
Hong Kong as the Knowledge Centre of Asia and the Innovation and Technology Transfer Centre in Greater China

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The opportunity for Hong Kong to move to the next level of performance in the modern economy has never been greater than it is today, as indeed is the opportunity for Hong Kong to provide significant support to China as the world's largest nation fulfils its destiny and moves from the industrial age fully into the modern economy.

However, this great potential has only been perceived by too few people in Hong Kong and there is a risk that the opportunity may not be exploited fully. This would not bring optimum outcomes for China's modernization and economic development ambitions as reflected in the 11th Five Year Plan and for Hong Kong's own economic restructuring and transformation. Hong Kong is well poised to become **THE** Knowledge Centre of Asia with significant spin off effects in mainland China.

As the service centre for China, there is also the potential to create up to 20,000 highly paid professional jobs

in this new high-end business services employment market in the legal, innovation support service, IP trading and technology transfer sectors.

The unique qualities of Hong Kong are well known: a trusted place to do business, excellent education at all levels, tremendous infrastructure, a respected rule of law including IP law, a vibrant city, a bridge between China-ASEAN and the rest of the world and a part of China at the same time.

Growth in the modern economy is driven by the astute use of knowledge and networks, in other words by the employment of intellectual capital. The developed human resources of Hong Kong, by their historic bi-lingual upbringing, have the education, business experience and flexibility to work effectively with only a little coaching in order to use intellectual capital management tools created in the more developed countries to the fullest in reaping the benefits of the

knowledge based economy. Hong Kong also has the skills to work with China as she transforms from an agro-industrial society to a modern agro-industrial-knowledge based society. The contribution this highly developed pool of human resources can make to Hong Kong's own economic and technology transformation and the results that can be achieved in partnership with China should in no way be underestimated.

As has been the case in other countries like Japan, Scotland and Singapore, Hong Kong needs a focal point to create awareness, to help coach, diagnose and mentor as these fundamental and crucial steps are made to help move companies (including SMEs), universities, government and society along the growth path. Such a focal point must play many roles: one possible scenario is outlined in the paper I wrote in January 2006 entitled "Unleashing Economic Potential in the Knowledge Economy". This paper focused on China is based on an earlier paper designed specifically for Hong Kong¹.

In the rest of the world, regions and countries which are moving ahead on these opportunities at full speed. Hong Kong should be aware of those opportunities as well as the

downside risk of being left behind in the race for superiority in a future world of knowledge economies. To act on these opportunities does not benefit Hong Kong alone, but it will also benefit the mainland. From my contacts with various mainland organisations, China does certainly appreciate Hong Kong's role as a bridge to the West and as the city that is best poised amongst all Chinese cities that can come up with innovative solutions to help resolve the Intellectual Property Rights issues China has with the West.

As I understand it from my colleagues in Hong Kong, various Intellectual Capital Management initiatives are being undertaken by mainland organizations, such as the the China-ASEAN Intellectual Property and Intellectual Capital Conference to be held in Beijing on 11-12 December 2008.

There is a bright future ahead for Hong Kong, but it requires government leadership, supportive government policies to realise this future. Working with intellectual capital is 5% inspiration and 95% perspiration, in other words simply hard work and common sense.

If Hong Kong chooses to follow this path of growth, there will be full support of the Intellectual Assets Centre in Scotland and the Global Network of Intellectual Capital Centres, both of which I co-founded.

¹ *Concept paper and proposal by Gordon McConnachie in May 2005 and January 2006.*