
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, and producer services, as well as sectors like 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:

- Review 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 in end 2005.
- Build a new bridge at the Sha Tau Kok crossing to increase capacity and improve traffic flow.
- Review, through the Transport Advisory Committee, the regulation of non-franchised buses.
- 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.
- Implement a Mandatory Construction Workers Registration System.
- Firm up specific proposals to enhance oversight of auditors and quality of financial reporting, based on the outcome of the consultation in late 2003.
- Enable early admission of Hong Kong Dollar into the Continuous Linked Settlement (CLS) System.
- Ensure the successful launch of RMB deposits, remittances, money exchange and credit card business for individuals in Hong Kong.
- Promulgate in early 2004 an updated Digital 21 Strategy with the aim of sustaining the momentum in making Hong Kong a leading digital city.
- Formulate an updated regulatory policy for Type II Interconnection to facilitate competition and promote investment in telecommunications.

- Review the licensing of mobile services upon the expiry of existing licences for second generation mobile services.
- Require existing terrestrial television broadcasters to start planning for migration to digital broadcasting with a view to starting digital broadcasting in 2006.
- Consult the public on proposed updating and rationalisation of the broadcasting regulatory regime to facilitate convergence and digitisation.
- Set up a new co-operation framework with the Ministry of Science and Technology to facilitate applied R&D and innovation development.
- Work with the Guangdong Provincial Department of Science and Technology to further co-operation on innovation and technology under the newly established Expert Group on Co-operation in Innovation and Technology under the Hong Kong - Guangdong Joint Co-operation Conference.
- Work with the World Trade Organisation to ensure the successful hosting of the Sixth Session of the Ministerial Conference in Hong Kong around 2005.
- Oversee socio-legal research to be conducted by a consultant into the supply of, and demand for, legal services in the community.
- Facilitate further discussions with Mainland authorities on legal services co-operation under CEPA; and sign legal services agreements with individual Mainland provinces/cities with a view to assisting Hong Kong lawyers in gaining business opportunities under the framework, and ensuring smooth operation, of CEPA.
- Contribute to the development of a legal services information web-site.
- Introduce a Bill to provide the legal instrument for (partial) privatisation of the Airport Authority.

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- Evaluate the findings of the Hong Kong Port - Master Plan 2020 Study to enhance the competitiveness of and devise the long-term development plan for Hong Kong port.
 - Evaluate the findings of the Mainland - Hong Kong Logistics Co-operation Study and, in consultation with the industry and the authorities in the Pearl River Delta region, identify initiatives for implementation to reap maximum benefits from the logistics-related provisions under CEPA.
 - Review the programme for the development of a tourism node, a modern cruise terminal and heliport at Southeast Kowloon (SEK) in the light of the court judgment on reclamation in the Victoria Harbour. Meanwhile, we will identify additional berthing or temporary capacity to meet the needs of the market pending completion of the long term facilities at SEK.
 - Consider options for the future development of the electricity supply sector after the expiry of the current Scheme of Control Agreements in 2008.
 - Extend the Youth Work Experience and Training Scheme for two years to place about 10 000 young people aged 15 to 24 in employment.
 - Launch a one-year pilot scheme to train and assist 1 000 young people aged 18 to 24 to become self-employed.
 - Extend some of the temporary jobs in the public sector to meet operational needs.
 - Continue 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.
 - Monitor housing supply and compile comprehensive housing supply statistics.
 - Provide assistance as necessary to enable the Housing Authority to divest through public listing its retail and car-parking facilities.

- Take steps to facilitate private sector participation in the solemnisation of marriages and to provide greater flexibility and convenience to members of the public.

Ongoing Initiatives

We are:

- Continuing to work closely with the Mainland authorities at both 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 discuss with the Mainland authorities to seek further trade liberalisation and additional market access opportunities for Hong Kong goods and services in the next phase of CEPA discussion.
- Assisting in the building up of Hong Kong as a regional centre for legal services and dispute resolution.
- Together with the Pearl River Delta municipalities, attracting more overseas enterprises to invest in Hong Kong.
- Pursuing the Hong Kong - Zhuhai - Macao Bridge as a priority project. A Co-ordination Group consisting of representatives from the Guangdong, Macao and Hong Kong governments has been set up to undertake preparatory works for the construction of the Bridge.
- Implementing the project to build a new bridge to connect Lok Ma Chau and Huanggang to increase capacity and enhance traffic management.
- Discussing with the Mainland authorities on the best way to proceed with the proposed express rail link connecting Hong Kong, Shenzhen and Guangzhou upon finalisation of the relevant feasibility study.
- Deciding on the study findings of the merging of the MTR Corporation Limited and the Kowloon - Canton Railway Corporation.
- Developing a new exhibition centre at Chek Lap Kok jointly with the Airport Authority and a private sector consortium.

- Promoting Science Park and Cyberport more aggressively overseas through Invest Hong Kong, Economic and Trade Offices, Hong Kong Trade Development Council and specially commissioned agents.
- Furthering the development of the Hong Kong Jockey Club Institute of Chinese Medicine as a centre of excellence in pioneering science and evidence-based Chinese medicine.
- Encouraging departments to cut red tape, remove outdated or unnecessary regulations, and improve services to the business community. We will enhance our discussion with relevant stakeholders in the community through the setting up of a high-level task force.
- Pursuing the enactment of the Copyright (Amendment) Bill 2003 to provide a long term solution for the suspension arrangements, and preparing legislative amendments to extend the exemptions or relax certain provisions in the Copyright Ordinance.
- Pursuing initiatives of the Steering Committee on the Development of Fashion Industry with a view to enhancing Hong Kong's status as a fashion hub of the Asia-Pacific region, and to promote innovation and design in industry and strengthen the design industry in this process.
- 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 four SME funding schemes.
- Continuing to provide loan guarantee for films under the Film Guarantee Fund.

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- Consulting the logistics sector on the broad planning parameters for the development of the Value Added Logistics Park on North Lantau.
 - Taking steps to develop the Digital Trade and Transportation Network (DTTN) System for launching in 2005.
 - Taking steps to convert the Central Police Station, Victoria Prison and former Magistracy into a heritage tourism development. We are making arrangements to invite private sector proposals in 2004.
 - 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 heritage tourism project at the site of the former Marine Police Headquarters in Tsim Sha Tsui for completion by 2008.
 - Implementing measures to help place the middle-aged unemployed in jobs.
 - Strengthening tripartite cooperation among the Government, employers and employees to maintain harmonious labour relations and help resolve employment issues.
 - Stepping up enforcement action and publicity to combat illegal employment.
 - Stepping up enforcement action against wage offences.
 - Continuing with the Youth Pre-employment Training Programme for young people aged 15 to 19.
 - Providing a platform for the sports sector to engage business partners in organising international sports events.

- Actively pursuing with the planning and implementation of various railways with careful consideration on changing needs and control of costs, including detailed design of the Kowloon Southern Link and Shatin to Central Link; constructing the Hong Kong - Shenzhen Western Corridor/Deep Bay Link for completion by end 2005; assessing the viability of the West Hong Kong Island Line and the South Hong Kong Island Line; monitoring the progress of the Tai Wai to Ma On Shan Rail Link and KCR Extension to Tsim Sha Tsui for timely commissioning.
- Re-engineering the methodology for the planning and implementation of infrastructural projects with a view to improving efficiency and cost effectiveness.
- Moving ahead with the initiatives under the Corporate Governance Action Plan, including the introduction of measures to improve the regulation of listing matters, such as giving statutory backing to important listing requirements in light of the outcome of the consultation launched in October 2003.
- Continuing our efforts in promoting bond market and fund business development.
- Taking forward investor protection initiatives, such as Deposit Protection Scheme, Mandatory Provident Fund Schemes Authority's Disclosure Project, and consultation on the establishment of the Insurance Policyholders Protection Fund.
- 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.
- Relaxing statutory restrictions on security of tenure with a view to resuming the free operation of the private rental market.

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- Promoting a title registration system to give greater security to interests in land and property and simplify conveyancing.
 - Exploring various options for disposal of the Housing Authority's surplus Home Ownership Scheme blocks.
 - Exploring further opportunities for outsourcing the Housing Authority's services.