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3 May 2005

The Secretariat
 Constitutional Development Task Force
 Constitutional Affairs Bureau
 3/F Main Wing
 Central Government Offices
 Lower Albert Road
 Hong Kong

Dear Sirs

**The Fourth Report of the Constitutional Development Task Force:
 Views and Proposals of Members of the Community on the methods for
 Selecting the Chief Executive in 2007 and for forming the Legislative Council in 2008**

We wish to express our appreciation of Government's efforts in soliciting public views on the constitutional development of Hong Kong.

We share the view that the number of Legislative Council Members in 2008 should be expanded so as to broaden public representation in the progressive development towards universal suffrage. As an employer, we urge Government to establish an "Employer" seat under the functional constituencies and to designate the Employers' Federation of Hong Kong as the electorate for that seat so that employers' views on employment matters would be professionally and properly represented in the Legislature.

In the current Legislative Council, there is a lack of representation of employers focusing purely on employment matters to balance the very professional and vocal employees' voices. As an important stakeholder in the community, employers should be adequately represented so as to ensure employers' concerns are fully and properly being taken into account. We believe the Employers' Federation of Hong Kong can serve the purpose in the following aspects:

1. Under globalization and economic restructuring, the Hong Kong community is facing enormous pressure on emerging social issues. The "co-existence" of employer and employee representatives both focusing on employment matters in the Legislature can provide a level playing field for rational, constructive debates in related policies.
2. Human capital is the key to success for all businesses in the present world. As end-users, employers can have first hand information on the ever changing needs for human capital. An "Employer" member focusing on employment matters in the Legislative Council will help to develop, maintain and retain the necessary human capital for the effective and efficient running of businesses.

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3. To maintain Hong Kong's competitiveness, employers and employees should be complementary in seeking mutual benefits, working for the best interests of Hong Kong as a whole. This can be achieved through constant dialogue between employer groups and major unions in Hong Kong. While there are three members under the "Labour" Constituency in the Legislative Council, there is no direct counterpart representing employers' interest in employment matters. The presence of an "Employer" member with main focus on employment matters in the Legislature will further enhance cooperation between employers and employees.
4. The Employers' Federation of Hong Kong has been well established for nearly sixty years with special focus on employment matters. It has demonstrated among employers its leadership and professionalism in maintaining a favourable business environment for investors through closely monitoring and whenever necessary being vocal on labour legislation development, advocating good employment practices, managing pay expectations, facilitating information exchanges, mobilizing joint lobbying forces, etc.
5. The Employers' Federation of Hong Kong is committed to contributing to the prosperity of Hong Kong through promoting a productive and harmonious employment environment which is extremely important in building social solidarity.

Not long ago, Mr Donald Tsang, the Chief Secretary for Administration and now Acting Chief Executive, appealed to employers for their participation in the political arena. We are here to support him by nominating the Employers' Federation of Hong Kong as the electorate for an "Employer" seat to be introduced in the Legislative Council in 2008 as the Federation represents hundreds of employers, both big and small, on employment matters in Hong Kong.

Yours faithfully
Royal & Sun Alliance Insurance (HK) Limited

(Signed)

Keith Land
Managing Director

