

**Opening Remarks delivered by  
Mr. Allan Chiang, Privacy Commissioner for Personal Data  
at the Privacy by Design Conference  
on 13 June 2012 at Meeting Room S401,  
Hong Kong Convention and Exhibition Centre**

Fellow Commissioners, distinguished guests, ladies and gentlemen,

Good morning and welcome again to the Privacy by Design Conference.

As we can all see, the turn-out today is massive, with over 260 participants at the latest count.

You are a diverse group. Half of you come from the government and public sector and the other half from various service industries in the private sector.

I like to think that this high and broad industry participation in a privacy conference represents to some degree the success of my Office in promoting privacy and data protection over the years.

Paradoxically, our promotion and education efforts have benefited from the major privacy intrusion events that broke out in recent years, as these events have been followed invariably by heightened public sensitivity and increased media scrutiny of privacy issues.

I think one major learning point we all must have picked up from these privacy intrusion incidents is that fixing privacy problems after the fact can be very costly for organizations.

I am sure you can still remember the incident two years ago which involved a smartcard services company selling the personal data of its customers without their consent. It ended up in the resignation of its CEO and more importantly, irreparable damage to its corporate reputation.

The natural response for organizations to avoid such disasters is enhanced compliance and greater risk aversion. I would certainly encourage this trend. But at the same time, I like to emphasize that privacy is not just a matter which can be left to the lawyers and compliance professionals, with respect to many participants of this Conference. It should be treated also as a business issue and, more importantly, as a corporate strategic issue that deserves the attention of the board and top management.

The protection of privacy has reached a tipping point. On the one hand, economic forces compel organizations to explore new avenues of wealth creation. On the other hand, rapid technological developments enable organizations to amass and process detailed records of our behaviour and our most intimate needs, wants and desires. In particular, advances in analytics and the monetization of our digital footprints raise challenging questions about the concept of personal data. Increasingly, personal data is used as a “currency” for the Internet economy, exchanged for access to online content and services without monetary payment.

Against this background, how can organizations meet their legitimate business or public administration objectives, inspire enduring customer loyalty and at the same time protect personal data privacy?

In response, I advocate that it is incumbent upon senior management of all organizations, public and private, profit and non-profit, to proactively ensure that a corporate-wide privacy strategy is in place which emphasizes

- (1) transparency and fairness in their privacy policies and practices regarding the collection, use and transfer of personal data,
- (2) securing personal data, and
- (3) respect throughout the organization for the customers’ right to determine how their personal data is used.

A paradigm shift is called for which requires privacy and data protection to be woven into the fabric of every organization's business processes and operational procedures.

Indeed, personal data should be managed throughout its life cycle and privacy protection should be a default design objective in any IT system, business or government practice, not added on later as an afterthought. This paradigm underpins the theme of today's Conference, namely, Privacy by Design.

I will not steal the limelight by dwelling on the concept of Privacy by Design, as we have lined up today a panel of distinguished speakers whose expertise in this subject in terms of breadth and depth is truly unparalleled.

I just wish to offer my sincere thanks to them, and to the panel moderator, the event sponsors and supporting organizations for their most generous support and contributions.

May I also wish you all a fruitful and enjoyable Conference.

Thank you very much.