

Speaking Notes for
the Secretary for Commerce and Economic Development
at the Special Meeting of the Finance Committee
on 23 March 2009

Introduction

- Chairperson, the Budget of this year has covered a number of policy areas under the scope of communications and technology. I will brief Members on our key policies and work progress concerned.

The Area of Digital Terrestrial Television (DTT) Broadcasting and Mobile Television Services

- DTT coverage has been successfully extended to reach 75% of the population and the current penetration rate is over 32%. The two free-to-air television broadcasters will further extend their digital coverage. It is expected that with the completion of 22 more fill-in transmitting stations between 2009 and 2011, the ultimate coverage will be on a par with, or better than, that of the existing analogue television.

- We plan to release frequency spectrum for auction within this year to facilitate the launch of broadcast-type mobile TV services. The Legislative Council's sub-committee has completed the examination of the concerned subsidiary legislation and we thank Members for their work.

The Area of Mid-term Review of Domestic Free Television Programme Services Licences

- The current domestic free television programme service licences of TVB and ATV are valid until 2015, subject to a mid-term review to be conducted by this December. As in the past, the Broadcasting Authority ("BA") will assess the licensee's performance against the statutory and licensing requirements.
- The BA will hold a public hearing and conduct an opinion survey on public views about the domestic free TV services in mid-2009 to gauge community expectation on TV services as well as public responses on the licensees' performance. We will brief the Panel accordingly by the middle of the year.

The Area of Broadcasting

- RTHK will keep on with its work to provide quality broadcasting services to the community. In 2009-10 financial year, there is an increase of 5.5% in the overall allocation of RTHK to support its work to be carried out in the year, which includes the production of specials on the 60th Anniversary of the People's Republic of China, the promotion of the East Asian Games 2009, as well as the production of digital HDTV programmes. We will also continue to review the future development of public service broadcasting and conduct a public consultation exercise in due course.

The Area of Creative Economy

- We are preparing for the setting up of the Create Hong Kong (CreateHK) office which will be dedicated to promoting the development of creative industries in Hong Kong. We will make use of the \$300 million earmarked by the Financial Secretary to set up a CreateSmart initiative (CSI) to strengthen driving the development of creative economy in the coming three years.

- We have consulted the Panel on the proposal and Members supported us to seek the approval of the Finance Committee in May and to establish the CreateHK by the middle of the year.

The Area of Promoting the Development of Film Services

- The Film Development Council (“FDC”) has approved the grant of \$29 million for financing 11 small-to-medium film productions under the Film Development Fund (“FDF”). We will conduct a review on the FDF to improve its operation and we plan to consult the Panel at the meeting in April. Meanwhile, the FDC will launch a campaign to revitalise the Hong Kong film markets in South East Asia, including Taiwan, Singapore and Malaysia.

The Area of the Review of the provisions of the Control of Obscene and Indecent Articles Ordinance (COIAO)

- The first stage of the public consultation has ended on 31 January this year. We are now studying the 18 800 submissions received. We will map out more specific proposals for a second round of public consultation in due course.

The Area of Digital 21 Strategy

- The Government has defined Statements of Desired Outcomes for the latest Digital 21 Strategy promulgated in 2008. We will further develop Key Performance Indicators to measure the progress made. We have now refined the action plans in the light of progress made and will continue to carry out reviews with reference to the progress. The two new task forces under the Digital 21 Strategy Advisory Committee will advise the Government on e-government service delivery and industry facilitation.

The Area of Facilitating Next Generation of Public Services

- We will enrich the content of the GovHK one-stop access portal and will roll out more new online government services. We will also develop an integrated service delivery platform for GovHK so that customers can have more user-friendly and personalised user experience in interacting with the Government.

The Area of Job Creation and Industry Facilitation

- To assist industry players to survive the economic downturn, we

are working with the industry bodies to co-organise activities to facilitate local information and communications technology (“ICT”) SMEs to showcase their products and services and to assist ICT professionals to access opportunities for training, employment, self-employment as well as voluntary work.

- We will inject \$6 million to launch a training programme for SMEs to help them optimise the use of information technology (“IT”). Some 50 temporary jobs will be created. Also, we will continue upgrade the Multimedia Information System for public libraries, replace the Computerised Social Security System, implement the Information System Strategy Projects of the Customs and Excise Department, and develop progressively and deploy the Electronic Health Record System.

The Area of Facilitating Digital Inclusion

- We have launched a pilot scheme of district cyber centres to promote access to IT and on-line services. We have also earmarked \$63 million to launch a one-year territory-wide education campaign on the safe and healthy use of the internet. The focus of the campaign will be on young students, and it will

cover a wide range of issues such as respect of personal data privacy and intellectual property rights, avoidance of internet addiction, protection against computer virus attack, etc. It is expected that some 500 one-year temporary jobs will be created.

The Area of Promoting Innovation and Technology

- We have set aside a provision of \$390 million under the Innovation and Technology Fund for certain initiatives, including expanding the Internship Programme, raising the maximum funding support under the Small Entrepreneur Research Assistance Programme (SERAP) to \$4 million per project, and conducting two more rounds of project proposal solicitation under the Innovation and Technology Support Programme (ITSP) in 2009. This provision has included the \$90 million needed to cover some 600 intern positions.

The Area of Technology Co-operation between Shenzhen and Hong Kong

- The setting up of global thin film photovoltaic research centre in Hong Kong and manufacturing facilities in Shenzhen by DuPont

is the first successful co-operation item under the Shenzhen/Hong Kong Innovation Circle framework. We will continue to work with Shenzhen to attract more overseas enterprises to conduct research in Hong Kong under this approach.

The Area of Providing Infrastructure for Innovation and Technology

- In response to the economic development and restructuring, we will actively study the feasibility of developing Science Park Phase Three and a fourth Industrial Estate.

Conclusion

- These are the key policies and work progress under the scope of communications and technology. My colleagues and I stand ready to answer any questions Members may have.