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Comments on 2007 Digital 21 Strategy from ITAA

This response has been prepared by the ITAccountants Association (ITAA) to comment on the public consultation paper on the Digital 21 Strategy published in October 2006. ITAA strongly supports the government's initiation and improvement of the Digital 21 Strategy. We believe that the Digital 21 Strategy provides many positive contributions to the Hong Kong ICT industry and the Hong Kong society as a whole.

After reviewing the Digital 21 Strategy Consultation Paper, we would like to express our opinions in the following aspects:

Developing Hong Kong as a hub for technological cooperation and trade

1 **GuangDong / Hong Kong synergy**

The GuangDong province and Hong Kong synergy is extendible to Pan Pearl River Delta region. This would create a huge market potential for the ICT industry in the long run. A typical solution provider would need a testing market to maturate their products or services. However, the Hong Kong market is so small that it could not nurture a solution mature enough for export. Though competition is keen, the GuangDong province, together with the Pan PRD region, could become a good enough test bed for our solutions. We would like to enrich such synergy with a more marketing approach such that whatever solution is announced in Hong Kong; the same announcement will be done within the Pan PRD region automatically through a structural mechanism. For example, there is a Solution Centre in OGCIO for the Hong Kong government; we could replicate such a solution centre in all provinces in the Pan PRD region. We would also like to build a similar channel to the enterprise communities also. We should create such phenomenon that whenever there is a new solution, we should launch in Hong Kong, GuangDong Province, or even within the Pan PRD region at the same time, similar to the listing of the Chinese huge corporations in Hong Kong and Shanghai simultaneously.

2 Qualification Framework

We do believe that the Qualification Framework is an innovation of the Hong



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Kong society. We are touched by the participation of more than 100 ICT professional in defining the core competency standards of each level of work in the following areas:

- 2.1 Strategic Management
- 2.2 Project Management
- 2.3 System Architecture
- 2.4 Quality Assurance
- 2.5 Security
- 2.6 Engineering, Development, & Maintenance
- 2.7 Operation & Support
- 2.8 Generic Soft Skills

However, as Hong Kong is an International business city, we need to establish more skills in Business Process Analysis and how to adopt ICT in the business operations. How ICT could assist in corporate governance is also a key question. The knowledge on how to budget the ICT investments and expenditures, and how to assure and audit the appropriate usage of these resources is another focus. As more and more people need to use ICT solutions, the user interface and usability have become a critical success factor. We should collaborate and cooperate more with designers to come up with more user friendly solutions. In other words, we are also part of the creative industry that has become a key differentiator of Hong Kong in the international market.

3 <u>ICT Outsourcing Centre</u>

In the globalization arena, ICT outsourcing is the most significant trend. We need to capture this wave with a sound strategy. The ICT outsourcing is not limited to software development outsourcing, but also infrastructure support outsourcing. Such outsourcing service may also not limited to ICT services, but may also be extended to Business Process Outsourcing, such as call centre, data entry, or even account bookkeeping, all these would need ICT infrastructure to improve productivity. The success of Outsourcing business in Hong Kong rely on the coordination between Hong Kong and Mainland, especially the Pan PRD region. Only with Hong Kong's management resources plus the huge amount of Mainland labour resources and the low mainland costs that such business is viable. We strongly believe that if there were a choice, the foreign companies would like to sign contracts with Hong Kong companies, but enjoying the low labour and land costs in Mainland. This centre should proactively mix and



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match various ICT organizations in Hong Kong and Mainland. Merge and acquisition, licensing and investment, etc. should be encouraged. With a critical mass from the supply side, the centre could then promote to the demand side sturdily.

Building an inclusive, knowledge-based society

4 Sector-Specific Programs

We appreciate very much such initiative to help upgrading the maturity of the ICT end users in various industry sectors. The ICT adoption rate of the large & medium size enterprises in Hong Kong is reasonable and acceptable. Unfortunately, though the general public is already using Personal Computers and Mobile Phones / PDAs, the small enterprises still hesitate to adopt ICT in their daily operations. Other than lifting their awareness, building collaboration websites, providing training courses, and so on, we would like the government to encourage or enforce the enterprises to use the e-government services. On one hand, this could help the small enterprises to transit from manual operations to more electronic ones. While on the other hand, this could prepare them to further enhance their efficiency by computerizing their entire business process. Therefore, we strongly support and encourage the Hong Kong government to hold the Sector-Specific Programs.

5 Open Source Solutions

We also appreciate the initiative to encourage and promote more Open Source solutions to provide more choices in the market that may increase the Return On Investment for the computerization process. If Open Source solutions were adopted at the early stage of computerization, the later upgrade charges will be much lower. We would like the government to consider putting all the totally publicly funded projects into the Open Source Community. We could arrange such a licensing agreement that all Hong Kong people could use these Open Source assets to build their value-added solutions, while they do not need to contribute their upgrade version back to this Open Source Community. This would not only reduce the accusation that the government projects or programs are in competition with the ICT industry, but may also provide a more reputable solution using more advanced technologies. For instance, the government funded a project to develop a traditional application using the latest technology



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in the market. Both the end users and the solution providers may not justify investing in such latest technology. But then, after the project is finished, both the end users and the solution providers could make use of this new platform to build more values.

6 ICT Professional Certification

The ICT Professional Certification is essential to develop the social status of our profession. This is for recognition by both our own society and the international community. Without that, we cannot talk about reciprocal recognition with other parties all over the world. This could also be a bridge between the professionals in mainland and those from other parts of the world. At the very beginning, we may need to set up a high standard to establish our reputation. However, we need to attract more young professionals to get the certification once the process is fine-tuned. To gain publicity and popularity within a short period of time should be our immediate mission.