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Panel on Information Technology and Broadcasting

Meeting on 12 July 2010

Updated background brief on Digital 21 Strategy

Purpose

This paper provides an update of the development of the Digital 21 Strategy and summarizes the latest views and concerns expressed by the Panel on Information Technology and Broadcasting (the Panel).

Development of the Digital 21 Strategy

2. The latest version of the Digital 21 Strategy was published in December 2007 and is a blueprint for the development of information and communication technology (ICT)¹ in Hong Kong. The focus of the Digital 21 Strategy is to advance Hong Kong's achievements, seize new opportunities and harness its advantage so as to strengthen its position as a leading digital city. The ultimate aim is to promote Hong Kong's economic development and to provide better services to citizens.

3. According to the Administration, it has made progress in the past year on the following action areas under the latest Digital 21 Strategy:

Facilitating a digital economy

- (a) helping IT professionals;
- (b) developing the institutional infrastructure to support the digital economy;
- (c) facilitating ICT-enabled businesses; and

¹ ICT refers to all technologies and applications that involve information processing and/or exchange over communication networks, including the internet.

- (d) developing a framework for the mutual recognition of digital signature certificates between Guangdong and Hong Kong under the Closer Economic Partnership Arrangement (CEPA).

Promoting advanced technology and innovation

- (a) promoting research and innovation;
- (b) capitalizing on the synergy between the technology development of Hong Kong and Shenzhen; and
- (c) facilitating investment in advanced ICT to meet market needs.

Developing Hong Kong as a hub for technological cooperation and trade

- (a) working with the local industry and Mainland partners to promote and deliver the brand proposition for Hong Kong and the Mainland as a supplier of IT services and software;
- (b) working with industry bodies to organize promotional and business matching activities to facilitate local ICT small and medium enterprises (SMEs) in showcasing their capabilities and in making business propositions to potential customers;
- (c) providing state-of-the-art infrastructure, supporting facilities and a favourable campus environment by the Cyberport for the development of a strategic cluster of high quality IT and related enterprises; and
- (d) advising the Government on brand positioning as well as trade and investment promotion for Hong Kong as a centre of ICT with input from the Task Force on Industry Facilitation.

Enabling the next generation of public services

- (a) improving online service delivery;
- (b) improving the efficiency of bureaux/departments and enhancing their services;
- (c) developing the Government IT professionals.

Building an inclusive, knowledge-based society

- (a) advising on the formulation of relevant strategies and initiatives on digital inclusion to improve access to ICT facilities and connectivity,

ICT skills, and facilitate the development of useful content for the needy groups;

- (b) narrowing the digital divide by enabling young people from poor families and other needy members of the community to access and use ICT and online services provided by District Cyber Centres and helping them integrate into the information society;
- (c) initiating computer recycling programme;
- (d) providing free internet broadband access plan for low income families with children; and
- (e) launching IT training programme for SMEs.

Discussion at the Panel on Information Technology and Broadcasting

4. The Panel generally supported the development of the Digital 21 Strategy and received regular reports from the Administration on the implementation. Panel members' views and concerns in respect of the progress made in facilitating a digital economy and promoting technological innovation, cooperation and trade were summarized in the ensuing paragraphs.

5. At the Panel meeting held on 9 February 2009, members noted the finalized Statements of Desired Outcomes (SDOs) for the five action areas (**Appendix**) under the Digital 21 Strategy and the Administration's proposal to develop Key Performance Indicators (KPIs) to measure progress towards the desired outcomes. Some Panel members considered the SDOs too general and flimsy. On the criteria to be used in developing KPIs for the SDOs, members suggested that more concrete quantifiable targets should be set such as laying down the timeframe for achieving territory-wide wireless access and specifying the proportion of Gross Domestic Product to be contributed by the IT sector.

6. The Administration advised that the KPIs had to be carefully designed to make them directly relevant to the SDOs so that the right targets could be set to guide the allocation of resources. Relevant stakeholders, including ICT-related bodies, would be invited to provide input in the KPI design. The Administration would start measuring the KPIs later in 2009. Targets would then be set after the KPIs were validated.

7. Some Panel members expressed concern about the staff lay-offs in the ICT sector. They considered that concrete measures should be put in place to assist local IT professionals, and also the large scale ICT projects to be rolled out to help create jobs in the ICT sector amidst the economic downturn. Members also suggested that non-government public bodies should be encouraged to increase the use of IT as a strategic tool for business and build on technological infrastructure,

so that more business opportunities could be created for local ICT SME companies in providing IT software programming and consulting services.

8. The Administration advised that there would be an increase in IT manpower within the Government in the 2009-2010 financial year. Subject to the approval and progress of Government ICT projects, about 200 more ICT contract staff would be employed by the Government. Efforts had also been made to speed up the process for approving ICT projects of various Government bureaux and departments to facilitate the creation of jobs. Through outsourcing, the IT projects would also create jobs in the overall IT sector outside the Government.

9. The Panel noted that the Administration was actively working with the Hong Kong Computer Society to facilitate a clearing-house acting as a one-stop shop where unemployed ICT professionals could be matched to suitable jobs, training and ICT-related voluntary work. The Administration also provided support for self-employment. In addition, promotional and business matching activities would be organized to facilitate local ICT SMEs to showcase their services and products and to make propositions to potential customers. Moreover, a sector specific IT training programme for SMEs would be launched in early 2009 to help enhance ICT adoption by SMEs and to increase their IT capabilities. Case studies of successful use of ICT by SME companies would be presented to encourage the use of ICT in business operation. The Government would inject \$6 million to fund the programme which would create some 50 temporary IT training and advisory jobs.

10. Panel members expressed concern that digital certificates were not commonly used in Hong Kong. The Administration advised that following the outsourcing of the operation of e-Certificate by the Hong Kong Post, there had been significant improvements in the ease of use of digital certificates. To promote the adoption of digital certificates, efforts had been made to develop more applications in respect of online transactions and services in the Government as well as the private sector. Discussion was being held with the banking sector to promote such use by those banks that had not yet provided online services.

11. The Administration further advised that under Supplement V to CEPA, the HKSAR Government was cooperating with the Department of Information Industry of the Guangdong Province and the Ministry of Industry and Information Technology in developing a pilot scheme in mutual recognition of digital signature certificates between Guangdong and Hong Kong. The implementation of the pilot scheme would greatly facilitate cross-border electronic transaction services and promote the development of electronic commerce between the two places. This would also boost the overall use of digital certificates.

Latest position

12. The Administration will brief the Panel on 12 July 2010 on the progress

made in facilitating a digital economy and promoting technological innovation, cooperation and trade.

Relevant papers

Information paper provided by the Administration for the Information Technology and Broadcasting Panel meeting on 10 June 2008

<http://www.legco.gov.hk/yr07-08/english/panels/itb/papers/itb0610cb1-1755-3-e.pdf>

Background brief prepared by the Legislative Council Secretariat for the Information Technology and Broadcasting Panel meeting on 10 June 2008

<http://www.legco.gov.hk/yr07-08/english/panels/itb/papers/itb0610cb1-1755-4-e.pdf>

Minutes of Information Technology and Broadcasting Panel meeting on 10 June 2008

<http://www.legco.gov.hk/yr07-08/english/panels/itb/minutes/itb080610.pdf>

Information paper provided by the Administration for the Information Technology and Broadcasting Panel meeting on 9 February 2009

<http://www.legco.gov.hk/yr08-09/english/panels/itb/papers/itb0209cb1-715-4-e.pdf>

Updated background brief prepared by the Legislative Council Secretariat for the Information Technology and Broadcasting Panel meeting on 9 February 2009

<http://www.legco.gov.hk/yr08-09/english/panels/itb/papers/itb0209cb1-715-5-e.pdf>

Minutes of Information Technology and Broadcasting Panel meeting on 9 February 2009

<http://www.legco.gov.hk/yr08-09/english/panels/itb/minutes/itb20090209.pdf>

Council Business Division 1
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Statements of Desired Outcomes of the Five Action Areas under the 2008 Digital 21 Strategy

Facilitating a Digital Economy:

Hong Kong has the standards, infrastructure, legal framework and talent that are needed to facilitate a vibrant digital economy, and to enable our core industries to sustain and improve their competitive position. Our community, individuals and businesses are aware of the opportunities brought by a knowledge-based society and have confidence in their ability, skills and professionalism to take full advantage of the opportunities to enhance our economic prosperity and quality of life.

Promoting advanced technology and innovation:

Hong Kong is a leading Asia-Pacific location for research and innovation – both in technology and in developing innovative business models. We attract talent and investment locally, regionally and globally and maximize the benefits of collaboration with mainland research and development efforts. Open competition gives market participants the incentive to invest in advanced information and communications technology (ICT) to meet market needs.

Developing Hong Kong as a Hub for Technological Cooperation and Trade:

Business establishments located in Hong Kong play a significant role in the local, global and Mainland markets for ICT and digital content services. Innovative ICT-enabled business models are used to compete globally in many other areas. Collaboration with international and Mainland entities is a major factor in successfully serving a variety of export markets as well as Mainland and local customers.

Enabling the Next Generation of Public Services:

The Government provides people with the services they need, in an efficient, convenient manner, which is as pleasurable and straightforward as dealing with the most customer-friendly organizations in the commercial and voluntary sectors. Government policy priorities such as healthcare reform are enabled by appropriate and world-leading use of ICT. The internal efficiency of Government approaches that of the most efficient commercial organizations. Transparency and public engagement are enhanced through leveraging ICT.

Building an Inclusive, Knowledge-based Society:

Residents, businesses, and voluntary organizations in Hong Kong are all able to take advantage of ICT to create, access, utilize and share information and knowledge as well as for leisure and entertainment, so that they can achieve their full potential in improving their quality of life. There is a culture of healthy and ethical use of ICT, promoted and protected by knowledgeable users and by the justice system.