

12 October 2007

HKIoD's Response to CE's Policy Address

The Hong Kong Institute of Directors ("HKIoD") is pleased to issue this statement in support of the Chief Executive's Policy Address for:-

- Being visionary in covering the full 5-year term of the 3rd HKSAR Government,
- Being visionary in looking at the preparation of the National 12th Five-Year Plan in order to achieve a Win-Win situation for HKSAR and the Mainland,
- Seeking to balance among "sustaining economic development", "furthering the development of democracy" and "building a harmonious society" and
- In short, charting a fresh medium and longer term course against the back drop of sustainable economic growth for Hong Kong.

As a proactive promoter of good governance and corporate citizenship, HKIoD fully supports the CE's call for enterprises and their better-off employees and officers, including directors, to fulfill their social responsibilities. HKIoD stands ready to encourage our members to participate in such initiatives.

On Infrastructure Projects

The CE is applauded for admitting the under investment in infrastructure projects in the past and HKIoD is pleased to note major projects being named and put on the Government's agenda with a suggested time line. However, HKIoD wishes to stress the importance of professional project planning and project management so that such projects can become operational on time and within budget.

On Central Planning

HKIoD supports the CE's coordinated approach in tandem with the National 5-Year Plan.

However, within Hong Kong, HKIoD stresses the importance of inter-governmental department coordination among buildings, roads, public transport network and related communal facilities such as health care, educational facilities and leisure areas.

On Consolidated and Diversified Financial Market

While we agree with the CE's vision for Hong Kong to continue to prosper as a major financial market, HKIoD would like to see a more detailed policy blueprint for implementation.

In particular, HKIoD would like to see more defined policy to enable medium and growth enterprises to tap much needed funding from the financial markets. Despite repeated efforts, HKIoD notes that not much progress has been achieved by the GEM Board of the Stock Exchange of Hong Kong to achieve this mission singularly. We reiterate that the support of a Government Policy is required. We have also seen little if any progress in the

long-talked-about-opening up of more new jurisdictions for IPO listing candidates.

On SMEs

We note that the most important business sector, i.e. the SMEs, has not been adequately addressed in the Policy Speech. We urge the Government to consider how draconian the current regulations are to be followed for the SMEs to gain very little support in return. We further urge that a complete review of the needs of the SMEs, which are long overdue, should be undertaken with priority.

On Strengthening the Management of Government Owned Assets

Hong Kong has many valuable Government Owned Assets with different functions. However, the management of these assets has been ad hoc and lacks both transparency and professionalism. It is further noted that Policy Secretaries sit on boards of such entities, some of which are publicly listed.

HKIoD recommends the following:

- That a Government Investment Corporation be established to manage Government Owned Assets and
- That non-Government persons be appointed to serve on the boards of such corporations.

On Environmental Protection

Deteriorating environmental conditions have been a major concern to Hongkongers and foreign nationals resident in Hong Kong. HKIoD takes the view that environmental protection measures should be vigorously pursued and, if necessary, with legislation to penalize abuses.

On Health Care Reform

The timely availability of effective health care is fundamental to the quality of life in Hong Kong. HKIoD strongly supports health care reform initiatives. HKIoD also takes the view that our ageing population adds to the urgency for solutions to be implemented as quickly as possible.

On the Ageing Population

HKIoD shares the CE's view that our ageing population is increasing rapidly and related facilities to cater for them should be planned for without delay.

The above is the outcome of discussion by the Economic and Public Affairs Committee of The Hong Kong Institute of Directors.