



**Asia-Pacific
Economic Cooperation**

2020/DESG/022

Agenda Item: 4

COVID-19 and the Digital Economy

Purpose: Information
Submitted by: Hong Kong, China



**Digital Economy Steering Group Special Virtual
Meeting on COVID-19
26 June 2020**

We invite member economies to share information on digital-economy related policy interventions, initiatives, lessons learned, and/or solutions in response to COVID-19 ahead of the 26 June 2020 APEC Digital Economy Steering Group Special Virtual Meeting using the template below. The descriptions of the issues below are **only suggested points** to help members with the exercise, and members need not regard them as mandatory points to follow in generating their information sharing in the template. Members are advised to submit the completed template below through the APEC Collaboration System (ACS) no later than 23 June. Members are able to view and download completed templates submitted by other members on ACS ahead of the Special Virtual Meeting, and this will help DESG optimize the limited meeting time on 26 June.

- a) **Business continuity and resilience** – As COVID-19 has caused significant disruptions to economic activities and business operations, members may wish to share how they support business continuity and resilience in terms of:
 - i. Ensure access to reliable connectivity and relevant digital technologies, in particular among MSMEs, women, and young entrepreneurs, to help overcome digital divides;
 - ii. Encourage businesses, including MSMEs, to leverage digital technologies and solutions in carrying out production, business activities, and international trade, so as to maintain the stability of global supply chains;
 - iii. Encourage the digital transformation, including through digitalized production systems, e-commerce, digital supply of services, e-invoicing, and e-payments, and other services, as well as smart working solutions, including remote working, and innovative new business models.
- b) **Exchange and use of data in a secure manner** – Members may wish to share how they:
 - i. Encourage collaboration to collect, pool, process, and share reliable and accurate non-personal information that can contribute to the monitoring, understanding, and prevention of the further spread of COVID-19 as well as other infectious diseases;
 - ii. Ensure the collection and processing of COVID-19-related data is being done in an ethical, transparent, safe, interoperable, and secure manner that protects the privacy and data security of individuals, in line with prevailing international measures and domestic laws and regulations.
- c) **Use of digital technologies and solutions including for tracing purpose** – Given the importance and urgency of slowing down the spread of COVID-19, members may wish to share how they:
 - i. Use digital technologies and solutions to enable individuals and firms to continue to participate in the economy;
 - ii. Use digital technologies to help contact tracing efforts;
 - iii. Promote digital work and the development of basic digital skills in companies, public institutions, schools, and universities;
 - iv. Encourage and collaborate with the research community, private sector, and business entities to promote the use of digital technologies and solutions for the development and manufacturing of critical medical equipment and supplies (including disinfectants, Personal Protective Equipment, and ventilators) to fight COVID-19 and other infectious diseases.
- d) **Secure and trusted online environment** – Given the increased digital vulnerability in the context of a pandemic, members may wish to share how they:

- i. Enable timely domestic and international responses to counteract malicious cyber activities that present risks to the security of the digital economy;
- ii. Work collaboratively with businesses and organizations to leverage online platforms to continue sharing trustworthy information and prevent disinformation, hoaxes, and online scams;
- iii. Ensure that reliable crisis communication over digital channels is available.

e) **Preparations for economic recovery post-COVID** – Members may wish to share other policy interventions and initiatives as part of the preparations for economic recovery, given the reinforced significance of the digital economy as a result of COVID-19.

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ISSUE	POLICY INTERVENTIONS, INITIATIVES, LESSONS LEARNED, AND SOLUTIONS IN RELATION TO THE ISSUE	ACTUAL/EXPECTED OUTCOME
Business continuity and resilience	<p>(i) COVID-19 Online Dispute Resolution (ODR) Scheme</p> <ul style="list-style-type: none"> - A COVID-19 Online Dispute Resolution (ODR) Scheme is initiated for providing e-negotiation, e-mediation, and e-arbitration services dedicated to the resolution of COVID-19 related disputes. - Under the Scheme, eBRAM Centre is appointed as the ODR service provider for launching a fully web-based ODR platform with video conferencing technology which enables parties to sign ODR agreement in electronic format and conduct mediation meetings and arbitration hearings online. - For details, please visit https://www.ebram.org/covid_19_odr.html. 	<p>The Scheme provides speedy and cost-effective means to resolve disputes arising out from or in connection with the COVID-19 pandemic globally and locally, especially for MSMEs that may be adversely affected or hard hit by the pandemic.</p>
	<p>(ii) LawTech Fund</p> <ul style="list-style-type: none"> - The Fund aims to assist some small and medium-size law firms and barristers' chambers in procuring and upgrading information technology systems and arranging for their staff to attend lawtech training courses. Law firms or chambers with five or fewer practising lawyers as at April 8, 2020 (announcement of the Fund), and at the time of granting the subsidy, will be eligible for a reimbursable amount of up to HK\$50,000. - For details, please visit https://www.info.gov.hk/gia/general/202004/27/P2020042700514.htm. 	<p>Eligible law firms and chambers can make use of the Fund to enhance their technological capability.</p>

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	<p>(iii) Distance Business (D-Biz) Programme</p> <ul style="list-style-type: none"> - The Programme provides funding support through fast-track processing for enterprises to adopt IT solutions for developing distance business. The Programme covers 12 IT solution categories relating to distance business as follows: <ul style="list-style-type: none"> • Online business; • Online order taking and delivery, and smart self-service systems; • Online customer services and engagement; • Digital customer experience enhancement; • Digital payment/mobile point of sale; • Online/cloud-based financial management systems; • Online/cloud-based human resources management systems; • Remote document management, cloud storage and remote access services; • Virtual meeting and conference tools; • Virtual team management and communications; • Cybersecurity solutions; and • Other online/custom-built/cloud-based business support systems. - For details, please visit https://www.hkpc.org/en/distance-business-programme. 	<p>The Programme supports enterprises in various sectors to continue their business and services during the pandemic.</p>
	<p>(iv) Rental Waivers for Tenants at the Hong Kong Science Park, Industrial Estates and Cyberport</p> <ul style="list-style-type: none"> - The Government has set aside HK\$380 million to provide a six-month rental waiver for tenants and start-ups at Hong Kong Science Park, industrial estates and Cyberport to support the innovation and technology sector. - For details, please refer to the factsheet on “Business Support Measures Amid Economic Challenges”: https://www.brandhk.gov.hk/html/en/MultimediaCorner/FactSheets.html 	<p>The rental waivers aim to provide relief to tenants and start-ups at the Hong Kong Science Park, industrial estates and Cyberport during the pandemic.</p>

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Exchange and use of data in a secure manner	-	-
Use of digital technologies and solutions including for tracing purpose	<p>(i) Electronic Wristband Solutions</p> <ul style="list-style-type: none"> - Compulsory home quarantine is a key measure adopted by HKC to minimise the risk of imported cases brought about by people arriving from outside HKC. To support the home quarantine arrangement, HKC has adopted a multi-tech approach, with the locally developed electronic wristbands as a key solution. - Our first wristband solution was developed by the Logistics and Supply Chain Multitech Centre (LSCM), an R&D centre set up by our Government within a very short time. The wristband makes use of Bluetooth Low Energy technology and geo-fencing technology to detect whether a person on home quarantine has left his/her residence. For personal privacy reason, the confinee’s movement will NOT be tracked. - In March 2020, we adopted another innovative solution from a local startup (Compathnion) in our Science Park, which is developed based on research results of the Hong Kong University of Science and Technology. Their solution is a mobile app that makes use of big data analytics to analyse the surrounding electronic signals, including 4G, WiFi, Bluetooth and GPS. When the mobile phone detects a change of the signal environment, which implies the confinee has left the designated residence, the system will send out an alert. - This solution fits well for compulsory home quarantine as the technology is most suitable for use in an indoor environment. - The e-wristband solutions are perfect demonstrations of the joint-up effort among the Government, research and development centres, local universities and technology start-ups in HKC on applying innovation and technology for the benefit of people. 	<p>With our electronic wristband solutions, and with the co-operation of our confinees, HKC has managed to keep the number of confirmed COVID-19 cases at a relatively low level.</p>

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	<p>(ii) Special Call under the Public Sector Trial Scheme Inviting Projects for Combating COVID-19</p> <ul style="list-style-type: none"> - The Innovation and Technology Commission (ITC) launched a special call under the Public Sector Trial Scheme (PSTS) of the Innovation and Technology Fund (ITF) for projects to support product development and application of technologies for the prevention and control of the disease. - This special round aims to fund trials of research and development (R&D) outcomes in the local public sector relating to detection, diagnosis or surveillance of the COVID-19 virus, or reduction of the risks of infection and its spread. - The R&D outcomes should be immediately ready for trials by government departments or the relevant public organisations to bring about benefits for the community in fighting the pandemic in the near future. - For details, please visit https://www.info.gov.hk/gia/general/202003/09/P2020030900380.htm. 	<p>The call aims to promote the realisation and commercialisation of local R&D outcomes, and encourage the public sector to use technologies for tackling the COVID-19 pandemic in HKC.</p>
Secure and trusted online environment	-	-
Preparations for economic recovery post-COVID	<p>Anti-epidemic Fund</p> <ul style="list-style-type: none"> - The Government has introduced and implemented relief measures to keep our workers employed, relieve the financial burden of businesses and members of the public, and pave the way for post-epidemic economic recovery. The two rounds of the Anti-epidemic Fund and related relief measures, together with the relief package in the 2020-21 Budget, amount to HK\$287.5 billion, representing 10% of Gross Domestic Product. 	<p>These measures are being implemented progressively to help businesses and members of the public tide over the difficult times, benefiting directly and indirectly the workforce and businesses in the digital economy during and after the pandemic.</p> <p>In particular, through the early</p>

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	<ul style="list-style-type: none"> - Some relief measures relevant to the digital economy are highlighted below: <ul style="list-style-type: none"> • HK\$80 billion Employment Support Scheme under which wage subsidies will be provided to eligible employers (capped at HK\$9,000 per month per employee for six months); • Subsidy Scheme for Encouraging Early Deployment of 5G aims to encourage various sectors to deploy 5G technology early to foster innovation and smart city applications. The Government will subsidise 50% of the actual cost directly relevant to the deployment of 5G technology in an approved project, subject to a cap of HK\$500,000. Around 100 qualified projects will be subsidised. - For details, please refer to the factsheet on “Business Support Measures Amid Economic Challenges” at https://www.brandhk.gov.hk/html/en/MultimediaCorner/FactSheets.html and the website on the Subsidy Scheme for Encouraging Early Deployment of 5G at https://www.ofca.gov.hk/en/industry_focus/telecommunications/5g_subsidy/index.html. 	<p>deployment of 5G technology in various sectors, the Scheme improves efficiency of their business operations and quality of their services, thereby enhancing the overall competitiveness of the companies and preparing them for economic opportunities after COVID-19.</p>