

**Position Statement**

**Support Establishment of Innovation and Technology Bureau**

On behalf of GS1 Hong Kong and Internet of Things Industry Advisory Council, we strongly support the initiative of “Establishment of Innovation and Technology Bureau”.

Innovation and technology are the key drivers to sustainable and diversified economic development. In view of Hong Kong’s advanced digital infrastructure and technology edge, we believe that the establishment of the new Bureau will help enhance Hong Kong’s image and standing on innovation and technology aspects, as well as promote Hong Kong’s competitiveness as a knowledge-based economy.

Governments in our neighboring economies highly value the innovation and technology development by formulating comprehensive and long-term strategy, and setting up designated departments to facilitate implementations. In particular, Singapore and Taiwan employ various programs to accelerate business adoption using technologies. The introduction of such tactics will not only foster the growth of innovation and technology industry in Hong Kong, but also attract young talents to work in the industry.

We believe the Bureau will help facilitate information exchange, and provide a platform to aid communication amongst industry players and external parties. The Bureau will provide essential support on the long-term development of innovation and technology policy and strategy and nurture respective talents.

GS1 Hong Kong believes Internet of Things (IoT) technology is one of the key elements in the world of innovation and technology. According to a recent report by Gartner, IoT is expected to grow to 26 billion installed units by 2020, and IoT product and service suppliers will generate incremental revenue exceeding US\$300 billion, mostly in services, by 2020. The IoT development has such a substantial potential and it is crucial, at this initial stage, for Hong Kong to establish the Bureau to lay down long-term strategies and supporting policies in order to exploit innovative IoT technology and foster its maturity.

We are confident that the Bureau will be competent to provide necessary strategy and resources to implement these initiatives and facilitate the adoption of latest technologies to create a smarter city.

# **Position Paper**

**on**

## **“2014 Digital 21 Strategy for Hong Kong”**

Submission to Office of Government Chief Information Officer,  
Commerce and Economic Development Bureau  
The Government of the Hong Kong Special Administrative Region

GS1 Hong Kong and  
Hong Kong Internet of Things Industry Advisory Council

29 November 2013

## **Foreword**

The Office of the Government Chief Information Officer (OGCIO) has publicized the 2014 Digital 21 Strategy (named “Strategy” below) with the theme “Smarter Hong Kong, Smarter Living” in mid-September 2013, and is now consolidating feedback from the ICT industry for the betterment of Hong Kong.

## **Inquiries about this Position Paper**

GS1 Hong Kong welcomes comment on this position paper. Feedback and inquiries about any aspect of this document may be directed to:

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## **Our Position**

GS1 Hong Kong and the Hong Kong Internet of Things (named “IOT” below) Industry Advisory Council support the overall Strategy and the four strategic thrusts as listed. We have agreed and come up with the following suggestions in which we think would help perfect the proposed Strategy and bring more values to Hong Kong.

### **1) Facilitate industry-specific adoption of ICT, driving towards a smarter city**

The 2014 Digital 21 Strategy has spelt out the importance of public adoption of technologies with various initiatives such as public WIFI and Digital ID. However, we would further suggest facilitating industry-specific adoption of ICT in areas such as e-Health, e-Library and e-Transportation, etc., so that Hong Kong can excel to a smarter city for living.

### **2) Establish “ICT Adoption Fund” to assist local SMEs**

Since over 90% of Hong Kong’s business entities are SMEs who lack of resources to adopt new technologies to enhance their business operations and efficiencies, we would suggest the government to establish an ICT Adoption Fund to subsidize such initiatives, so that the overall productivity and competitiveness of Hong Kong business sector, especially for SMEs, can be enhanced.

Neighboring countries such as Singapore and Taiwan have similar government programs to accelerate business adoption using technologies. It will not only help to create an eco-system amongst the ICT business entities, but also attract young talents to work in the industry.

*Note: GS1 Hong Kong, together with Communication Association Hong Kong (CAHK) and Hong Kong Computer Society (HKCS), jointly submitted a proposal to recommend the government to establish a Technology Adoption Fund in March 2010. For details, please refer to attached document for reference.*

### **3) Promote IOT adoption in Hong Kong**

Despite Hong Kong is the Asian trading and logistics hub; we are facing keen competitions from our neighboring countries. In order to strengthen our position in

the Asia Pacific region and enhance our competitiveness, the HK IOT Industry Advisory Council is committed to promote IOT and drive IOT adoption in Hong Kong. We wish to explore collaboration opportunities with the government on the following initiatives:

- Hong Kong IOT Award

We have agreed to transform the Hong Kong RFID Award (which GS1 Hong Kong has been hosting for 6 years) into IOT Award in 2014, in order to extend the scope and to recognize local IOT implementation and innovative technology development while the awards also support ICT talent development as human capital component to the continuous growth of ICT industry.

- IOT Maturity Model

The Board is working on an IOT Maturity Model to measure the maturity of individual companies for both end users and ICT technology companies in terms of IOT adoption and product development.

- Hong Kong Internet of Things Centre of Excellence (name as “HK IOT Centre” below)

With the support from Innovation and Technology Commission, HKSAR Government and the Hong Kong Science and Technology Parks Corporation, GS1 Hong Kong is operating the HK IOT Centre as a centre of excellence to showcase IOT applications in various industries and daily life to realize Smarter Business, Better Life.

#### **4) Leveraging ICT collaboration to enhance e-Commerce and facilitate the flow of goods into Mainland China and enhance e-Commerce**

We appreciate government’s effort and support to leverage global Barcode as product identifiers in resonance to the recent CEPA 10, which stated that global Barcode would help enhance supply chain efficiencies, enable product traceability, authentication and mobile commerce. All these will boost “Hong Kong Authentic Brands” for mainland consumers, thus increasing business opportunities for Hong Kong.

Nonetheless, e-Commerce needs to be complemented by effective physical goods flow across HK-China border. At present, there are many regulations imposed by mainland authorities, e.g. CIQ quarantine and inspection, product labeling law that inhibit the growth of e-Commerce. .

We recommend the government to further strengthen ICT collaborations and alignment with the Mainland government departments to facilitate our industries in the sharing of both goods and trade related information for some major trade items such as food and wine in order to assure effective custom clearance and quarantine and to facilitate cross-border trade and e-commerce, hence making smarter business.

**5) Identify / develop a common index for monitoring ICT adoption for Hong Kong**

According to the Bloomberg Innovation Quotient announced in June 2012, Hong Kong ranks number 36 while South Korea and Singapore rank number 2 and 7 respectively.

We would suggest the government to identify, or develop a common index which can reflect the ICT adoption status of Hong Kong, and to measure our progress in implementing the new D21 Strategy as well as to benchmark with other countries and/or cities.



## **Conclusion**

We appreciate the setting of the 2014 Digital 21 Strategy to uplift Hong Kong as a smart city for people and business. We strongly recommend the government to take into account the above mentioned suggestions from the industry to making Smarter Hong Kong, Better Living.

We would be happy to elaborate or clarify on any aspect of this submission.

GS1 Hong Kong and Hong Kong Internet of Things Industry Advisory Council

30 November 2013

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## About GS1 Hong Kong

Founded by the Hong Kong General Chamber of Commerce in 1989, GS1 Hong Kong is the local chapter of GS1®, a not-for-profit, global supply chain standards organization headquartered in Brussels, Belgium, with over 110 national chapters in 150 countries.

GS1 Hong Kong's mission is to enable Hong Kong enterprises to have more efficient, visible and safer supply chains through the provision of global standards and a full spectrum of standards-based solutions and services, thus making possible business optimization and value creation. It engages with communities of trading partners, industry organizations, governments, and technology providers to understand and respond to their business needs through the adoption and implementation of global standards.

The GS1 System of Standards is the world's most widely used supply chain standards, allowing the efficient and secure movement of products, services, and information between companies and facilitating the interoperability between different business systems.

GS1 Hong Kong is the authorized registration organization for GS1 BarCodes and Electronic Product Code System. It also offers platforms for trusted product information, BarcodePlus; e-ordering and replenishment, ezTRADE; a global traceability system, ezTRACK; and a B2C mobile application, Consumer Connect. The organization also offers training and consulting in supply chain management technologies and best practices, as well as membership and partnership programs to facilitate business matching and global trade collaboration.

GS1 Hong Kong currently has more than 6,500 corporate members covering close to 20 industries including retail consumer goods, food, wine, healthcare, apparel, consumer electronics, logistics, information and technology.

For more information about GS1 Hong Kong, please visit [www.gs1hk.org](http://www.gs1hk.org).

## About the Hong Kong Internet of Things Industry Advisory Council

The Hong Kong IOT industry Advisory Council is formed in 2013 by under of the auspices of GS1 Hong Kong, with over 50 members from both business users and technology companies. The current President and Vice Presidents of the Board are senior representatives from Li & Fung, VF Corporation and CISCO.

The objectives of the Hong Kong Internet of Things Industry Advisory Council are:

- 1) Drive IoT development in Hong Kong with like-minded executives
- 2) Promote IoT adoption in Hong Kong to uplift the competitiveness of Hong Kong enterprises
- 3) Create an IoT ecosystem for the continuous growth of the IoT adoption in Hong Kong

22 Executive Committee corporate members include:

