

**Summary of the views expressed at
the Fourth Meeting of the Executive Committee
of the Commission on Strategic Development
held on 13 June 2006**

The Chairman welcomed Members to the meeting. He said that the Committee would focus its discussion on “Hong Kong’s International Competitiveness” at this meeting.

Matters arising from the last meeting

2. The Chairman reported that the Secretariat had issued the summary of views expressed at the workshop on Hong Kong’s international competitiveness held on 4 April 2006 to Members. The Secretariat had taken into account the views expressed by the speakers and Members at the workshop in preparing the discussion paper for this meeting. It had also uploaded the summary to the Commission’s webpage.

3. As regards the questionnaire on “Hong Kong’s positioning in our country’s economic, social and political development”, the Secretariat had received no further comments from Members. It had consolidated the eight sets of written comments received earlier and referred them to relevant bureaux and departments for consideration. The full text of these written submissions had been uploaded to the Commission’s webpage.

4. The Chairman reported that the Secretariat had referred Members’ views on the information paper entitled “Progress of Work of Other Committees of the Commission” (Paper Ref: CSD/EC/4/2006) to relevant Committees of the Commission and government bureaux and departments for consideration. The Secretariat had also issued an information note prepared by the Environmental Protection Department on air pollution problem in Hong Kong to Members before the meeting. In response to Members’ request made at the last meeting, the Secretariat had circulated the paper entitled “Hong Kong as a Hub for Talent” discussed by the Committee on Economic Development and Economic Cooperation with the Mainland at its meeting held on 11 April for Members’ reference.

Progress of Work of Other Committees of the Commission (Paper Ref: CSD/EC/7/2006)

5. On the issue of selecting the Chief Executive and electing all Members of the Legislative Council by universal suffrage (an issue being addressed by the Committee on Governance and Political Development), a Member considered that the current political climate in Hong Kong was not conducive to an early implementation of universal suffrage. He also opined that it was not appropriate constitutionally for Hong Kong to develop “party politics” as Hong Kong was only a Special Administrative Region of China.

6. The Chairman asked the Secretariat to convey the above views to the relevant Committee for reference. He reminded Members that the Executive Committee should not enter into substantive discussions on issues being examined by other Committees.

Hong Kong's International Competitiveness (Paper Ref: CSD/EC/8/2006)

7. Members generally took note of Hong Kong's existing strengths in international competitiveness. Members viewed that in further enhancing our competitiveness, we should bear in mind the fact that Hong Kong was not a country but a city, with a small domestic consumption market and limited pool of talents. As such, Members generally agreed that it was not wise for Hong Kong to strive to compete with other places on all fronts. Instead, Hong Kong should focus on our own strengths. In particular, Hong Kong should further develop and strengthen our financial services and trading sectors, as well as the logistics and tourism sectors. Some Members also saw great potential for Hong Kong to develop itself as a regional hub for higher education, healthcare and medical services. Besides, the Government should examine ways to support the development of biotechnology and research in Chinese medicine in Hong Kong.

8. Members generally agreed that attracting non-local talents and nurturing local talents by enhancing the quality of local education was an important element in maintaining the international competitiveness of Hong Kong. The abundant presence of non-local talents would not only help the development of Hong Kong by their direct contribution in their respective fields, but also facilitate the grooming of the local talents.

9. In order to attract non-local talents, Members considered it necessary to further improve the existing admission schemes for overseas talents. A member suggested the Government to explore ways to encourage non-local

talents in the academic sector to stay in Hong Kong. These might include better Government support to research work in the tertiary institutions. Another member underlined the importance of training and re-training in upgrading the skills of our workforce, particularly those in the service sectors.

10. Some Members pointed out that Hong Kong by nature was an externally-oriented economy. It was therefore necessary to enhance its openness so as to maintain its international competitiveness. In particular, Hong Kong should strive to eliminate “protectionism” in certain professional sectors, e.g. the legal and medical sectors.

11. Some Members observed that since the re-unification of Hong Kong with the Mainland, Hong Kong had received less attention internationally. This might undermine Hong Kong’s attractiveness to the international markets. In this respect, some Members suggested that the promotion efforts of our overseas Economic and Trade Offices should be further strengthened.

12. With the rapid development of the Mainland, Members generally agreed that there were vast opportunities for Hong Kong to foster an even closer relationship with the Mainland in economic cooperation. Some Members considered that Hong Kong was a natural partner for the Mainland in the provision of financial services. A Member suggested that Hong Kong should explore possible areas of economic cooperation (such as commercialization of information technology research in Shenzhen) with adjacent cities in Guangdong to bring mutual benefit to the economies of both places.

13. Members discussed the role of Government in enhancing the international competitiveness in Hong Kong. Some Members considered that while it was important for the Government to maintain a level playing field, it might be necessary to critically examine if the “positive non-intervention” policy adopted by the Government was outdated and overly rigid and that Government support might actually be required in the development of certain economic sectors, e.g. Chinese medicine.

14. Some Members opined that it was necessary to speed up the development of physical infrastructure in Hong Kong. They pointed out that large-scale infrastructural projects were rarely implemented in the last decade. This would not only impact on the labour market, but also undermine the long-term competitiveness of Hong Kong.

15. Some Members were concerned about the political situation in Hong Kong. They observed that it was increasingly difficult to forge a consensus in the community on public policy issues. This had delayed the decision-making process and unduly affected the efficiency of the Government.

16. The Chairman concluded the meeting with the following comments:
- (a) Members generally agreed that the strengths of Hong Kong in our international competitiveness included the rule of law, well-established institutions, free market economy, business-friendly environment, a clean and efficient government, simple and low tax regime and advanced physical infrastructure etc.
 - (b) In view of the globalization of economy and the rapid development of the Mainland, Members recognised that Hong Kong was facing a number of challenges, including the existence of protectionism, quality of our population, environmental problems and political situation etc.
 - (c) The rapid development of the Mainland, in particular the implementation of China's 11th Five-Year Plan promulgated this year, had brought about opportunities as well as challenges to Hong Kong. In order to maintain its unique role and functions, Members considered that Hong Kong should enhance its economic cooperation and integration with the Mainland, raise its international profile, maintain its openness by eliminating protectionism, attracting and nurturing talents, improve the quality of life and maintain social and political stabilities.
 - (d) The Secretariat would consolidate and summarize the views expressed by Members, and would refer them to relevant bureaux and departments for consideration. The Economic Summit to be held in September would provide another opportunity to discuss issues related to Hong Kong's international competitiveness.
 - (e) The Chairman announced that the Committee would discuss "Balanced and sustainable development on all fronts" at its next meeting. The Chairman encouraged Members to put forward their views and comments related to the topic to the Secretariat before the next meeting, which would be circulated to other Members for reference.
17. The attendance list is attached.

策略發展委員會
行政委員會第四次會議
2006 年 6 月 13 日

Fourth Meeting of the Executive Committee
of the Commission on Strategic Development
13 June 2006

出席人士

Attendance List

主席 :

Chairman :

The Chief Executive

行政長官

官方委員 :

Official Members :

The Acting Chief Secretary for Administration
Head, Central Policy Unit

署理政務司司長
中央政策組首席顧問

非官方委員 :

Non-Official Members :

Mr CHAN Wing-kee, G.B.S., J.P.

The Hon CHAN Yuen-han, J.P.

Mr CHENG Kar-shun, Henry, G.B.S.

Dr CHENG Wai-kin, Edgar, G.B.S., J.P.

Ms CHENG Yeuk-wah, Teresa, J.P.

Dr CHOI Yuen-wan, Philemon, S.B.S., J.P.

The Hon CHOW LIANG Shuk-ye, Selina, G.B.S., J.P.

The Hon EU Yuet-mee, Audrey, J.P.

The Hon LAU Chin-shek, J.P.

Mr LAU Hon-chuen, Ambrose, G.B.S., J.P.

The Hon LAU Sau-shing, Patrick, S.B.S., J.P.

Dr QIN Xiao

Prof TSUI Lap-chee

陳永棋先生, G.B.S., J.P.

陳婉嫻議員, J.P.

鄭家純先生, G.B.S.

鄭維健博士, G.B.S., J.P.

鄭若驊女士, J.P.

蔡元雲醫生, S.B.S., J.P.

周梁淑怡議員, G.B.S., J.P.

余若薇議員, J.P.

劉千石議員, J.P.

劉漢銓先生, G.B.S., J.P.

劉秀成議員, S.B.S., J.P.

秦曉博士

徐立之教授

Mr WONG, Raymond R., S.B.S.
Mr WOO Kwong-ching, Peter, G.B.S., J.P.
Mr WU Ting-yuk, Anthony, J.P.
Mr YEUNG Yiu-chung, B.B.S., J.P.

黃應士先生, S.B.S.
吳光正先生, G.B.S., J.P.
胡定旭先生, J.P.
楊耀忠先生, B.B.S., J.P.

因事未能出席

Apologies

官方委員 :
Official Members :

The Financial Secretary
Director, Chief Executive's Office

財政司司長
行政長官辦公室主任

非官方委員 :
Non-Official Members :

Mr CHAN Cho-chak, John, G.B.S., J.P.
Prof CHAN Lai-wan, Cecilia, J.P.
Mr CHENG Hoi-chuen, Vincent, G.B.S., J.P.
Mr CHENG Mo-chi, Moses, G.B.S., J.P.
Prof CHOW Wing-sun, Nelson, S.B.S., J.P.
Prof CHU Ching-wu, Paul, J.P.
Ms FANG Meng-sang, Christine, J.P.
Dr FUNG Kwok-king, Victor, G.B.S., J.P.
Mr HE Guangbei
Prof LAU Juen-ye, Lawrence
The Hon LEE Chu-ming, Martin, J.P.
Dr LEE Peng-fei, Allen, J.P.
Mr LI Tzar-kuoi, Victor
Dr LIAO York, S.B.S., J.P.
The Hon TSANG Yok-sing, Jasper, G.B.S., J.P.
Mr WONG Hong-yuen, Peter, G.B.S., J.P.
Prof WOO Chia-wei, G.B.S.
Sir WU Ying-sheung, Gordon, G.B.S.

陳祖澤先生, G.B.S., J.P.
陳麗雲教授, J.P.
鄭海泉先生, G.B.S., J.P.
鄭慕智先生, G.B.S., J.P.
周永新教授, S.B.S., J.P.
朱經武教授, J.P.
方敏生女士, J.P.
馮國經博士, G.B.S., J.P.
和廣北先生
劉遵義教授
李柱銘議員, J.P.
李鵬飛博士, J.P.
李澤鉅先生
廖約克博士, S.B.S., J.P.
曾鈺成議員, G.B.S., J.P.
黃匡源先生, G.B.S., J.P.
吳家瑋教授, G.B.S.
胡應湘爵士, G.B.S.