Opening Speech by the Postmaster General and Chairman of the Hong Kong PKI Forum at the International Conference, 15-16 September 2003

Welcome

Mr. Francis Ho, Mr. Alan Wong, Mr. Goh, distinguished speakers and guests, and friends from the media, welcome to the Public Key Infrastructure International Conference.

My dual roles

My participation at the conference is personally more meaningful because today I am wearing two hats – firstly, in my role as Chairman of the Hong Kong PKI Forum, and secondly, as Postmaster General of Hongkong Post.

As Chairman of the Hong Kong PKI Forum, I have a mandate to promote the wider adoption of PKI products and services, and to help develop an environment conducive to e-business through the use of public key infrastructure. For e-business to take off, a number of issues – including authenticity, confidentiality, integrity and non-repudiation – must be addressed. And on behalf of Hong Kong PKI Forum, I am happy to host this International Conference, where experts and practitioners in the industry can gather together and share their knowledge on PKI technologies.

As the Postmaster General, the core of our business at present still resides in the more traditional forms of communication. Faced with the ever-increasing demands of e-business, Hongkong Post chooses to fully embrace the challenges by actively participating as one of the public key infrastructure providers in Hong Kong. Just like other companies, we see e-commerce as an opportunity, rather than a threat, that opens new horizons for us to expand our businesses and services.

HK e-Biz Overview

Many experts and IT practitioners are here today to share their views on PKI technologies, so I think I'd better talk about something else and leave the

technical part to the tech gurus. Let me share with you here some of the latest developments in Hong Kong.

According to recent government surveys, Internet penetration among all households in 2002 was 52.5%. Such high penetration provides a solid basis for e-commerce to grow and flourish in Hong Kong. Another encouraging note is that 96% of the respondents said they had used one, or more than one, type of electronic business services in the 12 months before the survey, indicating a positive reception to the introduction of Internet-based services.

However, the usage of on-line purchasing services was only 4.9% and the value of business receipts through electronic means was only HK$22 billion – less than half a percent of total business receipts received in Hong Kong. What does it tell us?

I'm sure many of you have seen the cartoon of a dog sitting at a workstation doing business via the Internet. When it comes to monetary transactions on the Internet, the concern about who is on the other side is very real. PKI will be the solution to address these concerns.

HK's Leadership Role

In Hong Kong, as Asia's world city, we pride ourselves in many areas including those of e-business and PKI. We are the first economy in the world to issue mobile digital certificates for community-wide adoption. The Hong Kong SAR Government's electronic procurement system is also one of the first in the world using digital certificates.

In January 2000, the Electronic Transactions Ordinance was enacted to give electronic records and digital signatures the same status as that of their paper-based counterparts. Today, Hong Kong has three Certification Authorities – and Hongkong Post is one of them. We are all ready to set sail and take e-business to a more popular platform.

<u>Emerging Opportunities</u>

Today is a day to be remembered in the development of digital certificates in Hong Kong, not just because we have this International Conference here. This is also the first day for the Hong Kong public to replace their identity cards with a new smart identity card. Individuals can opt to embed a digital certificate in the new card. We anticipate there will be a few million digital certificate subscribers in Hong Kong by 2007. I wish Hong Kong would achieve another first – the first to achieve the highest proportion of digital certificate subscribers of any economy in the world. May I remind the businessmen in this forum of the huge market potential that comes with this critical mass of subscribers.

Another promising opportunity will be the Closer Economic Partnership Agreement (CEPA) between Hong Kong and Mainland China. We anticipate this will greatly enhance cross-border business, not just between Hong Kong and the Mainland, but also with the rest of the world. Hongkong Post is currently planning to introduce a new type of digital certificate – which we will term the "Global e-Cert" – to facilitate cross-border e-commerce. This initiative lies at the heart of the Asia PKI Forum, of which Hong Kong PKI Forum is a member.

<u>Conclusion</u>

In concluding, we hope that the International Conference today will serve to foster stronger regional and international cooperation in PKI-related matters such as cross-certification, application development and inter-operability arrangements.

Just a final word. I believe Hong Kong is blessed to see so many overseas and mainland delegates travel to Hong Kong to participate in this key event on the Hong Kong business calendar. My heartfelt welcome is extended to you all, but especially our overseas and mainland delegates. Your visit is indeed a vote of confidence in Hong Kong. Thank you.