MESSAGE

It is a global phenomenon that governments around the world are striving to promote the development of information technology (IT) in order to meet the challenges and drive economic expansion in the Information Age. The use of IT has now become part of our everyday life. It has led to the convergence of media and has removed geographical and time barriers. New lines of businesses and enterprises, such as Internet application services, the provision of multi-media content etc. are booming and creating new business and employment opportunities. They have become a significant part of our economy. Hong Kong has to cope with all these changes brought about by the advent in IT and develop into a leading digital city in the world. This is the thrust of our "Digital 21" IT Strategy.

In the past year, we made significant progress in the implementation of the "Digital 21" Strategy. We have enacted the Electronic Transactions Ordinance to provide a clear legal framework to facilitate electronic commerce development. The Hongkong Post has established a certification authority to provide authentication services for the conduct of secure electronic transactions. We will launch the first phase of the Electronic Service Delivery Scheme very soon to deliver public services on-line to the community through the Internet and other electronic means and to provide a convenient and common information infrastructure for the private sector to carry out electronic commerce activities.

In the coming year, the Government will continue to take the lead in driving our IT development. We will embark upon various initiatives to build ourselves into an electronic government and an IT hub in the region. We will further encourage the adoption of electronic commerce in the business community, focusing particularly on the small and medium-sized enterprises. At the community level, we will step up our efforts to raise IT awareness and foster a culture that welcomes the exploitation of new technologies. We will also regularly review our IT strategy, taking into

account the development trends worldwide and locally, so that conducive policies and initiatives can be adopted to keep Hong Kong in the forefront of world IT development.

We are proceeding with the development of the Cyberport at Telegraph Bay in the Southern District in co-operation with a private sector company, and the project is scheduled for completion in phases, from end-2001/early 2002 to end-2003. We will provide in the Cyberport a high quality living and working environment to create a strategic cluster of IT companies specialising in applications, services and multi-media content creation. The like-minded IT professionals working there will be able to unleash creative synergy within a pleasant campus-like environment. This flagship project has already enhanced Hong Kong's image as an international IT centre and has also acted as a catalyst of growth for the local IT industry. The Cyberport will continue to be a symbol of our determination to build up Hong Kong as a leading digital city in the globally connected world of the 21st century.

(Mrs Carrie Yau)
Secretary for Information Technology
and Broadcasting

Information Technology

Policy Objective
and
Key Result Areas

INFORMATION TECHNOLOGY

Our Policy Objective is to enhance and promote Hong Kong's information infrastructure and services so as to make Hong Kong a leading digital city in the globally connected world of the 21ˢᵗ century.

Overall Targets

Our targets this year in pursuing this Policy Objective are –

- to develop and strengthen the information infrastructure with an open and common interface for secure electronic transactions between Government, businesses and individuals

- to raise computer literacy in the community to support the development of a knowledge-based economy

- to promote extensive use of IT within Government to improve efficiency and quality in the provision of public services and to develop an electronic government

- to achieve a high IT take-up rate among businesses and households

- to foster a cultural environment that stimulates creativity and welcomes advances in the use of IT

- to participate actively in international and bilateral fora on IT

Progress

In the past year, we made significant progress in implementing the various plans under the "Digital 21" IT Strategy formulated in November 1998. We have enacted the Electronic Transactions Ordinance and established a local "public key infrastructure" to provide a secure environment for the conduct of electronic transactions. Public awareness, as well as knowledge and interest, about IT have substantially increased. Today, one in two households on average has computer, and the number of registered Internet accounts has exceeded 2.5 million. Internet traffic has

also doubled in the past 12 months. The business sector has also started to adopt on-line operations. Over 50% of business establishments have computers and more than one-third of them have Internet connections. We have also continued to promote the wider use of IT both within the Government and in the community so as to make Hong Kong a leading IT hub of Asia.

We also achieved the following progress in our three Key Result Areas (KRAs).

1   Develop our IT infrastructure and set standards

In the past year, we have made significant progress in the establishment of a clear legal framework for the conduct of electronic transactions. The Electronic Transactions Ordinance, enacted in January 2000, gives electronic records and digital signatures the same legal status as that of their paper-based counterparts and establishes a voluntary recognition scheme for certification authorities operating in Hong Kong. In addition, in order to encourage the greater use of electronic communication, the Government has taken the lead under the Electronic Transactions Ordinance in accepting electronic submissions from the public under the bulk of the legislation in the Laws of Hong Kong. We have also committed to review the operation of the Ordinance 18 months after its enactment to take account of technological development.

Within the legislative framework laid down in the Electronic Transactions Ordinance, we have also established a local public key infrastructure for the conduct of secure electronic transactions. The Hongkong Post Certification Authority which provides electronic authentication services to businesses and individuals has commenced operation in January this year. To facilitate cross-border electronic transactions, the Hongkong Post Certification Authority has signed Memorandum of Understanding on cross-recognition arrangements with ViaCode of UK, I.D. Safe of Singapore and DigiCert of Malaysia in September this year. This paves the way for us to explore cross-recognition of digital certificates with these three places.

In the past year, we have also actively prepared for the implementation of the Electronic Service Delivery (ESD) Scheme. The contract for the supply of the ESD system was awarded to a private sector operator

in November 1999. Implementation of the Scheme is in progress and the first phase will be launched by end-2000. The Scheme will provide a wide range of on-line services of various Government departments and public agencies to the community through the Internet and other electronic means 24 hours a day and seven days a week.

On the use of Chinese in electronic communication, we have been working closely with the other economies which use ideographic characters under the aegis of the International Organisation for Standardisation (ISO) on the development of the ISO 10646 Standard for ideographic character coding. In May 1999, we submitted to the ISO a set of Hong Kong-unique Chinese characters for inclusion in the ISO 10646. We have also put in place a mechanism for the management of the Hong Kong Supplementary Character Set under the ISO 10646 Standard in early 2000.

Under the aegis of the Hong Kong/Guangdong Co-operation Joint Conference, the Hong Kong Special Administrative Region Government and the Government of the Guangdong Province have jointly set up a dedicated electronic link to facilitate communication and information exchange between officials of the two Governments. The link was launched in December 1999. We are exploring with our Guangdong counterpart how the use of the link can be enhanced and extended.

As regards international co-operation, we have established co-operative arrangements on IT with three other economies, namely, Finland, India and Israel this year, in addition to the co-operative arrangements we made with Canada and Australia in 1998, and the United Kingdom in 1999. We have been working closely with these partner economies to foster IT development. We shall continue to work closely under the auspices of the co-operative arrangements to encourage and support partnership, investment co-operation, commercial ventures, research and development in the areas of IT and advanced communications technology.

The Cyberport project is progressing well. Infrastructural works at the Telegraph Bay site commenced in September 1999, followed by the building of the Cyberport superstructure in June 2000. We are consulting the interested parties on the design of the IT/telecommunications infrastructure to make sure that it will meet

world-class standards and incorporate state-of-the-art technology. In parallel, we are exploring the forms of interface between the Cyberport and universities, both local and overseas. Our commitment to developing the Cyberport has successfully attracted global and local attention on the IT developments in Hong Kong. Over 150 companies, local and overseas, have already registered interest in becoming tenants, and we are revising the Master Layout Plan to make available more office space to meet the strong demand. At the same time, we are putting in place the institutional arrangements for the selection of tenants, in time for the occupation of Phase I of the Cyberport by early 2002.

2   Foster the development of the IT industry locally

We have been facilitating the commercialisation of research results on leading edge technology through fostering a closer collaboration between academia and the local IT industry. We shall continue to work closely with the Innovation and Technology Commission in identifying IT projects worthy of Government's support under the Innovation and Technology Fund so as to upgrade technological development in Hong Kong.

We have been working with the Education and Manpower Bureau (EMB) in examining the consultancy study on the manpower and training needs of the IT sector and in working out measures to ensure an adequate supply of quality IT professionals to sustain our development. We shall continue to work closely with the EMB in developing a co-ordinated strategy on IT manpower supply.

We have achieved our target of outsourcing two-thirds of new government IT projects. We have also started outsourcing IT application maintenance activities in various departments. We shall continue to vigorously pursue the outsourcing strategy.

3   Promote and facilitate the use of new and emerging information technologies within the community

We have been collaborating with the EMB on its work on IT in education.

We have completed the first benchmarking survey on IT usage, including collecting statistics related to Internet use and IT penetration

in both the business and household sectors. We are planning to conduct the survey on a regular basis so as to help us assess the overall progress in the IT development of Hong Kong.

We have taken part in various local and overseas exhibitions and conferences to promote the wider use of IT in the community and to publicise our IT initiatives, thereby strengthening our position in the IT world. We have also held a series of seminars at bi-monthly intervals together with industrial support bodies on electronic commerce, targeting small and medium-sized enterprises in a specific business sector in each seminar. Over 3 000 people attended these seminars last year. We have also co-operated with various industrial support bodies in producing an information kit on electronic commerce for distribution to the business community. In addition, in order to widen the reach of our promotional efforts, we have produced publicity materials for broadcast on television and radio to promote the adoption of electronic commerce.

As regards specific assistance to small and medium-sized enterprises, we have worked closely with industrial support organisations to package their electronic commerce services into readily affordable solution packages for these enterprises. Furthermore, we have established an enquiry hotline to answer questions from small and medium-sized enterprises which are interested in adopting electronic commerce. The hotline also serves to promote other support services available from the relevant industrial support organisations.

To widen public access to IT services provided through the Internet, we have expanded the Community Cyber Points project, under which computer facilities with Internet connection have been installed in District Offices and community halls/centres for use by those who do not have their own facilities. Additional computer facilities have been installed in more community halls/centres and in some post offices to cover additional locations. We have also installed computer facilities with special devices in selected locations to cater for the needs of the blind and the visually impaired.

We have completed the work on tackling the Year 2000 problem and Hong Kong has a very smooth transition to the new millennium.

Progress on each previously announced initiative under the above KRAs is set out in the "Detailed Progress" section of this report.

Looking Forward

To achieve our overall targets this year, we will undertake the following initiatives and targets under each of the KRAs for the coming year.

1   **Develop our IT infrastructure and set standards**

The Government is committed to keeping Hong Kong in the forefront of IT development. Under the "Digital 21" IT Strategy we have set out our vision, and the initiatives and targets on how Government, business, industry and academia can work together to make Hong Kong a leading digital city in a globally connected world.

A major enabling factor of the "Digital 21" IT Strategy is the establishment of an information infrastructure with an open and common interface through which the Government, business and the general public can interact easily and securely. Accordingly, we will take the lead in creating demand for services that make effective use of the shared infrastructure through the introduction of the Electronic Service Delivery (ESD) Scheme. With ESD, the community will be able to obtain public services and to transact business with Government on-line conveniently and securely through a wide range of access devices, such as Internet-connected personal computers, public information kiosks and public computer facilities. Government departments will be able to improve the quality and efficiency of the delivery of their services to the community.

The private sector will be able to make use of the same open and common information infrastructure for conducting electronic transactions. This infrastructure can help the promotion of electronic commerce in Hong Kong and serve as the gateway for electronic transactions with the Mainland of China. In order to build up the confidence of the general public and, in particular, the business community in electronic commerce, we will continue to address concerns about the security of on-line transactions by encouraging the greater use of the local public key infrastructure and by promoting industry self-regulation in the protection of consumer interests and privacy. We have also built a secure central Internet gateway for use by Government departments and shall strengthen the use of Internet technology to improve communication within the Government and for providing better services to the public.

The Government will promote the widest possible use of this information infrastructure by introducing common standards which apply

to both the public and private sectors. In particular, we will establish a common interface based on international standards for the use of Chinese in electronic communication and data exchange between Government departments and the community.

To enable the public to submit information in the form of electronic records to the Government, we will implement a project for converting common Government forms into the electronic format so that they can be completed electronically, signed digitally, and submitted to the Government via the Internet. The adoption of an open and common standard for converting public forms into electronic format will facilitate and encourage the public to submit information electronically to the Government. Moreover, through this project, the Government will set a common standard for adoption by the business sector in Hong Kong, particularly the small and medium-sized enterprises, to facilitate information exchange on the Internet for the conduct of electronic commerce.

To promote a paperless and electronic government, we aim to extend the Government Office Automation Programme so that more officers will be equipped with office automation facilities to assist their work. At the same time, we aim to enhance the Government internal IT infrastructure to support the wider adoption of electronic transactions. These two projects, together with the implementation of the Confidential Mail Programme and the adoption of proper Software Asset Management practices within the Government, will help build a solid and comprehensive information infrastructure within the Government for the adoption of various types of IT applications and electronic transactions. At the same time, we aim to co-ordinate and implement a phased programme for adopting inter-departmental and intra-departmental electronic transactions to promote the wider use of IT within the Government. Conducting transactions through electronic means will increase the efficiency and improve the quality of the relevant business processes. With Government taking a leading role in conducting business through electronic means, we will set a good model for the private sector to follow.

With our excellent telecommunications network and the close relationship with the Mainland, Hong Kong has the potential to develop into a regional Internet hub. We shall take steps to create an environment conducive to this development, with a view to promoting information flow within the region through Hong Kong. This will in turn enhance Hong Kong's role as a main player in electronic commerce in Asia.

To maintain Hong Kong's leadership in using new technology, we shall ensure that Hong Kong can participate in the research and development activities related to the next generation Internet. We have also reviewed the arrangements for the administration and assignment of Internet domain names and Internet protocol addresses in Hong Kong. We will facilitate the establishment of a new body to be responsible for the overall administration of Internet domain names in Hong Kong so as to encourage the development of Internet in Hong Kong.

We are building the Cyberport at Telegraph Bay and the first of this 3-phase information infrastructure project will be ready for occupation by early 2002. We will continue monitoring the progress to ensure that the design and specifications are of world-class standards and the project will meet its tight timetable. When completed, the Cyberport will provide a niche location, with excellent global connectivity and many state-of-the-art IT/ telecommunications facilities, for both multinational corporations and promising companies to apply their IT applications to different businesses and industries. A new international IT centre will be created within the Cyberport, and benefits will flow through to the whole community.

We will assess our performance in respect of this KRA against the following indicators –

- The number of officers who are equipped with office automation facilities under the extended Government Office Automation Programme. Our target is to equip 23 000 officers with office automation facilities by April 2004.

- The participation of local universities or research institutes in international research and development activities for leading technology such as the next generation Internet. Our target is to involve all local universities in 2001.

- The development through ESD of an information infrastructure with an open and common interface for secure data exchange and transactions between Government, businesses and the community by end-2000. Our target is to continue to introduce new services under the ESD.

- The development of a conducive and effective administration and assignment mechanism for Internet domain names in Hong Kong. Our target is to establish the mechanism in 2001.

- Active participation in multilateral and bilateral fora on IT. Our target is to develop and implement work programmes under the co-operative arrangements we have made with Canada, Australia, the United Kingdom, Finland, India and Israel and to explore making similar bilateral arrangements with other economies which are advanced in the use of IT.

We will pursue the following initiatives and targets to deliver results in this area –

Initiative *	Target
To encourage and support the establishment of a link between Hong Kong and the Internet 2 network to promote research and development work on the Internet and to develop Hong Kong into an Internet hub in the region *(Information Technology and Broadcasting Bureau (ITBB)/ Information Technology Services Department (ITSD)/ University Grants Committee)*	To help set up the link in 2001
To keep the administration and assignment of Internet domain names and Internet protocol addresses in line with international development trends so as to promote the extensive use of the Internet *(ITBB/ITSD)*	To facilitate the establishment of the new arrangements in 2001

*   the bracketed information denotes the agency with lead responsibility for the initiative

Initiative	Target
To convert common Government forms into the electronic format so that the public can complete the forms electronically and submit them on-line via the Internet *(ITBB/ITSD)*	To convert some 200 Government forms commonly used by the public into the electronic format by April 2001
To promote a paperless, electronic government *(ITBB/ITSD)*	To extend the coverage of the Government Office Automation Programme from the original target of 10 000 officers to 23 000 officers by April 2004
To enhance Government IT infrastructure to support the wider adoption of electronic transactions *(ITBB/ITSD)*	To complete the enhancement by April 2003
To co-ordinate and implement a phased programme for adopting inter-departmental and intra-departmental electronic transactions to promote the use of IT within the Government *(ITBB/ITSD)*	To implement several common inter-departmental and intra-departmental electronic transactions by April 2002
To co-ordinate and implement the Confidential Mail Programme within Government so that confidential materials can be transmitted electronically *(ITBB/ITSD)*	To complete the implementation of the Confidential Mail Programme by end-2002

Initiative	Target
To co-ordinate and implement proper Software Asset Management practices for all Government computer systems *(ITBB/ITSD)*	To complete the adoption of proper Software Asset Management practices in all departments by mid-2001
To enhance the institutional arrangements within Government to strengthen the security of Government information systems *(ITBB/ITSD)*	To establish by end-2000 an Information Security Management Committee to develop up-to-date security related policies and guidelines for use within Government

2   Foster the development of the IT industry locally

The IT industry experienced a substantial growth in the past few years in Hong Kong. As a cosmopolitan city and a bilingual society, and coupled with our unique position vis-à-vis the Mainland of China, Hong Kong is well positioned to become an Internet content hub in Asia, in particular as a gateway for electronic commerce with the Mainland.

We shall facilitate the commercialisation of the results of research on leading edge technologies through closer collaboration between academia and the local IT industry. We shall continue to contribute towards the tripartite efforts of Government, academia and industry in cultivating jointly an IT entrepreneurial spirit in Hong Kong. We shall, in liaison with the Innovation and Technology Commission, identify facilities requirements for small and medium-sized enterprises and individual entrepreneurs to start up IT businesses.

To foster the development of the IT industry locally, we need to have an adequate supply of IT professionals. The Education and Manpower Bureau (EMB) has completed a consultancy study on the manpower and training needs of the IT sector. We have been working closely with the EMB in examining the consultancy report and in taking this important task forward. Similarly, we need to put in place a mechanism to assess the progress we have made in the overall development of IT in Hong Kong, for example, to collect IT usage statistics regularly.

Since we launched a vigorous outsourcing strategy in 1998, we have achieved our target of outsourcing two-thirds of new government IT projects. This will help create a market of sufficient size to encourage the further development of the local IT industry. We will continue to take forward this initiative and have already started outsourcing application maintenance services in the Government as well.

We shall also enhance the awareness of information security in Hong Kong and strengthen our ability to cope with computer incidents. In this light, we will facilitate the setting up of a local Computer Emergency Response Centre to provide support to the industry and the community.

We will assess our performance in respect of this KRA against the following indicators –

- The contribution of information technology and information services to Hong Kong's economy. Our targets are as follows. First, to collect benchmarking statistics on the IT sector including the number of businesses in the information technology and information services field; and its contribution to Hong Kong's economy for future comparison. Second, to continue with the strategy to outsource new IT as well as application maintenance projects. Up to $720 million in value of Government's IT work will be outsourced in 2000-2001.

- The growth of skilled IT professionals in Hong Kong. Our target is to collect benchmarking statistics on IT manpower supply and demand for future comparison. These will include the number of employees in the information technology and information services fields; and the number of IT graduates from University Grants Committee-funded institutions and the Vocational Training Council.

- Public funding deployed to support the IT industry. Our target is to continue to provide funding support to the IT industry through the Innovation and Technology Fund and other funding schemes.

- Awareness of information security and support to the community. Our target is to organise six seminars on information security in collaboration with industrial support bodies in 2000-2001, and to facilitate the setting up of a local Computer Emergency Response Centre in Hong Kong by April 2001.

We will pursue the following initiatives and targets to deliver results in this area –

Initiative	Target
To collect the relevant statistics to assess the usage of IT in business and the development of the IT industry locally *(Information Technology and Broadcasting Bureau (ITBB)/ Information Technology Services Department (ITSD)/ Census & Statistics Department)*	To conduct annual surveys on the use of IT in the business community starting from 2000
To support the establishment of a Computer Emergency Response Centre (CERC) in Hong Kong *(ITBB/ITSD)*	To help establish a local CERC by April 2001

3   Promote and facilitate the use of new and emerging information technologies within the community

To deliver the social and economic benefits of IT developments, the community will need to be aware of the opportunities and benefits offered by new digital technologies, especially the opportunities for exploiting the Internet for commercial use and accessing information for education and social enhancement.

The Government will lead by example and will use the Electronic Service Delivery (ESD) Scheme as the vehicle for promoting the development of its own skills and capabilities. The Government aims to achieve greater efficiency and productivity in the delivery of public services by integrating services across boundaries between Government departments in order to deliver a seamless service.

We shall continue to promote awareness and understanding of IT and its applications through an active promotion and skills development programme. We will work in close partnership with the local IT industry, businesses, academia and other professional bodies to encourage the cross-fertilisation of ideas and to promote the use of new and emerging technologies within the community. We shall continue to promote the wider use of IT in the community through organising seminars and exhibitions in co-operation with various industrial support organisations, launching a territory-wide promotional campaign, organising IT familiarisation courses for the community as well as target sectors and enhance the accessibility of computer facilities by members of the public through providing computer facilities, and sponsoring services and activities which have a wide reach to the community.

To promote the wider use of IT in Hong Kong, we shall take the lead in creating demand for services that make effective use of our information infrastructure across a range of private sector organisations and the public sector. This will be achieved by sharing knowledge and expertise and promulgating the benefits of IT in a range of business sectors.

We will assess our performance in respect of this KRA against the following indicators –

- The effectiveness of publicity efforts in promoting awareness and understanding of IT and its applications. Our target is to continue to achieve a heightened public awareness and understanding of IT in 2000-2001 as measured by the following indicators: the number of IT seminars organised by the Government or co-organised with trade/industry support bodies in the year 2001 and the number of participants; the number of companies which have received electronic commerce information kits in 2001; the number of community-involvement activities to promote the wider use of IT in 2001; and the number of broadcasts of IT-related Announcements in the Public Interest on television and radio in 2001.

- Internet use and IT penetration in the community. Our target is to achieve a higher IT penetration rate in 2000-2001 as measured by the following indicators: the household personal computers (PC) penetration rate; the percentage of household PCs connected to the Internet; the number of Internet accounts; the number of Internet users; the number of websites registered in Hong Kong; the volume of Internet traffic; the number of companies engaged in electronic commerce; the capacity of international Internet bandwidth; and the capacity of cross-border Internet bandwidth between Hong Kong and the Mainland.

We will pursue the following initiatives and targets to deliver results in this area –

Initiative	Target
To collect the relevant statistics to assess the usage and development of IT in the community *(Information Technology and Broadcasting Bureau (ITBB)/ Information Technology Services Department (ITSD)/ Census & Statistics Department)*	To conduct annual household surveys on the use of IT in the community starting from 2000

Initiative	Target
To organise promotional activities to encourage the wider use of IT in the community *(ITBB/ITSD)*	To organise a major IT campaign in the 18 districts to promote the wider use of IT at district level in 2000-2001
To provide more Government services on-line through the implementation of the Electronic Service Delivery (ESD) Scheme *(ITBB/ITSD)*	To implement additional ESD applications in 2001-2002 and in subsequent years

Information Technology

Detailed Progress

1   Develop our IT infrastructure and set standards

To achieve results in this area, various initiatives have been undertaken in the past years. Details are set out below –

Initiative *	Target #	Present Position +
To develop and establish cross-recognition between the HKSAR and other economies in respect of the operation of certification authorities *(Information Technology and Broadcasting Bureau (ITBB))*	To actively explore with other Governments, either on a bilateral or multilateral basis, arrangements for cross-recognition of certification authorities in 2000-2001 *(1999)*	The Hongkong Post Certification Authority has signed Memorandum of Understanding on cross-recognition arrangements with ViaCode of UK, I.D. Safe of Singapore and DigiCert of Malaysia. We have also initiated discussion on the establishment of cross-recognition arrangements with some of our major trading partners with bilateral co-operative arrangements. We have also participated actively in the deliberations of the subject in the context of the Asia Pacific Economic Co-operation (APEC). *(Action in Progress: On Schedule)*

*   the bracketed information denotes the agency with lead responsibility for the initiative

\#   the bracketed information denotes the year in which the target was set

\+   the bracketed information denotes the status of the target

Initiative	Target	Present Position
To oversee and co-ordinate the development of the Cyberport at Telegraph Bay *(ITBB)*	To ensure the timely completion of the Cyberport by phases from late 2001/early 2002 to end-2003, and to put in place the institutional arrangements for the selection of tenants and for the future management of the Cyberport *(1999)*	● Building works commenced in June 2000, after the signing of the Project Agreement between us and the developer in May 2000. The developer is required to complete the Cyberport in three phases, by end-2001/early 2002, end-2002 and end-2003 respectively, and to work closely with us in implementing a co-ordinated publicity and marketing programme in Hong Kong and overseas. ● 155 companies interested in becoming tenants have registered with us. We will set up an international committee to advise on the selection of tenants. The formal application procedures will be published in early 2001, in time for admission of tenants into Phase I by early 2002. ● We have set up a limited company, owned by the Financial Secretary Incorporated, to operate the Cyberport in accordance with prudent commercial principles.

Initiative	Target	Present Position
		• In 2001, we will start putting in place the institutional arrangements for the future management of the Cyberport. *(Action in Progress: On Schedule)*
To co-ordinate and implement a phased programme for the electronic delivery of services through an information infrastructure with an open, common interface in the public sector, and subsequently extending it to cover the private sector *(ITBB)*	To invite tenders from potential service operators in 1998-1999, with a view to introducing the first phase of Electronic Service Delivery (ESD) in 2000 *(1998)*	We obtained funding approval for the implementation of the first phase of the ESD Scheme in December 1998. We awarded the ESD contract to a private sector operator in November 1999 to develop the ESD information infrastructure, which can be used to deliver Government and private sector electronic commerce. The first phase of the Scheme covering services of various Government departments and public agencies will be launched in by end-2000. *(Action in Progress: On Schedule)*

Initiative	Target	Present Position
To build a secure central gateway for communication between Government departments and the community and the business sector for the purpose of information dissemination and service delivery through the Internet *(Information Technology Services Department (ITSD))*	To build the secure central gateway in 2000 *(1998)*	We obtained funding approval for the implementation of the project in April 1999. The implementation of the secure central Internet gateway has been completed and the service was rolled out in March 2000. *(Action Completed)*
To facilitate the development of a public key infrastructure and the establishment of certification authorities to ensure security in the delivery of electronic services and in carrying out electronic transactions *(ITBB)*	To set up a public certification authority by 1999 *(1998)*	The Hongkong Post Certification Authority commenced operation in January 2000. *(Action Completed)*
To introduce legislation to facilitate the development of electronic commerce *(ITBB)*	To introduce legislation in 1999 to provide the necessary legal framework for electronic commerce *(1998)*	The Electronic Transactions Ordinance was enacted in January 2000. *(Action Completed)*

Initiative	Target	Present Position
To establish a common interface for using Chinese in electronic communication and data exchange between Government and the community *(ITSD)*	To establish the common interface in 2000 *(1998)*	We are working closely with other economies under the aegis of the International Organisation for Standardisation (ISO) on the development of the ISO 10646 Standard for ideographic character coding which will form the basis for the common interface. We have put in place a mechanism for the management of the Hong Kong Supplementary Character Set under the ISO 10646 Standard in early 2000. *(Action in Progress: On Schedule)*
To set up an electronic link between the Governments of the HKSAR and the Guangdong Province *(ITBB)*	To set up the inter-government electronic link by 1999 *(1998)*	The electronic link was launched in December 1999. *(Action Completed)*
To continue to conclude bilateral arrangements on IT co-operation with countries which are advanced in IT development *(ITBB)*	To actively explore the possibility of concluding bilateral arrangements on IT co-operation with interested partners in 1999-2000 *(1998)*	We entered into bilateral arrangements in IT co-operation with Finland, India and Israel in January, February and March 2000 respectively. We will continue to explore the potential for bilateral arrangements on IT co-operation with other interested partners. *(Action in Progress: On Schedule)*

Initiative	Target	Present Position
To extend the Government Office Automation (GOA) Programme to cover the whole of Government *(ITBB)*	To extend the GOA Programme to cover the whole of Government by 2000 *(1997)*	We aim to cover all Government bureaux and departments by end-2000. *(Action in Progress: On Schedule)*

2   **Foster the development of the IT industry locally**

To achieve results in this area, various initiatives have been undertaken in the past years. Details are set out below –

Initiative	Target	Present Position
To expand outsourcing by the Information Technology Services Department (ITSD) in order to foster the growth of the local IT industry *(Information Technology Services Department (ITSD))*	In 1999-2000 to start outsourcing the application maintenance activities currently performed in-house by ITSD *(1998)*	The ITSD has outsourced over two-thirds of new IT projects in 1999-2000. It has also started outsourcing application maintenance activities. In 2001-2002, five departments are expected to outsource all or part of their application maintenance services. *(Action in Progress: On Schedule)*

3   Promote and facilitate the use of new and emerging information technologies within the community

To achieve results in this area, various initiatives have been undertaken in the past years. Details are set out below –

Initiative	Target	Present Position
To enable small and medium-sized enterprises to adopt electronic commerce at affordable cost *(Information Technology and Broadcasting Bureau (ITBB))*	To liaise with industrial support bodies and encourage them to provide practical electronic commerce solutions at affordable cost to small and medium-sized enterprises *(1999)*	We have worked closely with the Hong Kong Trade Development Council and the Hong Kong Productivity Council to package their electronic commerce services into comprehensive and readily affordable solution packages for small and medium-sized enterprises. These solution packages include on-line marketing services and electronic backend trading application systems. *(Action in Progress: On Schedule)*
To transform the delivery of public services by using the Electronic Service Delivery (ESD) infrastructure (The Government will spend $173 million on launching the on-line Government ESD Scheme.) *(ITBB)*	To implement the first tranche of public services through ESD by 2000 *(1998)*	We awarded the ESD contract to a private sector operator in November 1999. The first tranche of public services will be launched by end-2000. *(Action in Progress: On Schedule)*

Initiative	Target	Present Position
To ensure the early rectification of the Year 2000 problem within Government and in organisations which are funded or regulated by Government and which provide public services, and promote awareness of the Year 2000 problem on a community-wide basis *(ITBB)*	To achieve Year 2000 compliance for mission-critical systems in the public sector by June 1999 *(1998)*	We completed all the Year 2000 rectification and compliance work before the transition and there was a smooth transition to the new millennium. *(Action Completed)*
To identify projects which help to promote the use of information technology within the community *(ITBB)*	To implement pilot projects in 1999-2000 *(1998)*	We have launched a series of projects. These include – • the Interactive Government Services Directory website which provides public information and services to the community over the Internet in an interactive manner; • the Universal Free Electronic Mail Service, under which Internet Service Providers and information technology-related companies provide free electronic mail services to members of the public to encourage electronic communication in all walks of life; and

Initiative	Target	Present Position
		• the installation of computer facilities with Internet connection in District Offices and community halls/centres for public use. We have expanded the scheme to cover additional locations and installed computer facilities with special devices in selected locations for the blind and the visually impaired. *(Action Completed)*
To launch programmes to encourage the private sector, especially small and medium-sized enterprises, to engage in electronic commerce *(ITBB)*	To work with chambers of commerce and other representative organisations to encourage the participation of consumers, and in particular small and medium-sized enterprises, in electronic commerce *(1998)*	We have – • launched a bi-monthly seminar series together with the Hong Kong Trade Development Council and the Hong Kong Information Technology Federation on electronic commerce, targeting small and medium-sized enterprises in specific business sectors; • prepared an information kit on electronic commerce with various industrial support bodies for distribution to the business community; • promoted electronic commerce to the general public through exhibitions and roving shows;

Initiative	Target	Present Position
		● taken part in seminars organised by chambers of commerce to encourage their members to adopt electronic commerce in business operations;
		● produced publicity materials for broadcast on television and radio to promote the adoption of electronic commerce to the public and the small and medium-sized enterprises; and
		● established an enquiry hotline to answer questions from small and medium sized-enterprises which are interested in adopting electronic commerce and to promote various support services available from the relevant industrial support organisations.
		(Action in Progress: On Schedule)