

Public Consultation on “2007 Digital 21 Strategy”

December 18, 2006.

Introduction

With the contributions of many members from the professional, industrial and academic sectors of the ICT industry, the Hong Kong Information Technology Joint Council (HKITJC) has reviewed thoroughly the consultation paper on the 2007 Digital 21 Strategy Draft by CITB. This review has been concluded with the following comments and recommendations that we would expect the government to take seriously.

A list of contributors to the comments and recommendations is included at the end of this paper for reference.

Consolidated Comments

1. General Comments

1.1 The coverage of the Strategy Paper is quite complete. However, the description of the new strategic areas is too high level to provide concrete directions for implementation. On the other hand, the description of those existing projects are too detail, which tend to stick on the existing implementation without providing enough flexibilities on new development of those areas.

1.2 Simply emphasizing on ensuring HK continues as a Leading Digital City is too vague. The Strategy Paper should more clearly define what a Leading Digital City means and what are the requirements and measurements to become a Leading Digital City.

1.3 The 2007 Digital 21 Strategy highly relies on the e-Government implementation to facilitate and drive the industry. However, the existing e-Government strategy seems be defined using bottom-up approach, i.e. the e-Government infrastructure and standard be derived from individual e-Government applications, e.g. e-Procurement, Smart ID, government portal, etc. This would cause a lot of problems on the compatibility and usability of the e-Government infrastructure and standards. Many advance countries (e.g. Canada) define their e-Government strategy in a top-down fashion. The e-Government data and service infrastructure are defined first, with e-Government applications be implemented on top of the infrastructure. Private sectors will access the government data and services from the e-Government infrastructure using their own business applications.

1.4 The Strategy Paper assumes the e-Government implementation would be useful as a showcase to indirectly attract industry development. However, the indirect influence would not be effective. The Government should take the lead to drive industry implementations and be more active to promote the e-Government solutions overseas.

1.5 The Strategy Paper has referred to or based on a number of existing projects, which are presented as successful or showcase projects. However, many of those projects are actually not quite accepted or even considered as failures by the industry. Detail examples will be provided later in the comments to the individual chapter.

1.6 Existing semi-government and government-funded organizations related to the IT industry should be reviewed on their effective contribution to the industry. Government funding for ineffective organizations should be reduced, e.g. based on its profit and loss.

1.6.1 The government Digital Certificate infrastructure should be scrapped due to incompatibility to international / commercial implementations and low utilization. International (e.g. Verisign) and/or Mainland implementations should be considered.

1.6.2 The Hong Kong Education City (HKedCity) should be migrated to assume sole responsibility on its profits and losses because existing government funded arrangement cannot drive the incentive of HKedCity to meet the needs of the students, parents and schools.

1.7 Instead of defining our own industry standards, HK Government should facilitate the establishment of Industry Consortiums to lineup and work with the international and China professional / standardization bodies to define technology standards. These Industry Consortiums should drive the adoption of international standards and should participate in the corresponding Industry Consortiums in China so that Hong Kong can participate as part of the game.

2. Comments to Promoting Advanced Technology and Innovation (Chapter 4)

2.1 The \$2B funding to the 5 R&D Centres are existing funding that focused on the 5 key technology areas. The coverage of these R&D Centres should be reviewed to meet the latest industry needs. Additional funding should be allocated to cover new areas when necessary.

2.1.1 Software Development should be added as a new technology area as it is not just embedded in the implementation on those existing R&D areas. The Software Development Industry is one of the key focuses in the 11th 5-Year Plan and the 15-Year Technology Plan of China. Hence, the Software Development Industry should be added in the technology plan in Hong Kong in order to capture the opportunities from Mainland.

2.2 The total IP ownership of Government funded R&D projects by the Government has significantly reduced the incentive of the Universities to submit proposals for getting government R&D funding. This has seriously reduced the effectiveness of the ITF funding on facilitating R&D activities in Hong Kong.

2.3 The existing ITF funding mechanism need to be reviewed as the deliverables of the R&D projects are not commercially useful.

2.3.1 The existing ITF funding does not support commercialization of R&D project deliverables nor does it support their on-going maintenance or operations beyond the funding periods. This could lead to much wastage in R&D funding.

2.4 The Government should not drive the definition or implementation of our own technology standards but should rather facilitate the interface to the standards adopted in China. This would in turn facilitate effective collaboration between HK and China.

2.4.1 Instead of launching our own Digital Terrestrial Television (DTT), HK government should help the local vendors to work or participate with the corresponding body/consortium in China.

2.4.2 HK Government should not just push the adoption of EPC/RFID technology simply because it is a global trend as it may not be used in Mainland China. The Government should assist the industry to participate in the corresponding National consortium to ensure the technology we use in HK be compatible with that in the Mainland.

2.5 The Strategy Paper should provide more directions on the setup of the IT Outsourcing Centre in Science Park rather than just to mention that Science Park will “explore” the setting up of this centre as part of its Phase Two development.

2.6 The government should review the sustainability of the IPv6 project.

2.6.1 It should not be just an IPv6 migration of the government equipments. The government should drive IPv6 applications as well as to drive and sponsor the setting up of IPv6 operation environment in HK, e.g. to fund the establishment of an IPv6 operation centre for IPv6 address management.

2.7 The Government should organize more meeting with the higher education institutes to understand the latest technologies. An annual Government/Higher-education R&D Forum similar to the one organized on October 25, 2006 is highly encouraged.

2.8 The Government should encourage collaboration between their Bureaus/Departments as well as the local industry to adopt innovative research solutions provided by the local institutions. For industrial/academic collaboration, an incentive scheme could be established, e.g. tax relief.

3. Comments to HK as a Hub for Technological Cooperation and Trade (Chapter 5)

3.1 The Government needs to create business opportunities on HK – Mainland Synergy.

3.1.1 Should pursue the creation of business environment, e.g. the setting up of a business zone to accommodate the survival of the HK SMEs.

3.2 HK should not invent her own professional standard. Instead, the HK Government could facilitate the adoption of international and national standards.

3.2.1 The government should take the lead to lineup professional organizations to setup registration systems for IT practitioners in HK and China.

3.2.2 The government should take the lead to create the environment and needs for professional registration, e.g. to define job specifications that requires professional registrations.

3.2.3 The government should review the existing e-Certificate implementation. The existing e-Cert implementation is not compatible with the international standard. Should adopt international standard or standard that to be used in China.

3.3 Include local SMEs involvement in Government tendered projects. This practise is very common in Western countries in spite them being WTO members.

3.4 Collaborate with TDC, to promote well-proven local ICT solutions, e.g. e-Channel, Octopus, etc. overseas.

3.5 Fully support ICT operations of the 2008 Olympics, not only in HK but also Beijing and QingDao.

3.6 Under the 11th 5-Year Plan, the Shenzhen Municipal Government is determined to collaborate with Hong Kong for advancing the economies of both cities. The "HK-SZ Innovation Circle" initiative has been proposed by SZ. The Hong Kong Government should take advantage of this opportunity to establish a vibrant ICT industry in the region. The expertise and values of both sides could compliment each other.

3.6.1 To expedite the collaboration in all aspects of ICT, software development, broadband communications, digital content, logistics, etc., a working committee with members from the industry, educational institutes, governments, professionals bodies, etc should be setup to quickly work out the collaborative development time-table. Otherwise, we would loss our competitive edge in the region.

3.6.2 The Government should set aside some money to kick-start some of the projects invited by the working committee.

4. Comments on Enabling the Next Generation of Public Services (Chapter 6)

4.1 The existing e-Government implementation strategy is ineffective. The Government should consider a top-down design approach to first define the overall e-Government data and service infrastructure before implementations.

4.1.1 The GovHK government portal, youth portal, e-procurement etc projects would then be customized applications on top of the infrastructure providing different services.

4.2 The description of Electronic Health Records is too low level and narrow. The electronic health record is just a small part of the overall health system implementation. What we need is an e-Health Strategy as well as data and service infrastructure. Most developing and developed countries in the world has national committees / councils on e-Health strategies, Hong Kong should establish its own as soon as possible in steering the territory-wide development and in data standardization.

4.3 The arguments on Intelligent Transport Systems are similar to the above.

5. Comments on Building an Inclusive, Knowledge-based Society (Chapter 7)

5.1 One suggestion for Digital Inclusion is to setup HK as a Wifi-City.

5.1.1 Free Wifi-services should be provided to general public, starting with government building, public areas (e.g. parks).

5.1.2 The government should take the lead to explore the commercial arrangements to minimize the government spending and to facility the on-going business supports of the Wifi-services.

5.2 The existing government procurement process does not benefit to open source software solutions. Diversification on open source software quality makes the software vendors unwilling to take risks on using open source software.

5.2.1 The government could take the lead on developing the needs on the registration of "Open Source Professional" and facilitate the setup of corresponding registration system.

5.3 The government should provide funding to support automation/digitization of local SMEs. This will indirectly increase local IT spending as well as to raise the efficiency and quality of the business infrastructure of the SMEs in Hong Kong.

5.4 The Internet is a unique community of its own. Currently, there is no regulation on the Internet. Users are free to access it for leisure, education and business as well as for propaganda, spamming and harassment. We suggest:

5.4.1 In preventive mode, the Government must pay more emphasis on ICT educations starting from the primary school level, particularly in ICT ethics.

5.4.2 In corrective mode, establish e-Social Centre and employ dedicated e-social workers to constantly provide counselling services to problematic youths. The Government may need to set aside a special fund for the said purposes.

5.5 To best serve the citizens (i.e. e-citizens), the Government must understand their requirements. Regular and in-depth social-networking research must be conducted to discover the Internet activities of our e-citizens, youth, adults and elderly alike. The outcome could help Government provide the appropriate services to specific users and user groups in suitable time.

5.5.1 This may incur intrusion of e-privacy. A set of code of conduct must be established to clearly state, e.g. who could authorise to do such a research job? Who would do? How the results could be used? Etc.