

Year 2009 has been another busy and fruitful year for the BPF. As we bid farewell to 2009, it is time to take stock of our work this year:

Hong Kong 2020 - the Big Picture

Members should already have a copy of “the Hong Kong 2020 - the Big Picture”, our key project this year. The BPF take a look at the overall development and strategic direction of Hong Kong around every ten years and this time, as we have emphasised in the reports, we strongly believe that Hong Kong is standing at a crossroads and must act decisively on the new opportunities brought forth by a transforming world economy, with China rising to be a major world economic power.

The project covers key areas vital for Hong Kong no matter what specific industries Hong Kong will develop, including human capital, infrastructure, international, Hong Kong Mainland integration and social issues. The reports also have separate sessions on governance, economy and Financial Services.

Our follow up actions after the release of the reports are summarised below:

- Distribution of the reports to key government officials, political parties, think tanks, major chambers of comers, academia and other parties concerned.
- Press briefing held on 21 September.
- Visit to Beijing to present our views and exchange ideas with government departments there.
- Meetings with key HKSAR government officials, including Prof K C Chan, Secretary for Financial Services & the Treasury, Ms Au King Chi, Secretary for Financial Services & Treasury (Financial Services) and Ms Michelle Li, Deputy Secretary for Education.

Our work is not going to stop here and we are determined to getting our messages across to more people. Meetings with the Hon Henry Tang, Chief Secretary for Administration and the Hon C Y Leung, Convenor of the Non-official Members of the Executive Council, are scheduled for January 2010 and presentations to major chambers will be arranged.

In general the feedback we have received on Hong Kong 2020 has been very favourable and we are heartened by the Government response so far.

Captive Insurance

As Hong Kong now needs to see itself as part of a bigger picture – our hinterland, it is important that we position ourselves to provide financial services to serve the needs of the Mainland. As more and more Mainland enterprises are expanding into overseas markets, there will be growing demand for more sophisticated risk management capability and captive insurance as a tool in implementing this. Hong Kong must get its platform ready to grasp the opportunity. An essential step towards this is clear taxation rules for captive. The BPF has been working closely with the Hong Kong Confederation of Insurance Brokers and having close dialogue with the Commissioner of Insurance. We have explained the case for Captive Insurance to both Prof K C Chan and Ms Au King Chi.

Constitutional Reform

We have submitted our response to the government consultation document and will continue to mull over how universal suffrage can be achieved in compliance with the NPCSC's decisions and the principle of gradual and orderly progress.

We sincerely believe this is a time when all of us should be working for consensus. Our President has joined the Alliance for Constitutional Development and he commends this initiative to members.

Education

A series of interviews have been conducted with stakeholders in the education sector with an aim to learn more about the potential of developing education as a new pillar industry in Hong Kong, what our strengths and the obstacles are. A meeting with Mr Antony Leung was also held to discuss the broader picture of education in Hong Kong. It was concluded that BPF should identify key issues that have the most leverage to push the issue going forward and one of them is internationalisation of our universities.

Health Care

We have maintained dialogue with the government on health care reform and the Chairman of our Health Care Committee is a member of the government Consultative Group on Voluntary Supplementary Financing Scheme. We support the government's proposed voluntary insurance approach as a first step towards a community wide use of private insurance to balance the public funding of health care. We have just submitted some detailed proposals on how Government should take this forward.

Housing Affordability and Poor Housing Conditions in Hong Kong

Housing is important for people's livelihood and the stability of our society and we believe that the government should address the housing needs of those barely miss the criteria for public housing but cannot afford a private flat. Areas where living conditions are poor are also identified and government actions urged.

Minimum Wage

The BPF study provided an authoritative and well researched view about the uses and limits of the minimum wage. We stressed how income and employment effects would play out depended critically on the level of the minimum wage and suggested that it be set at the level of \$21 to \$24. It was reported in the press that the BPF proposals were highly recommended by government officials.

Reverse Mortgage

We firmly believe that in view of the aging population, reverse mortgage is part of the solution to the problem of maintaining income in old age but the government has to provide the framework. An important step in taking the issue forward is to promote public awareness and understanding of reverse mortgage. To this end, we are planning a discussion forum with potential providers of the product and a public seminar next year.

(All the above reports can be downloaded from http://www.bpf.org.hk/articles/?do=list&catalog_id=77. Members can also contact the Secretariat for hard copies.)

We would also like to thank all those who have participated in and helped our work.

Hong Kong sees no lack of challenges and the actions it takes now will shape our future. The BPF will keep up its efforts and be vocal about issues that are vital for Hong Kong's long term development. We need members' input and call for members to participate in our work and activities in the coming year. Every effort count and together we can build a better Hong Kong!

Lastly, may we wish every member a happy new year!