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**Planning for Sustainability
in the Changing Global Economy : the case of Hong Kong**

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INTRODUCTION

I have chosen the topic : “Planning for Sustainability in the Changing Global Economy” for two reasons.

The first, which goes without saying, is that it is related to the main theme of this conference.

The second, perhaps a more important one, is because in these days of a global economic downturn when governments world-wide are preoccupied with finding measures for a speedy recovery, there can be many temptations for expedient and quick-fix solutions. I feel it is very appropriate at this time to remind ourselves of the importance of sustainable development.

In my following presentation, I wish to share with you the experience of Hong Kong in planning for sustainable development, in particular :

- (a) how planners in Hong Kong have responded to the two key forces that have driven our development in the past decades, namely population growth and economic transformation; and
- (b) the various new challenges that have emerged as we enter into

the globalisation era.

DRIVING FORCE NO. 1 : POPULATION GROWTH

Hong Kong is without doubt one of the cities with the most intense population pressure. This is not because Hong Kong has the highest population growth rate – there could well be other cities having higher growth rates than us. This is more because the very high population growth, on average about one million every decade over the last 40 years, has to be accommodated within the span of only about 1,100 square kilometers of land, more than 70% of which is hilly and not readily developable.

Today, we have a population of some 6.7 million. The latest projection is that the population could continue to increase at an average rate of about 1% per annum, to reach about 9 million by year 2030.

Apart from the rapid population growth, there is another characteristic of our population which has reinforced the development pressure. Like many modern cities, our household size is declining. The average household size in Hong Kong in 1986 was about 3.7 persons. According to the latest Census results for 2001, the average household size has decreased to 3.1 persons and this may further decrease in future. This means more flats (and therefore more land) are required to house the same number of people.

High Density Development – A Sustainable Response

To accommodate the rapidly growing population, we have over the past 40 years created more than 10,500 ha. of land through reclaiming foreshores and inlets and levelling of hills for building new communities. We have plans to create 960 ha. more over the next ten years.

However, had we followed the development density commonly found in other cities, the extent of land created would be far from adequate to meet our development needs. Instead, we have adopted a model of development which, to many of you and by the standard of many cities, may be called the ‘super-high’ density model.

We have a density policy under which the territory is divided into a number of density zones, with various levels of building intensities. Within our highest density zone, residential developments can go up to a maximum plot ratio of 10, that is the total floor area can be ten times the size of a development site. Time does not allow me to talk more on our density policy, but I would like to share with you our experience on high density development.

High density is not necessarily equivalent to over-crowding or congestion. To us, with suitable planning and design, it can be a sustainable approach to addressing the intense population pressure. Apart from maximizing the use of the precious urban land, by going tall, we can minimize urban encroachment into the countryside which is also a precious resource for recreation and biodiversity. By concentrating the same population in a smaller residential area, more land is left for the provision of facilities and services required for the community. It is also more cost-effective to provide transport and other infrastructure, particularly mass rail transit, and a high degree of convenience can be achieved as supporting facilities, activity points and residence are located at proximity to each other.

Our experience in Hong Kong suggests that for high density development to succeed, comprehensive planning, integrated land use-transport-environment consideration, good urban and building design, provision of adequate facilities and good management are essential. To promote quality high-rise living, apart from the provision of necessary ancillary facilities such as open spaces and recreation clubs, we have put in place measures to encourage green and environmentally friendly buildings, incorporating such features as communal sky gardens, balconies and improved natural lighting and ventilation design.

DRIVING FORCE NO. 2 : ECONOMIC TRANSFORMATION

Over the past decades, Hong Kong has experienced several stages of economic transformation.

Labour intensive manufacturing industries were the pillar of the

economy in the 60s, but in the early 70s had diversified to more technology oriented and sophisticated products to keep abreast of the growing competition from other newly industrialised countries.

From the late 70's, as a result of Mainland China's open door policy, much of the labour-intensive and low value-added production processes had been relocated to the adjacent Guangdong Province. A greater part of Hong Kong's manufacturing industry was gradually replaced by import, export and re-export activities. At the same time, there was rapid expansion in the service-oriented industry with greater focus on product research and development, marketing, business, finance, design, packaging and quality control functions. By mid-1990s, Hong Kong had established itself as a financial, trading and transshipment centre in the Asia Pacific Region facilitated by the continuous upgrading and expansion of our container port, as well as the building of a new airport to become one of the world's finest.

Lately in recent years, advances in internet and telecommunications technology have stimulated further restructuring of the service industry towards a knowledge-based economy. Although the service industry remains to be active, we have seen the beginning of the relocation of back-office functions involving labour and space intensive and low skilled operations such as data processing centres, to Mainland China.

Restructuring our Industrial Land Resource

Amongst the planning issues that have been generated by the economic transformation, perhaps the most significant one is related to the use and re-use of the large amount of industrial buildings that have been left redundant as a result of the massive relocation of the manufacturing processes to the Mainland. We have adopted a two-pronged approach to address the problem.

On the one hand, uses permitted within industrial areas and buildings have progressively been broadened to allow for office, commercial, information technology (IT) and telecommunications uses. Through relaxation of control on the uses, we wish to foster an

environment conducive to business development and the provision of more job opportunities. As a result, many industrial buildings have successfully been transformed into what we call “industrial-office” or “business” buildings, providing for such uses as import-export, wholesale and data centre activities which have mushroomed as a result of the economic transformation.

On the other hand, at suitable locations we have allowed the redevelopment of surplus and obsolete industrial buildings to satisfy other community needs including residential development and community facilities. Last year, we completed a major review of all our industrial land and have since changed the zoning of some 200 ha. of industrial land, representing about 40% of the original stock.

The problem of obsolete industrial land due to economic restructuring is, of course, not unique to Hong Kong, but one that many other cities have also encountered in the history of their development, and from where some experience can be drawn. We note, for example, that it is common practice in some overseas cities to convert old industrial and godown buildings for up-market residential uses such as loft apartments and studio flats.

The circumstances between Hong Kong and these cities may however be different. For example in overseas cities, normally an entire industrial area became obsolete whereas in Hong Kong obsolete industrial buildings are often located amidst industrial buildings still in active use; our building densities, compared to those overseas, are also far higher. We are currently investigating how overseas experience can be applied to Hong Kong. Ideas being explored include converting some of these buildings into “Knowledge Precincts” where a range of community colleges, internet cafes, bookshops, libraries and IT outlets can be established; or “Yuppies Hubs” with studio flats, home offices, art galleries, theme restaurants and pubs as well as entertainment centres.

NEW CHALLENGES IN THE CHANGING GLOBAL ECONOMY

As we enter the globalisation era, planners in Hong Kong are

faced with a range of new issues, the resolution of which often requires new mindsets and approaches.

Increasing Economic Linkages with Mainland China

The first concerns the strengthening of our economic ties with the Mainland.

Hong Kong's development has always been closely linked with the Mainland and there is interdependence between them. The Mainland, in particular the Pearl River Delta region, has provided the economic hinterland and engine for our growth. On the other hand, Hong Kong, with its well developed service sector, has provided managerial, marketing and front-office support to Mainland's development. Our roles are complementary.

Economic globalization is encouraging more and more interactions between the two places. The Mainland is Hong Kong's leading trading partner and has become the largest single destination for direct foreign investment from Hong Kong. About 40% of the Mainland's foreign trade is conducted through Hong Kong. The fact that Hong Kong is located at a gateway position to the Mainland; our commitment to the free market policy; our long established international linkages; plus our knowledge of the Chinese market and culture - all contribute to reinforce our position as an effective bridge between the Mainland and economies of the rest of the world.

Looking into the future, as the Mainland is brought closer to the global market with the accession to the WTO, our mission is to facilitate further economic integration to capitalise on the immense opportunities.

In terms of infrastructure, this means that we must ensure the smoothest flow of goods and people between Hong Kong and the Mainland. Currently, we are moving in full steam to implement additional road and rail crossings to Shenzhen including the Hong Kong-Shenzhen Western Road Corridor and the Lok Ma Chau Rail Spur Line. Over the long term, we are exploring the need for additional road links, in particular with the west bank of the Pearl River Delta; and also a

Regional Express Railway connecting with the provincial and national railway networks.

Techno-economic Changes

The second challenge is brought about by the IT and telecommunications revolution.

I earlier mentioned that economic transformation in the past years has already resulted in our economy shifting from manufacturing production towards the service sector, distribution and higher value added industry. In the new era of technology, we are now riding on the waves of yet another major transformation at a much greater pace than ever brought about by advances in information and telecommunications technology.

The development of IT is changing the business environment to be more information-based, more mobile and foot loose, less workers dependent and more efficient in terms of production and supply chain management. Elsewhere, all these are having significant impacts on the landuse pattern, land requirements for various economic sectors and the transportation pattern. Elsewhere, these impacts are found to be beneficial in many respects, for example in mitigating urban problems such as reducing commuting and traffic congestion at peak hours.

How will advances in IT impact on the structure of our city? How can we take advantage of the IT revolution to help the economy develop? How can we further adapt our planning system to facilitate the development of IT and telecommunication uses? These are some of the questions that we are currently discussing with the community, and we are looking to experiences from overseas.

Widening of Economic Base

The third challenge is about the widening of our economic base.

The financial turmoil that swept eastern Asia in 1998 has demonstrated the vulnerability of an economy based heavily on the

finance and service activities like ours. We need to widen our economic base and enhance the activities for which we have comparative advantages.

One area we are earnestly pursuing is tourism, which is a growing economic sector world-wide. Hong Kong is already one of the top tourist destinations in Asia, and we are planning and building new tourist facilities to strengthen our position, like the Hong Kong Disney Theme Park.

Another area is the logistics industry for which we have locational advantage. Apart from the need to enhance the competitiveness of our world-class airport and container port, the Government has recently unveiled ambitious plans to develop the logistics industry to maintain our role as a transportation hub.

Rising Community Aspirations

The fourth challenge is concerned about meeting the ever rising community aspirations.

As our population grows and economy expands, competition for land for jobs and social amenities becomes more intense and environmental conditions are at a greater risk. At the same time, people's attitudes are changing. They are becoming more concerned about their well-being and quality of life and are more conscious of issues which may affect the livability of the physical environment and their choices.

There are stronger aspirations and community voices nowadays for better housing, more job opportunities, cleaner environment, more open space etc and, above all, more participation in the plan making process. Managing the diversified aspirations and engaging the community in the planning process is at the heart of pursuing sustainable development, a subject I would come back to discuss later.

Managing Uncertainties

Finally, globalisation brings a world that not only moves faster but also changes faster. The future is getting more and more unpredictable, and how to manage and respond to uncertainties presents a great challenge to planners.

Planners are trained to “predict, plan and implement”, a process which is becoming more and more difficult in the fast changing global environment. Global trends and external pressures are accelerating and escalating, and predicting the future accurately is becoming an impossible task, let alone formulating a detailed blue print for future development that can stand the test of time.

So, is there still a role for planners? It is interesting to note that Dwight Eisenhower, the great commander in the Second World War and 34th President of the U.S.A., had once said “although plans are becoming more and more useless, planning is still essential”. As a planner, I certainly would not go as far as to say that plans are useless. But I do accept that the importance of planning now lies less and less in the product of a planning exercise, as any blue print produced is likely to become out-of-date very quickly. This calls for regular monitoring and review. I believe the importance of planning lies more and more in the planning process – this relates to the thinking process behind the planning exercise and the process of engaging stakeholders and the community in agreeing a way forward. In addition, we need planning with a broader vision, to plan locally but think globally; and with greater flexibility and responsiveness to the changing external environment. This approach appears to be the only answer in the wake of a more unpredictable world.

A SUSTAINABLE PLANNING FRAMEWORK FOR HONG KONG

To provide a sustainable planning framework for Hong Kong, we have recently launched a study, entitled "Hong Kong 2030 : Planning Vision and Strategy" (or the HK2030 Study in short). The HK2030 Study is intended to articulate the new vision for Hong Kong promulgated by the Chief Executive, that Hong Kong should be Asia's World city; to integrate the various strategic planning initiatives already in hand; and to map out a broad physical planning framework to guide the

future development of Hong Kong.

In undertaking the HK2030 Study, we are guided by two basic principles, namely sustainable development and partnership with the community.

Sustainable Development

To some, the term sustainable development can be abstract and there are many definitions in the literature. Because there is no universal definition, the concept can sometimes be loosely and conveniently stretched to suit individual emphasis e.g. environment protection or urban governance. Sometimes it can even have a negative connotation as "anti-economic".

In Hong Kong, we have derived a definition for sustainable development, through our recently completed Study on Sustainable Development for the 21st Century, namely that it is a form of development which "balances social, economic, environmental and resource needs, both for present and future generations, simultaneously achieving a vibrant economy, social progress and a high quality environment, locally, nationally and internationally, through the effort of the community and the Government."

To operationalise the definition, we have developed 8 guiding principles respectively on such areas as economy, health and hygiene, natural resources, society and social infrastructure, biodiversity, leisure and cultural vibrancy, environmental quality, and mobility. Against these guiding principles, 36 sustainability indicators have been formulated to help measure the impacts of new policies and major projects. These sustainability principles and indicators will be used to help us formulate the new strategic planning framework for Hong Kong.

Harnessing Partnership

It needs no stressing that sustainable development is a participatory and balancing process which involves reconciliation of conflicts and consensus-building in the community. As global trends

become ceaselessly dynamic and urban issues touch upon a wider range of interests, there are stronger and more diversified community voices championing for what different sectors of the community would want for their future.

We need a more transparent planning process which can allow evaluations, feedbacks and public debates on the desires and values of different sectors of the community, for the formulation of a community-based vision. This means government officials, NGOs, business groups, social groups, green groups, politicians, etc. all should have a role to play in the planning process. Promoting such public participation to harness greater public support for planning is an important key to achieving sustainability in Hong Kong.

Hong Kong 2030 Study

To work towards the vision for Hong Kong promulgated by the Chief Executive and following the principle of sustainable development, we have identified the following planning objectives for the HK2030 Study :

- (a) enhance Hong Kong's hub functions and provide sufficient land to meet the development needs of Hong Kong;
- (b) provide a good quality living environment by conserving natural landscape, preserving cultural heritage, enhancing townscape and regenerating old urban areas;
- (c) meet the needs for housing and community facilities;
- (d) provide a framework to develop a safe, efficient, economically viable and environmentally friendly transport system as well as pedestrian facilities;
- (e) promote tourism; and
- (f) strengthen our socio-economic links with the Mainland.

In the formulation of the HK2030 Planning Strategy, we would take due account of known global trends and issues in particular those

which may have impact on land use planning. Issues which are considered to be relevant include:

- (a) the impacts of IT development on our land reservation system with a view to making the system more flexible and responsive to emerging and new economic activities;
- (b) the needs and impacts of the more mobile population and businesses, and the resultant demands for traffic, housing, employment, retail and other community facilities;
- (c) the roles and requirements of our airport, port and other hub functions to enhance our economic competitiveness; and
- (d) the need to review our development control system with a view to making it more flexible in meeting changing economic needs and more business facilitating, whilst at the same time ensuring environmental protection and enhancing quality of life.

Public views form an important base for the HK2030 Study and we are making the study process as transparent as possible to invite wide participation.

Earlier this year, we consulted the community on the planning objectives and the key subjects that the HK2030 Study should address. We intend to shortly start the second stage public consultation on the key issues having an important bearing on the formulation of development options and the criteria that should be used to evaluate these options. The public will be consulted again on the development options before a strategy is finally formulated.

CONCLUSION

In conclusion, I hope I have given you a broad synopsis of the strategic planning work that we are currently undertaking. The HK2030 Study is still on-going, and I hope to be able to share with you the outcome of the later stages of the Study on some future occasions.