

Can't We Do More? HKIoD's Response to the 2011-12 Budget

(Hong Kong, 23 February 2011) “Yes we can, we can do more!” The Hong Kong Institute of Directors (“HKIoD”) reacts to the 2011-12 Budget delivered by the Financial Secretary today.

“Hong Kong needs a game plan going forward. If we were to think of the budget speech as half-time team talk, we could see in it some attempt at distilling the long-debated issues facing us and offering some pragmatic tactics. We see not too many novel ideas and we only wish the FS would do more in what he highlighted,” said Dr Kelvin Wong, Chairman of HKIoD.

Economic development

HKIoD found that the FS cannot be faulted for re-asserting the importance of grasping the opportunities created by the 12th FYP, and of regional cooperation.

HKIoD appreciates the more specific measures and the more directed initiatives in this budget that are aimed to stimulate the Six Industries. “HKIoD has indeed called for additional resources to support research and development in medical and public health issues. We are pleased with a commitment to support the testing and certification services,” said Dr Wong.

HKIoD welcomes the plans to enhance the competitiveness of the Pillar Industries. For the financial industries in particular, efforts at maintaining high standard of regulations, at improving the listing platform, at attracting more enterprises from a broader range of jurisdictions to be listed in the Hong Kong market, and at fostering further growth of the asset management will all help to maintain Hong Kong's status as an international financial centre.

HKIoD has always advocated that making the Hong Kong market a top-class example of corporate governance and nurturing in Hong Kong a talent pool of top class company directors can only be a plus towards this goal.

“It is essential that company directors have the qualities to meet the corporate governance demands of today. Providing initial and continuing training to company directors is in turn the essential way to ensure they have the competence to perform their roles. We wish the FS could say more about the importance of corporate governance training and roll out measures to make such training more accessible and affordable,” said Dr Wong.

Support our SMEs in their fight

HKIoD welcomes the proposal to increase the total guarantee commitment under the SME Loan Guarantee Scheme.

“But one common impediment remains that many SMEs are ill-prepared to submit sound loan proposals. They need a better corporate governance scorecard to demonstrate that they have the proper level of internal control, and they need better corporate governance training in order to do. We wish the FS could listen to us, to make it easier and make it more affordable for SME owners to obtain training to enhance their corporate governance practices,” said Dr Wong.

Nurturing talents for success

Hong Kong needs the right talents to support the economic development we desire and to meet our social needs. HKIoD has long held the belief in nurturing the right talents for Hong Kong's success. Formal education and life-long learning is the best investment we can make to help our work-force acquire the right skills to compete, and to construct their future. The FS is in agreement with our views.

Daring people to start their own businesses, and construct their future

HKIoD looks forward to the details of the "Microfinance" scheme, indicating that this could be a great financial help to individuals who balk at the idea of starting their own businesses. But the mentorship and advisory to would-be applicants, as remarked by HKIoD, could be where the real value lies.

We have in Hong Kong a body of retired but still energetic persons who have diverse background and experience in business or in the professional trades who can be great mentors and advisors. HKIoD urges the FS to go a step further, to rally these talents into a resource for would-be entrepreneurs.

"We can conceivably have social enterprises providing advisory and consultancy services to would-be entrepreneurs wanting to start a business or to fledging social enterprises wanting to upgrade and expand," said Dr Wong.

iBonds

Having long called for the development of the bond market HKIoD supports the idea of iBonds and believes this will set a good benchmark for the private sector in tapping the bond market as means to raise capital..

A better, healthier community

HKIoD looks forward to the actual roll out of the pilot Green Transport Fund and believes that it will have good prospect of leading to green solutions to transport modes and technology.

HKIoD also applauds the FS for allocating further funds to meet all eligible applications under the Operation Building Bright scheme. HKIoD believes it will help more homeowners protect the value of their property and will create good job opportunities for the construction industry.

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About The Hong Kong Institute of Directors

The Hong Kong Institute of Directors ("HKIoD") is Hong Kong's premier body representing professional directors working together to promote good corporate governance and to contribute towards advancing the status of Hong Kong, both in China and internationally. A non-profit-distributing organisation with membership consisting of directors from listed and non listed companies, HKIoD is committed to providing directors with educational programmes and information service and establishing an influential voice in representing directors. With international perspectives and a multi cultural environment, HKIoD conducts business in biliteracy and trilingualism. Website: <http://www.hkiod.com>.

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