

FOR IMMEDIATELY RELEASE

Hong Kong Computer Society's Response to Chief Executive's 2019 Policy Address

16th October 2019 Hong Kong - The Hong Kong Computer Society (HKCS), as the most well-established and the largest IT professional association in Hong Kong, expressed its support and welcomed the continued investments in the development of innovative technology and smart cities to enhance Hong Kong's competitiveness in the long run, as well as the announcement of a number of innovative technology policies, in this year's Chief Executive's Policy Address. However, the HKCS is also suggesting that the Government should try to fill the "Digital Skills Gap", by supporting the large number of information and communication technology practitioners, to enhance their mastery of the new digital technology, and enhance the training of professionals for the hottest IT posts which are facing talent shortage. In addition, the HKCS has recommended that the Government should make good use of big data to collect the public views from the young generations, formulate relevant policies for the development of open data and artificial intelligence, and at the same time devote more resources into e-learning, in particularly for the under-privileged or poor families

Mr. Ted Suen, President of the Hong Kong Computer Society said, "In view of the recent social incidents, it is understandable that the Chief Executive's policy address today devoted more focus on housing, land supply and improvement of people's livelihood issues, thus less are on the development of the innovation and technology sector. We have seen the Government has been vigorously developing the Science and Technology since the past two years, and the policies and related work are already being carried out and some positive results have already been achieved. For example, the Chief Executive today also specifically mentioned the number of start-ups in Hong Kong increased 42.8% between 2017 and 2019 and reached 3,184. The start-ups spread across all walks of life and have been growing with such an encouraging increasing rate reflects the effectiveness of the policies."

Mr. Ted Suen pointed out that although the announcement of the Policy Address by the Chief Executive was streamlined, the detail policies on various areas are published in the "Supplement" section. Among the sections in relation to innovation and technology, the Hong Kong Computer Society is pleased to see and welcome that the Government has announced the following development results and new measures to be implemented:

1. Policies on innovation and technology

- The new pro-innovation government procurement policy has taken effect since April 2019.
- Further subsidized enterprises in using technology to improve productivity or upgrade/transform their business processes through regularizing the Technology Voucher Programme in February 2019 and increasing the funding ceiling for each applicant from \$200,000 to \$400,000

2. Increased resources for research and development

- Continued the enhanced tax deduction for qualifying research and development (R&D) expenditure incurred by enterprises
- Doubled the ceilings of the annual funding provided by the I&T Fund to each State Key Laboratory and Hong Kong branch of Chinese National Engineering Research Centre, the technology transfer office of each designated university, and each of the six universities under the Technology Start-up Support Scheme for Universities from 1 April 2019 to promote technology transfer as well as realization of R&D outcomes.

3. Pooling technology talent

- Continued its Technology Talent Scheme, which comprises the Postdoctora Hub and the Re-industrialisation and Technology Training Programme
- Continued the Technology Talent Admission Scheme, to speed up the pooling of technology talents
- Allocated \$10 billion for establishing the InnoHK research clusters at the Hong Kong Science Park, and received proposals from a number of world-leading universities and research institutes. The first batch of R&D centres for Health@InnoHK (focusing on healthcare technologies) and AIR@InnoHK (focusing on artificial intelligence/robotics technologies) will be set up progressively in the next few months.
- The new e-sports venue was opened in July 2019. The E-sports Industry Facilitation Scheme and the E-sports Internship Scheme were introduced in April 2019.

4. Providing venture funding

- Started co-investing in local I&T startups with partner venture capital funds through the Innovation and Technology Venture Fund in 2019.
- The Hong Kong Science and Technology Parks Corporation (HKSTPC) has

launched a number of new/enhanced initiatives, including expansion of its incubation programmes and Corporate Venture Fund, development of the Smart Campus and introduction of the Accommodation Support Scheme.

- Increased the financial subsidy under the Cyberport Incubation Programme from \$330,000 to a maximum of \$500,000, and launched the Easy Landing Scheme and the Overseas/Mainland Market Development Support Scheme in the fourth quarter of 2018.

5. Providing technological research infrastructure

- Completed the works of Stage 1 of the Science Park Expansion Programme in April 2019.
- The Cyberport Smart-Space 8 coworking space in Tsuen Wan came into operation in July 2018. The occupancy rate was 98% as at end-August 2019.
- The LegCo approved in 2018 for injecting \$3 billion into the HKSTPC for developing research-related infrastructure and facilities. The development of some facilities, such as the first phase of the Biobank and the expansion of the Robotics Catalysing Centre, has commenced.

6. Opening up government data: about 700 new datasets in machine-readable formats will be opened up by government departments in 2019.

7. Support popular science education: Allocated \$500 million for organising the annual City I&T Grand Challenge, which will invite people from all walks of life to put forward solutions with I&T elements on issues that are closely related to our daily lives. The first Grand Challenge is expected to be launched in the first half of 2020.

8. Continued smart city development:

- Set up a Smart Government Innovation Lab in April 2019 to facilitate government departments to make wider use of the solutions offered by the local IT sector to improve public services.
- Provided funding to support about 70 technology projects proposed by 28 departments through the TechConnect (block vote) to promote the use of technology by government departments for enhancing operational efficiency and improving public services.
- As at mid-2019, the number of downloads of “HKeMobility” has exceeded 2 million.
- The real-time parking vacancy information of about 70% of the hourly parking

spaces in Kowloon East has been disseminated to the public for reference.

9. Continued the development of financial innovation

- As at the end-August 2019, the FPS has recorded 3.4 million registrations. In August 2019, the FPS processed 3.5 million transactions (worth HK\$58 billion and Renminbi 1 billion), more than double of that in the first month of its launch.
- The Government is planning to accept payments of taxes, rates and water charges through the FPS by end-2019. The Government is also examining the feasibility of accepting FPS payments at the shroff counters of various departments.
- The Hong Kong Monetary Authority (HKMA) has granted licences to eight virtual banks as at May 2019. The banks concerned aimed to launch their services in about six to nine months upon the granting of the licence.
- The HKMA published the Open Application Programming Interface (API) Framework in July 2018. The first phase Open APIs were launched in January 2019 as scheduled. Twenty retail banks have launched over 500 APIs, covering information of deposits, loans, insurance, investments and other banking products and services. The second phase Open APIs will be launched in October 2019 and will cover applications for bank products.
- In December 2018, the Insurance Authority granted the first authorization of a virtual insurer under the Fast Track.

10. Continued the development of Telecommunication

- Launched a pilot scheme in March 2019 to open up over 1,000 suitable government premises for mobile service operators to choose to install base stations.
- Administratively assigned a total of 1,200 MHz of high-band 5G spectrum in April 2019, expecting operators to launch commercial 5G services in around 2020.
- Commenced tender exercise in June 2019 for a subsidy scheme to extend fibre-based networks to villages in remote areas, benefitting some 110,000 villagers.

Hong Kong Computer Society's Recommendations on the Policy Address

Mr. Ted Suen said: "The Hong Kong Computer Society has previously submitted proposals for innovation and technology development to the Government. Some of them have already been reflected in the policy address, and we are pleased to see the

Government continue to invest in and support the development of innovative technology and start-ups. However, the Hong Kong Computer Society has the following recommendations for the Government to consider, in order to further enhance the comprehensiveness of its policy in the policy address:

1. Closing the digital skills gap

In June, APEC issued a regional survey on the "digital skills gap" that "Job seekers today lack the skills needed to work in the digital economy" and that 75 per cent of respondents – comprised of employers, government officials, and academics – report a significant skills mismatch". Without more upskilling programs to improve digital expertise, the survey warns, many workers may lose their jobs to automation. Skills mismatches hurt workers and the broader economy. Productivity declines when key jobs remain vacant, while the digital economy is rapidly evolving but education systems are not adapting at the same pace.

At the APEC Forum, participants, including Hong Kong University of Science and Technology, finalized a roadmap to support and scale up upskilling and reskilling programs carried out by employers, governments, and educational institutions across APEC.

The HKCS recommends that the Government should take the initiative to formulate policies to close the digital skills gap, including:

- In terms of policy, the Hong Kong Government has not yet formulated policies to fill the gap in digital skills, such as helping information and communication technology practitioners to enhance their mastery of new digital technologies, and as well enhancing the training of the high-talent-demand professional IT positions such as artificial intelligence, data engineers or scientists, information security and so on, while providing support to local IT service providers and vendors on their service upgrades. It is recommended that the Government should refer to the APEC Roadmap as a model for filling the digital skills gap and to introduce or optimise Hong Kong's relevant policies based on the current situation; to encourage and subsidise tertiary institutions to develop and update the curriculum, so as to cater for future digital skills needs.
- Provide incentive for government and enterprises to retrain their employees with modern digital skills. Program should cover online training and accreditation which are more popular and flexible than attending classroom for many.
- An area that is increasing in demand for manpower is that of IT and cyber security, especially for the key industries including banking and finance. More

security positions are advertised but are not being filled. To close this particular skills gap, more security courses with bigger class-size at universities and VTC should be created with relevant curricula updated in sync with the evolving security threats and the corresponding technological defenses.

- The Government to launch an initiative to encourage the creation of significant trainee positions for Hong Kong youths in major mainland and international organisations known for innovation in the digital economy, for example Baidu, Alibaba, Tencent, Huawei of Mainland China as well as international firms such as Amazon, Facebook, Apple, Google, Microsoft, which would help our youngsters to better understand global digital businesses and innovations, and provide focus and sense of purpose, responsibility and achievement to them.
- HKCS strongly believed that it is very important for the Government to support the promotion of STEM education, and HKCS recommends that the education experts should continue to optimize and improve the STEM education system of our schools. In addition, the Government should devote more resources to the development of e-learning, in particularly for the under-privileged or poor families. We also recommend to making use of one of the under-utilized digital TV Channels operated by RTHK for General Science Education for the students and our public as another effective conduit on STEM awareness and knowledge.
- Many ICT and digital professionals are an asset in helping to close the digital knowledge gap in our community and assist in digital transformation in our industries. The Government should set an example by including these professionals in relevant government committees and task forces as well as encouraging our public sector enterprises such as Hong Kong Monetary Authority, Mandatory Provident Fund Schemes Authority, Airport Authority, Housing Authority, Insurance Authority and so on to adopt a similar organizational mindset.

2. Community Sentiments Analysis with Big Data

At present, many young generations in the society have different opinions and voices on government administration. It is necessary for the government to strengthen the reach-out to the public opinions. It is recommended to use big data and artificial intelligence technology to analyze the data of young generations, that are collected through "reachout" and "connect" societal programmes, Through analysis, to understand and predict changes in social sentiment, so that the Government would be able to more accurately access the public opinions as reference for formulating policies.

3. Open Data Policy

The government has declared Open Data as a policy objective in the policy addresses of the past two years. However, progress remains seemingly slow and to be seen. What is needed is to adopt a more effective policy agenda with clear mandates on how to achieve this objective. Also, what data is of value to the business community and to the general public need to be prioritized through a consultative process involving the key stakeholders. In consultation with representatives of all key stakeholders including government departments, public and industry sectors, security and privacy professionals and open service providers, to develop an open data framework, in particular, guidance on

- the Data Privacy Risks and Benefits Analysis;
- the consideration and actions at the various chronological stages of the Open Data Cycle;
- the transparency programme in awareness among and engagement of the community and stakeholders on the Open Data initiative;
- Where applicable the application and implication of various mitigating anonymisation techniques and administrative measures to minimise personal data privacy intrusion.

4. Artificial Intelligence (AI) Policy

It is inevitable that Artificial Intelligence (AI) and Machine Learning (ML) technology will shape our economic and societal growth in the digital age. Government should develop an AI policy to support the technology deployment and govern the adoption of such technology in critical services and usage scenario. The policy should include ethical use of AI, skill development, alignment with specific industry regulations, data sharing policy, privacy and compliances, and the complementary need for Government to support universities in training more students in this important field. It is recommended to form a high-level advisory committee to steer this effort. A key focus of the committee should analyze and anticipate the likely obsolescence of a number of traditional professions and vocations due to advances in AI within a generation. The impact and transformation of our workforce, the societal expectation management of the reshaping employment market, the reskilling and the retraining of our workforce, all these factors would require a government strategy to prepare our next generation for a digitally transformed society to ensure prosperity and stability of Hong Kong.

About the Hong Kong Computer Society (HKCS)

Founded in 1970, the Hong Kong Computer Society (HKCS) is a recognised non-profit professional organisation focused on developing Hong Kong's Information Technology (IT) profession and industry. Their members come from a broad spectrum

of Hong Kong's IT community, from corporations to like-minded individuals, all coming together to raise the profile and standards of the IT profession and industry. As a well-established IT professional body, the Society is committed to professional and industry development as well as community services to ensure the IT sector continues to make a positive impact on peoples' lives with three main goals, namely, 1) talent cultivation and professional development, 2) industry development and collaboration, and 3) the effective use of IT in our community.

For more details, please visit <http://www.hkcs.org.hk>.

#

Issued by: Hong Kong Computer Society

For Media Enquiry, please contact Mr. Davis Man of Man Communications Limited
at 852-2862 0042