

CB(1)7/99-00(02)

THE WORLD CITY OF ASIA

HONG KONG'S ECONOMIC FUTURE



BUSINESS AND PROFESSIONALS
FEDERATION OF HONG KONG

香港工商專業聯會

A SHARED VISION

Hong Kong--The World City of Asia

Asia needs a world city serving

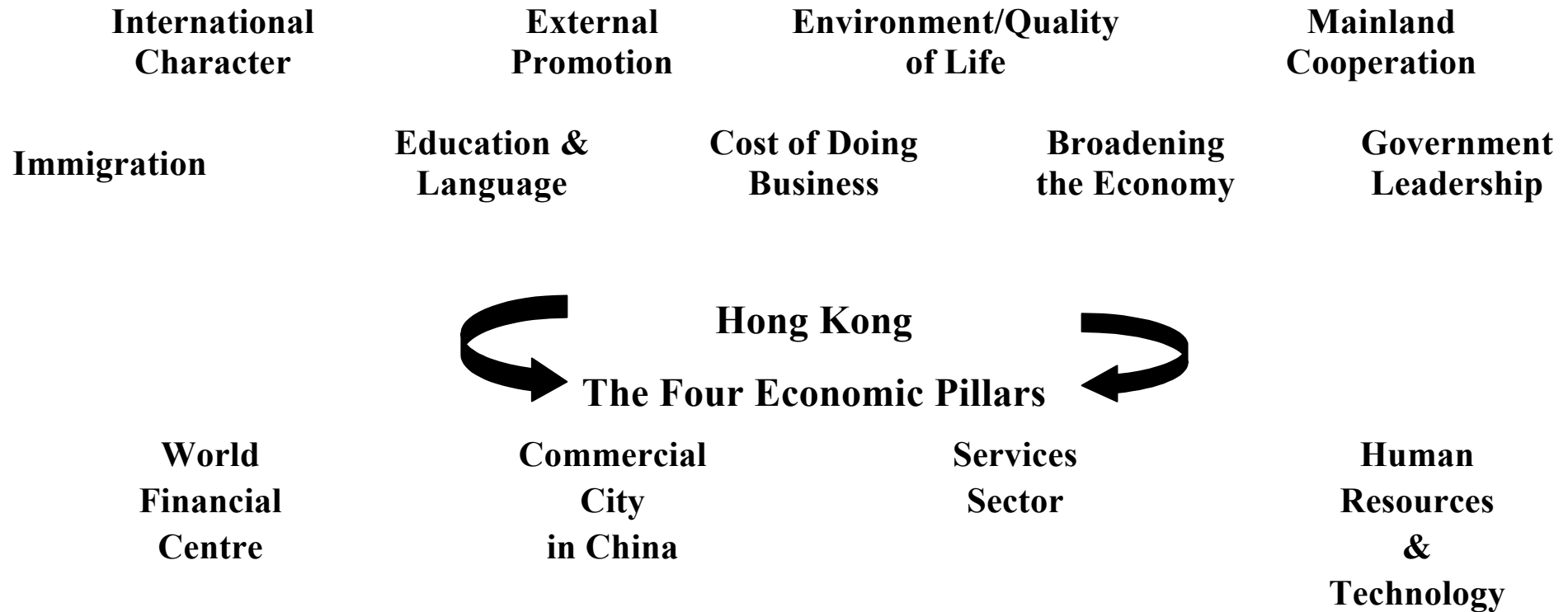
her economy like

New York to America

London to Europe

The World City of Asia

Key Factors for Success



International Character

- Strongly emphasise our strengths and ability to stand tall as a Chinese city but must guard against allowing the pendulum to swing too far and becoming inward looking, xenophobic or protective

Action:

- Sell the concept: develop a coordinated campaign

External Promotion

- To speak with one voice, to articulate with authority what our vision and ambitions are, and to emphasise our advantages

Action:

- One Secretary to coordinate all external activities

Environment & Quality of Life

- Upgrade environment & allocate resources for a cleaner & greener HK

Action:

- Establish an environmental task force chaired by the Chief Secretary for Administration
- Collaborate closely with Mainland authorities
- Enhance enforcement

Education & Language

- Primary & secondary education reform
- Student's English & Putonghua capability improvement
- A regional centre for higher education and research

Action:

- Implement Education Review recommendations
- Expand practical English adult education
- Expand non-local university undergraduate intake

Immigration

- Encourage and facilitate talented people to come to HK

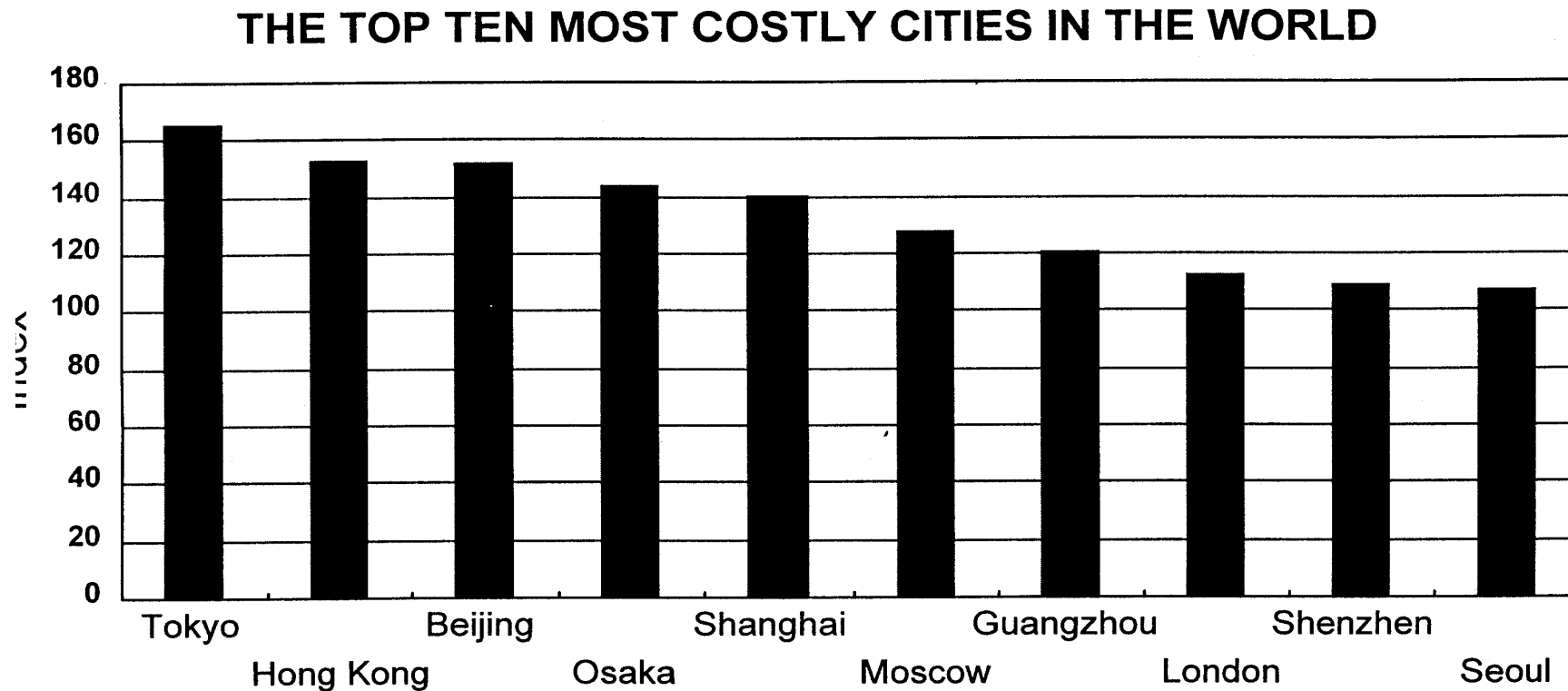
Action:

- Attract skilled and talented resources
- Liberalise restrictions in working for non-local tertiary students



Cost of Doing Business

- Address high cost of doing business

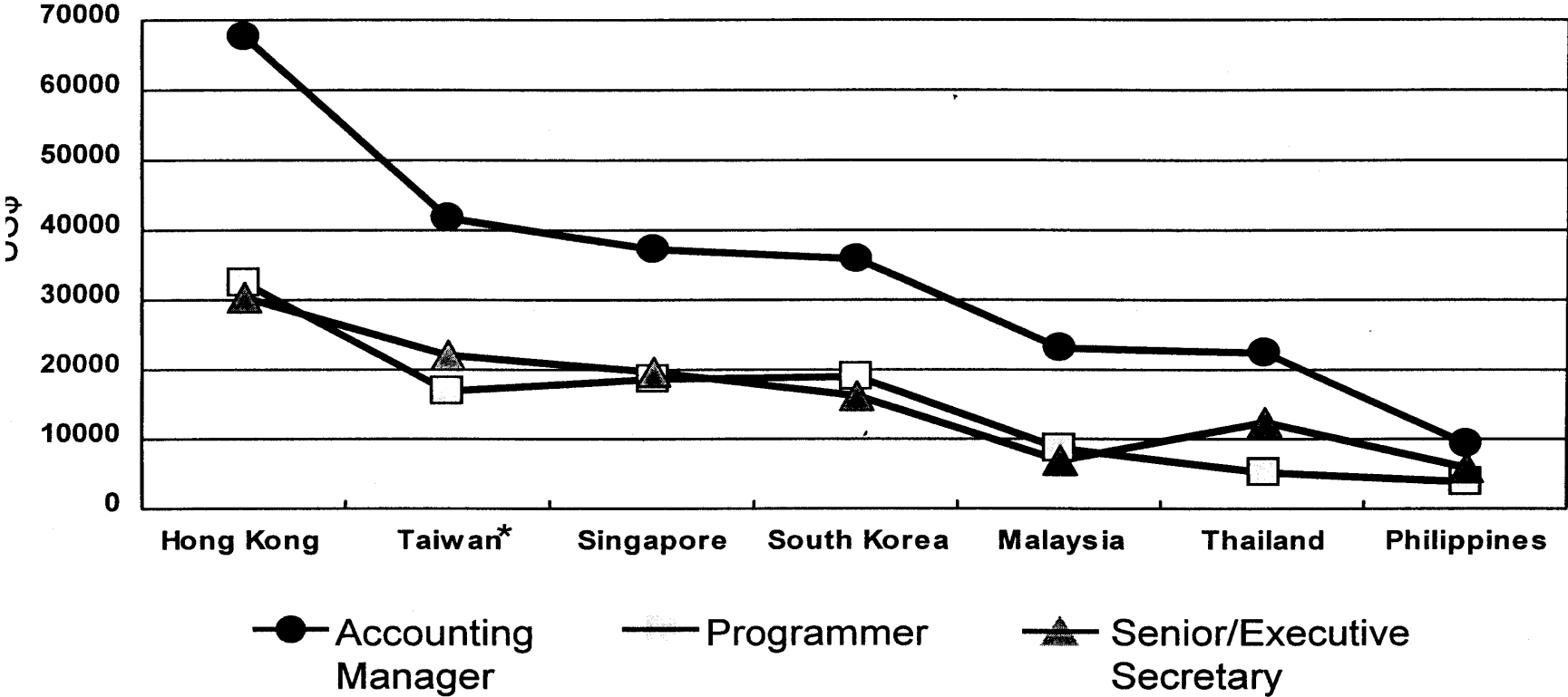


Source: William M Mercer 1999



Cost of Doing Business (Cont'd)

BASIC SALARY LEVEL IN ASIA 1998



Source: Business Asia 10th August 1998

* Basic guaranteed salary

Cost of Doing Business (Cont'd)

Action:

- Maintain stable land cost
- Increase efficiency in public sector
- Deregulate & privatise public utilities

Broadening the Economy

- Capture emerging opportunities brought about by new technology and economic development in the Mainland

Action:

- Forward planning and coordination between the Executive Authorities, the Legislature, the business community, the universities and other institutions

Mainland Cooperation

- Seek support from the Mainland for HK to become China's most international city

Action:

- Long term planning and coordination for Mainland support
- Effective mechanisms for dialogue with Mainland counterparts

Leadership

- Government to assume a more pro-active leadership role during difficult times

Action:

- Set strategic objectives and direction but not to pick winners

**Focus on High Economic Areas to
Strategically position HK as
the World City of Asia**

The Four Economic Pillars

The Four Economic Pillars

CORE

- HK as a World Financial Centre
- HK as a Commercial City in China

SUPPORTING

- The Services Sector
- Human Resources and Technology

A World Financial Centre

- Strengthen our financial and monetary sector
- Maintain our prominence as regional multinational headquarters location
- Enhance our status as a transportation hub

A World Financial Centre

Action

- Strengthen debt market
- Establish multicurrency clearing system
- Encourage multicurrency stock trading
- Support second board of stock exchange

A Leading Commercial City in China

- Maintain HK as a vibrant and growing manufacturing control centre
- Expand our capabilities in high technology, research and development
- Create an atmosphere conducive to the growth of small and medium enterprises

A Leading Commercial City in China

Action

Manufacturing Sector

- Promote HK as the manufacturing control centre
- Foster an environment and providing the infrastructure for partnership between universities and manufacturers
- Strengthen cross border liaison
- Enhance support to small and medium enterprises
- Assist HK business to train human resources in Southern China

A Leading Commercial City in China

Action

Transportation & Shipping

- Establish Pearl River Delta Transportation Coordinating Committee
- Assist industry to reduce cost of shipping
- Establish HK as the region's leading distribution centre
- Assess air service liberalisation
- Improve training and education

Services Sector

- The professional services: its future strength vital in maintaining HK's competitiveness
- Telecommunications, media and information sectors (TMI): HK with a high potential to become a regional centre
- Travel and tourism: position HK as a hub destination

Services Sector

Action

Professional Services

- Professional bodies to consult with tertiary institutions to establish accreditation
- Implement open door policy to attract quality professionals
- Develop HK as a medical hub

Services Sector

Action

Telecommunications, Media & Information (TMI)

- Target TMI related investment
- Review IT related legislations
- Enhance public IT facilities
- Enhance public e-commerce

Services Sector

Action

Travel & Tourism

- Prepare tourism planning policy
- Establish tourism research centre
- Extend travel trade legislation to address abuses

Human Resources & Technology

- Keep abreast of high technology
- Expand training facilities
- HK to become a centre of research and development
- Enhance higher education and training

Human Resources & Technology

Action

Research and Development

- A bureau to coordinate initiatives to support advances in science & technology
- Establish collaboration projects with Mainland institutions

Higher Education and Training

- Financially assist Mainland students

Conclusion

Goals are ambitious but achievable with the commitment by all sectors of the community working together to make Hong Kong the World City of Asia.