

Vibrant Economy

Preamble

The Government will play a limited but proactive role in the economy, focusing on maintaining a market-oriented and business-friendly environment. We will aim to attract and develop talents and to boost Hong Kong's role in the Pearl River Delta. We will promote sectors that generate higher value for our economy, including financial, logistics, professional, producer services; and tourism and local community economy which provide more job opportunities for the people. While doing this, we will maintain our traditional institutional strengths including the rule of law, a level playing field, clean and efficient government, free flow of information, low and simple taxes and good order.

New Initiatives

We will:

- Finalise the Concept Plan for Lantau to provide fresh impetus for Hong Kong economic development and maintain a balance in conservation of the environment. The public will be actively engaged during the process.
- Step up promotional efforts to attract Mainland enterprises to invest in Hong Kong.
- Plan and promote actively the International Telecommunication Union (ITU) TELECOM WORLD 2006 and host a successful event in December 2006.
- Review and develop a comprehensive radio frequency spectrum policy for telecommunications purposes.
- Review the applicability of existing regulatory regime to Internet telephony services.
- Facilitate fixed telecommunications carriers to deploy broadband fixed wireless access technologies to expand the coverage of their customer access networks.
- Consider adopting appropriate measures to contain the problem of unsolicited electronic messages.
- Provide end-to-end infrastructure, resource and service support to the digital entertainment industry through collaboration with the industry support organisations, the academia and the Digital Media Centre at the Cyberport.

- Take forward the new strategic framework for innovation and technology development (including the identification of technology focus areas and setting up research and development (R&D) centres to drive applied R&D efforts) in the light of the feedback received during the public consultation exercise.
- Implement the DesignSmart Initiative to promote wider use of design and innovation in industries to help them move up the value chain.
- Update the Port Cargo Forecast to work out the optimal timing for the construction of Container Terminal 10.
- Conduct an ecology study on Northwest Lantau to assess the environmental suitability of this location for development of Container Terminal 10.
- Commission a detailed feasibility study in the first half of 2005 on the Lantau Logistics Park project to fulfil the statutory requirements for the subsequent zoning and reclamation of the site for the Park.
- Co-ordinate Government's efforts to help ensure smooth opening of various major tourism infrastructure projects, including the Hong Kong Disneyland, Hong Kong Wetland Park and the Tung Chung Cable Car System.
- Launch a work trial scheme for 2 000 unemployed persons having special difficulty in finding jobs.
- Implement a work orientation and placement scheme to help place 1 000 people with disabilities into employment.
- Extend some of the temporary jobs in the public sector to meet operational needs.
- Release relevant private housing supply statistics on a regular basis.

- Implement improvement measures to better coordinate the change in non-franchised bus services with demand and to enhance regulation of their operation.
- Establish a Construction Industry Council as an umbrella organisation with self-regulatory powers to pursue continuous quality improvements and to take ownership of a reform programme mapped out by the Construction Industry Review Committee.
- Prepare for implementation of the New Basel Capital Accord (commonly known as Basel II) to enhance the risk management capability and stability of the banking sector.
- Further promote Hong Kong's asset management industry, capitalising on the growing opportunities in the Mainland.
- Explore with Hong Kong legal profession, and discuss and conclude with Mainland authorities, on further market access opportunities for legal services under CEPA III.

Ongoing Initiatives

We are:

- Working with the World Trade Organisation to ensure the successful hosting of the Sixth Ministerial Conference in Hong Kong in December 2005.
- Continuing to work closely with the Mainland authorities at the central, provincial and municipal levels to ensure the smooth and effective implementation of CEPA; promoting greater understanding of the opportunities under CEPA and making use of the standing consultation mechanism of CEPA to seek to discuss with the Mainland authorities on further trade liberalisation and additional market access opportunities for Hong Kong goods and services.
- Together with the Pearl River Delta municipalities, attracting more overseas enterprises to invest in Hong Kong.
- Developing a new exhibition centre at Chek Lap Kok jointly with the Airport Authority and a private sector consortium.
- Pursuing a review of the scope of criminal liability for end-user piracy and a number of other provisions in the Copyright Ordinance to further improve the copyright protection regime in Hong Kong.
- Pursuing a series of measures to facilitate the movement of people and goods across the boundary including the establishment of a new boundary control point on the Hong Kong - Shenzhen Western Corridor and installation of automated passenger, vehicle and cargo clearance systems.
- Continuing to provide assistance to small and medium enterprises (SMEs) through the SME funding schemes.

- Implementing the framework for the migration from analog to digital terrestrial television broadcasting with a view to commencing digital terrestrial television broadcasting by 2007 and achieving within 2008 digital coverage for 75% of the area of Hong Kong.
- Reviewing the broadcasting regulatory regime in view of technological and market convergence. We will consult the public on the outcome of the review, including the proposal for merging the Broadcasting Authority and the Telecommunications Authority into a unified regulator, in 2005.
- Continuing to support the film industry through a variety of measures.
- Pursuing the programmes and initiatives set out in the 2004 Digital 21 Strategy to harness the benefits of information technology for the business and the community and to strengthen Hong Kong's position as a leading digital city in the world.
- Promoting Cyberport aggressively overseas and in the Mainland as the regional hub for development of IT applications and creation of multimedia content.
- Enhancing cooperation with the Ministry of Science and Technology to promote and facilitate applied research and development and innovation development under the newly-established Mainland-Hong Kong Science and Technology Cooperation Committee.
- Continuing to work closely with the Guangdong Provincial Department of Science and Technology under the Expert Group on Cooperation in Innovation and Technology of the Hong Kong-Guangdong Cooperation Joint Conference to promote research and development collaborations between research institutions and enterprises in the Greater PRD region.
- Preparing a Bill to provide the legal instrument for the partial privatisation of the Airport Authority.

- Implementing the measures recommended by the Hong Kong Port - Master Plan 2020 Study to enhance the competitiveness of the Hong Kong Port.
- In the context of cross-boundary logistics cooperation, discussing with the Guangdong authorities measures to reduce cross-boundary trucking cost to enhance freight flow and improve logistics efficiency between the two sides.
- Taking steps to develop new cruise terminal facilities. We will invite private sector proposals for the development.
- Proceeding to consult the public, in two stages, on options for future development of the electricity market after the expiry of the current Scheme of Control Agreements in 2008.
- Analysing Expressions of Interest received from the industry on the operational characteristics and planning parameters of the Lantau Logistics Park project, to ensure that the Park will meet the practical needs of the industry.
- In accordance with the provisions on service parameters, service levels, pricing model and implementation programme in the Operating Agreement, monitoring the development of the Digital Trade and Transportation Network System to ensure its launch in 2005 as scheduled.
- Assisting the Airport Authority to expand intermodal connections such as transit passenger ferry service between the Hong Kong International Airport and the Pearl River Delta region.
- Monitoring the implementation of the Tung Chung Cable Car Project and heritage tourism project at the site of the former Marine Police Headquarters in Tsim Sha Tsui for completion by 2006 and 2008 respectively.

- Strengthening tripartite cooperation among the Government, employers and employees to maintain harmonious labour relations and help resolve employment issues.
- Continuing with the Special Incentive Allowance Scheme for Local Domestic Helpers to address the mismatch of supply and demand of the local domestic helper market.
- Continuing with the Re-employment Training Programme to help place middle-aged unemployed into jobs.
- Continuing with the Youth Pre-employment Training Programme and the Youth Work Experience and Training Scheme to provide young people aged 15 to 24 with training and employment opportunities.
- Providing a platform for the sports sector to engage business partners in organising international sports events.
- Further facilitating the development of creative industries, pursuant to consultation with local creative industries and organisation of various activities to arouse public interest.
- Organising various types of local community economy projects in collaboration with District Councils and local bodies.
- Refining the Land Titles Ordinance. We will introduce the relevant regulations to prepare for the effective implementation of the new title registration system.
- Continuing to co-ordinate the timetable for the disposal of railway-property developments to ensure that there would not be adverse impact on the property market.
- Exploring various options for disposal of the Housing Authority's surplus Home Ownership Scheme blocks.
- Monitoring housing supply and compiling comprehensive housing supply statistics.

- Pursuing the Hong Kong – Zhuhai – Macao Bridge as a priority project.
- Discussing with the Mainland authorities concerned the best way to proceed with the proposed express rail link connecting Hong Kong, Shenzhen and Guangzhou upon finalisation of the relevant feasibility study.
- Continuing discussions with the MTR Corporation Limited and the Kowloon-Canton Railway Corporation on a possible merger.
- Continuing to actively pursue the planning of various proposed railway projects giving careful consideration to changing community needs. The work includes planning the Shatin to Central Link and Northern Link, and assessing the viability of the West Hong Kong Island Line and the South Hong Kong Island Line.
- Continuing the preparatory work for the construction of the Kowloon Southern Link, and to monitor the progress of the Disneyland Resort Line and the Lok Ma Chau Spur Line for timely commissioning in 2005 and 2007 respectively.
- Continuing to monitor the construction of the Hong Kong-Shenzhen Western Corridor and Deep Bay Link for timely completion by end-2005 and subsequent commissioning.
- Reviewing the existing cross-boundary vehicle quota system with a view to further facilitating vehicular movement across the boundary, in anticipation of the commissioning of the Hong Kong-Shenzhen Western Corridor.
- Continuing to monitor the construction of the new bridge at the Sha Tau Kok crossing for timely completion in early 2005 to increase capacity and improve traffic flow.
- Continuing to consider measures to regulate traffic including fiscal and traffic management means with a view to reducing congestion along major transport corridors and to consult the community on the proposals.

- Making preparations for launching the Construction Workers Registration System.
- Re-engineering the methodology for planning and implementing infrastructural projects with a view to deriving better efficiency and cost-effectiveness by various means, including the wider adoption of a partnering approach, alternative dispute resolution mechanisms, alternative designs and procurement methods, as well as systematic risk management techniques.
- Continuing our efforts to promote the quality of our financial markets through enhancing the regulatory regime and fostering good corporate governance practices. A Securities and Futures (Amendment) Bill is being prepared to give statutory backing to important listing requirements.
- Continuing our work to ensure the smooth operation of personal renminbi business in Hong Kong, and to explore how the business scope can be expanded with due regard to the pace of financial reform and liberalisation in the Mainland.
- Continuing our efforts in promoting bond market and fund business development.
- Continuing our work to implement the Deposit Protection Scheme.
- Working on legislative amendments for establishing the Independent Investigation Board and the Financial Reporting Review Panel so as to enhance oversight of auditors and quality of financial reporting.
- Actively encouraging departments to cut red tape, remove outdated or unnecessary regulations to facilitate business development and job creation. We have established in January 2004 the Economic and Employment Council (EEC) comprising LegCo Members, representatives from the academic, business and labour sectors, and concerned directors of bureaux to provide a comprehensive forum for

discussion of important issues relating to economic development and employment, to foster consensus in the community at large and create synergy in identifying solutions to our challenges in these areas.

- Taking steps to facilitate private sector participation in the solemnisation of marriages and to provide greater flexibility and convenience to members of the public.
- Stepping up enforcement action and publicity to combat illegal employment.
- Overseeing socio-legal research being conducted by consultants into the supply of, and demand for, legal services in the community.
- Facilitating further discussions with Mainland authorities on legal co-operation; implementing legal co-operation agreements with individual Mainland Justice Department or Justice Bureau; enhancing exchanges between Hong Kong legal profession and the Mainland counterparts; and promoting greater understanding of business opportunities among Hong Kong lawyers in business opportunities in the Mainland.
- Contributing to the development of a legal services information website.
- Assisting in the development of Hong Kong as a regional centre for legal services and dispute resolution.
- Stepping up enforcement action against wage offences.