



**Response to  
The Chief Executive's Policy Address in 2009-2010**

**Internet Professional Association**

**October 15, 2009**

## **Policy Address 2009-2010 by the Chief Executive – Responses and Recommendations from iProA**

iProA welcomes the development of the six industries as emphasized in the Policy Address, in particular, the measures related to redevelopment of old industrial buildings presents a good stimulus to most industries, as the optimization of land resources translates into more opportunities for growth and revitalizes our economy as well. With our vision for digital economy deliberated in our previous recommendation paper, we trust that ICT is a key enabler for the further development of the six industries. As such, we would like to put forward the following responses and recommendations to the policy agenda as follows:

### **Progressive Society**

#### **Engaging the young and the elderly in knowledge-based economy through Internet**

We are pleased to see that the Government recognizes the impact of access to Internet and electronic tools on the equality of education opportunities available to youth; the provision of a dedicated internet portal offering one-stop information service for the elderly is also manifest our Government's extended effort in narrowing the digital divide from the young to the elderly. These measures coincide with our advocacy to ensure that the under-privileged groups have the equal opportunities to learn the ICT knowledge and enjoy the benefits brought about by ICT. As one of the Partners in the Digital Cyber Centre Project launched since 2008, iProA would continue to maximize our industries' resources to support its development. We look forward to seeing the project expand into a wider scale, by facilitating the support of more community initiatives developed by NGOs to cover the various under-privileged groups in all of our 33 District Cyber Centres.

We will take the initiative of working with the Financial Secretary and the relevant bureaus to enable the underprivileged groups enjoy the benefit of Internet learning opportunities and resources through tripartite collaborations between the community, business sector, and the government.

### **Six Industries**

#### **ICT to enhance Medical Services – Electronic Health Record Sharing System**

We welcome the establishment of the territory-wide patient-oriented Electronic Healthcare Record Sharing System in Hong Kong. It is indeed the backbone infrastructure of the our primary healthcare services under the Healthcare Reform objectives, as it enhances the interoperability of public and private healthcare services and addresses the service imbalance that exists in public and private healthcare settings. It also augments the Government's planning to open up four more sites for the development of private hospitals in the near term.

iProA has been working closely with the local healthcare sector and health informatics experts and associations around the world to promote healthcare services through eHealth since 2003. This year, our eHealth Forum 2009 has made a significant turn in the public-private partnership of eHealth development. It achieved a record-breaking number of more than 1,000 participants, world renowned experts from US, UK, Australia, Singapore, Mainland and the PRD Region were drawn to share their expertise and contribute insights to the development direction of eHealth around the world. Looking ahead, iProA will continue to work closely with the public and private sectors to advance eHealth development and ensure the beneficial use of ICT contributing to the betterment of our medical services.

### **Innovation and Technology – Flexible funding scheme and long term strategies to promote innovation and research culture**

The R&D Cash Rebate Scheme appears as a positive incentive for enterprises to engage in R&D. Yet, its requirement for projects supported by the Innovation and Technology Fund (ITF) or in partnership with local designated research institutions will nonetheless set up the bar for most commercial enterprises who do not have the blessings of ITF or the designated institutions. Furthermore, R&D investment of local enterprise now stands at about \$12 billion per year or 0.8% of GDP, the \$200 million cash rebate is essentially hardly on par with the R&D investment of our local ICT enterprises. Therefore, we urge our Government not only to expand the scope of coverage on the beneficiary of the R&D Cash Rebate Scheme, but also introduce more flexible incentives and long-term development strategies which encourage the innovative and research culture of ICT industry.

### **Culture and Creative Industries - Leverage on ICT to Exhibit Strengths and Extend Opportunities**

The establishment of a dedicated office, Create Hong Kong, and the CreateSmart initiative display our Government's ambition in promoting Cultural and Creative Industries in Hong Kong. As noted in our previous recommendation paper, we highlighted the vision of Digital Economy in positioning our overall Policy Agenda. We are glad to see that the Policy Address recognizes The West Kowloon Cultural District (WKCD) as the major project for promoting cultural development and our creative industries, with promises for world-class facilities and quality programmes for the site, secondary school curriculum and education to cultivate the next generation creative talent. We urge our Government not to lose sight of the importance of ICT in creative services and products delivered in this digital age. All elements comprising the creative industries such as music, books, film and digital entertainment more or less involve intellectual content which must be preserved and protected, as well as transmitted to the market, domestically or overseas, in a secured manner. In drawing up plans for WKCD development, it is imperative to include the participation of ICT from its planning

to actual implementation. It is only through hi-end technologies that we can fully play out the strengths of our creative talents and exploit the opportunities availability in this digital age.

### **Entry to Mainland Market - Expanding coverage of ICT under creative industries**

With respect to expanding the Mainland market, it's good to see that the new address includes online game products among the creative industries covered by the liberalization measures of the latest supplement to CEPA. However, we are yet to see more ICT-related sectors, subsumed under the Creative Industries domain, to be covered by the liberalization measures as well. Whilst Hong Kong ICT companies are subject to a complicated license application process, it will be practical if our Government will introduce more facilitating resources and guidance for their entry into the Mainland market.

As the Address promises to continue supporting local industries to further develop the Mainland market through consultation with the relevant Mainland authorities under the CEPA framework, we hope that more elaborate measures will be implemented to uplift the restrictions posed on Hong Kong ICT practitioners in the mainland market and extend the favorable policies for those Hong Kong enterprises preparing to enter the vast market as well.

### **Quality Life – ICT enabled Low Carbon Economy**

We very much welcome our government's commitment to combating climate change issues. The invitation to different sectors of the community to conduct carbon audits in buildings and reduce carbon emissions is the most welcoming act. To cope with the efforts on the industry front, iProA has initiated active engagement of ICT industry players in suggesting Green Technology which supports the Buildings Energy Efficiency Funding Schemes. We've also launched vigorous Green initiatives to help ICT enterprises and SMEs implement energy-efficient practices. We look forward to seeing the Legco's or the Government's further introduction of statutory code for energy usage and carbon emission and we pledge to lend our full support to these endeavors.

### **Conclusion**

The financial tsunami has urged us to explore new major economic areas that Hong Kong need to support and develop, in addition to the traditional pillar industries, to foster a return to healthy growth in the economy and promote a more sustainable economic development. The six industries are addressed in the Policy Agenda this year, but we know at the same time their effects will not be immediate. To add momentum to our sustainable growth, the next urgent task is addressing the "How" issue, which hinges on the dialogues and collaboration between the Government and industry sectors. iProA welcomes the opportunities to proceed on the task. We believe that our recommendations will further enhance the future developmental endeavors of the six industries in defining our competitive advantage.

## **Policy Committee Internet Professional Association**

14 October 2009

### **About iProA (Internet Professional Association)**

iProA is a non-profit making professional organization founded in December 1999. It represents over 2,300 professionals from Internet related industries, including CEOs and senior executives from leading information technology enterprises. Our members have made contributions in areas like innovative design, sales, marketing, infrastructure, e-commerce, consultancy, investment and other Internet related professional services, aiming to further develop the Internet industry in Hong Kong. We share the common goal of promoting the proper application of Internet technology and enhancing competitiveness of the IT industry. We work towards improving professionalism of information technology practitioners, encouraging IT professionals to share social responsibilities, as well as striving to bridge the digital divide in Hong Kong. Please visit website [www.iproa.org](http://www.iproa.org) for further information.