

Content of Alan LUNG's talk at the 2nd Group of the VIP Forum titled:
"The Government Action to Support International Technology Transfer"
INTERNATIONAL TECHNOLOGY TRANSFER BEIJING CONFERENCE 2011
(10.45-12.15 on 14th April 2011, Beijing International Hotel)

I am honored to be invited and I'm delighted to have the opportunity to speak amongst a very distinguished panel of speakers and to many distinguished people in the audience.

I have only three points to make. The three points are extracted from a fairly long paper titled "Hong Kong's Innovation and Technology Role in Mainland China's 12th Five Year Plan". The Chinese and English versions are downloadable from www.apicc.asia .

1. Hong Kong is a Special Administration Region (SAR) of China

Hong Kong runs under a "Separate System" under "One Country". This "Separate System" point sometime went unnoticed in the Western countries. Hong Kong SAR has provincial status – but it is a rather special "province" as Hong Kong can sign international trade treaties with other countries. It also has a separate WTO status.

The U.S. treats Hong Kong as a separate customs territory under the "United States-Hong Kong Policy Act of 1992" and Hong Kong can import many technologies mainland China cannot buy. Take one example, Hong Kong Flying Services – which has only a few aircraft – can buy Black Hawk helicopters – which cannot be exported into mainland China by the U.S. manufacturer. One of those helicopters was sent to Sichuan to assist in the earthquake rescue mission -- because it has more advance avionics and it can fly in any weather conditions.

Hong Kong has a separate administrative system to the mainland. English is still use widely in business and in government. Hong Kong uses "Common Law" (or case law), not "Statue Law" used in Mainland China, Macau and Taiwan. The judiciary is truly fiercely independent -- the Honorable Appeal Court Judge may wish comment on a case that is going on at Hong Kong's Court of Final Appeal if there is time. The Court of Final Appeal of Hong Kong is in Hong Kong. It used to be the Privy Council in London.

HKSAR Government frequently loses court battles – and faces “extremely interesting” challenges from the legislature.

But beneath all those ‘hoo-ha’ reported in the press, there is a proven legal and administrative system – which a senior diplomat and a scholar of Russian history and Chinese history suggested that China could look into if and when faced with difficult policy choices in future.

The exact words he used were “... *if Gorbachev had a little piece of Hong Kong when he was trying to reform USSR in the 1980s, he would have done a much better job*”. This leads to my second point.

2. Hong Kong’s special position as a platform and gateway for international tech-transfer and cooperation

Hong Kong has a shared cultural understanding with Europe and with China. It has been described in many travel magazines as: “... *a city molded by the British but which has remained Chinese at heart*”. Hong Kong can work with BOTH cultures and understands the business practices of BOTH sides.

Take the example of European Enterprise Network (EEN) – what used to be called the Innovation Relay Network -- owned and operated by the European Union for more than twenty years. It is well established. It is a technology transfer and business facilitation service which relies on open networking as one of its main strength. Transferring such a network directly into mainland China could be difficult – as the culture, history and communications in China and the West are different.

Hong Kong has no such problem – Hong Kong is liberal and free thinking and understands both side -- can sit in the middle and facilitate – using the very mature legal and administration system mentioned in point 1 to service and to produce good results for BOTH sides.

3. China Network

My third point – this is an appeal – not so subtle sales pitch to join “China Network” – a facilitation network that links the “Intellectual Capital Centres” in China and the rest of the world. I was told I don’t need to be subtle about this appeal.

The team behind Asia Pacific Intellectual Capital Centre (APICC) has been promoting “Intellectual Capital” since 2006. Amongst the three aspects of technology transfer – “hard” technical aspects, “legal” and “business”, we focus on the **business side or the “soft” side – particularly how to extract business and economic values from technology.** APICC is a think tank – because there is a need to influence government policy on innovation and technology -- but APICC can also get down to enterprise level and recommend practical business solutions. It is broadly modeled after the Scottish Intellectual Assets Centre --which is a Government funded entity which supports SME companies mine their unused knowledge and technology. APICC has an MOU with the Scottish IA Centre to use Scottish knowhow in Hong Kong and Mainland China.

The China Network is a project to **connect companies, organizations and practitioners in China with counterparts in the rest of the world.** The objective of this project is not profit. It is not an academic project. It is not a research project either – though APICC may do some research.

It is very much a practical project – and will focus on bringing practical business and economic values and practical solutions to the participating organizations and the companies they may serve.

The China Network is coordinated by Dr Gordon McConnachie, Chief Technology Officer. Gordon is a chemical engineer by training, but he is also a pioneer of Intellectual Capital Management as he invented the Intellectual Assets Management System for Dow Chemical – the global chemical company.

The China Network is very new – started in early April 2011. Participating members include organizations- ITTN in Beijing, Hong Kong, Scottish IA Centre, Croatia, India, Israel, The Netherland, Syria and The World Bank in Washington DC.

You can probably tell that we have done this sort of international network coordination before. APICC does not seek to be the “King of Intellectual Capital Management”. We hope participating organizations

will work in a cooperative spirit and try not to exclude other worthy organizations. I know most participating organizations, but not all of them. But I know Gordon McConnachie extremely well – he is not Buddhist ... but he certainly subscribes to the Buddhist philosophy – believing that a “good deed” will eventually be returned – may be not in this life – but it will “come back” to you in a circular way – may be in the next life. ***This is very much the co-operative spirit we hope the “China Network” will operate in.***

Eventually, we hope that there’ll be 30 or even 50 Intellectual Capital Centre in China – each one connected to their counterparts around the world – independently -- and independent of APICC’s China’s Network.

This is the main goal and the main reason why we make this “sales pitch”.