

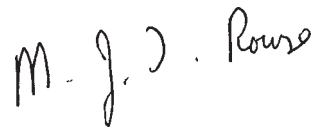
MESSAGE

Hong Kong is the premier business centre in Asia. Our economy is built on free trade, minimum Government intervention, and most of all, the friendly environment that all businesses – big and small – enjoy.

The last two years have been difficult ones for us mainly because of the general region-wide malaise. The more friendly the environment we develop for our businesses, the more quickly we can get Hong Kong's economy back on track. We must help businessmen find ways to do things better, faster and cheaper, to locate new market niches for their products and to make new and high value-added products. We must maintain a level playing field for our businesses.

The Helping Business Programme, which encompasses cutting red tape, reducing cost of compliance, transferring public services to the private sector where appropriate market conditions prevail and introducing new and improved services in support of the business community, sets out to achieve these goals. To make the Programme a success, the business community and the Government must work in partnership. We need valuable advice from the business community on ways to build and sustain a genuinely business friendly environment. Equally, we need to secure a helping business culture throughout the civil service so that civil servants see themselves as part of the solution, not part of the problem.

“Helping Business” is everyone's business. Only team work can make it really happen.



(M J T Rowse)
Director, Business and Services Promotion Unit

BUSINESS FRIENDLY ENVIRONMENT

Our Policy Objective is to secure a business friendly environment to ensure that the private sector is able to find and develop opportunities.

Our target this year in pursuing this Policy Objective is to secure a positive private sector response to the process of finding and developing opportunities and to nurture a helping business culture in the civil service.

Progress Made

We continued to work closely with different sectors of the business community to identify further opportunities to help build a genuinely business friendly environment. We also initiated a number of projects and studies with a view to eliminating over-regulation, reducing cost of compliance, transferring public services to the private sector and introducing new and improved services.

KEY RESULT AREAS (KRAs)

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

1	Identify opportunities to create a more business friendly environment	Page 3
2	Commission studies and devise detailed arrangements	Page 5
3	Implement recommendations to improve the business environment	Page 9
4	Promote awareness of the improvements to the business community	Page 14
5	Inspire a greater appreciation of the needs of the business community among civil servants	Page 16

1

Identify opportunities to create a more business friendly environment

Working together with the business sector, we need to identify priority study areas where we should focus our attention on creating a more business friendly environment.

The Business Advisory Group (BAG) and its three sub-groups meet regularly to discuss specific helping business initiatives and receive reports from department heads on progress of projects.

We shall continue to monitor the requirements of both the local and the international business community and all factors that help make Hong Kong an attractive place for them.

Progress Made

Over the past year, the BAG and its three sub-groups have altogether held 14 meetings to discuss specific helping business initiatives in order to establish a rolling plan of priority areas of study. We have also visited heads of other departments and consulted representatives of business organisations as planned. The responses have been encouraging.

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 visit department heads and their directorate to invite suggestions for improvement opportunities <i>(Business and Services Promotion Unit (BSPU))</i>	A minimum of one departmental visit per month from October 1998 onwards <i>(1998)</i>	Since October 1998, we have visited more than 15 departments to brief them on the work of the Helping Business Programme and to invite helping business initiatives. <i>(Action in Progress: On Schedule)</i>
To conduct research into existing regulatory regimes <i>(BSPU)</i>	To consider 25 areas of potential study at each quarterly meeting of the relevant BAG sub-group <i>(1998)</i>	This is a continuous process. Twenty-five areas of potential study are tabled at each quarterly meeting for discussion. <i>(Action in Progress: On Schedule)</i>

* 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 consult more representatives of the business sector (BSPU)	To consult 12 representative business organisations in 1999 (1998)	We have consulted 13 representative business organisations over the last 12 months. <i>(Action Completed)</i>

Looking Forward

In the next 12 months, we will assess our performance in respect of this KRA against the following indicators –

Indicator	1999 Target
Percentage of priority areas identified being proactively pursued	90% of priority areas identified being proactively pursued
Number of opportunities identified	Eight opportunities identified

We will undertake the following initiatives to deliver results in this area –

Initiative	1999 Target
To organise business fora with selected business sectors (BSPU)	Organise two business fora in 2000
To identify suitable candidates for corporatisation (BSPU)	Identify two potential candidates within 2000

2

Commission studies and devise detailed arrangements

We regularly conduct studies in priority areas so as to remove obstacles and constraints to business development, and to give the private sector freedom to set its own direction, to explore and to seize opportunities. The studies cover cutting red tape, deregulation, transfer of public services and introduction of new services.

Progress Made

In the past year, we completed eight studies which identified 105 recommendations. In addition, we launched a further five studies which are on-going.

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 study licensing requirements for lotteries, tombola, amusements with prizes and trade promotion competitions <i>(Television and Entertainment Licensing Authority)</i>	Completion within 1998 <i>(1998 and 1997)</i>	We completed the study in December 1998. Action is in hand to implement the study recommendations. <i>(Action Completed)</i>
To study licensing requirements for restaurants <i>(Urban Services Department (USD))</i>	Completion within 1999 <i>(1998)</i>	We completed the study in July 1999. Action is in hand to work out an implementation plan. <i>(Action Completed)</i>
To review the licensing requirements for massage establishments <i>(Hong Kong Police Force (HKPF))</i>	Completion within 1999 <i>(1998)</i>	We completed the study in July 1999. The HKPF has worked out an action plan to implement the recommendations as appropriate. Some of the recommendations are longer term objectives. <i>(Action Completed)</i>

Initiative	Target	Present Position
To promote greater private sector participation in the provision of elderly care services <i>(Social Welfare Department (SWD))</i>	Completion within 1999 <i>(1998)</i>	The SWD has worked out several options to promote greater private sector participation in the provision of elderly care services. <i>(Action in Progress: On Schedule)</i>
To identify and examine possible options for private sector participation in the provision of efficient and cost-effective water supply services <i>(Works Bureau)</i>	Completion within 1999 <i>(1998)</i>	We completed the study in July 1999. The Government is now considering the way forward. <i>(Action Completed)</i>
To conduct a departmental business study of Planning Department <i>(Planning Department (PD))</i>	Completion within 1999 <i>(1998)</i>	We completed the study in February 1999. The PD is implementing the recommendations. <i>(Action Completed)</i>
To review Regulations administered by Transport Department <i>(Transport Department)</i>	Completion within 2000 <i>(1998)</i>	The review of the Road Traffic (Construction and Maintenance of Vehicles) Regulations and the Road Traffic (Safety Equipment) Regulations is underway. <i>(Action in Progress: On Schedule)</i>
To study the feasibility of developing a copyright rights management database <i>(Intellectual Property Department)</i>	Completion within 1999 <i>(1998)</i>	The project has been put on hold in light of the heavy engagement of computer professionals in Y2K projects and hence the lack of suitable tender bids. <i>(Action in Progress: Under Review)</i>
To study the lighting and ventilation regulations for buildings <i>(Buildings Department (BD))</i>	Completion in 1997 <i>(1997)</i>	The BD has reviewed the requirements of prescribed windows for bathrooms and introduced flexible measures. <i>(Action Completed)</i>

Initiative	Target	Present Position
To study licensing requirements for supermarkets (USD)	Completion in 1997 (1997)	The USD has extended provisional licensing arrangements to all food premises including licensing requirements for supermarkets. (Action Completed)

Looking Forward

In the next 12 months, we will assess our performance in respect of this KRA against the following indicators –

Indicator	1999 Target
Number of studies commissioned in line with the rolling plan	All studies commissioned in line with the rolling plan
The exploration of improvement opportunities and the number of recommendations	80% of recommendations accepted for implementation

We will undertake the following initiatives to deliver results in this area –

Initiative	1999 Target
To review the registration procedures of kindergartens and tutorial schools <i>(Education Department)</i>	Complete the review within 2000
To review the customs cargo clearance service to facilitate legitimate trade <i>(Customs & Excise Department)</i>	Complete the review within 2000
To study the feasibility of greater private sector participation in the ticketing, promotion and venue booking of sports, cultural and performing arts events <i>(Home Affairs Bureau)</i>	Complete the study within 2000
To conduct a feasibility study on corporatisation of the Survey and Mapping Office <i>(Lands Department)</i>	Complete the study within 1999
To review the procedures for water supply applications <i>(Water Supplies Department)</i>	Complete the review in 2000
To conduct a Regulatory Impact Assessment on the proposal to regulate inbound travel agents <i>(Tourism Commission)</i>	Complete the study in 2000
To conduct a feasibility study on options to speed up the retrieval time for approved building plans <i>(BD)</i>	Complete the study in 2000

3

Implement recommendations to improve the business environment

We aim to provide new services and improve the environment within which businesses operate by implementing as far as practicable the recommendations identified in various helping business studies.

Progress Made

Over the past year, government departments implemented over 70 recommendations identified in earlier helping business studies, and completed action in five other helping business initiatives. The Business Advisory Group (BAG) and its sub-groups have developed a coherent programme to monitor the implementation of all recommendations. Heads of departments were required to report progress every quarter and deliver a concluding report on completion of the implementation process.

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 fine tune a scheme for allowing Authorised Persons to carry out drainage and water supply connections and construct run-ins, and extend it territory-wide <i>(Works Bureau (WB))</i>	Completion within 1999 <i>(1998)</i>	The Scheme was introduced territory-wide with effect from 1 July 1999. <i>(Action Completed)</i>
To improve operations in the Marine Department to provide a better service for the maritime industry <i>(Marine Department (MD))</i>	Completion within 1999 <i>(1998)</i>	The MD has completed action on implementing the recommendations of a departmental study with a view to providing a better service for the maritime industry. <i>(Action Completed)</i>

Initiative	Target	Present Position
<p>To streamline licensing procedures for hotels and guesthouses</p> <p><i>(Home Affairs Department (HAD))</i></p>	<p>Completion by 2001</p> <p><i>(1998)</i></p>	<p>HAD has streamlined some parts of the licensing process and issued a layman's guide on the licensing procedures.</p> <p><i>(Action in Progress: On Schedule)</i></p>
<p>To improve the licensing procedures and requirements of Amusement Games Centres, Public Dance Halls, Dancing Schools and Mah-jong/Tin Kau Establishments</p> <p><i>(Television and Entertainment Licensing Authority (TELA))</i></p>	<p>Completion within 1999</p> <p><i>(1998)</i></p>	<p>Some of the implementation items require public consultation and legislative amendment. It is anticipated that this part of work will be completed in 2000.</p> <p><i>(Action in Progress: Behind Schedule)</i></p>
<p>To improve the application procedures for consent to sales of units in uncompleted developments</p> <p><i>(Lands Department (LandsD))</i></p>	<p>Completion within 1999</p> <p><i>(1998)</i></p>	<p>The average processing time for a consent to sales application has been reduced by over 30%.</p> <p><i>(Action in Progress: On Schedule)</i></p>
<p>To improve the application procedures for waivers to temporarily relax restrictions contained in leases of land</p> <p><i>(LandsD)</i></p>	<p>Completion by 2001</p> <p><i>(1998)</i></p>	<p>LandsD has issued guidance notes to help applicants understand the application procedures.</p> <p><i>(Action in Progress: On Schedule)</i></p>
<p>To streamline the licensing requirements for local vessels</p> <p><i>(MD)</i></p>	<p>Completion by 2001</p> <p><i>(1998)</i></p>	<p>Work is in hand to amend the related legislation so as to streamline the licensing requirements.</p> <p><i>(Action in Progress: On Schedule)</i></p>

Initiative	Target	Present Position
<p>To streamline the management of public cargo working areas (MD)</p>	<p>Completion by 2001 (1998)</p>	<p>Some of the administrative procedures have been improved. Work is in hand to introduce automatic car parking systems at the public cargo working areas. <i>(Action in Progress: On Schedule)</i></p>
<p>To improve the legislation governing leisure or home brewing (Finance Bureau)</p>	<p>Completion within 1999 (1998)</p>	<p>Drafting of a bill to amend the Dutiable Commodities Ordinance to exempt home brewing from duties is in progress. <i>(Action in Progress: On Schedule)</i></p>
<p>To transfer appropriate activities in the Intellectual Property Department to the private sector (Intellectual Property Department)</p>	<p>Completion by 2001 (1998)</p>	<p>Some non-core activities have been identified as appropriate for transfer to the private sector. The outsourcing exercise is being pursued. <i>(Action in Progress: On Schedule)</i></p>
<p>To secure private sector participation in the licensing of drivers and vehicles (Transport Department)</p>	<p>Completion by 2001 (1998)</p>	<p>Some of the vehicle and driver licensing services have been identified as appropriate for transfer to the private sector. The outsourcing exercise is being pursued. <i>(Action in Progress: On Schedule)</i></p>
<p>To build a Chinese language index page for public forms on the Internet (Business and Services Promotion Unit (BSPU))</p>	<p>Completion within 1999 (1998)</p>	<p>The index page is being prepared. <i>(Action in Progress: On Schedule)</i></p>

Initiative	Target	Present Position
To compile a comprehensive practical guide about labour laws and good management practices <i>(Labour Department (LD))</i>	Completion within 1999 <i>(1998)</i>	The guides were issued in May 1999. <i>(Action Completed)</i>
To develop sample standard employment contract for reference by employers <i>(LD)</i>	Completion within 1999 <i>(1998)</i>	The sample contract was issued in February 1999. <i>(Action Completed)</i>
To introduce a provisional licensing system for food premises other than restaurants <i>(Urban Services Department (USD))</i>	Completion within 1998 <i>(1998)</i>	The provisional licensing system was introduced in November 1998. <i>(Action Completed)</i>
To place more public forms onto the Internet <i>(BSPU)</i>	Completion within 1997 <i>(1997)</i>	660 forms are now available on the Internet. <i>(Action Completed)</i>

Looking Forward

In the next 12 months, we will assess our performance in respect of this KRA against the following indicator –

Indicator	1999 Target
Percentage of recommendations implemented within agreed time scales	75% of recommendations implemented within agreed time scales

We will undertake the following initiatives to deliver results in this area –

Initiative	1999 Target
<p>To improve the licensing procedures and requirements for lotteries, tombola, amusements with prizes and trade promotion competitions <i>(TELA)</i></p>	<p>Implement within 2000 the improvements identified in an earlier study</p>
<p>To review and consider the outcome of the consultancy study on restaurant licensing <i>(USD)</i></p>	<p>Complete the review and decide on the strategy in 1999</p>
<p>To improve the licensing requirements for massage establishments <i>(Hong Kong Police Force)</i></p>	<p>Implement the relevant improvements before the end of 2001</p>
<p>To outsource the meal preparation and delivery service for the elderly <i>(Social Welfare Department)</i></p>	<p>Implement the proposal within 2000</p>
<p>To review and consider the outcome of the consultancy study on options for efficient and cost-effective delivery of water supply services <i>(WB)</i></p>	<p>Complete the review and decide on the broad strategy by March 2000</p>
<p>To outsource the maintenance of portable fire fighting equipment in government premises <i>(Fire Services Department)</i></p>	<p>Implement the proposal within 2000</p>
<p>To refine the Regulatory Impact Assessment framework <i>(BSPU)</i></p>	<p>Complete the refined framework within 2000</p>
<p>To put forward a specific proposal on corporatisation of a government department/unit <i>(BSPU)</i></p>	<p>Introduce the proposal within 2000</p>

4

Promote awareness of the improvements to the business community

We need to send a reassuring general message to the business sector that the Government of the Hong Kong Special Administrative Region is improving the business environment in Hong Kong. In particular, we need to emphasise the improvements in specific areas.

Progress Made

In the past year, we continued to publicise the improvements achieved in specific areas under the Helping Business Programme through exhibitions, roadshows, newsletters at regular intervals and speeches at conferences.

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 devise a comprehensive and coherent publicity programme <i>(Business and Services Promotion Unit (BSPU))</i>	To produce annually from 1998 onwards <i>(1998)</i>	This is an on-going initiative. Drafting of the publicity programme for 2000 is underway. <i>(Action in Progress: On Schedule)</i>
To publish regular newsletters and circulate these to businessmen <i>(BSPU)</i>	To issue two newsletters in 1999 <i>(1998)</i>	We have issued two newsletters in 1999, one in February, the other in September. <i>(Action Completed)</i>

Looking Forward

In the next 12 months, we will assess our performance in respect of this KRA against the following indicator –

Indicator	1999 Target
Awareness of Helping Business Programme in the business sector	Conduct a benchmark survey to measure the degree of awareness in terms of percentage

We will undertake the following initiative to deliver results in this area –

Initiative	1999 Target
To publicise improvement measures to the business sectors concerned (BSPU)	Publicise outcome within three months of the completion of the study

5

Inspire a greater appreciation of the needs of the business community among civil servants

There is a danger that as fast as we cut red tape in one area, more regulations and red tape develop in other areas of government. To prevent this, we aim to cultivate a helping business culture in the civil service.

Progress Made

The development of a helping business culture in the civil service is an on-going exercise. Over the past year, we delivered six seminars and talks to members of the civil service to encourage them to serve as business facilitators rather than business obstacles, and to see themselves as part of the solution, not part of the problems.

To achieve results in this area, the following initiative has been undertaken in the past year –

Initiative	Target	Present Position
To conduct seminars for and give talks to officers at all levels on deregulation and other areas of the Helping Business Programme <i>(Business and Services Promotion Unit (BSPU))</i>	To conduct at least six seminars/talks in 1999 <i>(1998)</i>	We have given six seminars and talks to officers at different levels in 1999. <i>(Action Completed)</i>

Looking Forward

In the next 12 months, we will assess our performance in respect of this KRA against the following indicator –

Indicator	1999 Target
Number of Helping Business proposals received from civil servants	50 proposals received from civil servants

We will undertake the following initiatives to deliver results in this area –

Initiative	1999 Target
To organise the first Helping Business Awards Scheme to help instil a helping business culture in the civil service (BSPU)	Complete the organisation of the Scheme in 1999
To organise a seminar for middle and senior managers on transfer of services (BSPU)	Conduct the seminar within 2000
To organise a seminar for middle and senior managers on deregulation (BSPU)	Conduct the seminar within 2000
To publish information leaflets about cutting red tape, regulatory impact assessment, transfer of public services, and corporatisation (BSPU)	Publish the leaflets in 2000