DIGITAL INNOVATION COUNCIL

Initial Proposal

4 March 2024

The European Chamber of Commerce is a 'Chamber of Chambers': Belguim/ Luxembourg, British, Danish, Dutch, Finnish, French, German, Greek, Irish, Italian, Lithuanian, Norwegian, Polish, Spanish, Swedish, Swiss

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EUROPEAN CHAMBER
OF COMMERCE IN HONG KONG
香 港 歐 洲 商 務 協 會

Room 2807, level 28, The Lee Garden Two
28 Yun Ping Road, Causeway Bay, Hong Kong
www.eurocham.com.hk | info@eurocham.com.hk
T: 2511 5133

₁ *Version 1.0*

Overview	The Digital Council is an initiative of the European Chamber of Commerce in Hong Kong ("EuroCham"). Digital Innovation can be defined as: - either a new digital technology, - or a new usage of digital technology in existing industry, susceptible to create value for a corporation, an industry or an economy, under some conditions that the Council will commit to highlight and elaborate. Examples of such technologies range from the omnipresent Artificial Intelligence to Event-Driven Architectures, through Metaverse, Virtual/Augmented Reality, Web3 or Cybersecurity, among others and include aspects related to Digital IP, Blockchain and others. The COUNCIL will focus on 3 mains aspects: - Qualification and promotion, - Compliance and ethics, - Sustainability /ESG (defined here as actions for the environment and the design of sustainable systems, both topics being intertwined). The purpose of the Council is the development of sustainable digital innovation in Hong Kong, the GBA and the Asia-Pacific region, conduct research, engage in a dialogue with the relevant authorities and make policy recommendations. The Council gathers senior representatives of the tech economy (end users, startup ecosystems, consulting firms, analysts, hardware & software vendors) based in Hong Kong and members of one or more EuroCham member chambers.
Objectives	The initial objectives of the Council include (but are not necessarily limited to ● Promote the specific technology knowledge of European as an added value to the development of the economy in HK, the GBA and APAC, and multiply discussions with local and regional actors such as the HK Government and Administration, HKTDC, InvestHK, Cyberport, HKSTP… ● Develop local talents in this area and enhance their capability to become change agents by blending innovation management, compliance and sustainability, and promote this capability to actors such as universities and school of management,

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	The Council shall aim to publish a position paper and host an event on at least an annual basis in support of these objectives.
Governance	The Council is an initiative of EuroCham and as such it will seek to align its mission statement, objectives, specific areas of focus and activities with the Board of Directors of EuroCham ("Board") on a regular basis.
Members	Participation in the Council is open to representatives of companies in the tech industry that are members of EuroCham's member chambers The Co-Chairs shall inform the Board of any proposed participants prior to their participation and the Board reserves the right to refuse proposed participants. The SFWG is free to ask representatives of other institutions (such as academia, governmental, business) to act as advisors on an ad-hoc or ongoing basis
Chairs	Unless the Board or the members of the Council determine otherwise, the Council is chaired by two Co-Chairs. The Co-Chairs shall be primarily responsible for convening and chairing meetings of the Council, setting the agenda and liaising with the Board and the EuroCham team. The chairmanship is set on a two-year basis.. The initial Co-Chairs are: ● François Rivard, CEO Asia Pacific at Astrakhan and UpRooM, ● Filip Ziolek, Chairman of the Polish Chamber of Commerce in Hong-Kong

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EuroCham team

The Manager and other EuroCham team members shall provide administrative and logistical support and shall participate in meetings of the Council.

Meeting Frequency and Attendance:	Meetings shall initially take place on a monthly basis. Participation in the Council is designed to enable meaningful contribution to discussion, debate and deliverables on digital innovation. Corporate members should name two representatives who may attend the meetings. Advisors may attend the meetings at the invitation of the Co-Chairs.

Fees

Please refer to BusinessCouncils_FeeScheme_Objectives&Guidelines

IMPORTANT COMPLIANCE & FIRST CONDUCT RULE REMINDER

*DUE CARE MUST BE TAKEN BY ALL WORKING GROUP PARTICIPANTS TO RESPECT THE FOLLOWING COMPLIANCE RULES PARTICULARLY BEARING IN MIND THE **NEED TO KNOW PRINCIPLE** AND THEREFORE THE FOLLOWING SHOULD BE TAKEN INTO CONSIDERATION BY ALL PARTICIPANTS:*

o *Participants should under **no circumstances** share any confidential information, or any information that qualifies to be "insider information" or any transaction specific confidential information.*

o *Consideration should be given to the use of high-level summary information to be shared between participants to avoid potential tainting/conflicts of interest.*

o *The use of broader sectors/geographies should be used where relevant.*

o *All attendees are reminded to protect the information shared and identify if they are conflicted, whereupon further discussions should cease so that conflicted individuals can leave the meeting before discussions can continue.*

o *There should be no onward sharing of meeting content/presentations to individuals outside of the invitee list unless specifically cleared by the person who provided the information.*

o *The First Conduct Rule of the Hong Kong SAR Competition Ordinance and other rules and regulations with regard to competition sensitive behaviour apply to the meetings and work of the COUNCIL (competition sensitive rules "CSR").*

o *The work of the COUNCIL is therefore restricted to such objectives that enhance the overall economic efficiency or that are otherwise excluded / exempt from the applicable CSR and all working group participants shall restrict their conversations and deliverables to those objectives.*

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Executive summary

Strengthening Hong Kong as an innovation hotbed

Digital Innovation, as the main lever of Digital Transformation, is one of the most important drivers of modern economies.

"The digital transformation market size is to grow from USD 695.5 billion in 2023 to USD 3,144.9 billion by 2030, at a Compound Annual Growth Rate (CAGR) of 24.1% globally, according to a report by Research and Markets. Among regions, Asia Pacific (APAC) registered the highest CAGR from 2023-2030."[1]

As an example, the recent rise of Artificial Intelligence and Generative AI, seen as a key changer for value creation and productivity, pushes administrations and businesses to reconsider their governance, processes and workforce to adapt to the subsequent economic, social and technological impacts of this change.

This statement can be identically repeated in other areas related to the digital economy such as the Metaverse, Web3, cryptocurrencies and NFT, API and event-driven architectures, where the focus is about qualifying an innovation through the use cases it triggers, as well as the compliance, regulation and security areas and the sustainability.

European players have the capability to voice out a structured approach to digital innovation, which combines innovative software propositions (Entando, Novulo, Ardoq, LeanIX…), the acknowledged engineering methodologies of tech consulting firms, the new ways of working inspired by agile human resources transformation, and the network offered by european startups investing the field of HK incubators such as Cyberport or Science Park.

This capability can be federated through a Digital Councilthat would be a joint chamber initiative under the roof of the European Chamber to provide an effective channel to engage in a constructive dialogue with the HKSAR Government and give impetus for initiatives and policies to strengthen Hong Kong as a innovation hub.

This would prove a capability to foster the growth of the region by defending a structured and sustainable approach to digital innovation based on enterprise architecture, cybersecurity, compliance and sustainability.

This would also strengthen the relationships between the EuroCham members and the innovation ecosystems in Hong-Kong and in the GBA. New partnership models would thrive, for instance a more systematic detection of opportunities with startups incubated in these organisms and educated to the main aspects of digital innovation.

An engineered approach to innovation could be proposed to actors such as management schools and universities to develop a new generation of talents and promote the contribution of the EuroCham advocating digital innovation opportunities, developing talents and managing the change with a streamlined approach to innovation.
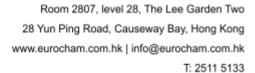
Member companies of the European national chambers are invited to participate in the formation of a European Sourcing Council and jointly develop an industry position paper, to be submitted to the HKSAR Government as a call to action.

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DIGITAL INNOVATION WORKING GROUPS

January / 2024

WorkGroup	Description	Initial tasks
Digital Assets /Crypto	The Digital Assets and Crypto Council aims to foster the growth and regulate the use of digital assets and currencies. It engages the HKSARG and regulatory authorities to shape supportive and clear regulations, promotes ethical standards within the industry, and educates stakeholders about the benefits and risks of digital assets and currencies. This council also facilitates public-private partnerships to innovate in the digital asset space, offers guidance on compliance and best practices, and advocates for a secure and sustainable future for digital assets and currencies, with a focus on integrating these technologies into the global financial ecosystem.	Workshops and Training Fire Chats Policy Roundtables Pilot Projects and Case Studies Networking Events Advocacy and Lobbying Standardization Efforts Legal and Compliance Advice
AI	The AI Business Council focuses on fostering innovation and the ethical use of AI in Hong Kong, emphasizing collaborations with European entities. Its core activities include consulting on AI's societal and economic impacts, advocating for AI-friendly policies, ethics in AI and supporting European startups in Hong Kong incubators. The council aims to strengthen Hong Kong's position as a hub for AI advancement, bridging ties with Europe.	Workshops and Training Fire Chats Policy Roundtables Pilot Projects and Case Studies Networking Events Advocacy and Lobbying Standardization Efforts Legal and Compliance Advice Analysis notes

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Innovation	The Innovation Workgroup shares consultations on topics raised and detected in the innovation ecosystems of Hong-Kong, identified as impacting society and/or relationships between HK and Europe. The workgroup also promotes and strengthens the position of European startups hosted in HK incubators. Similarly, it helps startups interested in joining HK incubators to get a complete visibility on onboarding the SAR innovation ecosystem.	Workshops / Fire Chats (ethics , technology) Analysis notes (solution, technology, benchmark, perspectives)
Smart Cities[1]	The Smart Cities Council, dedicated to advancing smart city technologies, collaborates with government agencies to create policies fostering sustainable, tech-driven urban development. It facilitates partnerships between European companies and local businesses, promoting collaboration in IoT, AI, and green energy innovations. The council also engages in dialogue with governments to support European firms in local market, offers expertise in smart city solutions, advocates for ethical technology use in urban planning, and aims to transform Hong Kong into more efficient, connected, and livable spaces.	

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Cybersecurity	The Cybersecurity Council is dedicated to enhancing and regulating cybersecurity practices across various sectors. It collaborates with government bodies and regulatory authorities to develop robust and clear cybersecurity regulations. The council plays a pivotal role in promoting ethical standards in cybersecurity, educating stakeholders about cybersecurity threats and defenses, and advocating for responsible use of information technology. Additionally, it fosters public-private partnerships to drive innovation in cybersecurity solutions.	Workshops and Training Fire Chats Policy Roundtables Pilot Projects and Case Studies Networking Events Advocacy and Lobbying Standardization Efforts Legal and Compliance Advice Analysis notes

The proposed work groups and themes are in initial testing mode and may be further refined based on members' needs, suggestions, or requirements.

[1]https://futurecio.tech/apac-logs-highest-digital-transformation-market-size-growth/#:~:text=The%20digital%20transformation%20market%20size,highest%20CAGR%20from%202023%2D2030

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