

Hong Kong and Japan – Opportunities for I&T collaboration

Hong Kong is focused on boosting innovation and technology (I&T) hardware and software to sharpen its competitive edge as an I&T hub in Asia. This Government-led strategy is creating new opportunities for collaboration with Japan, a country renowned for cutting edge technology and abundant scientific and research talent.

A stark example of this is the HK\$100 billion (1.4 trillion yen / US\$12.8 billion) that has been set aside in recent years to develop Hong Kong's I&T ecosystem including new infrastructure and facilities, venture capital, and tailor-made talent schemes.

Four priority areas – fintech, biotechnology, robotics and artificial intelligence, (AI) and smart city – have also been identified to develop clusters of expertise and excellence that can compete on a global scale.

Committed to I&T collaboration

During the large-scale Hong Kong Week in Japan promotion last November, Mrs Carrie Lam, Chief Executive of the Hong Kong Special Administrative Region (HKSAR) and Mr Taro Kono, Minister for Foreign Affairs of Japan, issued a joint statement on forging broader and deeper co-operation on various fronts, including I&T. The joint statement specifically highlighted smart city development and the promotion of science, technology and innovation as key areas of mutual interest.



Mrs Carrie Lam, Chief Executive of the Hong Kong Special Administrative Region and Mr Taro Kono, Minister for Foreign Affairs of Japan, issue a joint statement on forging broader and deeper co-operation between Hong Kong and Japan

Japanese tech institutions are taking notice. A collaboration agreement between The University of Hong Kong (HKU) and Japan's Tohoku University signed last month, promotes collaboration on general academic exchange, as well as research of informative AI and robotics technologies. A platform for Transformative Artificial Intelligence/Robotics Technologies (TransART) will also be set up in Hong Kong.

The team also intends to apply to join the AIR@InnoHK initiative at the Hong Kong Science Park.

AIR@InnoHK, along with Health@InnoHK, are two technology clusters being established at the Science Park with funding support from the government – with

AIR@InnoHK focusing on AI and robotics and Health@InnoHK dedicated to healthcare technologies. Once established, these two clusters will provide ample opportunities for new tech collaboration.



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Hong Kong Science Park is home to more than 680 tech companies and over 9,000 practitioners in the R&D field. Among leading international names, the Karolinska Institutet of Sweden opened its first overseas research facility in Science Park in 2016 and Hitachi Vantara opened its Hitachi Innovation Center there last year.

Another flagship venue in Hong Kong is Cyberport, a hub for digital technologies with around 1,200 digital tech companies and start-ups. Expansion programmes are underway at both Cyberport and Science Park to meet growing demand from start-ups, researchers, and tech companies.

Last month, a high-level delegation from the Japan Science and Technology Agency visited Hong Kong to learn more about the potential for collaboration with local universities as well as Cyberport and Hong Kong Science Park.

Unique advantages

Hong Kong enjoys a number of unique advantages as an I&T hub in Asia. Under “one country, two systems” principle, Hong Kong is a global financial centre with free flows of capital, goods and talent and an unwavering commitment to the rule of law, judicial independence and protection of intellectual property.



The city's unparalleled connectivity with Mainland China markets and prime location at the heart of Asia provides convenient access to promising consumer markets and a highly efficient manufacturing base for turning research outcomes into prototypes and products.

Greater Bay Area

With its sophisticated infrastructure and strong research capabilities, Hong Kong is poised to play a crucial role in establishing an international I&T hub in the Guangdong-Hong Kong Macao Greater Bay Area, with a view to becoming Asia's equivalent to Silicon Valley in the United States.

A major component of this endeavour is the planned Hong Kong-Shenzhen Innovation and Technology Park (the Park), which cover 87 hectares of land at the boundary between Hong Kong and Shenzhen. Serving as a basecamp for I&T development in Hong Kong, the Park is designed to draw top enterprises, R&D institutions and higher education institutions from around the world.

Prime fund-raising centre

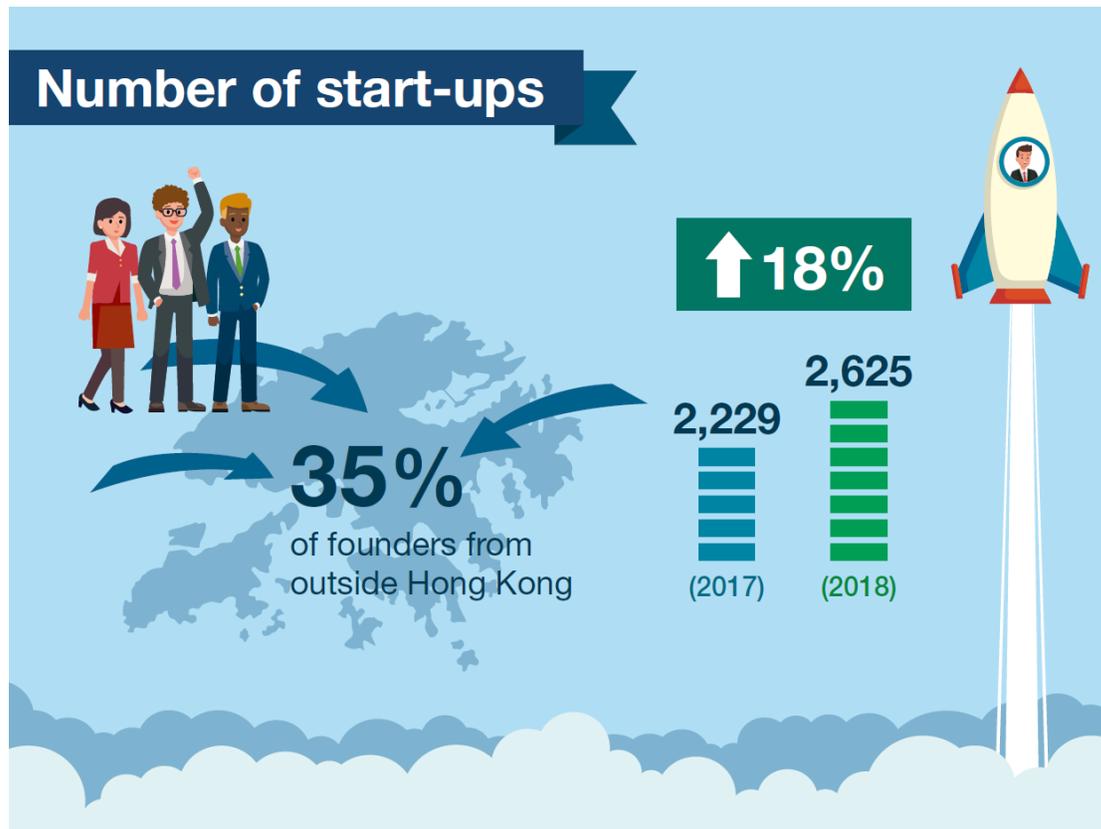
Japanese tech enterprises can also make use of Hong Kong as a fund-raising venue. Last year, the Hong Kong Stock Exchange (HKEX) topped the global table for IPOs, raising US\$36.6 billion.

Also last year, HKEX introduced a new listing regime that allows pre-revenue biotech companies and companies with weighted voting right structures to list on the Main Board. The new listing regime also provides a route for issuers seeking a secondary listing in Hong Kong.

Start-up hub

Hong Kong is also home to one of the fastest-growing start-up ecosystems in the world. The latest survey by Invest Hong Kong (InvestHK) found start-up numbers in Hong

Kong rose to 2,625 in 2018, a jump of 18 per cent over 2017. The survey also revealed that over one-third of the founders come from outside Hong Kong – which underscores the city’s attraction as a testing ground for new products and services.



The StartmeupHK Programme, an initiative by InvestHK, aims to help founders of innovative and scalable start-ups from overseas to set up or expand in Hong Kong. Start-ups also benefit from Hong Kong’s low and simple tax system, where profits tax is capped at 16.5 per cent. A new two-tiered system means that profits tax rates are slashed to 8.25 per cent on the first HK\$2 million (US\$256,000) of profits.

Hong Kong welcomes tech talent

Amid strong competition for leading international technology expertise, the Government introduced a Technology Talent Admission Scheme last year to fast-track admission of

talent to Hong Kong. The Scheme enables technology companies and institutes to attract overseas technology talent in biotechnology, artificial intelligence, cybersecurity, robotics, data analytics, financial technologies and material science.

Speaking at the signing ceremony of the agreement between HKU and Tohoku University on March 16, Hong Kong's Secretary for Innovation and Technology, Mr Nicholas Yang, said: "True innovation comes from collaboration." Hong Kong welcomes Japan's I&T companies, institutions and talent to connect with Hong Kong and excel in their fields of expertise.