

SCED's "Letter to Hong Kong"

Following is the "Letter to Hong Kong" by the Secretary for Commerce and Economic Development, Mr Gregory So, broadcast on Radio Television Hong Kong this morning (February 3):

Dear Stephen and Liana (Eng),

It was wonderful to have you and other crew members of Logos Hope over to my home for dinner on January 13, three days before the Chief Executive C Y Leung delivered his first Policy Address. The gathering was a nice break for me after weeks of intensive brainstorming with colleagues on ways to develop our economy in the run-up to the Policy Address.

I also enjoyed our stroll around the Peak after dinner. Even after many visits to this popular tourist spot, I still cannot help but marvel at the beauty of our city. This also strengthens my determination to make Hong Kong a better place for all of us to live, to work and to share the benefits of economic growth.

As you know, Hong Kong is a highly externally oriented economy. Amid the international economic and financial uncertainties, we need a new mindset to alleviate the adverse impact of the external environment on our economy and people's livelihood.

We must make the best use of Hong Kong's existing advantages and identify new areas for growth, ensure steady economic development and maintain our competitiveness by diversifying our industries. This will help to meet the needs of Hong Kong people for start-up initiatives, investment, business operation and job opportunities.

In his Policy Address, the Chief Executive announced plans for a more holistic approach to our economic development to better promote and support our pillar industries which are crucial to economic growth, as well as new industries with good potential to create new jobs.

For a more co-ordinated approach, we have established an Economic Development Commission, or EDC, to be chaired by the Chief Executive. The Commission will explore ways to make full use of our long-standing advantages and the many

opportunities available to Hong Kong. It will also focus on efforts to broaden our economic base, work on the overall strategy and policy to enhance our long-term development, and identify industries which present opportunities to boost our economy.

Given the land and manpower constraints in Hong Kong, we need to direct our resources towards high value-added and advanced technology industries or processes which enjoy a competitive edge and have good development potential.

With this in mind, four working groups have been set up under the EDC. Their respective areas of responsibility are: "transportation", "convention and exhibition industries and tourism", "manufacturing industries, innovative technology, and cultural and creative industries" and the fourth area is "professional services".

The members of the EDC and the working groups represent a broad cross-section of interests. They include well-known business leaders as well as highly respected professionals from the relevant industries, academia and the financial sector who can provide both local and overseas perspectives on Hong Kong.

With their depth of knowledge and extensive professional networks, they will provide vision and advice on how to further diversify Hong Kong's economy. We will also work closely with the relevant sectors to come up with an all-round and co-ordinated economic development strategy.

Our overall aim is to give enterprises more space and scope to grow, to develop industries which will sustain our economic growth, and to create a promising future for people who have different interests and skill levels and particularly for our younger generations.

Small and medium enterprises, or SMEs, are the backbone of our economy. We will continue to assist them as far as possible. Ongoing initiatives include providing SMEs with loan guarantee and export credit insurance, assisting them to develop their brands and expand into the Mainland market, supporting research and development activities, as well as promoting the commercialisation of research results.

At the same time, cross-boundary economic relations between Hong Kong and our neighbouring cities in the Mainland are getting stronger and closer all the time. The National 12th Five-Year Plan offers Hong Kong crucial support. The Government

will continue to assist firms in Hong Kong to seize the opportunities brought by the 12th Five-Year Plan.

With the full support of the Central People's Government, we also hope to join the China-ASEAN Free Trade Area in the not-too-distant future. This will further assist our traders and investors to access the fast-developing Southeast Asian market and promote regional economic co-operation.

Besides Free Trade Agreements, we aim to conclude more Investment Promotion and Protection Agreements with partners around the world. When I signed a bilateral Free Trade Agreement with Chile last September, we also agreed to further negotiate a more comprehensive agreement on investment promotion and protection. This will enhance trade and business co-operation between Hong Kong and Chile and serve as a model for our bilateral relations with other countries.

Stephen and Liana, I was so impressed when I visited you on board the Logos Hope, a ship dedicated to bring knowledge, help and hope to the people of the world. Your commitment to serve others is but a reminder for those of us in public and community service that our work is an instrument of good. As for me, my reward is seeing the fruits of our economic prosperity shared by all, especially those who need them most.

Just last week, I went to visit a social enterprise called Bonham Strand in Sham Shui Po. It has adopted an innovative business model by hiring experienced tailors who pass on their tailoring skills to rehabilitated youngsters. Their products are popular, especially with their "Made in Hong Kong" brand. It is an excellent example of how local enterprises can pursue creativity, innovation and mutual aid all at the same time. I am very happy with the bespoke tailoring service and I am encouraged to see in Hong Kong a growing number of social enterprises, the trophies of our community.

Finally, as you have sailed the seas aboard the Logos Hope, I am also looking forward to doing some travelling. I will be leading more trade and business delegations to cities in Mainland China and further afield to promote Hong Kong as the best place to do business. I hope that you will come and visit us in Hong Kong again soon. I know that you will be especially interested to see the new Kai Tak Cruise Terminal after it begins operating this summer.

In the meantime, with Chinese New Year almost upon us, I wish you a very happy and healthy Year of the Snake. Kung Hei Fat Choy!

Yours,
Greg

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