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Mr. Raymond Tam
Secretary
Commission on Strategic Development
13/F, West Wing
Central Government Offices
Lower Albert Road
Hong Kong

Dear Raymond,

Subject: First Meeting of the Commission on Strategic Development

Thank you for your letter dated August 21, 2007 together with attachments. Due to prior business travel commitment, I regret that I will not be able to attend the captioned meeting on September 5, 2007.

I find the papers "An Overview of the Opportunities and Challenges of Hong Kong's Long Term Development", "Strategic Issues that may be discussed at Future Meetings" and "Formation of Task Groups" to be well thought out. In this connection, I would like to propose the following strategic issues that the Commission may consider for discussion at its future meetings.

Theme (I) Progressive view of development - Maritime, logistics and aviation hub

Whether and how should Hong Kong further liberalize the aviation market to develop and strengthen its preeminent position as an international aviation hub?

Theme (IV) Optimizing our demographic structure - Welfare policy

Whether and how should Hong Kong further promote savings for retirement to address impending financial challenges of its ageing population?

Once again, please accept my apologies for not being able to attend the first meeting. I wish the meeting every success.

Sincerely,



EDMUND TSE