

GBA IMPACT FOUNDATION



Newsletter | May 2020



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EDITORIAL

Welcome to the second GBAIF newsletter. With the world in pandemic lockdown, there are glimmers of green shoots of some normality in the Greater Bay Area which is a hopeful sign for us and the world, but we must not be complacent too early. We all need to understand that the new world emerging will be far from normal as we knew it before the pandemic.

In this edition, we concentrate on the progress of the GBAIF both in the sustainability research, especially around pandemic and development of our youth education. We feature a special article on how GSIR in the future could augment and provide research data to add value to pandemic centres of excellence being set up in the cities of the Greater Bay Area. We also expand one of the education channels for younger school children in learning the sustainability principles by drawing from their vicinity and history starting with Hong Kong and shipping.

As the world searches for vaccine and eventually recovers from this pandemic, it will be innovation both technical and human inventions that will give the ability to rebuild with lower-cost services than before. The innovators will be the new order, and those that do not change will find themselves in a world that no longer exists. We wish all our members good health and success as the summer approaches.

David Piesse
Editor-in-chief, GBAIF

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Special Topic - GBAIF Maritime Committee; Sustainability in the Shipping Industry

Jonathan Jones



Jonathan Jones

The Greater Bay Area Impact Foundation (GBAIF) and the Maritime arena are fully inclusive. The Maritime Committee will focus their efforts on technology, education, health and the environment coupled with Smart Shipping. The founding members of the committee are Catherine Smith, Company Secretary & General Counsel, Wah Kwong Maritime Ltd, Ryann Mann of Polestar Global, Matthew Treadmill of Lloyds Register of Shipping.

The fundamental fact: 90% of the world's trade is waterborne. The existing constituent members of the Greater Bay Area (GBA) are already significant in all aspects of world trade, but the opportunities presented by the coming together under the GBA initiative will have an astounding "impact" which if harnessed represents in particular core elements of the goals and objectives of the United Nations Sustainable Development Goals (UN SDG).

- **UN SDG #4: Quality Education**
As education is indispensable for sustainable development, training for those involved in maritime-related enterprises and the promotion of a career in these areas are urgently required.
- **UN SDG #7: Affordable and Clean Energy**
Expanding infrastructure and using technology in the logistics industry with SMART ports and ships would significantly reduce energy consumption and waste by making use of automation.
- **UN SDG #8: Decent Work and Economic Growth**
The importance of shipping in supporting world trade and economic growth is evident.
- **UN SDG #14: Life Below Water**
It is vital to protect marine and coastal ecosystems from pollution, as well as address the impacts of ocean acidification.

The need to facilitate "clean green technology" and methods of propulsion are significant importance and a necessity to the other goals.

The GBA is fortunate that these elements are well represented within Hong Kong and other key cities of the GBA. Whilst some initiatives of the GBAIF will take time to be fully developed and materialized, under the maritime umbrella low hanging fruit are readily available.

1. The School Adopt a Ship Project – Creating Sustainability and resilience for the future through the youth of today

The GBAIF has already reached out and gained exceptional support from leading elements of the HK shipping community led by Wah Kwong Shipping, Mr Bernard Chan of the Asia Financial Group, certain Hong Kong Schools, the Hong Kong Maritime Museum, the Lloyd's Register Foundation, and importantly wishes of support from the Secretary of Transport & Housing, to develop a pilot project with regard to creating an interactive real-time educational training scheme, which will link schools, pupils and their curriculum with vessels controlled by ship operators, and with shore-based professions.

The intent is to introduce the program in the beginning of the Autumn Term 2020 and to showcase the project during Hong Kong's Maritime Week this coming November.

"It would be better to think in terms of concepts, rather than themes and subjects. The brain works in a conceptual sense. Concepts are, if done correctly, timeless and transferable to any school setting in any country. Some concepts which come to mind are: Sustainability, exploration, technology, motion, production and innovation.

*Schools are now becoming more focused on skills than knowledge. So, look at the curriculum in skills development such as inquiry, design thinking, navigation & data handling". **Adam Mcguigan International College Hong Kong***

We aim to start the project with pupils from 7 years of age and then by use of the "Spiral Curriculum" learning approach upwards to senior school.

Involving Seafarers will bring added benefits as outlined in the recent **Seafarers Trust & Yale University**, Seafarer Mental Health Study. One of the 5 significant findings – uncaring work environment- Recommendations "It is of great importance for seafarers to have a sense of personal control over their environment and work in a supportive environment where seafarers views can influence decisions. There is a clear economic interest in avoiding the potential costs of replacement crew, delayed schedules and medical treatment. Therefore, it appears the moral and economic imperatives are aligned."

Following the pilot's successful completion, the scheme may expand in the GBA and potentially for adoption in other key global shipping clusters.

2. Food Health & Hygiene

The current pandemic situation and its impact regarding the health and safety of the ship's crews as outlined in the ILO/IMO MLC convention, which was greatly assisted by the former MD of the HKSOA, can be further facilitated by bringing the provision of HACCP training and the capabilities of audit validation through the application of blockchain to training hygiene and health of the seafarers, through training at establishments within the GBA.

The skills and lessons learned may be transferred and replicated in other vital areas, such as schools and other educational establishments—food preparation areas such as slaughterhouses, markets, and butchers, as well as food outlets.

An existing company currently dedicated to providing Food Health & Hygiene in compliance with the Maritime Labour Convention skills and experience could be applied to provide further important training in this vital area.

This development supports the notion that Crisis creates opportunities.

Other on-goings initiatives, The GBA Marine Ecosystem Co-operative and The GBA BRI Support Facility called The Myanmar Water Safe Ecosystem, How Insurtech can support Aquafarming and the fishing industry important activities in the GBA area.

Proposal for GBA Centre for Pandemic Innovation and Management (CPIM)

G.T. Shea and Kelly Yip, April 27, 2020



G.T. Shea



Kelly Yip

Background

Informed by deep experience with SARS, H1N1 and other epidemics, the Greater Bay Area public health systems have responded brilliantly to the Covid-19 pandemic. The GBA is positioned to become the world leader in innovation, production and finance of health products and services to protect populations from global pandemics and mitigate systemic risk for economies around the world. Threats from global pandemics will likely only increase in severity and frequency going forward. To this end, it can play a critical cross-cultural and fiduciary role for governments, NGOs and foundations new to procuring scarce resources in increasingly risky and volatile markets. This is particularly the case for linking Asian supply to the global demand for Personal Protective Equipment (PPE), medicines, diagnostic and medical equipment and supplies, to trade finance and insurance and other professional services.

Promoting the Greater Bay Area for Pandemic Management Innovation

Focus Areas for collaboration:

1. Crisis Management Policy Planning, Procedures and Capacity Building (special focus on Emerging Economies)
 - including health, economic and financial crises:
2. Pandemic Informatics:
 - including situational awareness, analytics and crisis management/ resource prioritization.
3. Trade and related FinTech
 - leveraging blockchain, predictive analytics and other transformational technologies to provide greater reliability and accuracy for trading between buyers, sellers, financiers and logistics providers
 - Pandemic Financial Instruments, including Pandemic Bonds, Crisis financing for trade in essential supplies. (e.g., to ensure the free flow of shipping cargo during a pandemic).

To anchor the GBA as a leader in future pandemic management, we propose to connect pandemic areas of excellence with the GBAIF UN Research on Sustainability Development Goals. The following study (by Kelly Yip, Wharton/UPenn April/2020 and youth committee member of GBAIF) provides a comparison on Covid-19 metrics between six Western and six GBA cities. To date, GBA cities have performed better at containing Covid-19 spread than Western cities. The tables below show the number of confirmed cases, deaths, recoveries, staffed beds and people tested per million of population of five major Western and six key GBA cities.

WESTERN CITIES							
Week of 20/04/2020 (all numbers, except mortality rate and recovery rate, per million)							
City	Population	Infected	Deaths	Mortality Rate	Recovered	Recovery Rate	Tested
London	9,304,016	2,327.38	419.82	18.04%	N/A	N/A	N/A
New York City <i>*including neighbourhood counties in New York State</i>	19,453,561	13,008.42	956.69	7.35%	N/A	N/A	32,583.29
Seattle <i>*including neighbourhood counties in Washington State</i>	7,614,893	1,590.83	84.44	5.31%	N/A	N/A	18,206.69
Madrid <i>*including neighbourhood cities in the Community of Madrid region</i>	6,619,949	8,760.94	1,126.90	12.86%	4,875.72	55.65%	N/A
Milan <i>*including neighbourhood cities in the Lombardy Region</i>	10,088,484	6,638.36	1,226.75	18.48%	1,983.25	29.88%	26,811.36
Paris (Week of 16/04/20) <i>*including neighbourhood cities in the Ile-de-France region</i>	12,213,364						

US Data: <https://coronavirus.jhu.edu/us-map>
London Data: <https://www.london.gov.uk/coronavirus/coronavirus-numbers-london>, <https://coronavirus.data.gov.uk/#regions>
Madrid Data: <https://www.isciii.es/>, <https://www.mscbs.gob.es/>
Milan Data: <https://github.com/pcm-dpc/COVID-19/blob/master/schede-riepilogative/regioni/dpc-covid-19-ita-scheda-regioni-20200414.pdf>
Paris Data: <https://www.santepubliquefrance.fr/regions/ile-de-france/documents>

GREATER BAY AREA CITIES							
Week of 20/04/2020 (all numbers, except mortality rate and recovery rate, per million)							
City	Population	Infected	Deaths	Mortality Rate	Recovered	Recovery Rate	Tested
Hong Kong	7,484,148	137.09	0.53	0.39%	84.18	61.40%	17,608.68
Macau	647,455	69.50	0.00	0.00%	37.07	53.33%	*
Shenzhen	10,358,381	44.51	0.29	0.65%	41.80	93.93%	*
Guangzhou	11,071,424	45.16	0.09	0.20%	42.45	94.00%	*
Zhuhai	1,749,675	58.87	0.57	0.97%	57.15	97.09%	*
Dongguan	8,000,000	12.50	0.13	1.00%	12.38	99.00%	*

Hong Kong Data: <https://www.coronavirus.gov.hk/eng/index.html>
GBA Data: <https://voice.baidu.com/act/newpneumonia/newpneumonia>
*still in the research process

Some key observations:

1. Early detection and identification of the infected is crucial in the containment of virus transmission. Also, early detection can prevent the infected from developing severe symptoms that can drive up the mortality rate.
2. Quick lockdown in GBA cities resulted in a lower degree of viral spread compared to those of Western cities which imposed lockdowns at a later stage. In Hong Kong, people who had come into close contact with confirmed infections and those returning to Hong Kong from the Mainland and overseas countries were required to stay in government- run quarantine facilities or at their own homes for a period of 14 days. These measures made it easier to track and trace people who may have had exposure to the virus.
3. While higher temperatures may slow the spread of Covid-19, it will not decisively stop the virus as was observed with SARS. Social spread during equatorial climes in South East Asia in the past two months indicates that any such influence of warmer temperature constraining the rate of spread may be limited. This has serious implications for the spread of Covid-19 in Africa and other regions with warmer climates and weak public health systems. <https://www.nytimes.com/2020/04/08/health/coronavirus-summer- weather.html>
4. There is evidence of several strains of the Covid-19 virus, present in different proportions in each region, which may account for some variance between East and West cities.

POST PANDEMIC SIDEBAR - A tale of risk management

David Piesse

1. Governments will be required to be more transparent to people as there has been a breakdown in communication.
2. Regulation moves to real-time. Constantly changing regulations after the fact needs to evolve to real-time integration in the ecosystem of all sectors.
3. Central Bank Digital Currencies Emerge - digital ecosystems require digital currency pegged to fiat currency. Central banks will step up to this challenge.
4. Total reset of commercial sectors. The status quo has fared badly in this global crisis, and new measures will be here to stay.
5. Supply chains will be fully digitized as the inability to prove provenance and imbed trust in the current system has led to serious disruption and poor consequence. It also enables better visibility of the stock level and production schedule.
6. An explosion of local manufacturing and 3D printing will arise as the inability to meet supply and demand on a global basis has been prevalent. Technology and blueprints exist for local deployment.
7. Healthcare and Pharmaceutical sectors will be outcome-based. Clinical trials should be tied to outcome pricing. Problems in the healthcare sector have been highlighted in crisis.
8. IOT and innovation will be the lost income replacement. Smart devices and the data they generate are the sources of new revenue, and only innovation in this area will show quicker recovery and less cost.
9. The emergence of FINTECH to handle emerging risks such as cyber, pandemic, climate change. Data integrity driven risk management and underwriting will take over from traditional underwriting services
10. Digital transformation of employer benefits, consumer and life insurance. The delivery of new services through a customer-centric digital ecosystem for employees will emerge to completion.



David Piesse