

# Reaching Out to Government

During 2006, *SCMP* embarked on one of its most ambitious community engagement programs ever – the Business Leadership Briefings. This initiative beat out a field of Asia’s leading newspapers for a “high commendation” by the Pacific Area Newspaper Publishers’ Association (PANPA).

From May 2006 to April 2007, *SCMP* and pollster Taylor Nelson Sofres (TNS) conducted opinion leader polls on issues ranging from tax reform to budget expectations and covert surveillance. The aim was to provide a research-based focus on socio-economic issues to stimulate discussion between business, government, media and academia to generate meaningful policy recommendations. The poll results were incorporated in a series of articles, think pieces and op-ed columns published in *SCMP*.

Three subjects – “Hong Kong’s Competitiveness”, “Expectations of the Chief Executive’s Policy Address” and “Hong Kong’s Education System” – were picked for additional debates participated in by business and government leaders. Based on these discussions, White Papers were presented to the government in the spirit of constructive engagement.

## Policy Address

In the run-up to Chief Executive Donald Tsang Yam-Kuen’s second policy address in October 2006, *SCMP* submitted a White Paper to the government entitled “Expectations of the Chief Executive’s Policy Address”. The White Paper was based on a reader survey conducted in July 2006 and a panel discussion held in September 2006.

The expectations for the policy address were high. Nearly 750 decision-makers and opinion leaders polled strongly favored a focus on economic development and environmental issues. Almost two-thirds of those polled called for urgent action to improve the environment and placed a high priority on alleviating poverty as well as health care system reform.



Jack Maisano (left), Allen Lee (top right) and Anthony Cheung (bottom right) led the panel of judges

Generally, respondents were “pleased” with the Chief Executive’s work on economic development and the handling of mainland China relations. Although half (52%) endorsed a new term for the Chief Executive, his rating on electoral reform and the environment were considered to be “poor” and “very poor”, respectively. Overall, the Chief Executive was given a mean score of 5.4 out of 10 for the work done by his administration.

The debate on the Chief Executive’s address was led by a panel composed of Anthony Cheung, Member of the Executive Council of the HKSAR, Allen Lee, Chairman of Pacific Dimensions Consultants, and Jack Maisano, President of the American Chamber of Commerce. The Chief Executive noted that he “respected” the opinion of the *SCMP*/TNS poll and priority issues voiced by the opinion leaders were dealt with in his address.

# Q: How do you rate the **HKSAR government's** performance during the past year as a whole?



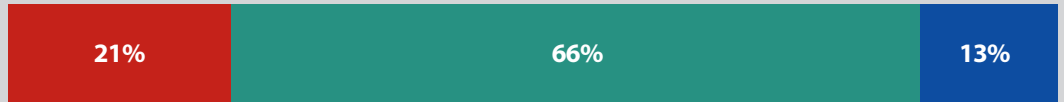
Provided a vision for Hong Kong's development



Identified Hong Kong's most pressing problems of the day

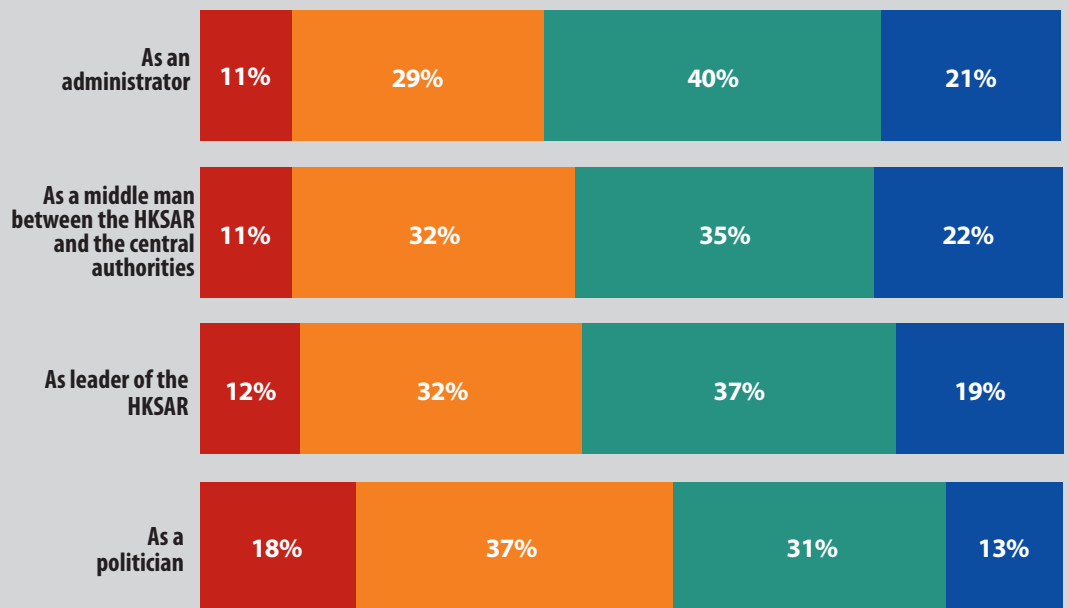


Offered solutions to Hong Kong's most pressing problems of the day



Yes No No Comment

# Q: What is your rating of the performance of Chief Executive **Donald Tsang** in the following respects?



On a scale of 1 (very poor) to 10 (excellent)

1-3 4-5 6-7 8-10

# Reaching Out to Business

**Hong Kong is proud of its rank as one of the world's most competitive urban centers. No subject touches the business community and the public more than the issue of Hong Kong's competitiveness as an economic center and the sustainability of its self-proclaimed status as a "world city".**

As a leading metropolitan center in China, Hong Kong's competitiveness springs from its institutions: rule of law, free flow of information, light-handed government and low tax regime. These pillars form the bedrock of a business friendly climate that allows entrepreneurs and big business to thrive thus creating one of the wealthiest societies in Asia, a true measure of success.

There is concern, however, that Hong Kong's competitive advantage as an international commerce and financial hub is being eroded. In part, this is due to an escalation of property prices, high rents and environmental issues that hurt the quality of life and drive away talent. These are some of the issues responsible for Hong Kong's lower ranking in a number of surveys on international competitiveness.



*Hong Kong strives to be a competitive world city*

## Poll Results

The SCMP/TNS poll highlighted an "inadequately educated work force" as a major issue affecting competitiveness. This was closely followed by "political instability" and an "inefficient government bureaucracy". Business leaders pointed to Hong Kong's thriving capital market, financial services industry and proximity to the mainland as key factors in the future development of the competitive framework.

Some 40% of poll respondents felt Shanghai will overtake Hong Kong in terms of overall competitiveness within five years. While 69% and 57% believe Hong Kong is more competitive than Beijing and Shanghai today, this ratio drops to 47% and 33% in five years.

On the other side of the debate, many business leaders believe Hong Kong's advantages are too well-established for the Mainland cities to match.

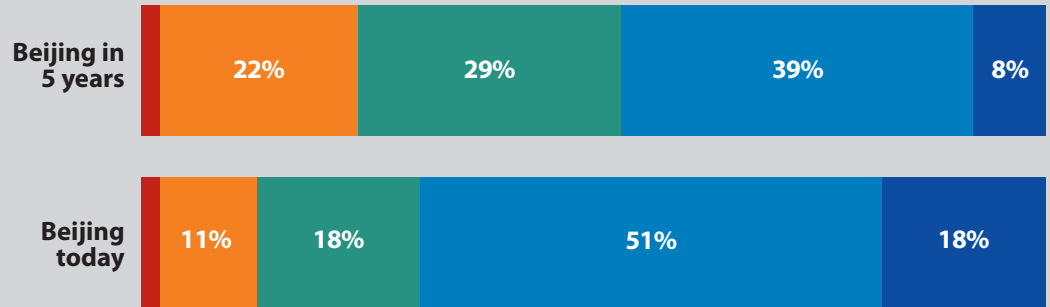
When asked how Hong Kong can remain competitive, the vast majority of respondents pointed to enhanced global links and promotion of its status as an international financial center. Still, 90% of respondents call for Hong Kong to address environmental issues and reign in air pollution problems in the Pearl River Delta as soon as possible. Finally, Hong Kong's ability to maintain its position as a leading aviation hub and port facility against mainland competition is cited as another key challenge.

Panelists for the June 2006 discussion included Yvonne Choi, Permanent Secretary of the Commerce, Industry and Technology Bureau of the HKSAR, The Hon Selina Chow and David Eldon, Chairman of the Hong Kong General Chamber of Commerce. The conclusion from this group: a unified long-term vision that embraces active and constructive dialogue between the public and private sector is needed to pave the way for Hong Kong's future competitiveness.

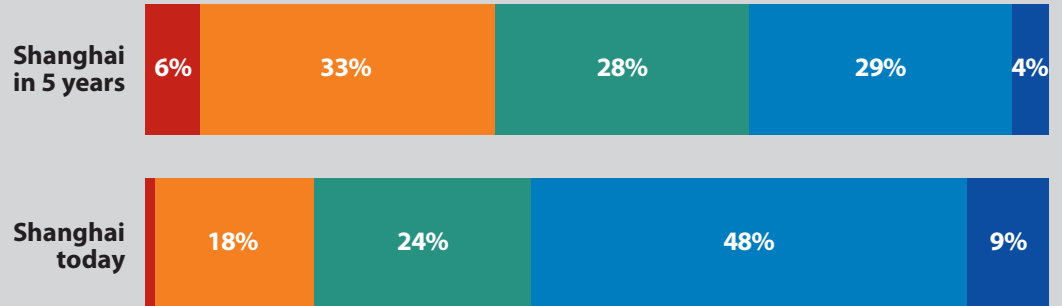
**Q:** How do you rate **Hong Kong's** competitiveness as a place to do business compared to:



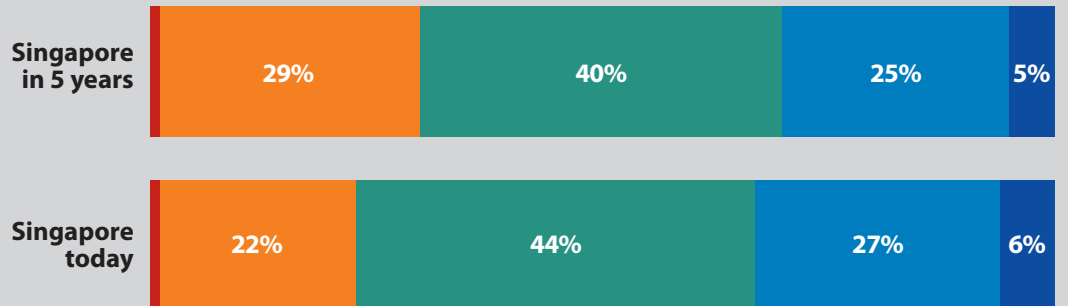
**Beijing** today versus 5 years from now



**Shanghai** today versus 5 years from now



**Singapore** today versus 5 years from now



# Reaching Out to Society

**The future of Hong Kong is its children. In an effort to reach out to the people of Hong Kong, SCMP held a third Business Leadership Briefing on “Hong Kong’s Education System”. Judging from the strong views expressed in the survey and briefing that followed, the education system in Hong Kong is seen as vital to its future and much remains to be done to meet the requirements and expectations of parents and the business community.**

Hong Kong’s education system has undergone tremendous changes over the years to raise the quality of education. Yet the reforms have seemingly not had the desired effect in addressing criticisms that the system has failed to nurture excellence. Since the Hong Kong handover to China in 1997, the perception that the education system has lost its edge has intensified.

## Poll Results

Business leaders rated the administration’s performance in providing quality education 4.3 out of 10. Overall, the English Schools Foundation and international schools were rated better in every category except Putonghua. Some two-thirds considered the decision to promote Chinese as the medium of instruction in secondary schools as the least successful of the education reforms and noted that this effort failed to improve quality.

Business leaders did not mince words when discussing the level of education at the university level. The vast majority of respondents believed that graduates from local universities lacked vital skills and compared poorly with counterparts studying overseas. Less than 20% believed that Hong Kong graduates possessed

“sufficient and relevant skills” across a range of categories, and respondents rated graduates from North America and Europe as superior in terms of overall attitude.

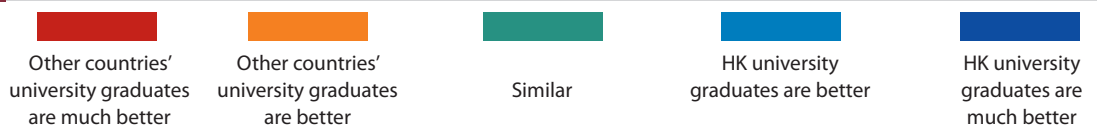
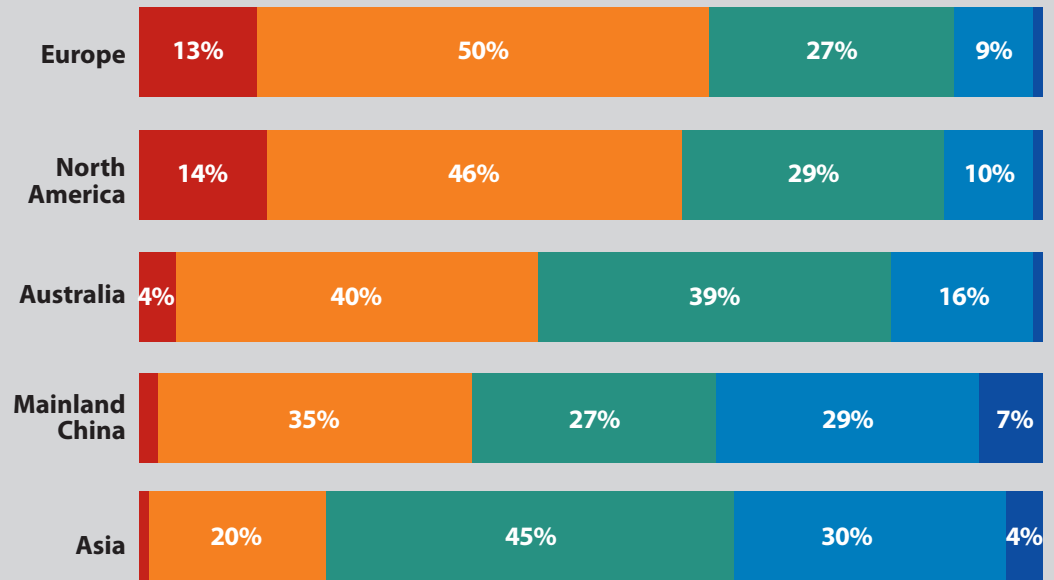


*Heather Du Quesnay, Chief Executive of the English Schools Foundation at the panel discussion*

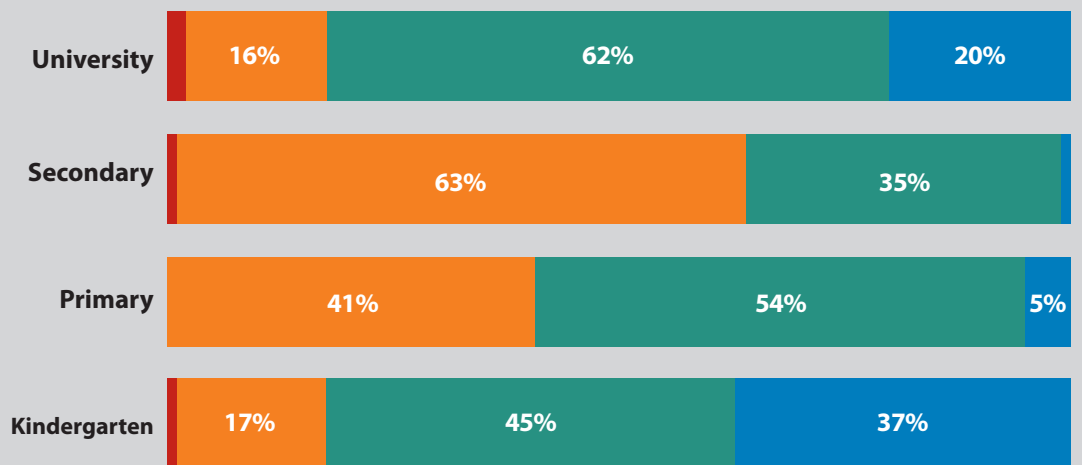
Although graduates were given adequate marks for numerical skills, they fell short in a number of areas. Poor numbers were racked up in such areas as analytical thinking, international understanding, Putonghua skills, interpersonal and leadership abilities as well as English skills. The result, according to respondents, is that the educational system is not equipped to back the needs of a highly specialized and sophisticated service economy.

The SCMP briefing on education included panelists Cheung Kwok-wah, Assistant Professor at the Faculty of Education at the University of Hong Kong, Heather Du Quesnay, Chief Executive of the English Schools Foundation, Chris Wardlaw, Deputy Secretary for Education & Manpower, and Joanna Yu, the winner of SCMP Student of the Year 2006. The central focus of the panel discussion was on reducing exam-related pressure and providing the necessary language skills for students to work in an international city.

# Q: How do you rate the overall performance of **Hong Kong's university graduates** compared with university graduates from other countries?



# Q: Under the current education system, how do you rate the **pressure facing students** at different levels?



# Industry Awards

Over the years, SCMP has held a number of awards to highlight excellence in the business community. The awards aim to enhance Hong Kong's standing as an international center for business, finance and professional services.

SCMP awards in 2006 included: Fund Manager of the Year, Student of the Year, Financial Planner of the Year, Hong Kong Business Awards and Style Awards. Co-branded awards included Best Employers (Hewitt), Women of Influence (American Chamber of Commerce) and the Best Annual Reports (Hong Kong Management Association).

### Business Person of the Year

Established by SCMP and DHL in 1990, the Hong Kong Business Awards are among the most prestigious awards in Hong Kong. The event acknowledges contributions made by individuals and companies towards the economic vitality and international status of Hong Kong while encouraging entrepreneurial spirit and management excellence.

There are four award categories for individuals: Business Person, Executive, Owner-Operator and Young Entrepreneur. There are two awards for companies: International and Enterprise. A Lifetime Achievement Award is given at the discretion of the judges.

Sir David Li Kwok-po, Chairman and CEO of Bank of East Asia, won Business Person of the Year. Li oversees Hong Kong's largest independent bank. Under his leadership the bank achieved record results and built an extensive network in China. Li has played an important role in public service as a member of the Legislative Council and Executive Council.

Sir CK Chow, CEO of MTR Corporation, won the Executive Award while Paul Cheung Kwok Wing, Chairman and Co-founder of Kingboard Chemical, won the Owner-

Operator Award. BALtrans Holdings clinched the International Award while Regina Miracle International took the Enterprise Award.

The judging panel was chaired by Professor Yue-Chim Richard Wong, Deputy Vice-Chancellor and Professor of Economics at University of Hong



Sir David Li,  
Bank of East Asia



Paul Cheung,  
Kingboard Chemical



Sir CK Chow,  
MTR Corporation

*Fidelity took the top prize in all three major categories at the Fund Manager of the Year awards*

Kong, and included the Hong Kong General Chamber of Commerce, DHL Express, SCMP, Junior Chamber International Hong Kong, Chinese General Chamber of Commerce, Hong Kong Exchanges & Clearing, Hong Kong Trade Development Council and HSBC. The panel also included the previous year's winners: KS Lo of Great Eagle, Alfred WK Chan of Hong Kong and China Gas, Chow Yei Ching of Chevalier International, Albert Wong of Eastern Worldwide, Martin So of AS Watson Group and Cheah Cheng Hye of Value Partners.

### **Fund Manager of the Year**

The Fund Manager of the Year Awards acknowledge the top performing funds and their managers, covering different markets and all asset classes. The 2006 awards were organized by SCMP in association with Standard & Poor's Fund Services and sponsored by American International Assurance (AIA).

The top level awards evaluate the overall performance of fund management groups. Fidelity Investments Management took honors for the 3-year, 5-year and 10-year categories. This is the first time a single fund management house has won all three top awards in the 15-year history of the event.

70 winners were recognized from a pool of 1,950 retail market-oriented funds. Frederick Ma, Secretary for Financial Services and the Treasury, was the guest of honor at the ceremony and presented award certificates.

The Fund Manager of the Year is assessed using a methodology known as Relative Risk-Adjusted Ratio. This calculation evaluates the performance of a fund and the consistency of that performance relative to other funds in its peer group sector. This methodology is used for all investment funds awards S&P conducts around the globe.

### **Financial Planner of the Year**

The Institute of Financial Planners of Hong Kong (IFPHK) and SCMP hosted the SCMP/IFPHK Financial Planner Awards 2006 last April. The event recognizes financial planners who demonstrate professional knowledge and acumen in personal financial planning.



The awards are open to individual financial planners from the banking, insurance and the financial advisory industries. Applicants submit a client's financial plan endorsed by the client and the fund manager. The winners are selected by distinguished judges following three rounds of rigorous written and oral presentations.

The Overall Winner and Industry Trophy Winner for Independent Financial Advisory was Rainbow Pan, Senior Vice President of ipac Financial Planning. Chan Ka Hing, Senior Business Manager of Prudential Assurance, was the Industry Trophy Winner for Insurance. Chu Chun Tin, Financial Planning Manager for HSBC, took the Industry Trophy Winner for Banking.

Awards were presented at a ceremony attended by 300 guests and Frederick Ma, Secretary for Financial Services and the Treasury. TVB, a media partner, broadcast a 20-minute program on the event on its financial channel.



*Rainbow Pan, Overall Winner and Industry Trophy Winner for Independent Financial Advisory*



Rigorous assessment criteria included presentation and communication skills, the evaluation of a client's situation and making appropriate recommendations. Alexa Lam, Executive Director of the Securities and Futures Commission, appeared as the guest speaker at a well-attended presentation ceremony in November.

**Student of the Year**

Last year marked the 32nd Student of the Year Awards. Widely recognized by schools, teachers and education authorities as one of the most important events in the school calendar, the program honors students for academic performance, accomplishments and community contributions.

There are eight categories: Musician, Sports person, Linguist, Computer Scientist, Dancer, Artist, Best Improvement and Student of the Year. Following local competitions judged by experts along with representatives from the Education and Manpower Bureau, the finals were held at City Hall in June 2006.



*Joanna Yu, Student of the Year*

Professor Arthur Li, Secretary for Education and Manpower, was the Chief Judge. Finalists competed in a 30-minute debate and were rated for ideas and eloquence as well as listening and social skills. The winner, Joanna Yu Tsun-yan of St Paul's Co-education College, scored 8 A's in the HKCEE. Joanna plans to study Global Business at the Chinese University of Hong Kong through an early admission scheme.



*Entrepreneur of the Year: Fredy Bush, CEO of Xinhua Finance*

**Women of Influence: Vision, Strategy, Leadership**

The American Chamber of Commerce and SCMP organized the Women of Influence Awards in October 2006.

The awards honored three women for personal and professional achievement and one company for promoting equality in the workplace. It also highlighted programs to encourage men and women to strive for balance at work and with the family.

The Entrepreneur of the Year was presented to Fredy Bush, CEO of Xinhua Finance. Professional of the Year went to Viveca Chan, Founder of WE Worldwide Partners and Young Achiever of the Year went to Jing Ulrich, Managing Director and Chairman of China Equities at JP Morgan Securities. The Best Company award went to FedEx Express.

**Community Relations**

SCMP supports initiatives which make Hong Kong a better place in which to live and work. Community programs focus on the environment, education, culture and charitable causes. For example, SCMP worked with the Business Environment Council to promote the EnviroSeries and EcoProduct Awards.

On the education front, SCMP was involved in a number of teacher seminars in conjunction with the Chinese University. It also supported the Annual Conference of the Continuing Professional Development Alliance, and the annual Arts, Dance and Literary Festivals.

# Operation Santa Claus

**Operation Santa Claus (OSC), co-sponsored with Radio Television Hong Kong (RTHK), is the best example of reaching out to the community. In 2006, OSC raised a record breaking \$16 million from individuals, corporations and schools for 27 charities.**

OSC focused on five areas: mental and physical disabilities, children and youth, the elderly, AIDS/HIV and medical issues. SCMP ran daily feature stories and calls for contributions while RTHK aired programs. SCMP.com provided coverage online with podcasts, vidcasts, photos and stories. This enabled the charities to build awareness for their cause.

Since 1988, OSC has collected \$104 million in cash, goods and services, including \$9 million for tsunami victims in 2005. This year's commitment broke the 2005 record of \$12.2 million and doubled the amount raised in 2004.

Five major donors contributed \$1 million or more: Cathay Pacific (\$3 million in shares sold for cash), Merrill Lynch (\$1.5 million), Credit Suisse (\$1.3 million), JP Morgan (\$1 million) and Morgan Stanley (\$1 million). Two new banks joined the major donor category (Coutts Bank and Julius Baer) as did Dairy Farm and Armani Bar, which donated a catering industry record.

Individuals contributed greatly. For example, teenager Nicholas Gordon rallied classmates to compile stories to raise funds. Children organized cookie sales and seven-year old Sam Williams asked friends and family to donate instead of buying birthday presents.

Hundreds of books were collected by JP Morgan, Pacific Coffee and Bloomsbury Books. Toys were contributed by Starbucks, The Royal Hong Kong Yacht Club, Hong Kong Parkview and Komodo Toys. Harbour Plaza Resort City and Kingston School collected essential items and various items were auctioned.

Corporations, clubs and individuals generated a range of activities to raise funds.

- The Ninth Five-a-Side Football Tournament brought 20 teams and their supporters to Stanley Fort. The tournament raised \$870,000.

- The Wing Ding Squash Tournament hosted 12 teams at the Hong Kong Football Club. The tournament raised \$200,000.

- The Hong Kong Hash Harriers held Santa Hash, the Police Tactical Unit dragged a 9.5-ton vehicle across the tarmac and Lamma Bar organized a treasure hunt.

- Hong Kong Singers organized a gala performance of "My Fair Lady" to raise \$80,000.

SCMP was later awarded Caring Company status by the Hong Kong Council of Social Services in February 2007 for its contributions to society through OSC.

