6. Country Report of Hong Kong, China[1]

6.1 Current Status of the ICT Sector of Hong Kong, China

The overall purpose of this research case study is to help inform policymakers and female business owners from APEC economies of current entrepreneurial trends pertaining to the 4th Industrial Revolution. The focus country of this case study is Hong Kong and will feature two successful female entrepreneurs and their startup journeys. More details about the founders and their businesses will be detailed in later sections.

The overall research criteria and design was mainly dictated by APWINC. Interview requests were sent to female entrepreneurs in Hong Kong through LinkedIn, Instagram direct messages, and e-mail. Google searches, LinkedIn searches, and startup communities were used to find possible candidates for the research case study. In total, approximately 30 female founders in Hong Kong were identified as potentially meeting the case study's criteria. In the end, the search was narrowed down to two prominent female founders from Hong Kong and interviews were conducted with both.

Section I will provide foundational information on Hong Kong and explain the role and current state of ICT at a national level. Section II will further explain the current state of female entrepreneurship in Hong Kong.

Country Information
The below figure provides an overview of ten general informational points about Hong Kong and its economy (CIA, 2018):

Figure 1. Hong Kong Information

HONG KONG
• Area of Land: 1,108 sq km
• 2017 Population: 7,191,503 people
• 2016 Gross Domestic Product (GDP): $430.1 billion
• 2016 GDP per Capita: $58,400; an increase of $700 from 2015
• 2016 GDP Growth Rate: 2 percent
• GDP Composition: agriculture: 0.1 percent, industry: 7.2 percent, services: 92.8 percent
• Industries: textiles, clothing, tourism, banking, shipping, electronics, plastics, toys, watches, clocks
• 2016 Export and Import Value: $502.5 billion / $520.1 billion
• 2016 Labor Force: 3.915 million
• 2016 Unemployment Rate: 2.7 percent

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Using additional data from the CIA, it can be seen that the majority of residents (92 percent) are ethnically Chinese, while only 2.5 percent are Filipino and 2.1 percent are Indonesian. Additionally, 44.68 percent of the population is aged 25 to 54, of which 1.3 million is male and 1.8 million is female (CIA, 2018). The Hong Kong government has attempted to brand the country as 'Asia's world city' and present it as 'an open, tolerant and pluralistic community, and a city rich in culture and tradition' (Law and Lee, 2012, p. 117). Another strength of the country is its skilled and educated workforce, as recent country workforce statistics show that 82.9 percent of females and 95.9 percent of males in a prime working-age bracket have obtained a post-secondary level of education (Department, 2017).

Hong Kong's Development of the ICT Sector
During the 1960s and 1970s, the Hong Kong government adopted a 'laissez-faire' (free-market) approach to the economy that was credited with helping to create an entrepreneurial culture within the country (Chu, 2004). This was a markedly different approach from other countries during the time, such as Singapore which had a much more active role in regulating and controlling the economy. After 1997, however, when the sovereignty of Hong Kong was transferred to China from Great Britain, the Hong Kong government became much more active in shaping the state of the country and established new policies and programs to modernize the state of the country (Chu, 2004). This included the Innovation and Technology Commission (ITC), which was formed in 2000 to encourage development in technology (Wang, 2018). In 2004, the Hong Kong government established the Steering Committee on Innovation and Technology to coordinate policies and initiatives, and in 2006, the ITC established five research & development centers in the areas of automotive parts & accessory systems, ICT, logistics & supply chain management, nanotechnology & advanced materials, and textiles & clothing (Wang, 2018). In 2012, it was found that this had led to the dominant industries within Hong Kong becoming trade, accommodation, food service, and finance. New research was also being conducted in the areas of electronics and ICT. In fact, the top five companies being awarded patents from innovative research included some of Hong Kong's largest ICT-related companies, such as SAE Magnetics, Johnson Electric, and ASAT (Wang, 2018).

Hong Kong established its ICT network relatively early. In January 2002, it was found that more than 95 percent of households and 100 percent of all commercial buildings had broadband Internet access. At that time, Internet service providers were providing high-speed transmission lines and a fiber-optic network overseas to other areas including Japan, Europe, and the United States. This allowed entrepreneurs and SMEs to better serve their customers around the world (Chua, 2003).

As recently as 2016, Hong Kong had one of the highest ratios of Internet users to the population throughout the Asia-Pacific region, and reached 85 percent (CIA, 2018). The only other major

developed countries with a higher ratio of Internet users were South Korea at 89.9 percent and Japan at 92 percent. Notably lower were Singapore at 81 percent and China at 53.2 percent. Similarly, Hong Kong had one of the higher ratios in the Asia-Pacific region for mobile phone subscriptions, with 234 such subscriptions for every 100 inhabitants. Singapore trailed at 145 subscriptions for every 100 inhabitants, followed by 130 in Japan, and 120 in South Korea. The lowest was China at 99 mobile phone subscriptions for every 100 inhabitants, despite China having significantly more mobile phones in total (1.36 billion) versus Hong Kong's 16.7 million total of mobile phones. Thus, this data indicates that ICT in Hong Kong today (through the form of mobile phones and the Internet) has reached a penetration factor comparable to—and in some cases higher than—the other major developed and emerging countries throughout the region.

The following statistics provide additional context on the most recent status of ICT in Hong Kong compared to other countries in the Asia-Pacific region:

Hong Kong and China were ranked together at 6 on the ITU's 2017 ICT Development Index (IDI) with a value of 8.61, indicating a positive increase in value from 8.47 (ITU, 2017) in the previous year. In comparison, South Korea had a rank of 2 with a value of 8.85, while the top country on the list at a rank of 1, Iceland, had a value of 8.98 (ITU, 2017).

Hong Kong ranked at 12 with a value of 5.6 (out of a 6.0 total) on the World Economic Forum's Networked Readiness Index (NRI) in 2016, below Singapore at 1 (value of 6.0), the United States at 5 (value of 5.8), and Japan at 10 (value of 5.6), but above South Korea at 13 (value of 5.6), and China at 59 (value of 4.2) (World Economic Forum, 2016).