure, supports digital transformation of the community, facilitates cross-boundary data flow, and more. Our goal is to drive the use of data that benefit people and businesses.

We are also committed to opening and sharing data with the private sector and academia. The aim here is to expand their application scenarios, and enable more diversified and inclusive services. Over 5 500 datasets are now available through our Open Data Portal, with over 60 billion downloads in 2024 alone.

One of the recent remarkable initiatives is the Commercial Data Interchange and the Consented Data Exchange Gateway. They facilitate sharing of government data with financial institutions, on a consent basis, for more efficient credit assessments. As of April 2025, over 20 million data exchanges have been processed.

Cross-boundary data flow is of strategic importance and indeed a unique benefit offered by Hong Kong. This brings us back to the "super connector" role of Hong Kong, where data from the Mainland and overseas converge.

A compelling demonstration of this is the Shenzhen-Hong Kong Science and Technology Innovation Co-operation Zone in the Hetao area. It is one of the four major tech collaboration platforms in the Greater Bay Area. Within the Co-operation Zone, we are pioneering the safe and orderly flow of research and other data, including biosamples, with proper safeguards and user consent. This paves the way for deeper innovation collaboration, especially in data-intensive industries such as AI and biotech.

I am therefore very pleased to see the establishment of the International Data Industry Research Centre by the IDIA. It is another meaningful step towards advancing global data dialogue and co-operation.

Developing AI-empowered digital economy

As we move into the "AI+" era, Hong Kong is pressing ahead on five critical fronts: data, computing power, algorithms, talent and capital.

We launched an AI Supercomputing Centre in Cyberport last year. We are supporting local institutions and enterprises in accessing its services.

On algorithms, Hong Kong is home to 16 world-class AI research labs. They include the Hong Kong Generative AI Research and Development Center, which is building local foundation models. In this year's Budget, I allocated HK\$1 billion to set up the Hong Kong AI Research and Development (R&D) Institute, to strengthen upstream R&D and translate breakthroughs into real-world applications.

Supporting this is our vibrant innovation and technology ecosystem. We nurture start-ups in Science Park and Cyberport; at the same time, we also attract global tech businesses and talent to Hong Kong.

To this end, the Hong Kong Investment Corporation Limited, or the HKIC, provides patient capital that supports tech ventures at various stages of development. AI is one of the HKIC's focus areas. To date, it has invested in over 100 projects, mobilising four dollars of long-term capital for every dollar it invested. Last week, the HKIC organised the inaugural International Forum for Patient Capital. The event brought together long-term funds from 15 jurisdictions with a total AUM (assets under management) of over US\$20 trillion to forge more partnerships with high-potential projects.

Adding to that is our comprehensive funding chain and vibrant capital markets, with options from angel rounds to IPOs (initial public offerings). A recent highlight is the launch of a "TECH" Channel by the Hong Kong Stock Exchange to provide dedicated advice and support to tech companies seeking to list in Hong Kong. The response has been overwhelmingly positive.

Meanwhile, our Office for Attracting Strategic Enterprises (OASES) has already brought in over 80 companies – including in AI, biotech, fintech and new energy. Invest Hong Kong also attracted some 120 innovation and technology companies in 2024.

Looking ahead: our priorities

Looking ahead, there is still a lot of work to be done.

First, we must continue to expand our talent pool and enhance digital literacy of our community. Our talent admission schemes have so far been a success. We received over 470 000 applications since December 2022. More than 310 000 of them have been approved and 200 000 individuals have arrived in the city. Amid the backdrop of geopolitical tension, Hong Kong is the destination of choice for many tech academics and talent, and we welcome them with open arms. Meanwhile, we are also advancing digital education from primary schools and across the wider community.

Second, we must strive to create an environment conducive to the

application of data. That means reviewing legislation and regulations that may form barriers, encouraging new application scenarios, and adopting regulatory tools such as sandboxes to test innovative solutions. Besides, we see long-term potential for Hong Kong to become an international data trading hub – where the value of data can be fully unlocked and reflected in the market.

Third, data governance. As technologies evolve, so must our regulatory frameworks. In Hong Kong, we are building a data governance system based on three pillars: (1) clear policies, laws and technical standards; (2) supporting facilities such as data centres; and (3) protection of data security through enhancing the preparedness of institutions and infrastructure.

Closing remarks

Ladies and gentlemen, let me close by reflecting on the "DeepSeek Moment" and the many other tech breakthroughs emerging from our country. Amid rising geopolitical tensions and technological barriers, these stories remind us that creativity, agility and innovation can overcome limitations, and bring success on a global scale.

And their success is not just about technological prowess, but also their commitment to open-source, accessible and affordable solutions. They remind us that data and digitalisation can – and should – help us build a more inclusive, sustainable and shared future.

My sincere thanks to the IDIA for organising this important event. And to all of you for lending your time and expertise to make this inaugural Summit a success. Let's join hands to foster meaningful dialogue, deepen partnerships, and shape a smarter and more connected world. Thank you very much.