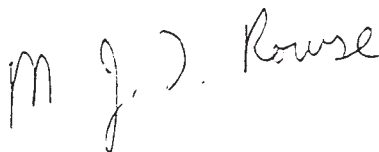


Message

The Government has a good track record in providing necessary support for the manufacturing sector, which has long been an engine of our economic growth. We will continue this support programme to further the development of industry and help manufacturers move up market. At the same time, the last two decades have seen a remarkable transformation of our economy with the rapid expansion of the services sector. So we also need to ensure that the right policies and programmes are in place to facilitate the growth and development of services. The Services Promotion Programme is the public sector's contribution.

Hong Kong has gathered a critical mass of business support and other service industries. In economic terms, the more the merrier as we enjoy efficiencies of scale. We must sustain the momentum of this business clustering and make the most of it. Hong Kong is not an economy in isolation. Our opportunity - the Hong Kong advantage - is our ability to be the business centre of the whole region, to command and control manufacturing and other economic activities both here and elsewhere and to provide high value-added services.

Business leadership and market forces are making Hong Kong a truly metropolitan economy. Still the place that makes things. Now the place that makes things happen too.

A handwritten signature in black ink that reads "M J T Rowse". The signature is written in a cursive style with a large initial "M".

(M J T Rowse)

Director, Business and Services Promotion Unit

Pre-eminent Services Centre

Our Policy Objective is to maintain and enhance Hong Kong's position as a pre-eminent services centre in the region.

Our targets in pursuing this Policy Objective are to secure –

- satisfactory business sector opinion of Hong Kong's position as a services centre
- high regional ranking from independent agencies of Hong Kong as a centre for service industries

Key Result Areas (KRAs)

To ensure that this Policy Objective can be achieved, we must deliver results in a number of key areas, that is, we must –

I	Spearhead strategic thinking on the future development of our service economy	Page 3
II	Strengthen institutional support for the services sector	Page 5
III	Implement worthy industry specific initiatives	Page 7
IV	Enhance international recognition and local understanding and support for our service economy	Page 9

The following sections of this booklet explain the importance of these KRAs, describe the broad thrust of our efforts, and outline the indicators which we are using to assess progress. Each section lists the new key initiatives being taken to achieve our objectives and pinpoints the agency accountable for each initiative and the specific targets which we intend to meet.

I

Spearhead strategic thinking on the future development of our service economy

The last two decades have seen the transformation of Hong Kong from a low value-added, manufacturing-oriented economy to a technology-based, services-oriented one, as well as the development of a symbiotic economic relationship between Hong Kong and the Mainland. We need to map out our strategy to strengthen our position in order to sustain economic growth.

Indicator

The indicator we will use to measure progress in this area is the degree of understanding of key economic issues affecting the development of our service economy.

Initiatives	Targets
To organise a forum to facilitate exchange of views on Hong Kong's service economy <i>(Hong Kong Coalition of Service Industries)*</i>	To organise the forum before March 1999
To commission an economic study of Hong Kong's producer services <i>(Trade and Industry Bureau)</i>	To commission and complete the study within 1999

* the brackets denote the agency with lead responsibility for the initiative

Initiatives	Targets
<p>To study how Hong Kong can take full advantage of the growth of the services sector in the Mainland and how it may best service overseas businesses investing in the Mainland economy</p> <p><i>(Trade Development Council)</i></p>	<p>Completion within 1999</p>

II

Strengthen institutional support for the services sector

Business does not flourish in a vacuum. We must ensure that we put in place institutional and infrastructural arrangements that will assist business operations and economic activities in general.

In 1998, we injected a further \$50 million into the Services Support Fund to improve the competitiveness of the services sector, we launched the regular publication of a new statistical digest on key service industries, we confirmed the need to establish a small business office to help small and medium enterprises, we commissioned a study on establishing a mechanism to obtain information on measures taken by major economies to support their service industries, and we broadened the admission criteria for admission to Industrial Estates to include service industries.

Indicator

The indicator we will use to measure progress in this area is the provision of modern institutional and world-class infrastructural support.

Initiatives

Targets

To consider the desirability and feasibility of transferring responsibility for promoting inward investment to the Trade Development Council
(Trade and Industry Bureau (TIB))

To commission and complete a study within 1999

Initiatives	Targets
<p>To develop a strategy to improve the Internet dissemination of government information relevant to the business sector</p> <p><i>(Information Services Department)</i></p>	<p>Completion within 1999</p>
<p>To undertake a study of the best overseas practices in manpower forecasting and consider a manpower forecasting model best suited for Hong Kong for the next ten years</p> <p><i>(Education and Manpower Bureau (EMB))</i></p>	<p>Completion within 1999</p>
<p>To improve the “after-sales” service for overseas businesses established in Hong Kong</p> <p><i>(TIB)</i></p>	<p>Completion within 1999</p>
<p>To study the manpower and training needs of the information technology sector</p> <p><i>(EMB)</i></p>	<p>Completion by mid-1999</p>
<p>To study the idea of business parks</p> <p><i>(TIB)</i></p>	<p>Completion by 2000</p>



Implement worthy industry specific initiatives

Individual bureaux and departments are usually hard pressed to cope with their designated responsibilities. We need to ensure that the Administration focuses on worthy industry specific initiatives that might otherwise not receive the required attention or priority.

Indicator

The indicator we will use to measure progress in this area is the timely identification and launch of industry-specific initiatives.

Initiatives	Targets
To study the application of electronic commerce in Hong Kong <i>(Information Technology and Broadcasting Bureau)</i>	To complete the study and introduce legislation in 1999 to provide the necessary legal framework for electronic commerce
To set up a special team to provide logistical support to bureaux and departments organising international conferences in Hong Kong <i>(Information Services Department)</i>	Completion within 1999

Initiatives	Targets
<p>To examine the case for promoting Hong Kong as Asia's wine trading centre by improving the bonded warehouse system and taking other necessary measures</p> <p><i>(Finance Bureau / Trade and Industry Bureau)</i></p>	<p>Completion within 1999</p>
<p>To promote Hong Kong as an international shipping centre</p> <p><i>(Economic Services Bureau)</i></p>	<p>To commission and complete a study within 1999</p>

IV

Enhance international recognition of and local understanding of and support for our service economy

Promotion of international awareness of Hong Kong's strengths as a global and regional services centre will put us on the world's economic map and strengthen our competitive position. Local understanding of the importance of the services sector to our economy will help people prepare themselves for the challenge of further developing our economy and nurture a culture of quality service.

Indicators

The indicators we will use to measure progress in this area are –

- the degree of awareness of the international business community of Hong Kong as a services centre in the region
- the degree of awareness of the local community of the service orientation of the economy

Initiative

To devise and implement a publicity programme to enhance international recognition of Hong Kong's service strengths, as well as enhance local understanding of and support for Hong Kong as a quality service provider and pre-eminent services centre in the region

(Business and Services Promotion Unit)

Target

- To devise a programme in collaboration with Information Services Department in 1998
- To implement the programme within 1999