

**Speaking Notes for**  
**the Secretary for Commerce and Economic Development**  
**at the Special Meeting of the Finance Committee**  
**on 6 April 2016**

**Introduction**

- Chairperson, I will highlight the main points in the policy area of communications and creative industries.

**Broadcasting**

- On broadcasting, the Government will continue to promote the development of digital terrestrial television and digital audio broadcasting (DAB). We are also conducting a review on the development of DAB service.
- The domestic free television programme service (free TV) licence of Asia Television Limited (ATV) expired on 1 April 2016. Since the CE in Council decided not to renew the free TV licence of ATV on 1 April 2015, a task force, led by the Commerce and Economic Development Bureau, had been working on the handover issues arising from the non-renewal of ATV's free TV licence. Under the coordination of the task force, the handover of Government land or Government-owned premises where ATV's transmission stations are located is largely completed. The analogue television service of RTHK also commenced on 2 April 2016. At the same time, HK Television Entertainment Company Limited (HKTVE) launched its integrated Cantonese channel free television service through fixed

network on 31 March 2016. On top of fixed network, HKTVE commences its spectrum-based free television service today (6 April 2016), providing more programme choices to the audience.

## **Telecommunications**

- On telecommunications, the existing assignments of 198.6 MHz of the frequency spectrum in the 900 MHz and 1 800 MHz bands for the provision of mobile service will expire between November 2020 and September 2021. The Communications Authority and we plan to conduct two rounds of public consultation on the arrangements for re-assignment of the aforementioned spectrum and the setting of related spectrum utilisation fee and related issues. The first round of public consultation was launched in February 2016. Our target is to make and announce the relevant decisions before end of 2017.
- There has been rapid advancement in technology in telecommunications and broadcasting. We have to review the Telecommunications Ordinance and the Broadcasting Ordinance to ensure that the legislative regime is capable of responding to technological development and keeping pace with new trends. We consulted the Panel on Information Technology and Broadcasting of the LegCo in November last year, and Members supported the proposal to create two supernumerary directorate posts to lead a team to review the two Ordinances. We will submit the proposal to the Establishment Subcommittee and the Finance Committee (FC) for discussion, and the new team will be established upon the FC's approval of the proposal.

- In order to further grasp the latest situation of person-to-person telemarketing calls (P2P calls), we have commissioned a Consultant in 2015 to conduct a survey with a view to soliciting the views of the public, the business sector and the industry on the regulation of P2P calls, as well as the employment and business situations of the industry. We have also taken the opportunity to obtain an update on the regulatory measures taken by other jurisdictions on P2P calls. The Consultancy survey has been completed and we will brief the Panel on Information Technology and Broadcasting of the LegCo on the findings of the survey at its meeting on 11 April.
- The telecommunications industry's Customer Complaint Settlement Scheme aims at helping resolve, through mediation, billing disputes in deadlock between telecommunications service providers and their customers. The long-term implementation of the scheme has commenced since May 2015, after the end of the two-year trial period. We will continue to monitor the effectiveness of the scheme as well as other regulatory or promotional measures to safeguard consumers' interest.

### **Creative Industries**

- We will inject \$400 million into the CreateSmart Initiative (CSI) and accord priority to nurturing talent and supporting start-ups, including the new phase of the Design Incubation Programme and the newly launched Fashion Incubation Programme. The CSI will also support some of the initiatives which facilitate the development of the fashion industry ("Fashion Initiatives") as mentioned in the Budget

Speech this year.

- We will further allocate \$18.6 million to the Hong Kong Design Centre so as to allow the latter to, in the coming three years, provide support to the Advisory Group on Implementation of Fashion Initiatives and assist in the implementation of various Fashion Initiatives.
- We plan to further inject \$20 million into the Film Development Fund. We would like to support the trade in tapping into the Mainland market by increasing the subsidies for the expenses incurred by locally-produced Cantonese movies for distribution and publicity conducted in the Mainland.

## **Conclusion**

- My colleagues and I stand ready to answer questions from Members on the Estimates.

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