

**Summary of the views expressed at
the Sixth Meeting of the Executive Committee
of the Commission on Strategic Development
held on 5 October 2006**

The Chairman welcomed Members and a new Member, Mr SHIU Sin-por, to the meeting.

Matters arising from the last meeting

2. The Chairman reported that the Secretariat had issued the summary of views expressed at the last meeting to Members and relevant bureaux and departments. The Chairman also mentioned that the Education and Manpower Bureau had prepared an information note in response to Members' view on pre-primary education expressed at the last meeting. The Secretariat had forwarded the information note to Members for reference.

**Progress of Work of Other Committees of the Commission
(Paper Ref: CSD/EC/10/2006)**

3. Members noted that the progress of work of other Committees of the Commission.

**Follow-up on the Economic Summit on "China's 11th Five-Year Plan and
the Development of Hong Kong"
(Paper Ref: CSD/EC/11/2006)**

General

4. Members generally agreed that our future economic development should be based on further developing and enhancing Hong Kong's status as an international centre of financial services, trade and shipping ("three international centres"). It was considered that Hong Kong should benchmark against the top-ranked international cities and aim to achieve a leading position globally in these three economic sectors.

5. Members opined that Hong Kong had a number of advantages, including the rule of law, well-established medical, education and social security systems, a business-friendly environment and an efficient transportation system. Having said that, Hong Kong was facing a number of challenges, including the conflict between environmental protection and urban development and low

utilization of land, i.e. only about 20% of land in Hong Kong had been developed.

Inter-related Areas of the “Three International Centres”

6. A Member raised that Hong Kong should pay due regard to the interrelated areas arising from the development of the “three international centres”. Since an industry could not thrive on its own, it had to be complemented and supported by the development of other related industries. These developments would reinforce each other and help promote the growth of various local trades and industries.

Training and Pooling of Talents

7. A number of Members highlighted the importance of nurturing and attracting talents in sustaining the long-term competitiveness of Hong Kong. In particular, Members opined that it was necessary to strengthen the training provided to local students to enhance their international outlook, personality and enterprising spirits.

8. In attracting non-local talents, a Member stressed the importance in tackling the problem of environmental pollution in Hong Kong. It was also suggested that local tertiary institutes should increase the intake of non-local students, which would not only attract non-local talents to Hong Kong when they were young, but also help improve the international exposure of the local students. A Member suggested the Government to provide land for construction of student hostels by local tertiary institutes to facilitate their arrangement in increasing the intake of more non-local students. A Member also proposed that Hong Kong tertiary institutes should aim to develop themselves into world-class institutes in order to attract students from all over the world.

Development of Financial Services

9. Members generally agreed with the five-pronged financial development strategy in response to the challenges and opportunities brought about the Mainland’s financial reform and liberation, as set out in the discussion paper of the Economic Summit on financial development.

10. To consolidate Hong Kong’s position as an international financial centre, Members made the following suggestions -

- to expedite the development of renminbi business in Hong Kong;

- to attract more Mainland enterprises to list in Hong Kong stock market. Specifically, a Member suggested that the existing listing rules should be reviewed;
- to strengthen overseas promotion of Hong Kong as an international financial centre;
- local financial institutes to cooperate with the local tertiary institutes to provide on-the-job training to their staff; and
- to rationalize the structure and relationship between the existing regulatory bodies on financial services in Hong Kong, with a view to enhancing the effectiveness of regulation and reducing unnecessary red-tape.

Technological Development

11. In the present knowledge-based economy, some Members considered that innovation and technology were the crucial factors in sustaining economic development. It was therefore necessary to strengthen the development of innovation and technology as well as research and development capacities in Hong Kong. In addition, in view of the geographical proximity and the relatively successful development in technology application in Shenzhen, a Member opined that tertiary institutes in Hong Kong should actively foster cooperation with institutes in Shenzhen to pursue mutual development in innovation and technology.

Others

12. Apart from economic development, some Members stressed the importance of maintaining social harmony in Hong Kong. In view of the increasing number of Hong Kong people living and working in the Mainland, a Member was of the view that the Government should strengthen the support provided to Hong Kong families residing in the Mainland. A Member also highlighted the importance of enhancing the support and protection to the grassroot and labour sectors. It was also suggested that Hong Kong might consider formulating indicators in major aspects similar to which in the 11th Five-Year Plan to benchmark the progress of Hong Kong's social development.

13. The Financial Secretary made the following comments:

- (a) Hong Kong had a three-tier regulatory regime for the financial service sector. The Financial Services and the Treasury Bureau was responsible for the policy side, while the Securities and Futures

Commission and the Stock Exchange of Hong Kong Limited were respectively responsible for supervising and frontline monitoring of the operation of the stock market. The Commissioner of Banking and the Commissioner of Insurance were respectively responsible for the monitoring and regulating the operation of the banking and insurance industries;

- (b) The division of responsibilities among different authorities in Hong Kong was considered clear and effective;
- (c) As an international financial centre, Hong Kong would need to meet international standards of various aspects, e.g. corporate governance, to ensure adequate provision of protection to investors; and
- (d) The development of Renminbi business would need to be in line with the development of the Mainland.

14. The Chairman made the following comments:

- (a) The National 11th Five-Year Plan set out a comprehensive development plan of the Mainland in 2006 to 2011. The Plan mentioned specifically about the positioning of Hong Kong. Members generally agreed that the implementation of the 11th Five-Year Plan had brought about opportunities as well as challenges to Hong Kong. In response, Hong Kong should study and analyse our role and the overall strategy we should adopt, and work out a package of strategic proposals.
- (b) The financial services sector was an important sector in the development of Hong Kong. The Government would continue to review its regulatory regime and to oversee its interface with other professional services, with a view to enhancing further development of the industry.
- (c) Regarding nurturing and attracting talents, it was considered that the tertiary education institutes in Hong Kong had the potential to become world-class education institutes. There was also room for increasing the intake of non-local students, which was only 4% at present.
- (d) Technological development of Hong Kong had a close relationship with the development of the “three international centres”. The Government would explore with the relevant sectors to promote its development.

- (e) The four Focus Groups of the Economic Summit would continue to follow up on the relevant issues.

15. The Chairman stated that the Secretariat would prepare a summary of views expressed at the meeting, and distribute to Members as well as relevant bureaux and departments for reference. Members were invited to submit to the Secretariat their further views by post or by email, which would be circulated to other Members to facilitate exchange of opinions. The next Committee meeting would be held on 7 December 2006, and would discuss the issues of “further development of regional cooperation in Hong Kong”.

16. The attendance list is attached.

Secretariat to the Commission on Strategic Development
November 2006

策略發展委員會
行政委員會第六次會議
2006年10月5日

Sixth Meeting of the Executive Committee
of the Commission on Strategic Development
5 October 2006

出席人士

Attendance List

主席 :

Chairman :

The Chief Executive

行政長官

官方委員 :

Official Members :

The Chief Secretary for Administration

政務司司長

The Financial Secretary

財政司司長

Head, Central Policy Unit

中央政策組首席顧問

Director, Chief Executive's Office

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.

陳祖澤先生, G.B.S., J.P.

Prof CHAN Lai-wan, Cecilia, J.P.

陳麗雲教授, J.P.

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

陳永棋先生, G.B.S., J.P.

Mr CHENG Hoi-chuen, Vincent, G.B.S., J.P.

鄭海泉先生, G.B.S., J.P.

Mr CHENG Mo-chi, Moses, G.B.S., J.P.

鄭慕智先生, G.B.S., J.P.

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

鄭維健博士, G.B.S., J.P.

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

蔡元雲醫生, S.B.S., J.P.

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

周梁淑怡議員, G.B.S., J.P.

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

余若薇議員, J.P.

Ms FANG Meng-sang, Christine, J.P.

方敏生女士, J.P.

Dr FUNG Kwok-king, Victor, G.B.S.

馮國經博士, G.B.S.

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

劉漢銓先生, G.B.S., J.P.

Mr LI Tzar-kuoi, Victor

李澤鉅先生

Mr SHIU Sin-por, S.B.S.
The Hon TSANG Yok-sing, Jasper, G.B.S., J.P.
Prof TSUI Lap-chee, J.P.
Mr WONG, Raymond R., S.B.S.
Prof WOO Chia-wei, G.B.S.
Mr WOO Kwong-ching, Peter, G.B.S., J.P.
Sir WU Ying-sheung, Gordon, G.B.S.
Mr YEUNG Yiu-chung, B.B.S., J.P.

邵善波先生, S.B.S.
曾鈺成議員, G.B.S., J.P.
徐立之教授, J.P.
黃應士先生, S.B.S.
吳家瑋教授, G.B.S.
吳光正先生, G.B.S., J.P.
胡應湘爵士, G.B.S.
楊耀忠先生, B.B.S., J.P.

因事未能出席

Apologies

非官方委員 :
Non-Official Members :

The Hon CHAN Yuen-han, J.P.
Mr CHENG Kar-shun, Henry, G.B.S.
Ms CHENG Yeuk-wah, Teresa, B.B.S., J.P.
Prof CHOW Wing-sun, Nelson, S.B.S., J.P.
Prof CHU Ching-wu, Paul, J.P.
Mr HE Guangbei
The Hon LAU Chin-shek, J.P.
Prof LAU Juen-ye, Lawrence
The Hon LAU Sau-shing, Patrick, S.B.S., J.P.
The Hon LEE Chu-ming, Martin, J.P.
Dr LEE Peng-fei, Allen, J.P.
Dr LIAO York, S.B.S., J.P.
Dr QIN Xiao
Mr WONG Hong-yuen, Peter, G.B.S., J.P.
Mr WU Ting-yuk, Anthony, J.P.

陳婉嫻議員, J.P.
鄭家純先生, G.B.S.
鄭若驊女士, B.B.S., J.P.
周永新教授, S.B.S., J.P.
朱經武教授, J.P.
和廣北先生
劉千石議員, J.P.
劉遵義教授
劉秀成議員, S.B.S., J.P.
李柱銘議員, J.P.
李鵬飛博士, J.P.
廖約克博士, S.B.S., J.P.
秦曉博士
黃匡源先生, G.B.S., J.P.
胡定旭先生, J.P.