

# Education

## Out of the Box

Tony Chan Fan-cheong is president of the Hong Kong University of Science and Technology. He has spent his life pursuing his dreams relating to teaching and research, and has unique views on education, scientific and technological development, and nurturing the young.



port talent development across China. A photo of Cook shaking hands with Li, with Wang and Ma in the background was particularly symbolic, as Wang is our alumnus and Ma is our honorary doctorate. I can't help but read the news with a trace of envy.

Under Cook, Apple's pivot to China is gathering steam. But Apple is not the first foreign company to set up R&D labs in China. More than a decade ago, Microsoft set up Microsoft Research Lab Asia in Beijing.

I know all four directors from its founding days.

The first one was Lee Kai-Fu, now one of the most well-known venture capitalists in China. The second director was Zhang Yaqin, now president of Baidu and a HKUST honorary fellow. The third is Harry Shum, also a HKUST honorary fellow, and now senior VP of technology and research at Microsoft. MSRA has been providing innovative products for Microsoft – proof China can indeed be innovative. The addition of Apple seems to further cement China's role as a major innovation and technology hub.

China is one of the most important markets for Apple, but it is struggling mightily; its market

# The tortoise and the hare



Apple's Tim Cook meets Premier Li Keqiang, as Frank Wang and Jack Ma look on.

I have repeatedly made the point that, as part of Hong Kong's push into innovation and technology, the SAR should entice multinational companies to set up R&D centers here.

Hong Kong has many advantages – the most international city in China, making it easier to attract global talents, excellent universities and plenty of talented graduates, free flow of information, and a sound legal system.

Some Chinese tech companies have already taken notice and recently set up R&D centers in Hong Kong, and MIT and the Karolinska Institute have set up innovation and research platforms in the SAR.

But the case of Apple serves as a reminder that we must not be satisfied. For the Apples of the world, China's economic and political clout, huge talent pool, and the need for deep knowledge of Chinese consumer tastes and preferences can outweigh Hong Kong's advantages.

Apple is only the tip of the iceberg and Hong Kong is in danger of being marginalized. We must wake up to this challenge and be more proactive in coming up with our own plans to compete, as well as to leverage our geopolitical, and economic, position with China.

If Huawei sees good reasons to set up R&D centers in Hong Kong, we should use the same reasons to entice others to do the same, offering them incentives if needed.

If Shenzhen is investing major funds to spur innovation, we need to invest more ourselves. If Apple wants to strengthen partnership with universities, Hong Kong universities should stand ready to respond. In innovation and tech, things happen at a rapid pace. Everyone is a hare, and no one has sympathy or waits for the turtle.

share is currently behind Huawei, Oppo, Vivo, and Xiaomi. By building these two centers, Apple is making a big commitment in China, and showing that the company recognizes the need to know the Chinese market better. As part of China's determination to "upgrade" its economy from manufacturing-based to innovation-based, Shenzhen is making big commitments and is determined to become the next Silicon Valley, not just of China, but of the world.

It is offering annual subsidies of 500 million yuan between 2015-17 to attract manufacturers to set up shop and turn the city in to a global hub for innovation; a staggering amount compared to what Hong Kong is spending.