

Public Consultation Paper on 2004 Digital 21 Strategy

Comments and suggestions offered by the British Chamber of Commerce in Hong Kong

Introduction

The British Chamber of Commerce in Hong Kong welcomes the Government's call for input on its review of the 2004 Digital 21 Strategy. The Government has indeed come a long way. The British Chamber of Commerce applauds this latest round of consultation.

It is always easy to pick holes in any strategy. It is easy to be negative and it will never be easy to obtain consensus from all interested stakeholders. We believe that appropriate input from external parties like the British Chamber of Commerce should aim to strengthen a strategy and direction. We offer the following comments and suggestions that we are sure will help to reinforce Government's strategy now and sustain developments into the future.

Overall Strategic Approach.

On reviewing the strategy, two important but broad themes emerge. One is outward looking and the other is taking advantage of these outward developments and applying them within Government. We believe these themes should be emphasised more and given more prominence in the paper. These are:

- 1 Outward looking – The Government is building a strategy that aims to develop a political, regulatory, technical, educational and commercial digital infrastructure that transforms Hong Kong into a magnet for international and mainland businesses to establish operating bases here. The addition of an innovating yet sound technology infrastructure to the already stable legal, financial, commercial base creates a compelling reason to locate operations here. Elements include:
 - a. Political through an appropriate structure in Government and the appointment of a visionary leader with excellent credentials and cross border relationships, to leading change and innovation.
 - b. Economic – whereby the private sector (both corporate and SME) can articulate their evolving future requirements thereby providing a valuable feedback channel to Government.
 - c. Technical and Regulatory through the continued liberalisation of the controls on technology and telecommunications products, software and services plus a strengthening of the legal environment with regard to copyright and e-business transactions.

- d. Educational – by accelerating the adoption of an online education culture through a broadening of the technical learning experience and infrastructure, providing further incentives to pull in research and development and thereby attracting international accredited learning institutions to work and operate in Hong Kong
 - e. Commercial by attracting firms to position themselves with Hong Kong as their preferred Asian hub with the appropriate tax reforms or other financial incentives.
2. Inward looking - Setting the example and leading the way for the rest of China and internationally by “practicing what is preached”. This means adopting the best practices internally within Government, instituting business process reforms that result in growth in the use of technological services within Government and continuing to benchmark services against those provided by other leading Governments including (but not limited to): Malaysia, UK, Singapore and USA.

Specific Tactical Measures.

We offer three, more specific suggestions that will assist in strengthening the strategy. These are in the areas of structure, metrics and sustaining development.

1. Structure – In creating the management structure to oversee the execution of the strategy, we recommend a greater role for the private sector. For example, this might include advisory boards for each of the major initiatives with seats open to representatives from major associations such as the different Chambers of Commerce and other major business based associations.
2. Metrics – We believe that the strategy can be strengthened further through the setting up and reporting of benchmarks and metrics. Benchmarking encourages best practice by highlighting the gap between where one is now and where one wants to go, in acting as an agent of change and encouraging a move from retaining existing processes to one where major change is sought and supported. The metrics will provide needed visibility to measure and determine progress, as well as celebrate success.
3. Sustaining Development – The Strategy is not a once off direction. We believe that it begins a process that has to be renewed and re-energised regularly in order to keep Hong Kong in the forefront and sustain ongoing new developments. This should be accomplished by the creation (within the management structure) of a specialist public/private sector group that assists Government in continuously monitoring the gap between Hong Kong’s developments and those of other governments, industries and special development zones. The emphasis here is not that of an audit function, but one that helps to understand exciting developments elsewhere in the world and then works with Government to apply these to Hong Kong as well as improve on them.

The British Chamber of Commerce would be delighted to assist the Government in establishing the necessary framework structure to support the above three suggestions.

Specific Detailed Comments and Suggestions.

Finally, we offer a number of more specific comments and suggestions.

1. Hong Kong's laws should be strengthened in line with other leading e-economies to address issues such as but not limited to:
 - a. The avoidance of liabilities by ISPs and other service providers for content which they cannot control;
 - b. On-line defamation; and
 - c. Criminal offences relating to computer hacking and spam.
2. Many Government to Citizen services are not easily translated into on-line services, whilst others are both readily translatable and enthusiastically taken up by citizens. We believe that it is best to focus on the few e-options services that bring the most benefit, are high profile and offer quick wins that generate fast take up and therefore positive mindshare. This in turn will accelerate the take up of future e-services.
3. To facilitate Benchmarking and metrics, which we recommend, in order to remove ambiguity, we propose the adoption of concrete industry standard metrics and publishing their definitions. Two examples in the strategy that could benefit from clearer definitions are:
 - a. Pages 14 to 16 – Technology development - it will be important to include more specific measures of the target performance level aimed at for each of the areas so that it is possible to measure what is achieved and how much further to develop.
 - b. The use of the phrase “electronic means” could be construed to include diskettes and CD-ROM. A more specific measure would be to express these in terms of “on-line means”.

Using industry accepted standards and clearly explaining how these are built up, would focus the reader on progress and performance levels rather than debating the credibility of a metric.

4. On IT outsourcing the Government should set a standard for the private sector by publishing the value that is being achieved through such arrangements. Such a move will facilitate growth of services. The outsourcing by the Judiciary and the planned ITSD computer centre outsource are welcome initiatives. Whilst there are understandable challenges with devolving process and staff to a third party, these outsourcing efforts should be increased to include non-core activities thereby helping to further strengthen the industry.

5. We agree that policies need to be reviewed and sharpened. For example with regard to ESD and the “use of technology infrastructure”, in line with our recommendation on benchmarking, metrics should be used to indicate:
 - a. What baseline is in place currently and
 - b. What metrics will be applied to show the ways in which policies are to be sharpened.

We believe that this needs to be applied for all policies and initiatives.

6. We applaud the appointment of a Government “CIO”. This would be of considerable assistance in producing the ‘sharpened focus’ of policy and execution, which the paper strives for. The UK’s E-Envoy could perhaps be consulted, and/or used as a model. The British Chamber of Commerce would be happy to assist in arranging this consultation.
7. In the area of university research, the Government should consider incentives for promoting start-up business with creativity centers in the Mainland. In this way, Hong Kong management would provide the commercial acumen and business framework in bringing mainland innovation to the market.

Conclusion

The British Chamber of Commerce wishes to reiterate our positive support for the Governments’ Digital 21 Strategy. We trust that Government will not only take our recommendations on board but also recognise that these are aimed at strengthening the strategy’s positive contribution to the future development of Hong Kong as an important yet stable operations hub in this region.

We would be happy to assist the Government with the establishment of any or all of the recommendations we have put forward or on any other initiatives that result in a positive development to the future of Hong Kong.