

LEGISLATIVE COUNCIL

PANEL ON PUBLIC SERVICE PANEL ON PLANNING, LANDS AND WORKS

Introduction

At the joint meeting of the LegCo Panel on Public Service and the Panel on Planning, Lands and Works on 24 May 2001, the Administration was requested to provide information on the business opportunities foregone due to the fact that the Survey and Mapping Office (SMO) as part of a government department could not provide timely response to the demand for service from the business sector.

2. The Administration would like to provide below further information on these foregone business opportunities.

Business opportunities foregone

3. In the past two years, the SMO has been approached by some twenty commercial enterprises, car manufacturer and public utilities for provision of digital map base and customised digital map data. These are to support Internet or CD-Rom-based applications requiring the use of map for showing location of premises and facilities, street address directories and in-car navigation system as well as Geographic Information System (GIS)-based applications for fleet monitoring and deployment, routing and logistics planning, etc.

4. As part of a government department, SMO needs to secure additional resources in terms of manpower and equipment to produce these new customised map data. It has to obtain necessary approval from the Government for the pricing for these map data and for going into joint ventures with outside partners. The terms and conditions of any contracts with business partners also require Government's approval.

5. Owing to all these procedural and resource constraints, the SMO cannot conclude these potential business deals in a timely manner and at the pace required by the market or the potential clients.

6. Other major potential business opportunities that SMO as part of a government department cannot exploit is GIS consultancy and development services required by both the public and private sectors. Given its expertise and experience in GIS development, the SMO could have been a very strong contender for the provision of these services. For example, in the case of the Fire Services Department's Third Generation Mobilising System, SMO could have bid for the provision of services for the development of the GIS as well as provision of dedicated customised map data. However, SMO as a government department is refrained from bidding for the whole project. It can only provide the digital map base and second a few staff to support the project.

7. We believe SMO has the full capability to provide these GIS consultancy services. These are indeed opportunities foregone. We may even be able to grasp more businesses had it been possible for SMO to devote more resources to market its services and products.

8. It is practically difficult to quantify the loss of the potential opportunities as most of the potential customers are reluctant to disclose details of the market niches and potential market share which they regard as strictly commercial secrets. In the circumstances, it is not possible to give any financial indications on the opportunities foregone. However, we believe these will involve substantial potential revenue.

**Planning and Lands Bureau
Lands Department**

June 2001