

Speech

Speech by SFST at 2nd Inter-University Algo Trading Contest (English only)

Sunday, February 19, 2017

Following is the speech by the Secretary for Financial Services and the Treasury, Professor K C Chan, at the 2nd Inter-University Algo Trading Contest today (February 19):

Bankee (Chairman of Organising Committee of 2nd Inter-University Algo Trading Contest, Mr Bankee Kwan), my academic colleagues from the universities, students, ladies and gentlemen,

Good morning. I am very happy to be here today at the 2nd Inter-University Algo Trading Contest. It is great to be here and seeing that you are so enthusiastic about this. I can really predict a great day for all the contestants here.

Certainly this algo trading contest is one of its kind in Hong Kong. This year from the data I've got, we have more than 100 teams from 13 universities in Hong Kong and the Mainland joining the contest, and 13 teams have been selected to join the finals. Congratulations to all the participants!

When I talk about the Algo Trading Contest, it reminds me of my days in the university. When I was at UST (Hong Kong University of Science and Technology), first as the Department Chair in Finance and later on the Dean of Business School, we tried to bring the trading experience to campus. I remember we started a trading lab and tried to bring some real data terminals to the university so students could play around. It was like 15, 20 years ago and at that time, it was considered to be very interesting. We have moved very fast beyond that, and I know that now in the universities, there are a lot of trading labs and the students are participating in all sort of trading and execution training.

The stage of teaching, stage of research as well as stage of learning in finance have also changed a lot with the advance of technology and Fintech (financial technology). Now we have a broad area of collaboration from science, mathematics, engineering and IT to finance. We are now seeing a new

growth face in Fintech and the algo trading is taking on a new stage.

We all know what algo trading is supposed to be, but I can tell you that algo trading is going to change as technology is getting better with the advance of AI and data techniques. I am very glad that we have here an example of collaboration between different research areas and the students. It is a very good example of Fintech activities taking place in Hong Kong and also in the region.

Here, I will then put on my another hat as the Government Secretary in Financial Services and the Treasury, I would like to congratulate all the participants here as well as their leaders in this room for helping Hong Kong develop Fintech activities.

I am very happy to see that the Fintech community in Hong Kong has been working very hard in the last couple of years. We see a lot of progress, for example, there are a lot of work space for start-ups, a lot of programmes where the industry helping to coach the new entrepreneurs or new start-up companies, and increase in funding support both from the Government and the private sector.

We are also happy to see that university students are coming into this Fintech space. The Cyberport has rolled out a programme to sponsor a target of 300 university students to join overseas Fintech entrepreneurship programmes. It has also launched a dedicated Fintech co-working space along with an incubation programme for Fintech start-ups.

We also see research taking on a higher level. The Hong Kong Monetary Authority and the Hong Kong Applied Science and Technology Research Institute have partnered with 11 banks and 9 universities to provide Fintech-related internship opportunities, regulatory briefings and technical training for students.

We have quite a lot going on. As of November 2016, there were 138 Fintech start-ups among the almost 2000 start-ups in Hong Kong. Hong Kong Fintech companies have also attracted US\$370 million of venture capital investment between January 2014 and September 2016. Things are moving on and I am happy to see activities like this, an example of how the industry,

universities, the government and research institutes get together to provide support for Fintech training and activities.

I would like to thank the Organising Committee for holding the Inter-University Algo Trading Contest once again. My congratulations to the finalists, I wish you all good luck and I am sure you will enjoy the rest of today, the talks and the presentations.

Thank you.

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