

2013 Policy Address
Policy Initiatives of
Communications and Technology Branch,
Commerce and Economic Development Bureau

Our Vision

The Government's vision is to develop the economy, in terms of size and width, to encourage industries to expand and thrive. In relation to communications, technology and creative industry, we work to further the development of technology-based industries in the network economy.

2. We would seek to maintain our position as Asia's leading digital city; enhance Hong Kong's position as a regional communications hub and foster the development of creative industry with a view to building Hong Kong into a regional creative capital.

New Initiatives

Information and Communications Technology (ICT)

New Strategy for IT Development in Hong Kong

3. The Digital 21 Strategy was first promulgated in 1998 as the blueprint for the IT development in Hong Kong and was revised to keep abreast with technological development in 2001, 2004 and 2008 respectively. In view of technological advancement and rapid development of the local IT industry, we will embark on another comprehensive review this year, with a view to formulating an updated blueprint for IT development across various economic and social sectors in the next few years.

Next Generation Government Data Centre Complex

4. We will establish a new government data centre complex to support the long-term development of data centre services in bureaux/departments. The new complex aims to consolidate some existing government data centres to achieve economy of scale, and enable bureaux/departments to become more agile and adaptable to changes in business needs and the latest technological advancement. We are currently conducting a technical feasibility study and requirement specification of the complex with a view to charting out an implementation plan in the latter half of 2013.

International IT Fest 2013

5. We are working with the ICT industry to organise Hong Kong's first International IT Fest ("IT Fest") in April 2013. This series of large-scale ICT events, including two annual signature events, namely Hong Kong ICT Awards and International ICT Expo, and other events in areas where Hong Kong has clear strengths, e.g. cloud computing, information security, mobile technology, digital entertainment, digital inclusion, logistics, etc. will showcase Hong Kong's accomplishments as an IT hub and the development, business and career opportunities we offer.

Creative Industries

Topping up of CreateSmart Initiative

6. The CreateSmart Initiative (CSI) with a \$300 million commitment was launched in June 2009 to provide financial support to projects conducive to the development of creative development. As at end December 2012, the CSI has committed funding support of close to \$240 million in total for 121 projects. To further underline our support for developing our creative industries, we will inject an additional \$300 million to the CSI in 2013. Such injection enables the CSI to provide sustained support for programmes that seek to nurture talents, expand the Mainland and overseas markets, build brands, and stage large-scale creative events to reinforce Hong Kong's position as Asia's creative capital.

First Feature Film Initiative

7. We will leverage on the Film Development Fund (FDF) to groom talents for the local film industry. CreateHK plans to launch the First Feature Film Initiative in early 2013 to identify new filmmakers with no prior experience in directing commercial films and practitioners of the film industry through a competition on screenplay and creative proposals. Financial support from the FDF, in the form of a grant, will be made available to the three winning film production teams for implementing their winning film projects in 2013.

Development of Creative Clusters

8. The revitalisation of two buildings with historical significance into the Comix Home Base (CHB) and the PMQ will be completed in mid and end 2013

respectively. CreateHK will help the operators concerned to promote the facilities therein, with a view to building up local creative clusters and fostering a creative atmosphere within the community.

9. The CHB, formerly pre-war buildings located in Wan Chai, will be revitalised into an art community with comics and animation as the main themes to provide workshops, exhibition venues and space for holding activities. CreateHK will present the “Ani-Com Summer” (tentative title) in the summer of 2013 to tie in with the opening of the CHB, fund a series of animation and comics-related activities, and launch a promotional campaign in the Wan Chai District. Our long-term goals are to establish the CHB as a new landmark for Hong Kong’s animation and comics sector and provide a platform to facilitate collaboration and exchange among the practitioners and lovers of the animation and comics sectors.

10. The PMQ, formerly the Police Married Quarters at Hollywood Road, will be turned into a creative industries landmark with a focus on the design sector. It will provide about 130 studios for designers and practitioners of creative industries to create, display and sell their creative products. CreateHK will support the staging of the activities of the annual design-related mega events, “DETOUR” and “Business of Design Week” in the PMQ in end 2013. We will also assist the PMQ in overseas marketing, with a view to attracting more organisations to hold their promotional and exchange activities in the PMQ. After the full commissioning of the PMQ in 2014, CreateHK will consider sponsoring the organisation of more activities through the CSI at the PMQ to develop the latter into a local creative cluster.

On-going Initiatives

Information and Communications Technology (ICT)

Cloud Computing Services and Standards Development

11. The provision of cloud computing services is developing with momentum. It is important to develop good practices and guidelines in respect of security and privacy on the provision and use of cloud services. In April 2012, we established the “Expert Group on Cloud Computing Services and Standards” to drive cloud computing adoption and development in Hong Kong. It comprises experts from the industry, academia, professional bodies and the

Government to develop and promote best practices and guidelines for the local community. In July 2012, the “Hong Kong/Guangdong Expert Committee on Cloud Computing Services and Standards” was established to facilitate expert exchanges between Hong Kong and the Mainland. Through these two expert groups, we have developed and will launch a cloud information portal in January 2013 to disseminate standards and guidelines relating to cloud security and privacy, interoperability and portability, and the provision and use of cloud services. Its contents will be enriched progressively for the benefit of cloud service providers and consumers, particularly cloud users which are small and medium enterprises (SMEs).

Data Centre Development

12. Data centres are important infrastructure that supports sustained economic growth and strengthens Hong Kong’s position as a business, financial and logistics hub. We provide sites for high tier-data centres development. And we set aside two hectares of land in Tseng Kwan O last year for this purpose. The first site of about one hectare will be available for open bidding in mid 2013. We are also mindful of the opportunities for housing data centres in industrial buildings and implemented since June 2012 two incentive measures to encourage the conversion of industrial buildings to data centres and the development of high-tier data centres on industrial lots. The response from the industry is encouraging. As at December 2012, Government received three applications for converting part of existing industrial buildings for data centre use. One application has been approved and the other two are being processed. Furthermore, through the Data Centre Facilitation Unit and its information portal (datacentre.gov.hk), we provide one-stop support to assist interested organisations to set up data centres in Hong Kong and liaise with various Government departments on technical requirements. We will continue our efforts in this regard, taking into account the needs of the industry and the technological development in respect of data centres.

New Hosting Infrastructure for E-Government Services

13 In April 2011, the Finance Committee of the Legislative Council approved a funding commitment of \$135,000,000 for the development of a new hosting infrastructure for e-government services. The new infrastructure will adopt cloud computing technologies to achieve higher hosting capacity, shorter configuration time and more dynamic capacity allocation. Its development is progressing on course and will be rolled out from mid-2013 onwards.

Government Cloud Computing Strategy

14. We have started to implement the Government Cloud Strategy and will invest \$242 million in the coming five years on the Government Cloud Platform (GovCloud) to facilitate agile deployment of ICT resources for enabling cost-effective delivery of e-government services. We will launch GovCloud by the end of 2013 to cover electronic information management, collaborative working and e-procurement initially. GovCloud will offer a lot of opportunities for the ICT industry to provide cloud computing services to the Government.

Next Generation of E-Government Services

15. The number of accounts on MyGovHK, the personalised platform on the Government's one-stop portal, has continued to grow since its launch in December 2010, reaching 62 000 in December 2011 and 125 000 in December 2012. Apart from enriching the portal's functions, features and information, we will develop a mobile and accessible version of MyGovHK by end 2013. Users of smartphones, tablet computers and screen readers will be able to browse the portal contents smoothly.

16. In view of the increasing popularity of smart phones and mobile devices, bureaux/departments have rolled out 49 mobile applications (apps) and 38 mobile websites. Among others, "GovHK Notifications", a centralised platform for the public to receive urgent and important government information, has been well received with more than 410 000 downloads since its launch in August 2012. OGCIO will continue to support bureaux/departments to develop quality mobile services so that the public can use e-government services anytime, anywhere. We are also planning to launch in the first half of 2013 a new cross-departmental app for finding information relating to events organised by the Government or held in Government-managed venues.

17. At the same time, the Data.One portal (<http://Data.One.gov.hk>) has been providing eight data types, encompassing hundreds of datasets. Promotion of value-added re-use of PSI helps to tap community wisdom to process or mesh different types of data so as to come up with innovative products and services, bringing convenience to the public. PSI creates business opportunities and spurs growth of the ICT industry. By empowering a smart city through making beneficial use of public data, the value-added re-use of PSI is conducive to Hong Kong's development as a knowledge-based economy. In this connection, we will continue to add more variety of datasets free-of-charge onto the Data.One portal.

Enhancing the Adoption of ICT among SMEs

18. To enhance Hong Kong's overall competitiveness, the Government has been implementing various programmes since 2004 to encourage SMEs to take advantage of ICT to increase efficiency and productivity. To date, we have completed 20 projects, including electronic business applications, websites and training, benefiting about 17 000 SME practitioners from various sectors.

19. In early January 2013, a project called "Consumer Connect" sponsored under the Sector-Specific Programme (SSP) for SMEs was completed, providing brand owners and retailers with a software platform to promote their products and pass on product information to consumers. Another project for the security industry is being developed, and is expected to complete within 2013. Moreover, we will sponsor a project for the land transport sector under the new round of SSP shortly.

20. We are also exploring measures to facilitate the provision of software and services that meets the needs of SMEs through cloud computing to enhance their ICT adoption and facilitate the development of digital economy in Hong Kong.

Digital Inclusion

21. We will continue to implement various digital inclusion initiatives to facilitate ICT adoption among the under-privileged groups, with special focus on the elderly and persons with disabilities. We are organising a territory-wide Smart Elderly Award to incentivise ICT usage among the elderly by showing appreciation to elderly people who use ICT frequently in their daily life. In view of increasing popularity of mobile devices and their user-friendly features, we have launched a funding scheme to support the development of mobile applications with contents or services that cater for the needs of the elderly and under-privileged groups. We are now assessing the proposals and expect to award the sponsorships for the selected projects by April 2013. We will continue to promote web accessibility to facilitate access to online information and services by persons with disabilities. Most of the government websites have been upgraded to Level AA standard of the latest version (Version 2.0) of the Web Content Accessibility Guidelines promulgated by the World Wide Web Consortium. In 2013, a Web Accessibility Recognition Scheme jointly organised with the Equal Opportunities Commission will be implemented to show appreciation to enterprises and organisations for making their websites accessible, with a view to encouraging wider adoption of web accessibility in non-government websites

22. We have been assisting students from low-income families to undertake web-based learning at home through the Internet Learning Support Programme,

“i Learn at home”. The Programme helps these families acquire affordable computers and Internet access services, and provides them with user and social support to facilitate healthy and effective use of the Internet for learning. Some 15 000 families have benefitted from the Programme since its launch in July 2011. We are now conducting a mid-term review on Programme implementation, and will report the findings and recommendations to the Panel in June 2013.

GovWiFi

23. We launched the Next Generation GovWiFi Programme in December 2012 with extended coverage and enhanced services. Currently, GovWiFi service is available in around 400 Government premises, providing free Wi-Fi Internet access to the public. In 2013, we will cover over 40 additional Government premises with high public demand for the service to provide convenience to the public and visitors.

Creative Industries

Continued Efforts to Support the Film Industry

24. In 2013, in addition to launching the First Feature Film Initiative (para 7 above), we will continue to support the film industry. Since the injection of \$300 million in July 2007 up to end December 2012, the FDF has approved 28 film projects out of 65 applications received, with a total approved funding of \$77.85 million for co-financing the production of low to medium budget films by Hong Kong companies. The FDF has also approved 90 film-related programmes with a total funding of \$158.8 million. These projects cover, among others, the “Entertainment Expo Hong Kong”, “Hong Kong-Asia Film Financing Forum”, and the “Hong Kong Film Awards Presentation Ceremony”.

Strengthened Support to the Design Sector

25. The Hong Kong Design Centre (HKDC) is Government’s main partner in promoting the development of the local design sector and in nurturing design talent. We will continue to support the HKDC in organising design promotional programmes for the benefit of the design sector, the business sector and the general public. In the coming year, we will also continue to monitor the progress of the government-funded programmes, including the two annual signature events namely “Business of Design Week” and “HKDC Awards” as

well as the Design Incubation Programme which nurtures design start-ups.

Mega Events to Promote Creativity

26. The organisation of mega creative events in Hong Kong helps reinforce our position as Asia's creative capital. We will continue to sponsor a series of mega promotional events through the CSI. Those events which have been confirmed to be held in 2013 include SIGGRAPH Asia 2013, the International Comics Artist Conference, the Hong Kong Shenzhen Bi-City Biennale of Urbanism/Architecture, etc. The CSI will also continue to provide funding support for the design sector to organise design competitions, large-scale exhibitions, seminars and workshops, etc., with a view to consolidating the status of Hong Kong as Asia's design hub.

Regional and Overseas Exchange

27. To facilitate exchange between the local creative industries and their Mainland and Taiwan counterparts, we will continue to provide funding support to such exchange activities. Subsequent to sponsoring a creative industry delegation comprising more than 40 members to attend the "Second Hong Kong – Taiwan Cultural Co-operation Forum" in Taipei in September 2012, CreateHK has sponsored the Hong Kong publishing and printing sector to set up a Hong Kong pavilion at the Taipei International Book Exhibition to be held in January to February 2013 to showcase Hong Kong's creativity and our achievements in publishing and printing.

28. On the design front, the CSI has supported two designer exchange programmes in mid 2012 for local young designers to participate in the International Design Festival Berlin held in Germany and the Roskilde Festival held in Denmark for exchange and collaboration. In February 2013, another CSI-supported fashion guerilla tour will bring a group of local young fashion designers to Paris to promote Hong Kong brand fashion.

Continued Efforts to Facilitate Development of Mainland China Market

29. CreateHK also sponsors promotional and business matching activities to encourage the creative industries to tap the Mainland market. These include the "Creativity in Business" Seminar to be held in Chengdu for promoting Hong

Kong's design and branding services to the Mainland customers.

30. We also encourage the access of the Cantonese version of Hong Kong films in Guangdong and the release of these films in synchrony in Hong Kong and Guangdong. To help Hong Kong film productions develop the Guangdong market, the FDF will provide not more than \$250,000 to each approved film as subsidies for the publicity and distribution costs incurred for the release of the film in Guangdong.

Broadcasting Service

TV Broadcasting

31. The Government will continue to promote the development of Digital Terrestrial Television (DTT) in Hong Kong. The two domestic free television programme service (free TV) licensees launched their respective DTT services in end 2007 and are responsible for constructing the DTT network in order to provide a territory-wide coverage. The latest DTT network coverage stands at over 96%. The two free TV licensees will continue to optimise their DTT network to bring the coverage on par with that of the analogue TV broadcasting, which is about 99% of the population by the end of 2013. The DTT take-up rate has reached about 70% of the total households. We will continue our publicity efforts to further boost up the DTT take-up in Hong Kong.

32. We will continue to process the three applications for free TV licences from City Telecom (Hong Kong) Limited, Fantastic Television Limited and Hong Kong Television Entertainment Company Limited in accordance with the Broadcasting Ordinance (Cap 562) and established procedures in earnest. The outcome will be announced as soon as possible.

Digital Audio Broadcasting

33. In September 2012, the three licensed commercial broadcasters together with Radio Television Hong Kong (RTHK) formally launched their digital audio broadcasting (DAB) services. In line with our policy to support the development of DAB, we will continue to organise publicity campaigns to promote the DAB service.

Public Service Broadcasting by RTHK

34. RTHK has been embarking on various new development initiatives to fulfill its mission as the public service broadcaster of Hong Kong, including the launch of DAB and DTT services, facilitating community involvement in broadcasting as well as construction of the new Broadcasting House.

35. The service of RTHK's five DAB channels was formally launched in September 2012. The department will gradually introduce new programme content for its DAB channels. Regarding DTT service, RTHK will continue its preparatory work including increasing the production of high definition programmes, acquiring high quality local and overseas programmes, establishing the DTT transmission network and conducting signal test and trial programme transmission through the network. As regards the pilot community involvement in broadcasting service, RTHK commenced invitation for applications in end December 2012 and aims to provide two hours of daily programmes produced by community producers in the first trial year. For the construction of the New Broadcasting House in Tseung Kwan O, RTHK is preparing the necessary tender document for the design and build contract with a view to inviting the prequalified tenderers to participate in the tender exercise in the first quarter this year.

Review of Control of Obscene and Indecent Articles Ordinance (COIAO)

36. The second round of public consultation on the review of the COIAO was concluded in July 2012, with approximately 1 000 submissions received. We already briefed the Legislative Council Panel on Information Technology and Broadcasting on the summary of the views collected on 14 January 2013. We are now studying the views received, and will work with the concerned parties, including the Judiciary, with a view to mapping out the way forward.

Telecommunications Service

Spectrum Management

37. We will release the radio spectrum in the 2.5 – 2.6 GHz band by auction in March 2013 for the further development of 4G public mobile communications services in Hong Kong. We will also conclude, in February 2013, the second consultation on the arrangements for the frequency spectrum in the 1.9 – 2.2 GHz band upon expiry of the existing frequency assignments for 3G mobile

services in October 2016 and map out the way forward.

Safeguarding Consumers' Interests

38. The industry Customer Complaint Settlement Scheme commenced operation in November 2012 for a two-year trial period. The scheme aims to resolve deadlock billing disputes between telecommunications service providers and their customers. We will continue to monitor the effectiveness of the scheme and other regulatory or publicity initiatives (e.g. guidelines for the implementation of fair usage policy, measures to prevent mobile bill shock, etc.) to safeguard consumers' interests.

**Communications and Technology Branch
Commerce and Economic Development Bureau
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