

Speech for the HKU Master of Public Administration Alumni Association
Inauguration Ceremony cum Gala Dinner
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Prof Tsui, Vice Chancellor, Dr Chan, Chairman, Ladies and Gentlemen,

Thank you for the opportunity to address this gathering of distinguished alumni this evening.

First of all, on behalf of all of us here, I would like to congratulate our Chairman, and our Executive Committee and Organizing Committee members on the successful launch of the MPA Alumni Association, and I wish to thank all those involved in organizing today's events.

Can I suggest that we give them a big round of applause?

Let me introduce myself. My job is the Government Economist and I have two main areas of work. One area that is more obvious from my title relates to providing economic advice, not only on the economy generally, but also on the economic implications of government policies and programmes. The other not-so-well-known area involves colleagues in the Business Facilitation Division of our Unit. Under the leadership of the Financial Secretary and the Economic and Employment Council, our job is to look into how government regulations could be streamlined to facilitate business. I wish to tell you more about this aspect of our work later.

I took up the G Econ job about 6 months ago. This is the third time I work in the Government. The "revolving door" concept is not very popular in Hong Kong. But I am practising it anyway. Before I took up my current job, I worked in Standard Chartered Bank, an old British Bank that turned gradually very American in management style during the 13+ years when I was there. There were some of us in Standard Chartered who used to joke that the Bank was more American than many American banks. I also worked in HSBC during the late-1980s, a time when HSBC was rather traditionally British but was also gradually changing to meet the needs of the time.

The good thing about working in and out of the Government is that I get

to see both the private and the public sectors in action. This not only gives me a broader perspective on various things, but also enables me to act as the bee that does the cross-pollination job.

The past 25 years or so is an era of management revolution in the business world, driven in large part by the changes in the US. These changes are gradually spreading out to other parts of the world, including Europe and Japan. It was only a few years ago, when I read the book by Jack Welch, titled “Jack – Straight from the gut”, before I realized that many of the changes I went through in Standard Chartered had in fact been tried out in GE about 10 years earlier.

After I re-joined the civil service this time round, what I find striking is that despite the revolutionary changes that have been happening in the commercial world, the civil service has barely felt the impact. The key words you hear very often in management circles in the private sector include “competition”, “technology”, “entrepreneurship”, “leadership”, “innovation”, “be proactive”, “think out of the box”, “speed”, “first mover advantage”, “focus on the customer”, and “product & service quality”.

In contrast, the emphasis in the Government is very different and has remained more or less the same for a long time. Here we think more in terms of fairness & accountability. In many cases, following the established procedures is more important than achieving results. Making a decision without precedent is a risk many civil servants would not want to take.

I am of course over-generalizing. Indeed, some departments and individuals are much more enterprising than others. But I think there is a consensus feeling that the civil service as a whole has a lot to catch up in order to make it a more efficient and more customer-focussed institution.

I should also qualify my remarks by recognizing that not all the changes in the private sector are for the better. Just look at the governance problems that have surfaced in recent years, such as those in Enron, WorldCom and others. They reveal how the excessive emphasis on short-term results and shareholder value led to greed that in turn undermined gradually the foundations and fabrics of major enterprises.

Most of our colleagues in the civil service want to do a good job, serve the community and build a better Hong Kong. Most of them are also equipped with the necessary skills.

How to mobilize the efforts of our colleagues in the right direction is one of the key challenges to the leadership of the HKSAR Government. This is a formidable task.

Mother Teresa once said, “If I cannot do great things, I can do small things in a great way.” In my humble capacity and with limited resources, I want to effect the small changes in the Government that I think are important. Let me share with you some of the issues that we in the Business Facilitation Division are working on.

You may not realize this when you buy your groceries in a supermarket. A supermarket store could require over 20 different licences/registrations to operate. About 15 of these are food-related. These include for example, a separate licence/permit each for bakery products, frozen confections, “siu mei” and “lo mei”, cut fruits, raw meat, milk, non-bottled drinks, sushi, sashimi (different permits for sushi and sashimi), etc. Each licence/permit application will attract a different set of requirements from the licensing authorities. Getting each licence also takes up a lot of time. If customers’ taste changes and the supermarket wants to change the products they sell, they will often be required to apply for a new licence.

A few years ago, if you walked into any newly-opened supermarket, chances are that it was operating without all the proper licences. An executive from a major supermarket chain once told my colleague that his company had to earmark a million dollars to pay for the fines for each new store during the time when it had to operate without the proper licences. This one million dollars is already factored into their regular cost of doing business. You make your own guess as to whether they will want to recoup this from their customers.

Operating a new shop without the proper licence was also true of most restaurants a few years ago because of similar problems.

This morning, I saw in the newspaper that a cinema in Mongkok has turned a big cinema into smaller ones without prior approval of the licensing authority. After sending repeated warning letters, the Department concerned is now taking legal action against this cinema. There was another case about a month ago of a new cinema also operating without a proper licence.

I don’t want to pass any comment on specific cases. But the fact today is that the average time for processing a cinema licence application is 10

months. And if there is any alteration in the fitting out work in the middle of the licence application process, the time could be much longer.

Looking into how these licensing requirements could be simplified and how the processes could be speeded up is the job of my colleagues in the Business Facilitation Division. The good news is that over the years, with the incessant efforts of many colleagues in the relevant bureaux, departments and units, some of these licensing requirements have indeed been simplified. We are now following their footsteps and continue to develop this subject.

A provisional licence arrangement has been introduced in the case of supermarkets and restaurants, and we are now trying to see if this could also apply in other trades. A system of self-certification has been introduced in restaurant licensing and this has worked out well. We are looking into whether this could also be applied in other licensing situations.

Today, I can confidently say that if a supermarket or restaurant operates without the proper licences, complains about the long lead time for the application of licences is typically not a good excuse.

But the same problem is now happening to cinemas. I hope that before the end of this year, cinemas will also have resolved these problems.

Working on these individual licensing cases has also revealed some generic issues. The details of licensing requirements in the problem cases we work with are often overly detailed, not transparent, and subject to different interpretation by different case officers. The bigger issue therefore is how such requirements could be simplified.

A rough count shows that there are some 350 business-related regulatory activities managed by 35 bureaux/departments. But there are only 5 MSO grade staff in our Unit working on this subject. (Any volunteers?)

I could go on and on with this subject. But this is not the right occasion for it. The problems I have raised of course are not new to many of you. Indeed, many of you here could quote lots of other examples from your departments/bureaux to illustrate my points.

So it's better that we get to have dinner sooner rather than later.

“Make new friends. Keep the old. One is silver the other gold.” This is

the lyrics of a song that I sang a long time ago when I was a scout singing and dancing around campfires. I wish our MPA Alumni Association will become a platform where we could renew old friendship and make new ones from time to time.

Thank you.