

Press Releases

Speech by CE at Internet Economy Summit 2017 Chambers Forum
"Forging Ahead with Doing Business Online" (English only) (with photos/video)

Following is the speech by the Chief Executive, Mr C Y Leung, at the Internet Economy Summit 2017 Chambers Forum "Forging Ahead with Doing Business Online" today (April 11):

Jonathan (Chairman of the Chinese General Chamber of Commerce, Dr Jonathan Choi), distinguished guests, government colleagues, ladies and gentlemen,

Good afternoon. I am delighted to join you today for this Chambers Forum, one of four major events highlighting this year's three-day Internet Economy Summit.

Someone once described the Internet as "the world's largest library". The problem, he noted, was "that all the books are on the floor".

But for those who know where to look, for Internet-savvy customers, those books, and just about any other product you can think of, are becoming easier and easier to find, select, purchase and enjoy.

For that, for e-commerce in general, we owe much to the enhancement of Internet connectivity over the past decade or so. Much, as well, to the global rush to embrace the online business revolution.

For companies, e-commerce is rapidly becoming the critical component for boosting both online and off-line sales. The numbers bear that out. According to eMarketer, global retail e-commerce sales will more than double, from US\$1.9 trillion last year to US\$4.1 trillion by 2020. The Mainland of China's retail e-commerce sales alone will soar over the same period - from US\$900 billion to US\$2.4 trillion.

Hong Kong consumers have been somewhat less keen to shop online. Hong Kong's e-commerce sales increased from HK\$285 billion in 2012 to some HK\$400 billion in 2014. But that, still, accounts for less than 5 per cent of our total business receipts. This is, perhaps, understandable given our high population density, advanced transportation, and easily accessible shopping malls. It is no surprise that consumers find it convenient enough to just visit the stores.

But we are catching up. Online shopping - including cross-border online shopping - has enjoyed much greater popularity in recent years. And that makes perfect sense. After all, Hong Kong has everything in place for embracing e-commerce. Our information and communications technology is world-class. We regularly top ranking tables when it comes to Internet connection speed and household broadband penetration. On average, each Hong Konger keeps more than two mobile devices.

More importantly, these devices are supported by sophisticated telecommunications infrastructure, linking Hong Kong to the rest of the world through 10 regional and trans-Pacific submarine cable systems, as well as 10 satellites for

external communications with 45 terabits per second in total capacity.

The recent decision by Facebook and Google to build a new trans-Pacific cable between Hong Kong and Los Angeles makes a clear and compelling statement about Hong Kong's competitive position. On completion next year, the cable will increase our capacity by 120 terabits per second. That is equivalent to 80 million simultaneous high-definition video calls between Hong Kong and Los Angeles.

Beyond the hardware, Hong Kong is blessed with a sound legal system and the free flow of information, capital and people - all essential for the healthy growth of the e-commerce sector. And the fact that e-commerce can save on rent and storage costs, make business deals quicker and more efficient, as well as create a personalised shopping experience for consumers - makes it attractive enough for Hong Kong companies, including SMEs (small and medium-sized enterprises), to build up their e-commerce business.

My Government - one that has put innovation and technology at the forefront of our agenda - will surely support our companies and enterprises in developing e-commerce. The Technology Voucher Programme launched last year subsidises SMEs in using technological services and solutions to improve productivity. Our other initiatives - investment in start-ups, building of a smart city, promotion of use of data analytics and the Internet of Things - among others, will surely lay the ground for more businesses to take up technology and e-commerce.

We are also mapping out the long-term strategy for promoting e-commerce in Hong Kong. The Economic Development Commission, which I chair, has established a special expert group to look into boosting e-commerce here. I look forward to its recommendations for supporting our SMEs and helping Hong Kong take its place as a regional, even global, e-commerce hub.

To make that a reality, however, we need the support and the commitment of the Hong Kong business community. In that regard, today's Forum - organised by our major chambers - makes a strong statement.

My thanks to you all for putting together a remarkable programme, and for bringing together such a distinguished array of high-profile speakers and companies.

I wish you all a rewarding forum, and the best of online business this year - and long into the digital future.

Thank you.

Ends/Tuesday, April 11, 2017

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