

Second Meeting of the Economic and Employment Council

Agenda Item 3 : Report of the Subgroup on Business Facilitation

Introduction

Pursuant to the deliberations at the first meeting of the main Council on 23 February 2004, the Subgroup on Business Facilitation was formed in March. This paper reports to the Council on the work of the Subgroup.

Formation of Subgroup

2. The terms of reference of the Subgroup, having taken into account Subgroup Members' comments at the first meeting on 30 April 2004, are as follows :

- Develop and oversee a programme to systematically review government regulations and procedures impacting on business with a view to eliminating outdated, excessive, repetitive or unnecessary regulations on business so as to facilitate business development and job creation;
- Report to the EEC on the programme and seek its steer on further work; and
- Examine other relevant areas to facilitate business.

The Subgroup is chaired by Mr Anthony Nightingale and its membership is at **Annex**.

3. The Subgroup adopted a quorum of one third and agreed to meet at least quarterly. However, depending on the volume of business requiring its attention, the Subgroup may meet more frequently. A number of matters were discussed at the Subgroup's first meeting as reported below.

Matters Discussed

On-going and completed helping business projects

4. The Subgroup noted the findings of a number of ongoing and completed studies, including the departmental business studies for the Transport Department and the Fire Services Department and the review of the regulatory requirements for the construction industry. It was also briefed on the progress in the implementation of recommendations arising from these studies and noted the commencement of new regulatory impact assessment studies.

5. Subgroup Members suggested to include in future progress reports the commencement date of each project and indicate, where appropriate, the expected completion date for the implementation of each recommended improvement measure. Some Subgroup Members suggested that assessment should also be made on the employment impact of individual projects. In this regard, Subgroup Members noted that for some projects, this may not be appropriate or feasible and agreed that such assessment should be included as far as practicable.

6. Subgroup Members also raised concerns about the relatively long lead-time in the construction of high-rise buildings in Hong Kong as compared to the Mainland, North America and continental Europe. This was mainly due to the substantial intermittent waiting time required for obtaining various approvals from the relevant government agencies. Subgroup Members agreed that the Efficiency Unit and the Consultant undertaking the review for the construction industry should be invited to brief the Subgroup on this issue at its next meeting.

Helping Business Awards Scheme 2004-05

7. The Subgroup was briefed on the plan for launching the Scheme in the second half of 2004-05 and indicated its support for the continuation of the Scheme. Subgroup Members would encourage support and sponsorship from the business sector and the community.

Identification of priority business sectors for review

8. The Subgroup discussed a proposal to change the focus of future helping business studies from a departmental approach to a business sector approach. Subgroup Members generally agreed to focus on business sectors but considered that departmental studies should not be ruled out totally as these studies might improve significantly the overall efficiency of a department, thereby yielding substantial benefits to all business sectors.

9. The Subgroup identified the construction and real estate, retail, entertainment, logistics, computer procurement, technology, pharmaceutical as well as small and medium enterprise sectors to be the priority sectors for future study. Some Subgroup Members reiterated the need to take into account the employment impact when prioritizing the different sectors. The Secretariat will put up recommendations on the timing and work plan for different sectors for the Subgroup's consideration. Subgroup Members also agreed that ad hoc task forces should be set up, if necessary, to oversee these studies and representatives from the business sectors concerned should be co-opted to serve on these task forces.

Release of information to the public

10. Subgroup Members agreed to enhance the transparency of the Subgroup's work. A press release was issued after the meeting to highlight the main issues discussed. Some Subgroup Members also suggested to upload the papers of the Subgroup onto the Internet to facilitate access by the public. Subject to the main Council's endorsement, the Secretariat will follow up.

Work Programme

11. The future work of the Subgroup will include :

- monitor the progress of on-going studies and the implementation of recommended improvement measures;
- oversee the review for the construction industry with a view to simplifying the regulatory requirements;
- oversee the implementation of the Helping Business Award Scheme 2004-05; and
- determine the timing and scope of new helping business studies for the identified priority sectors and monitor their progress.

EEC Subgroup on Business Facilitation Secretariat
May 2004

Economic and Employment Council
Subgroup on Business Facilitation

Membership :

Chairman : Mr Anthony Nightingale

Members : Ms Lucille Barale

The Hon Bernard Chan, JP

Professor K C Chan

The Hon Andrew Cheng Kar-foo

Professor Stephen Cheung Yan-leung

Mr Fumiya Kokubu

Mr Thomas Kwok Ping-kwong, JP

The Hon Emily Lau Wai-hing, JP

Mr Andrew Leung Kwan-yuen, JP

Dr Li Shan

Mr Victor Li Tzar-kuoi

Dr the Hon Philip Wong Yu-hong, GBS

Mr Yu Pang-chun, JP

Dr Jose Yu Sun-say, SBS, JP

Mr Allan Zeman, JP