

The 2005 Policy Address

Working Together for Economic Development and Social Harmony



“Hong Kong has undergone a painful process of adjustment, exploration and adaptation. Now that the broad direction for developing our economy, constitution and governance is clear, we need to unite to safeguard stability and harmony. Let us join hands to build a better future for Hong Kong and to contribute to the bright future of our country.”

The Chief Executive, Mr Tung Chee Hwa, in his 2005 Policy Address, outlines ways to consolidate the economic recovery, alleviate poverty and promote social harmony and stability. The Address includes initiatives to improve governance, capitalise on Hong Kong's unique advantages, promote development in new areas such as cultural and creative industries and urban renewal, and strengthen Hong Kong's position as Asia's world city.

Consolidating Achievements, Forging Ahead

“Our economy is now at its best since the Asian financial crisis ... Following the alleviation of the problems of unemployment, deflation, negative equity and fiscal deficit, people's confidence in our economic prospects has been restored.”



Visions for Governance

“After much soul searching and a review of the successes and failures of our governance, my colleagues and I have taken stock of experience gained and lessons learnt. We have taken heed of public criticisms of our governance and responded positively to the aspirations of the people.”

The Government will :

- Uphold the vision of “people-based” governance
- Provide \$60 million over three years for public policy research

- Enhance support for District Councils and help District Officers to better play their role to resolve local problems
- Maintain social harmony through :
 - fairness in governance; no collusion between business and government
 - stability of middle class; more learning opportunities and increased participation in public affairs
 - promote inclusiveness, unity and respect of different views
- Take forward democratic development

Keeping Close to the Community



“While preparing for this Address, I also heard many views from different sectors of the community. In summary, the public is most concerned about 11 issues.”

Increasing Employment

- Continue public capital works to provide about 45 000 jobs annually
- Extend about 10 000 temporary contract jobs in the public sector
- Eliminate illegal workers in the construction, renovation and associated trades
- Study the issues of “maximum working hours” and “minimum wage”



Helping the Poor and Needy

- Reduce inter-generational poverty by launching a Head Start Programme on Child Development
- Provide children and youngsters in poor families with learning and advancement opportunities
- \$180 million to increase long-term care places for the frail elderly

- Provide more elderly people with an option to retire in the Mainland
- Enhance support for people with severe disabilities
- Establish a commission to alleviate poverty; study how to help the poor's financial, employment, educational and training needs
- \$200 million Partnership Fund for the Disadvantaged to promote a tripartite partnership between Government, business and the welfare sector



Environmental Protection

- Promote environmental industry and consider enacting legislation on recycling
- Control air pollution by imposing caps on power plant emissions
- Strengthen co-operation with Guangdong to reduce the emissions of four major pollutants
- Deck 16 sections of nullahs in the urban areas

Developing Education

- Increase places in local universities to provide further learning opportunities for associate degree graduates
- Encourage more overseas and Mainland students to study in Hong Kong
- Actively take forward the “3+3+4” academic structure reform
- Additional resources for teachers to continue learning and professional development – no serious surplus of teachers
- Conduct research to promote small-class teaching

Municipal Projects

- Start work on more than 20 priority municipal projects over the next few years

Business Environment

- Remove unnecessary regulations in the construction / real estate and retail sectors

Fair Competition

- Monitor local fuel supply market; seriously deal with similar problems on a case-by-case basis

Goods and Services Tax

- Continue to examine Goods and Services Tax (GST) proposal. No GST in next two and a half years



Health Care Financing

- Study the long-term financial sustainability of the public health care system
- Enhance community-based health services and health education

Population Policy

- Conduct research on ageing population

West Kowloon Cultural District

- Consult the public with an open mind. Heed public opinion as well as overall and long-term interests of Hong Kong when taking a decision

“We will continue to listen to public views in an open and sincere manner and respond according to our policy vision and determination of priorities.”

Promoting Development

“Following economic revival, our principal mission is to further consolidate our achievements and accelerate economic restructuring. In the next two and a half years, promoting development will continue to be the Government’s focus.”

Measures to Promote Development

- Consolidate and strengthen the four core industries of financial services, producer services, logistics and tourism
- Enhance Hong Kong’s attractiveness for shopping with additional pedestrianised streets in Causeway Bay and Tsim Sha Tsui



- Foster the benefits of CEPA I and II and begin consultations on CEPA III
- Enhance co-operation between Hong Kong and Guangdong, as well as development of Pan-Pearl River Delta
- Attract more Mainland enterprises to Hong Kong



Cultural and Creative Industries

- Nurture and attract versatile, multi-skilled people
- Make good use of Hong Kong’s advantage as a confluence of Eastern and Western cultures to facilitate vibrant development of culture and arts
- Establish a consultative framework for cultural and creative industries

Urban Renewal

- Support the Urban Renewal Authority to speed up urban renewal and building maintenance

- Work with the Hong Kong Housing Society to roll out a \$3 billion Building Management and Maintenance Assistance Programme

Attracting Talent

- Take more active measures to attract talented people from the Mainland and overseas to develop their careers in Hong Kong

“Promoting the development of cultural and creative industries, accelerating urban renewal and implementing a strategy to attract talent are three related tasks for our transition to a knowledge-based economy.”



“We have witnessed people once again displaying the spirit of Hong Kong – striving to improve their lives and displaying agility, flexibility and resilience . . . After so many years of difficult adjustment, Hong Kong has finally shaken off the economic doldrums and is now on the road to healthy development.”