



The Hong Kong
Shippers'
Council
香港付貨人委員會



Willy Lin
Chairman

Riding the changing tide of digitisation

EXECUTIVE COMMITTEE 2017

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I received quite a shock when AlphaGo beat Ke Jie, the Go world champion, in May 2017 with a 3:0 score. I was equally shocked when I was shown demonstration videos of the no-man, fully automatic ocean-going vessels developed by Rolls Royce. I saw the latest container terminals, long haul trucking in the US, cargo delivery drones, fully automated warehouses that employ substantial artificial intelligent elements and so on operating in these videos.

Indeed, the use of robotic technologies and digitisation is so extensive that all areas of agriculture, manufacturing, packaging, logistics and delivery, professional services, household, marketing and retailing are covered. In other words, all aspects of life are likely to undergo revolutionised changes. Lying ahead of us is a new "digital era" in which our way of life could transform right before us.

It was already an eye-opener for me when I was appointed Chairman of the Hong Kong Productivity Council in August last year, as I was exposed to all the possibilities and potentials of technology. I was fascinated by the potentials, and at the same time, puzzled by the lack of enthusiasm from general public in Hong Kong, which indeed included many industry and social leaders.

While Hong Kong may still be proud of its success as a world leading financial centre, a logistics and trading hub, a tourist centre, and a professional service centre, I am deeply worried by its stagnant status as far as technology development and adoption, as well as research and development are concerned. I have little doubt that Hong Kong's future depends on whether it can ride with the tides of change that are sweeping our shores.

I have asked The Hong Kong Shippers' Council to take on a more active role in introducing the latest technology to the trading and logistics sector. I wish Hong Kong could pioneer in the adoption of Logistics 4.0, Internet Plus, Internet of Things, Smart Technologies, robotic warehouses, data analytics, electronic and mobile transactions and payments so that we can modernise and automate the trading and the logistics work process. The Council should work together with many of these technological institutions, organisations and enterprises, each with its specialty in relevant sectors, and co-operate in achieving this objective.

Henceforth, I am also calling for greater government initiation, involvement and co-ordination in this aspect. Different bureaus must have their technology policy clearly stated with well-defined blueprint



of implementation. I also wish to emphasise the importance of transparency and co-ordination for proper implementation and synergy.

Having said the above, I must express my admiration of Shenzhen's success in transforming the foundation of its industry, from traditional labour intensive manufacturing to that of high and new technologies; this was no mean feat.

Shenzhen is a leading city in Mainland China and it has begun to develop a technology-based industry. Its success is by no means an accident or evolution from its traditional industry base. It is certainly policy-led, with full support from the central and local governments. Its success also counts on many fronts – favourable policies, favourable business environment, capability to attract business and human talents, abundant research and development, financial incentives, and so forth.

Although not quite on the same scale, the rest of Guangdong province is undergoing production upscale. It is amongst these changes that I also welcome the announcement of the Guangdong-Hong Kong-Macao Bay Area concept and development.

As far as technology development and advancement are concerned, I am seeing opportunities of greater synergy and business opportunities.

The Big Bay Area concept is certainly not just about planned division of labour, but entailing opportunities in adoption, implementation as well as commercialisation of the results of research and development. A greater market of the Bay Area also means benefits from an economy of scale.

Besides, among Hong Kong's various strengths, intellectual property rights protection, legal and other professional services and alignment

with global standards are crucial for commercialising technology development attainments outside Mainland China. In short, Hong Kong has a key role to play in the Bay Area. We look forward to incorporation of technology development as a core in the Bay Area concept and policy.

All in all, changes are going to be rapid and we must go with the flow. We must act fast and keep up or, we fear, be left behind!

