

Feedback to
Government's Public Consultation on 2004 Digital 21 Strategy

Hong Kong Trade Development Council has circulated the government's consultation paper on Digital 21 Strategy to members of the ICT Advisory Committee and urged them to contribute their inputs.

Many members have indicated that they would submit their opinion directly to the government from their respective industry organisations. Two members have provided their feedback to TDC. Inputs of these two members are included in following pages for the review of the government.

Comments received from Mr. William Kwan (Vice President, Corporate Market, New World Telecommunications Limited)

In response to the consultation paper on 2004 Digital 21 Strategy, I would like to submit the following recommendations on behalf of New World Telecommunications Limited.

It is clear that Hong Kong has laid a good foundation for further development of e-commerce over the past five years under the government's leadership. The foundation means high penetration rate of mobile phone, personal computer and broadband service, popularity of e-business practice, liberal telecom market, transparent regulatory environment, etc. Leveraging such a solid foundation, the government is recommended to shift its focus from the "local" to the "global", so as to help Hong Kong telecom and IT companies to compete in the international arena. In addition, the Government is strongly urged to step up its effort to strengthen Hong Kong's position as the leading e-commerce hub in the world.

Telecom and IT companies in Hong Kong have to extend their global reach because Hong Kong's market is too small to achieve economy of scale. In addition, in view of the nature of e-commerce, foreign companies can easily take advantage of the foundation built by the Government with limited investment and commitment in the Hong Kong community. It is an unhealthy trend when both the Government and the Hong Kong telecom and IT community have made heavy investment in the infrastructure and technological innovation but fail to reap the benefits. Hence, the Government should take a proactive approach to help the HK telecom and IT companies realize business opportunities in Hong Kong and overseas.

Several strategies are recommended:

Expand domestic market to Mainland China

To achieve better economy of scale, the telecom and IT community hope that the Government will help establish a special telecom zone in Pearl River Delta or Guangdong. The special telecom zone will help expand Hong Kong companies' market size, crucial to justify their investment. On one hand, Hong Kong telecom companies can actively serve the communication needs of many Hong Kong-based and foreign companies with operation in PRD. On the other hand,

Mainland companies can benefit from Hong Kong's technological innovation and substantial investment. A win-win situation can thus be created.

Strengthen Hong Kong's existing competitive edges

The mix of eastern and western culture is conducive to the development of e-commerce. The Government is strongly urged to continue to preserve and enrich the essences of this advantage. Furthermore, she can also leverage a suite of the competitive edge namely low tax, transparent regulatory system, strong logistic and distribution network, world-class infrastructure and gateway to access to Mainland China to boost Hong Kong's position as a prominent e-commerce hub.

Standardisation of technological protocol between Hong Kong and Mainland China

In view of closer integration of economy between Hong Kong and Mainland China, standardization of technological protocol is required to spur both to new heights. The Government can play a role in accelerating the cooperation pace.

Dedicated body to strengthen Hong Kong's position as an e-commerce hub

Similar to the Trade Development Council, established to promote trade for Hong Kong, a dedicated body is recommended to be set up to strengthen Hong Kong's position as a well-known e-commerce hub in the global arena through tireless effort in promotion and opening up new business horizons for the telecom and IT community in Hong Kong.