香 港 資 訊 科 技 聯 盟
HONG KONG IT ALLIANCE

28 November 2013

Office of the Government Chief Information Officer
20/F West Wing, Central Government Offices
2 Tim Mei Avenue
Tamar, Hong Kong

Dear Sir,

Consultation on 2014 Smarter Hong Kong Smarter Living – IT Sector

In response to the Public Consultation on 2014 Smarter Hong Kong Smarter Living, we, on behalf of Hong Kong IT Alliance (HKITA), would like to submit our comments as follows:

The thriving of the ICT industry as well as the innovative applications of it to business and industrial sectors is an important contribution to the further advancement of the local economy. As already pointed out in the consultation paper, there are various constraints to ICT development in Hong Kong. Government policies and efforts to mitigate the impact of constraints as well as proactive support are vital to the healthy development of our ICT industry. We welcome the revision of the Digital 21 Strategy. It is comforting to see Government taking steps to exploit and adopt the latest technologies for the betterment of Hong Kong's economy and to provide for a smarter living for our local citizens. However, something is amiss as regards data security: the government needs to strike a balance between safeguarding citizens' privacy and building a smarter city infrastructure.

In the following paragraphs, we'll comment on the specific themes of 2014 Digital 21 Strategy:

1. Empowering Everyone

(A) Free and User-Friendly Digital Identity (ID)

The infrastructure for digital ID was in place as early as year 2000. In between, some banking corporations, government departments as well as large organizations such as Hong Kong Jockey Club adopted their user authentication by using the digital ID. Yet at the end, almost all of them had given up using the ID and revert to other alternatives such as user id and password and/or using SMS message or physical security device to generate one time code together with password as their authentication method. We feel that although the digital certificate is more secure and non-repudiable, the commercial or operational reality told us that their clients prefer more simple and user-friendly interface. The increasing number of people using e-banking or e-government services is the result of the overall trend, and has nothing to do with e-cert adoption.

Unlocking the potential of digital ID, as backed by historical evidence, has created
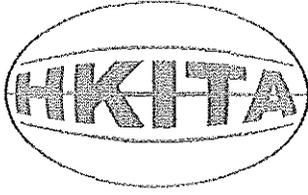
difficulties and hurdles in the adoption of e-services. The burden should not fall on the government. The government should instead focus on promoting and enhancing e-services, not spending resources on a technology and its promotion indefinitely. The further development of digital ID could be cons instead of pros in the overall development of e-services.

Apparently, e-cert adoption rate in most of the developed or technologically advanced countries is low. We believe ecommerce and e-services is growing healthily with or without e-certificates. Government should put their focus on providing more e-services and driving e-services usage, not stressing on e-cert adoption.

(B) City-wide Wi-Fi for the public and visitors

We strongly agree that more hotspots under GovWiFi should be provided to facilitate e-services activities for both the public and visitors. As regards priority, we think business-centric facilities and public hospitals as well as other public organizations should be installed first when compared with more leisure–centric facilities such as beaches, harbor-front promenades or popular focal points.

In addition, the idea of promoting a common WiFi branding (ie. WiFi@HK) is great as it will create a unified way for the public and visitors to find and connect to the public WiFi hotspots throughout Hong Kong. It will also enhance their impression and experience of a highly connected city in the world.

(C) Broadband and Wi-Fi Access for schools to Drive e-Learning

We agree with government's proposal to equip every Government and aided school with wi-fi to facilitate constant and stable access to the Internet. However, we feel that government should also provide tool kits or software for the school to control and monitor the usage of the internet of these students As the objective of the scheme is to provide sufficient support for effective learning, a certain kind of monitoring should be enforced to prevent abuse of usage such as gaming and entertainment using the school Wifi during school time.

(D) Programming in Every Child's Education

We believe the intention of such proposal is good but it could create potential problems for both students and teachers. The objective of the scheme is to foster the logical and creative mindset of our students and develop their problem solving skills with the aid of ICT. As such, the scheme should be carefully designed so that very high level programming building blocks are used to assist our students to achieve the intended goal, rather than providing a straight forward programming course that covers different kinds of programming languages which could cause extra pressure for our students.

All in all, the emphasis should be on inspiring the skills of the student, and not just on
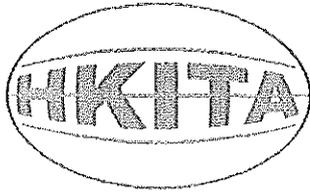
following step-by-step instructions, which has little learning value. Moreover, to achieve the ultimate goal, one major element is the quality of the teachers. Currently teachers have no experience in these inspirational courses. Hence, schemes should be in place to train and assist our teachers on setting up and conducting the course.

## (E) ICT as a Tool to Support Underprivileged Groups

We agree with the proposal that government should lead the way in supporting underprivileged group to access and learn to use ICT. Our government should understand that it may not be viable for our business communities to provide a full range of services to underprivileged groups. It is therefore best for our government to provide these e-services or subsidize the cost for the business communities to undertake as if the projects were outsourced.

2. Igniting Business Innovation

(F) Establishing Innovative Platforms

It was mentioned that Government will 'encourage' technology transfer from universities to the industry through symposiums and other high-profile events. To ensure that the innovative ideas and research outputs from universities can bring actual economic benefit to the society, more concrete and practical steps, other than promotion, are required to be taken and mapped out by government in order to enhance the competitiveness of our SMEs. Most of SMEs in Hong Kong have tight budget on ICT adoption. Therefore, the government needs to think of some incentives to encourage the practice whereby technology transfer is applicable to SMEs.

We also agree to adopt a broader definition of innovation to include achieving product and service excellence through applying ICT in addition to new technology development. As mentioned in the consultation paper, the outcome of this could affect some of the innovation programmes or funding. We would like to know what these programmes are and how they have been functioning so far. Will their resource be drained much faster if the new definition is adopted? Will broadening the definition of innovation create a situation of competing for the same resources? We believe that it would be in the public interest if our government considers setting up separate funding or programmes to cater for the demand of resources after adopting the new definition. The separation of funding pool also allows for better monitoring and measurement of different categories of innovation.
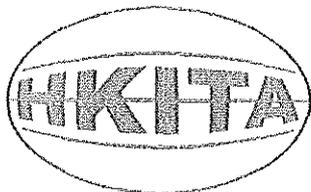
(G) Public Sector Information (PSI) as Default

We agree with the proposal of making all PSI machine-readable by default and encourage public organizations to do the same, which will help promote the innovative use of PSI. To encourage creative applications of PSI, Government should consider setting up campaigns for competitions.

(H) SME Cloud Services

We agree that SMEs would benefit from cloud services when looking for ICT solutions. Thus we welcome the strategy to facilitate provision of cloud services for SMEs. However, there is no further elaboration on how the government plans to 'facilitate'. We believe that government needs to take bigger steps in encouraging SME adoption of ICT services. Apart from simply promoting the services through website, leaflets or talk and events, more practical measures should be taken. Most SMEs are resource constrained; the government should consider setting up a fund to encourage the uptake of ICT services by SMEs.

3. Supporting a Thriving ICT Industry

(I) Supporting the Startup Ecosystem

We notice that many of the supporting measures mentioned in the consultation paper are existing measures such as incubation programmes run by Cyberport and Science Park, and the funding schemes run by Innovation and Technology Commission. The only new initiative is the one-stop platform that provides support information to startups and facilitates these companies to seek funding with potential investors. While these are all good measures, we feel that, at the same time, our government can do more by becoming the consumer of these startups provided that their products/services have reached an acceptable level. At the same time, Government, as user, can give feedback to help our startups enhance and improve their business, helping them survive first before teaching them how to sustain their business.

Many countries recognize the importance of supporting startups, most of them have been or are considering setting up or enhancing funds, loan schemes as well as different levels of incubation measures. To compete for talent and ensure the vibrancy of ICT in HK, we urge the government to review existing funds and loan schemes.
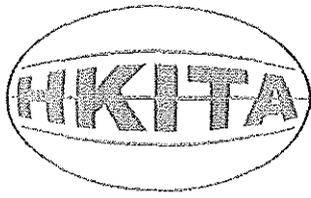
(J) ICT Talent Development

The Qualification Framework is intended to become a widely-adopted industry framework that covers many business sectors, including ICT, in Hong Kong. It covers different professional qualifications and clearly describes the required skills and capabilities for different positions in the ICT industry. It takes considerable time to establish and promote its popularity. The sudden introduction of yet another professional recognition framework for ICT professional will certainly create confusion for the industry participants.

As recognised by the government, there is a gap between the demand and supply of ICT talent despite the perception that we have a large number of local ICT graduates each year. We believe that the problem is two-fold: firstly, it relates to the number of quality students who undertake ICT related degrees; and secondly, it relates to the number of ICT graduates who actually enter the ICT sector. The shortage of ICT new blood is NOT due to 'a lack of well-defined path for those interested in pursuing a career in ICT.' We believe the shortage and the reason that ICT graduates did not enter the ICT sector is due to the fact or perception that prospects are lacking in the ICT industry in Hong Kong.

To really create a positive view on ICT industry, the government should draw reference from other countries, such as Korea and Singapore, which are seen to be visionary and taking ownership of large ICT projects. Only then will the public see that the government is determined to attach importance, or better still commitment, to ICT development in Hong Kong.

(K) Centre of Excellence for Multi-platform Apps

We agree to provide more competitions and awards in order to promote innovations and the development of multi-platform apps.

(M) Data Centre and Cloud Computing Hub

While it is welcome that government has developed a set of best practices and guidelines for local community to adopt cloud services, there is far much to do in order to build Hong Kong as a cloud computing hub in the region. 'Cloud services' has become yet another buzz word in the ICT industry. However, exactly how many people understand what 'Cloud computing' is about and what is required to be able to provide real cloud computing services is still a question to many ICT participants, not to mention the average consumers. Many companies might just provide internet-based client-server services and claimed themselves cloud services providers to jump on the bandwagon. This is not only misleading, but will create a bad impression for Hong Kong as a cloud computing hub.
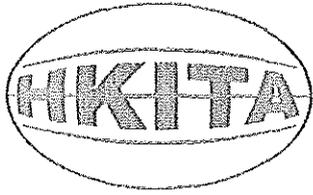
If our government believes that cloud computing is a solid technology that will be there for a long time and it is the right direction to establish Hong Kong as cloud computing hub in the region, we suggest that government put more effort in helping the local community to distinguish between what is real cloud and what is not. It would be even better if government can adopt a Q-mark scheme to award those companies who provide genuine cloud services with suitable service level and security measures. Alternatively, government can provide a central register of cloud services providers so that people know what and where to procure their cloud services.

(N) Closer Collaboration with the Mainland

We strongly agree with the initiative of closer collaboration with the Mainland as it opens a huge market for the local ICT industry.

It is understood that the cross-boundary ecommerce activities would be the first area to benefit from the policy. As such, we agree that our government should study further mutual recognition of electronic signature certification between Hong Kong and the mainland, for B2B purpose, in order to jumpstart the initiative.

For the collaboration with Greater Pearl River Delta region, we like to see what kind of solid activities / initiatives that governments on both sides intend to do to encourage partnership between Hong Kong and Guangdong ICT talents in creative startup projects or development of business concepts in ICT.

4. Transforming and Integrating Public Services

We welcome the government's suggestion to provide multi-platforms as a default access channel for all e-government services. Any future planning on rolling out paperless solutions are also welcome.

(P) Integrated Two-way e-Services

For the establishment of the Interoperability Framework among government departments, although the consultation paper mentioned that it will implement in accordance with the data privacy protection principles, we strongly suggest government proactively invite PCPD to review the implementation strategy as well as the data to be shared among government departments, in order to relieve public concern regarding the sharing of personal data among departments.

(R) Smarter City Infrastructure

Following on the above comment, we are also concerned with the privacy issue when government uses sensors ,or IOT to collect any personal data. The government should mitigate public concerns that sensors are used for big data analytics instead of individual surveillance purposes.

As the privacy issue is an important factor to consider when implementing sensors or IOT, public concerns must be addressed, and the kind of data being collected should be fully disclosed and reviewed by the public. Furthermore, the list of data collection, once adopted, should be displayed clearly on a government webpage for public perusal. We also suggest that data collected from those channels should be made available to the public through the PSI initiatives.

In closing, we find the emphasis of the current consultation paper on D21 Strategy is still very much on the short-term objective of how we "use IT, how we can become smarter consumers of IT". If the consensus is to position "IT" as a pillar industry, which we should in order to maintain our long-term competitiveness, then we need a much bolder and visionary forward looking strategy. The work tasks proposed in the Consultation, such buzz words as cloud, data centre, big data, and mobile apps are what everybody or our neighbours are doing. These are just continuing tasks that naturally have to be done in order to stay in line with the new world. If we want a leadership position in the digital arena, we need to undertake a critical review to assess our strengths and weaknesses, taking into account of Hong Kong's unique position with regard to the rise of China. We then need to identify key areas where we have a significant advantage for further pursuit.

Take the example of our financial sector which is Hong Kong's pillar industry. The consensus is crystal clear, Government takes the lead and together with our commercial sector and industrialists, academia, plus the blessing of Central Government, Hong Kong has achieved the undisputed status of a world-class financial centre. We hope that our IT development or sector can be accorded similar status, commitment, and resource allocation with investment in targeted areas where we are likely to excel, such as "IP trading hub", "Web payment centre for RMB", which have been proposed by many.

We hope you find our suggestions useful and will take these into consideration.

Yours sincerely,

Shirley Ha
Member of Executive Committee
Hong Kong IT Alliance