Interview: Charles Ng – Associate Director-General; Simon Tsang – Head of Innovation and Technology, InvestHK, Hong Kong



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Charles Ng and Simon Tsang of InvestHK, Hong Kong's investment promotion agency, discuss the territory's strengths in the life sciences sector, the potential of the HK industry to grow further, and its regional significance.

The Swiss-based International Institute for Management Development (IMD) recently placed Hong Kong at the top of its 2017 World Competitiveness Rankings, overtaking countries like Switzerland, Singapore and the US. From your perspective, how does this reflect Hong Kong's strengths in the healthcare and life sciences sector?

Charles Ng (CN): Hong Kong is in a sweet spot because we are part of the world's second largest economy. Under the 'One Country, Two systems' approach, we have the best of both worlds. As a result, we are able to attract and retain key stakeholders within the healthcare and life sciences sector, be it individuals, MNCs or research institutes, all of whom see the value of being based in Hong Kong at the doorstep of mainland China.

Furthermore, we boast an excellent business infrastructure with robust IP protection and rights, legal structures and of course, financial expertise, as a leading global financial hub. Besides the mainland Chinese market, we also have access to the rest of Asia. As for the healthcare system, we have some of the best medical schools, facilities and infrastructure in Asia. Looking at all the

healthcare, life sciences and biomedical hubs globally, we are uniquely placed to support speedy company set-up, commercialization and development. Furthermore, given our proximity to Shenzhen in the Guangdong province of China, otherwise known as the hardware capital of the world, innovation and technology companies based in Hong Kong can scale up their production very quickly. This is why I firmly believe Hong Kong has all the ingredients for success in this field.

Simon Tsang (ST): It is certainly a very interesting time for Hong Kong. Firstly, mainland China has recognized that innovation is a critical future growth engine. Secondly, the economic integration between the different metropoles in the so-called Bay Area – Guangzhou, Macau and Hong Kong – is progressing well, so we can take advantage of this growing market. Thirdly, China has the broader national strategy of implementing the 'One Belt, One Road' initiative, so we are well-positioned at the sweet spot of this initiative.

In terms of healthcare, Big Health is one of the key national initiatives China has identified. On top of that, Hong Kong is also facing the issue of an aging population, so there are challenges and opportunities for the healthcare and life sciences sector not only in Hong Kong's domestic market but also as a springboard into the vast mainland China market.

Finally, even though Hong Kong does not have a large pharma market in terms of population size, it is still a rather high-value and lucrative sector. In addition, the private sector receives a significant amount of medical tourism both because of the high standard and quality of care here and the fast registration and market approval process for new innovative drugs. In particular, Hong Kong attracts a large number of patients from mainland China.

In the region, we do see that many MNCs have chosen to establish their regional headquarters in Singapore. To what extent is the industry potential of Hong Kong recognized?

CN: I do believe the tide is shifting. A prime example is Karolinska Institute, with its more than 200 years of history and reputation, has decided to establish their first international branch in Hong Kong. Part of the reason was that we are a part of mainland China and the healthcare research infrastructure is very robust. They can leverage the advantages of Hong Kong to develop new innovations specifically tailored to the Asian populations.

[Featured_in]

For the mainland China market, as the population become more educated and affluent, there are certainly more opportunities and resources to conduct research in the areas of healthcare – and

this is where Hong Kong can be used as a living lab and a launch pad for new innovations.

Around the world, we are the only place where the West and East literally converge. We have the best of both worlds in terms of access to the mainland Chinese market, talent and resources as well as international standards and conventions. Not only will the best of mainland China look to use Hong Kong as a touchpoint to grow globally, MNCs view Hong Kong as a gateway into mainland China and Asia. This is a unique convergence.

ST: One of the advantages of Hong Kong is that it is seen as a neutral base. There is a huge amount of new technology being produced as well as excellent infrastructure for the launch and piloting of new initiatives. In the area of clinical research, for instance, we are seen as a regional leader. As an example, today you have various examples of healthcare therapies and solutions targeting the aging population, from diagnostic kits to genome-based medical devices to robotics mobility aids, all tied to the 'Internet of Things' philosophy. Hong Kong, with its world-class medical infrastructure and population density, is the perfect location to adopt these new ideas.

Globally, under new paradigms of care, governments are trying to move patients out of the hospital setting into the community. Digital health technologies and new patient care pathways are transforming the way all stakeholders, from industry to researchers to Ministries to patients, conceive of healthcare. We are in the sweet spot to foster this.

Finally, Hong Kong is one of the few places in the world to be able to support the convergence of Western medicine and Traditional Chinese Medicine (TCM), which is important to contributing to the offering of a more holistic approach to medicine and healthcare.

How is InvestHK promoting this role that Hong Kong can play globally?

CN: To be frank, the strength of Hong Kong is such that it really promotes itself! As Hong Kong's investment promotion agency, we work together closely with key industry stakeholders globally through initiatives like road shows and conferences in global healthcare and life sciences hubs. We always seek to be proactive when it comes to promoting Hong Kong as an investment destination for this sector.

The fact that Hong Kong is within five hours' flight of half the world's population – 3.5 billion people – should not be underestimated. Healthcare is a global business. If anything needs to be done, we are at the center of the action.

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Innovation is an important priority of the new administration under our Chief Executive Carrie Lam and we are seeing a lot of exciting growth in the ecosystem, so the life sciences sector is an important priority – especially as a lot of the cutting-edge innovations and developments are coming from Asia these days, not just from the US or Europe. This is adding another interesting dimension that Hong Kong can really contribute to.

Cost is inevitably a challenge for potential investors as Hong Kong is not the cheapest place. However, the good thing is that there are choices for different investor profiles. This is precisely InvestHK's mandate: to guide and support companies by offering advice on the different options available in Hong Kong, tailored to their specific needs.

Why is the Life Science sector important for Hong Kong?

We are not starting from scratch. We have a very important – the trust that Hong Kong has earned – that is why KI, for example, has set up in Hong Kong. Trust and the potential in growth are especially important for this industry.

Life Science requires a lot of discipline. It is like a technology platform. The other one is that when you think about LS, it really helps the well-being of people. You need to invest in your health and the health of your people.

A final message?

CN: At InvestHK, we see ourselves as a super-connector, linking Hong Kong to both mainland China and the global community.

Personally, I feel very privileged to have this chance to help transform Hong Kong into one of the leading healthcare and life sciences hubs. It is not an everyday opportunity and I look forward to being part of this momentous journey.

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