

**Opening Remarks by
The Secretary for Commerce, Industry and Technology
at the Special Meeting of the Finance Committee
on 13 March 2006**

Chairman,

I would like to brief Members on the key areas of work of the Communications and Technology Branch of the Commerce, Industry and Technology Bureau for the new financial year.

Telecommunications

2. One of the major initiatives in the coming year is the hosting of the International Telecommunication Union TELECOM WORLD 2006, a momentous event which will put Hong Kong under international limelight of the information and communications technology world. It is anticipated that some 900 exhibitors and around 60 000 visitors will be attracted to the event and bring about a total revenue of \$900 million for the tourism and business sectors.

3. To contain the problem of unsolicited electronic messages, we are consulting the public on the legislative proposals and we aim at introducing the Unsolicited Electronic Messages Bill to the Legislative Council within this year.

4. With the rapid convergence at the technological and market levels in the electronic communications sector, it is necessary to set up a unified regulator for broadcasting and telecommunications to facilitate the development of the industries and to protect the interests of the customers. Hence, we have started the consultation on our proposal to set up a unified regulator by merging

the Broadcasting Authority and the Telecommunications Authority.

Broadcasting

5. In respect of broadcasting, we are actively collaborating with the two free-to-air terrestrial TV broadcasters in preparing for commencement of digital broadcasting in 2007. We will soon mount publicity campaigns to raise the consumers' awareness of how and when to switch over to digital television.

6. Moreover, the Committee on Review of Public Service Broadcasting established in January has started operation and the Government is in full support of the work of this independent committee. We expect the recommendations of the Committee would map out a comprehensive policy and specific arrangements for public service broadcasting in Hong Kong. I reiterate that the Government looks forward to the Committee's recommendations with an open mind.

Film

7. We will continue to facilitate the development of the film industry. The newly-established Film Development Committee will commission a consultant to conduct a strategic study on the future development of the film industry. Since the \$20 million Film Development Fund was re-launched last April to finance projects conducive to the development of the film industry, we have received an encouraging number of applications, some of which were approved.

Information Technology

8. Regarding information technology, we have kicked off a new round of the Digital 21 Strategy review. Our plan is to consult the public on the draft Strategy in late 2006 and promulgate the updated version in early 2007.

9. To facilitate the development of the industry, we will also implement a series of measures as follows –

- (a) To organise the Hong Kong ICT Awards 2006 in collaboration with the industry and academia with a view to developing an internationally recognized branding of local ICT products and services.
- (b) To launch a pilot scheme under which ownership of the intellectual property created in new government IT systems will be vested in the contractors in order to facilitate technology transfer and industry development for the generation of economic benefits.
- (c) To continue to support the digital entertainment industry through the Digital Entertainment Industry Support Centre and the Digital Entertainment Incubation cum Training Centre at the Cyberport.
- (d) To continue collaborating with the industry to extend the sector-specific programmes for driving e-commerce and IT adoption by the SMEs.

E-Government

10. Thanks to the Finance Committee for approving a provision of \$170.8 million earlier this month, we are able to launch a new one-stop

government portal (OSP) later this year for providing “citizen-centric” government services that meet and anticipate citizens’ needs.

11. We will also embark on a number of electronic joined up initiatives involving different departments in the coming two years.

Innovation and Technology

12. With respect to innovation and technology, we would establish R&D Centres in the areas of nanotechnology and advanced materials, textile and clothing, automotive parts and accessory systems, logistics and supply chain management enabling technologies, and information and communications technologies. \$2.6 billion has already been reserved under the Innovation and Technology Fund to fund the establishment of these R&D Centres, their operation costs for the first five years and their R&D programmes. The R&D Centres are expected to commence operation shortly.

13. We also strive to strengthen cooperation in science and technology with the Mainland. We shall continue to implement the “Guangdong/Hong Kong Technology Cooperation Funding Scheme” in 2006 to encourage research institutions and enterprises in the Greater Pearl River Delta region to conduct collaborative R&D projects.

14. To promote wider use of design and innovation in industries, we are implementing the DesignSmart Initiative, with \$250 million of funding allocation. One of the initiatives involves the Hong Kong Science and Technology Parks Corporation and the Hong Kong Design Centre combining forces to establish the InnoCentre to provide a whole range of support services. Operation of the Centre will be in full swing in the third quarter of this year.

15. Thank you.