

**Opening Remarks by
the Secretary for Commerce, Industry and Technology
at the Special Meeting of the Finance Committee
on 19 March 2007**

Chairman,

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

Film

2. The film industry is the flagship of Hong Kong's creative industries. It is facing a number of problems such as dwindling investment, shrinkage of the market and exodus of talents. To support the further development of the film industry, the Financial Secretary has earmarked in this year's Budget \$300 million to set up a fund to help finance film production and overcome the shortage of talent. The fund will provide :

- (a) limited funding support to small to medium sized productions;
- (b) training for film workers;
- (c) promotion of Hong Kong films locally and overseas; and
- (d) activities to raise the interest and film literacy of the local audience.

We are now consulting the industry on the detailed arrangements of the fund. We aim at submitting the application for funding to the Finance Committee in the middle of this year.

3. To improve the framework for supporting film development, the Chief Executive proposed in his Policy Address in last October to set up a Film Development Council comprising industry representatives. We are finalising the preparatory work and we expect the Council to be set up by April. The new Film Development Council will assist the Government in co-ordinating all efforts which facilitate film development, provide advice to the Government, and approve the fund applications.

Wi-Fi

4. The Financial Secretary has also committed \$210 million in the recent Budget to provide Wi-Fi wireless Internet access service in government venues in various districts of the territory for use by members of the public for free. Our plan is to install, within a year upon availability of funding, Wi-Fi facilities in venues frequented by the public, such as libraries, key cultural and recreation centres, community halls, major parks and main government offices of various District Offices, Immigration Department and Transport Department. Around 200 premises would be covered, involving about several thousand access points. This initiative will complement the Wi-Fi service being or to be provided by commercial operators in built-up business and residential areas. It would facilitate the public to access the Internet more widely to obtain information. We intend to secure funding for the project from the Finance Committee in the middle of this year.

Spectrum Policy Review

5. The public consultation on the proposed spectrum policy framework has been completed. The Administration is considering the views received and will finalize the policy as soon as possible. Upon promulgation of the spectrum policy, the Office of the Telecommunications Authority (OFTA) would reactivate the public consultation on Broadband Wireless Access services. To cater for the trend of convergence of fixed and mobile communications services, OFTA will soon complete their review of the regulatory framework for telecommunications.

Unsolicited Electronic Messages Bill

6. On the other hand, the scrutiny of the Unsolicited Electronic Messages Bill is almost completed. In the light of the discussions at Bills Committee meetings, the Administration has proposed a number of amendments to improve the provisions of the Bill. For the benefit of the public and the whole community, I sincerely hope that Members would support and pass the Bill and the proposed amendments. After the Bill is enacted, we will put in place the necessary implementation arrangements as soon as possible, and implement a series of public education programmes to enhance the public and the industry's understanding of the relevant arrangements.

Communications Authority

7. We are now working out the details concerning the new legislation to establish the Communications Authority, with a view to introducing it into the Legislative Council in the next few months. The new unified regulator overseeing both the telecommunications and broadcasting sectors will be able to

handle regulatory issues relating to broadcasting, telecommunications and Internet services effectively and swiftly amid the trend of media and technology convergence.

Digital 21 Strategy

8. The public consultation exercise on the updated Digital 21 Strategy was completed in December last year. We are considering the public feedback received and will finalise this blueprint for Hong Kong's development in information and communications technology (ICT) around the middle of this year.

E-Government

9. The new one-stop portal for Government online information and services, GovHK, was soft launched for public use in September last year. We are continuing to enrich the content of GovHK in the light of user feedback, which is very positive so far.

10. With the funding support given by the Finance Committee for a provision of \$49.2 million in January this year, we will embark on a pilot electronic procurement programme in three departments. We will conduct a review after the implementation of the programme before mapping out the way forward for further roll-out to the rest of the Government.

Innovation and Technology

11. The Financial Secretary has announced in the Budget that in order to provide further impetus to the development of applied scientific research,

restrictions of the Small Entrepreneur Research Assistance Programme and the University-Industry Collaboration Programme under the Innovation and Technology Fund would be relaxed. The initiative enables the companies to co-operate with the Mainland and overseas universities and tap on their technological and other advantages so as to enhance the effectiveness of the R&D efforts.

DesignSmart Initiative

12. We are implementing the DesignSmart Initiative. The InnoCentre jointly developed by the Hong Kong Science and Technology Parks Corporation and the Hong Kong Design Centre is now operating in full swing. We will seek the Finance Committee's approval for a funding of \$100 million over five years to support the Hong Kong Design Centre to continue to promote our trades and industries to make full use of design.

13. Thank you.