

Recommendations on Public Consultation Paper on 2004 Digital 21 Strategy

Government Leadership

The government should take leadership in the promotion of IT and encourage investment in IT through both directions - within and outside HK:

- Take lead in collaboration of the IT industry with other industries - The IT industry does not exist by itself, a major role is to support and enhance other industries like trading, industries, financial sector, etc.
- Active promotion to other countries - the local market is very small, so it is not easy to achieve economy of scale, especially for the high resource requirements of R&D. Commercial investment is justified by the potential market and return, therefore, to encourage commercial investment, the government should take the lead in promoting our industries overseas to broaden our market reach.
- Collaboration in establishing interoperability standards – interoperability standards between industries and between countries increases the cross-country market-readiness, economy of scale, and is beneficial to both the IT industry and the consumer.
- Government adoption and outsourcing - to foster our local IT industry, the government should emphasize the requirements of local development and support when outsourcing its IT projects.

Infrastructure and business environment

- Establish clear objectives and performance measures - The government should conduct serious appraisals to ensure that investment is justified by the benefits generated. For high-cost hard infrastructure investments like the Cyberport and Science Park, it seems that the achievement is measured by the completion of the physical sites. It is not clear that the underlying objectives behind those projects have been accomplished. The government should evaluate the projects through all performance indicators. The lessons learned would be invaluable to other project initiatives.

Institutional Review

- Better integration and efficiency in government structure is welcomed. The government could consider measures such as privatization, which has proven records of improved efficiency, cost effectiveness and industry/market sensitivity.
- A unified regulatory body is a correct response to technology convergence.

Technological development

- Hong Kong cannot compete with Mainland and other countries in low cost business arenas. It should position itself in the advanced, innovative, or high value-added areas.
- Emphasis should be placed on both innovations and applications. A totally out-of-the-box innovation with no business applicability cannot attract investment.
- Rather than funding and feeding local universities and industry, the government should aim at attracting R&D from renowned technology institutions as well as fostering an environment in which the industry can prosper.
- As mentioned in *Government Leadership* above, the government should take lead in encouraging collaboration of the IT industry with other business sectors.

Human resources in a knowledge economy

- Hong Kong government has been doing a lot in IT education. As mentioned in *Technological Development* above, Hong Kong should position itself as a high-end innovator and value-adder as these will sustain our competitive edge. The government should place more emphasis in fostering and stimulating creativities.