



**Submission to the Central Policy Unit (CPU),
The Government of the Hong Kong Special Administrative Region
on
ICT Industry Recommendations for
The Chief Executive's Policy Address in 2008-2009**

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Internet Professional Association**

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ICT Industry Recommendations for The Chief Executive's Policy Address in 2008-2009

Introduction

The Internet Professional Association (iProA) is pleased to provide for your consideration our comments and recommendations to the Central Policy Unit (CPU), The Government of Hong Kong Special Administrative Region (HKSAR), on the ICT Industry Recommendations for the Chief Executive's Policy Address in 2008-2009.

With the world economy evolves with technology enabling storming breakthroughs in how businesses operate, the way we work and live in the digital era, Hong Kong, like most other world cities, has propelled into a knowledge-based economy. While Hong Kong continues to pride ourselves as a world international city and a major global financial centre, there is an imminent need for us to take active steps to re-establish our competitive advantage in both the hardware infrastructure and the software – knowledge and skills of the human capital, we have today and tomorrow when our neighboring cities from the Mainland and Asia are making speedy progress and development everyday.

iProA is pleased with the government support and its continuous investment into the technology industry in Hong Kong. However, more emphasis should be given to the long-term development of the IT industry in the context of on-going sustainable development of the Hong Kong economy if Hong Kong were to grow into a mature state of the knowledge-based economy and to maintain its competitiveness as an international financial centre.

Our recommendations are divided into six major areas:

1. **Consolidate** the management and operation of infrastructure and facilities for technology development
2. Strengthen **Digital Inclusion** effort
3. Speed-up the adoption of **eHealth** for the Health Care Reform
4. Elaborate use of **Hong Kong Smart ID Card** for Urban Best Practices
5. Establish strategic collaboration for **HKSAR-Guangdong technology development**
6. Advocate Hong Kong as a hub for **Digital Lifestyle**

1. Consolidate the management and operation of infrastructure and facilities for technology development

HKSAR Government has endeavored to realize the vision of making Hong Kong become a digital society. For that, we are thankful to our government's keen support to the "hardware" infrastructure, the establishments that are aimed to facilitate the creation and transfer of innovative knowledge in community and across the ICT generations. Cyberport, Science Park and ASTRI provide state-of-the-arts infrastructure and facilities conducive to the creation of a strategic cluster of quality IT talents and companies critical to the development of Hong Kong into a leading digital city in the Asia Pacific region.

While these establishments have played out their critical roles in a number of projects and initiatives to advocate and facilitate research and development of innovative technologies, they are operated under independent management structures and some of their efforts are bound to be overlapping because of their different, yet similar objectives. Therefore, it becomes imperative to channel these efforts under a central authority to ensure efficient application of resources for these facilities.

With the establishment of a central authority, the management of these establishments may work in complement with each other and their resources can be planned and consolidated based on a shared vision, a set of well-defined roles and operation objectives. As such, talents, resources and infrastructures can be utilized within a broad framework that underpins a clear and prominent branding of Hong Kong as a creative hub for technology development in Asia.

As a part of the effort to become a digital society, the HKSAR Government has carried out many initiatives and invested substantial resources in support of the innovation and technology development in Hong Kong. In the past decade, it is commendable that the HK\$5 billion investment on Innovation and Technology Fund ("ITF"), Digital 21 Strategy, setting up of the Information Infrastructure Advisory Committee, establishment of Office of the Government Chief Information Officer ("OGCIO") and increasing R&D from 0.24% of GDP to 0.69% of GDP, etc have laid the strategy framework and pulled together the available resources to realize our vision. It warrants a proactive step to consolidate our efforts to ensure the collective wisdom and resources are efficiently used towards a common goal.

2. Strengthen Digital Inclusion Effort

Human capital plays a key role in the progressive development of a society. In a knowledge-based society, which Hong Kong has now become, digital access has become critical for utilizing education resources, gaining employment opportunities, and public services, etc. To ensure that human capital is optimized for the overall benefit of our society, it is important to ensure more equal, effective and beneficial access to the ICT resources for ALL Hong Kong citizens, especially the disadvantaged groups, so that the under-privileged in the society are not left behind because of inadequate access to ICT resources.

iProA fully embraces government effort in bridging the digital divide in community and it is encouraging to see that public-private partnerships have been making proactive steps in the Digital Inclusion initiatives. We would like to make further recommendations so as to expedite the development of Hong Kong towards a digitally inclusive society.

- Increase the allocation of resources on training and broaden the access to services offered by the Digital Cyber Center, which plays a vital part of a Digital Inclusion initiative. Moreover, the training curriculum must be broad in scope, while at the same time fulfilling the needs of targeted audiences. For example, the curriculum has to be specific for target groups, particularly those from underserved communities, and enable the service recipients to understand the personal value they can derive from learning the skills.
- Helping the un-employed to improve their work-related skills through the provision of appropriate training and structured work activity in respect to their assessed needs. The goal is to equip the targeted population with the digital skills needed to either enhance employment opportunities and to see access to digital resources as a way to improve their economic, social, and cultural lifestyle.
- Developing a critical mass of ICT and Internet users in geographic communities and in the social networks of disadvantaged individuals in order to promote the value of ICT resources to the target communities and increase the rate of their active participation.
- For those who cannot afford computers at home, the government should use their purchasing power to negotiate bulk buys from vendors and technology suppliers to make the resources more affordable. Moreover, the government can discuss with financial sector to establish credit via installment-driven programs of ownership for low-cost PC. Ultimately, the goal is to provide models that make citizen-owned programs a reality to even the most underserved.

- Strengthen the District Council's involvement on ICT and Internet Development for local communities. Involving District Council and local communities in the development of relevant local Web content and local support networks will help increase the value of the Web to those communities, as well as developing an increased sense of local ownership, for example develop a local portal "Local Useful Web" for communities by providing information such as Traffic information, 24 hours Clinic Location, Disease Spreading Rates, Recreation Activities Information...etc, whereby quality of life can be greatly enhanced.

3. Speed-up the adoption of eHealth for Health Care Reform

Since the SARS outbreak and the episodes of Avian Flu during the past few years, Hong Kong has become more conscious of public health and quality of healthcare. We posit that IT is not only an enabler that enhances our competitiveness in the global marketplace, it also plays a key role in advancing the quality of life, in terms of our lifestyle and health. iProA welcomes the proposed Healthcare Reform initiatives as laid out in the Healthcare Reform Consultation Document, issued by the Food and Health Bureau, HKSAR in March 2008. In particular, we support the Bureau's recommendation in establishing a territory-wide electronic health record (eHR) system, to enable better access to patients' records with patients' consent and we believe that eHR system is a critical and imminent measure to enhance better healthcare services in Hong Kong.

While positive measures have been taken to promote the adoption of eHealth through the Food & Health Bureau and OGCIO, we believe that it is advisable to strengthen the efforts and allocate more resources to pave the way for effective establishment of the territory-wide eHR system. Our recommendations include:

- Giving the territory-wide eHR a priority on the agenda even if a majority of the society has not yet reached a consensus on other suggestions under the Healthcare Reform Consultation
- Set-up of more pilot projects, especially targeted to the private sectors' adoption of eHealth systems
- Strengthening capacity building programs targeted to different positions in the health care sectors, including nurses, paramedics and other healthcare professionals in the supporting roles
- Provide more awareness programs and pilot projects to introduce eHealth tools to the general public

- iProA suggests that the effort of promoting eHealth adoption should continue to be carried out in a Public Private Partnership (PPP) model, and to ensure the active involvements from major industry players from the private sectors.
- From citizens' perspective, we certainly should enjoy the added convenience and efficiency applying the existing Hong Kong Smart ID Card to the broader e-Health Record System for seamless data sharing. Please refer to the next section on 'Elaborate use of Hong Kong Smart ID Card for Urban Best practices' for more details.

4. Elaborate use of Hong Kong Smart ID Card for Urban Best Practices

We are glad to see HKSAR's active participation in the Shanghai World Expo in 2010 and the plan to showcase our innovative ways to improve efficiency in everyday city life through the extensive use of smart card applications in an exhibition areas for Urban Best Practices at the Expo. We are hopeful that such an opportunity will foster the long-term development of the software industry in Hong Kong.

One of the critical success factors in the deployment of such kind of online applications is to fulfill the stringent security requirement of operating in Internet environment. We are confident that this is achievable by leveraging on the Hong Kong e-Cert embedded in every citizen's HK Smart ID Card. For many years, we have impressed the world as we race through the e-channels with our ID cards; we now have the chance to demonstrate even more sophisticated applications bringing increased efficiency, security and privacy protection to our community, including:

- A territory-wide electronic health record system, under which citizen can authorize their medical records to be viewed / amended by approved healthcare professionals by presenting the digital certificates on their Smart ID Cards when they visit a clinic or hospital. Doctors can digitally sign for their patients' medical records, while electronic prescription data can reduce error rate transferred along the medical supply chain. Additional Smart ID Card features can also be explored for the storage of vital information such as the cardholder's blood type, drug allergies, etc.
- The digital certificates on Smart ID Cards can be used for encrypting payment instructions for financial transactions. By enabling electronic payments related and other confidential communications to be legally-binding without the need for handwritten signatures on paper, the e-Cert can help Hong Kong move towards its Digital 21 objectives by (a) harnessing further efficiencies as a result of the move from manual processes to digital ones and (b) encouraging greater environmentally friendly practices through reduction in paper use.

- Parents can log onto their children's schools to sign off reply-slips over the Internet. With proper authentication, they can receive their children's report cards and other information about the school activities while they are on the road or at home.
- The above are just a few examples, and there are possibilities for an unlimited number of innovative applications. Given the aggressive timeframe, we urge the government to appropriately allocate the resources and push forward the deployment of e-Cert applications within the coming 19 months leading up to the World Expo.

5. Establish Strategic Collaboration for HKSAR-Guangdong Technology Development

iProA is pleased with the government support and its continuous investment on the technology industry in the HKSAR and it is encouraging to see that public and private sectors' collaboration over the years have propelled HKSAR into a knowledge-based economy. HKSAR has a talented pool of technology research personnel, however, much is yet to be done to create an environment conducive to innovation and to commercialization of innovative ideas. The R&D in Hong Kong tend to be revenue-driven, hence there's a needed incentive for R&D efforts geared towards long-term sustainable growth of ICT development and more outlets for the fruits of R&D efforts to commercialize and set foot in mainland and the international market.

In view of Hong Kong's proximity to the Guangdong province and the strategic roles we play in Mainland's economic policies, iProA would recommend that the HKSAR Government should establish a long-term policy which take into account the close cooperation with Guangdong Province, especially its well-developed based in IT, R&D, as well as manufacturing. This could include the following policy initiatives:

- Make use of Guangdong/Hong Kong Technology Co-operation Funding Scheme, Government Projects, local venture capital and education system so as to create a real incubating atmosphere for the local technology industry to be developed as the core element for knowledge-based economy in the future.
- Promote more effective co-operation on HKSAR-Guangdong Innovative Hub and Creative Business Circle to strengthen the technological, educational and cultural cooperation via a HKSAR-Guangdong creative talent nurturing programme, meanwhile, making it more approachable and beneficial for more ICT firms in Hong Kong, to take advantage of the territory asset of Guangdong Province

- Encourage multinationals to set up R&D Research Headquarter in Hong Kong to collaborate with Guangdong Research Bases, so as to create more vibrant research environment and more R&D job opportunities in Hong Kong.
- Set up a fund to encourage collaboration projects to enhance the competitiveness of SME through the adoption of ICT. The fund could be reallocated from those existing Innovation and Technology Fund, SME Development Fund... etc.
- Work closely with Guangdong Province on the facilitation in Land Policies to establish Hong Kong and Guangdong Province as a hub of Internet Data Center
- Establishing Hong Kong as a technological licensing hub so as to attract more Venture Capital Funds for the local technology market. On the other hand, setting up a knowledge exchange to facilitate the recognition of intellectual property and subsequent trading.

6. Advocate Hong Kong as a Hub for Digital Lifestyle

Hong Kong has already had many known strengths for achieving the goal of becoming a global centre of Digital Lifestyle innovations. These include the world class ICT infrastructure support, the rule of law, being a global financial centre and commercial hub, world class university education, professional institutions of international standard, allowing free and efficient information flow, availability of high-calibre professionals and skillful workforce who are adhering to high ethical standard, strong creativity, extensive collaborative experience with China Mainland, and being the gateway to Chinese market for foreign investments. It is commonly agreed that Digital Lifestyle is a concept developed through cross-disciplinary efforts among ICT industry, consumer electronics manufacturers as well as the creative and design industry, and it has been well recognized as an important driving force in the global market.

iProA has been advocating the needs to promote Digital Lifestyle, partnering with other industry associations, academic institutes as well as commercial corporations. With the support from OGCIO, a number of successful awareness programs have been delivered to the professionals and industry players from different disciplines and received encouraging feedbacks.

It would be advisable to continue these efforts to establish Hong Kong's branding as a hub for Digital Lifestyle. We suggest that the following measures should commence in the coming year:

- Setup of structured capacity building programs to promote cross-disciplinary collaborations in developing Digital Lifestyle products and services
- Establish a Digital Lifestyle Center in Cyberport to facilitate a sustainable effort of development in this area. Cyberport offers clusters of high technology ICT companies and organizations supported by advanced facilitations will provide a cross-technology and media platform, supported by the necessary state-of-the-art technology infrastructure and facilities. Such conditions provide an ideal environment to foster the growth of innovations and the growth of ICT talents for the sustainable development of Digital Lifestyle in Hong Kong

Conclusion

We trust that our recommendations will help shape and steer the development of HKSAR into a mature knowledge-based economy and strengthen our position as a major global financial centre. We urge that the Government will give serious considerations to our recommendations.

With more dedicated resources deployed by the Government of HKSAR to the overall development of technology industry to strengthen both the hardware infrastructures and facilities, and quality of our human capital, we are very hopeful that Hong Kong can re-established our competitive advantage as a world city. As cited by Bill Gates in his recent visit to Hong Kong and China, "innovation has changed the world" and technology will continue to make changes to our lives.

To summarize, while we consolidate the management and development of the infrastructures and facilities for a conducive environment to incubate home grown IT development, we should at the same time take advantage of the synergy by working closely with Guangdong province to speed up research and development. By strengthening the current **Digital Inclusion** effort, we are very hopeful that the quality of our human capital and quality of life will both benefit. Benchmarking Hong Kong with other world city, enhanced Health Care by adopting **eHR** (e-Health Record) can greatly increase the Government's ability to combat infectious disease in future. Furthermore, the **elaborate use of Hong Kong Smart ID** can bring about added convenience and efficiency for urban living which we can be proud to showcase. And looking at leveraging the unique position of Hong Kong, we can well establish Hong Kong as a hub for **Digital Lifestyle** in Asia, complimenting Hong Kong as a world city.

If there is any aspect of this submission requires elaboration or clarification, we would be happy to do so.

Policy Committee
Internet Professional Association

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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 for further information.