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# Introduction

This booklet describes the policy agenda of the Second Term Government of the Hong Kong Special Administrative Region (HKSAR) for the period from January 2004 to June 2007.

It contains policy initiatives designed under the five guiding principles of *Effective Governance*, *Vibrant Economy*, *Caring* and *Just Society*, *Enlightened People with a Rich Culture*, and *Environmentally Responsible Development* to take Hong Kong forward. They envision Hong Kong as one of the most important cities in China and a world city of Asia. They will build on its strengths and capitalise on its strategic location in the Pearl River Delta region and the opportunities brought by the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA).

In this vision, Hong Kong will continue to develop and strengthen its role as a world-class financial and trade centre providing high-value-added services. The city has played, and will continue to play, an irreplaceable role in China's economic modernisation; it will strengthen its role as a bridge between China and the world and continue to benefit from China's phenomenal economic success.

The character of a city is defined by its people. These policy initiatives envisage a city of well-educated, healthy, and increasingly affluent people enjoying a good quality of life, committed to their civic responsibilities, proud of their identity, and global in their outlook.

They conceive of a caring, just and inclusive society. They reckon that Hong Kong is rising to the challenges of its economic integration with the Mainland, its transformation from an industrial to a knowledge-based economy, and its sustainable and balanced development.

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The second-term HKSAR Government will focus on the immediate goals of reviving the economy, restoring fiscal balance, and promoting effective governance.

We have thrived on and are determined to maintain the rule of law, particularly in the pursuit of government initiatives. We are committed to maintaining a small but responsive and responsible government and will continue to take forward our constitutional development in accordance with the relevant provisions of the Basic Law.

In realising the initiatives set out in the agenda, the HKSAR Government will count on the support of every citizen and will work in close partnership with the community.

The list is neither exhaustive nor final. It sets out the core programme of activities to be pursued in the next three and a half years. The policy initiatives will be refined from time to time in the light of changing circumstances, particularly the Government's priorities and financial position. Directors of Bureaux will separately account for the progress in implementing the policy initiatives published in last year's Policy Agenda booklet, including items which have been completed or dropped owing to changing priorities, through the Legislative Council. As for the new initiatives unveiled in this booklet, members of the public will be involved through consultation or participation in appropriate cases. The implementation of initiatives requiring additional funding will be, of course, subject to the approval of the Legislature.

We are always conscious that governments cannot be all things to all people. No honest government can ever claim to solve all life's problems in a single stroke. We are well aware that it is not the total number of initiatives that counts but the number that can be brought successfully to fruition.

The initiatives covered in this booklet are the ones we consider to be in line with our strategic goals, practical, and to the greatest benefit of Hong Kong.