

**For discussion
on 7 February 2017**

**2017 Policy Address
Policy Initiatives of
Communications and Creative Industries Branch
Commerce and Economic Development Bureau**

Our Vision

In line with the Government's vision to develop the economy to encourage industries to expand and thrive, in 2017, we will continue to foster the development of communications and creative industries with a view to furthering the development of Hong Kong as a regional communications hub and building Hong Kong into a trend-setting creative capital in the region.

New Initiatives

Talent nurturing and market development of the film industry

2. Talent nurturing and market development are important for the long-term development of the film industry of Hong Kong. It is also our priority area of work this year. We will collaborate with the trade to organise in the coming two to three years and on a periodic basis, a training programme with a total of 200 places to provide practical training or internship opportunities for frontline talents in the film production and post-production sectors. We will also enhance an overseas training scheme with a view to supporting ten outstanding talents in the post-production sector in each of the next three years to broaden their exposure through furthering studies or undertaking internship overseas.

3. On market development, we will seek to attract overseas film production projects to use Hong Kong's post-production, location filming, and production facilitation services. Given the vast opportunities presented in the Belt and Road countries, we will, starting from this year, organise Belt and Road promotional tours for the industry to visit countries with market potential, such as Iraq, Indonesia, Malaysia and India. We will attend large film trade fairs or stage our own events such as exhibitions and talks in Belt and Road countries with a view to strengthening business ties and promoting Hong Kong's film services.

Cross-sector development of creative industries

4. Crossover collaboration among different creative sectors will help achieve synergy through unleashing the intellectual property potential of creative industries such as film, design and animation and comics. It will also enable Hong Kong's creative industries to move towards the direction of diversified and high value-added development.

5. To this end, in 2017, we will actively facilitate cross-industry business matching through meetings, seminars and engagement with different stakeholders. We will, through the CreateSmart Initiative (CSI), fund those initiatives championed by the trade to promote cross-sector collaboration.

On-going Initiatives

Telecommunications and Broadcasting Service

Re-assignment of spectrum in the 900 MHz and 1800 MHz bands

6. The existing assignments of 198.6 MHz of frequency spectrum in the 900 MHz and 1800 MHz bands for the provision of mobile services will expire in the period between November 2020 and September 2021. The Communications Authority ("CA") and the Commerce and Economic Development Bureau ("CEDB") conducted the first round of public consultation on the arrangements for re-assignment in February to May 2016. Having considered the submissions received during the first consultation, and the findings of the consultancy study on the service impact of the various options of re-assignment, the CA and the CEDB will launch the second round of public consultation in February 2017 on more detailed proposals with a view to making and announcing the decisions by the end of this year.

TV broadcasting

7. The Government will continue to promote the development of Digital Terrestrial Television ("DTT") in Hong Kong. The latest DTT network coverage stands at around 99%. The DTT take-up rate (i.e. the percentage of households capable to receive DTT services) is close to 85%.

8. On domestic free television programme service (“free TV”), Asia Television Limited (“ATV”) terminated its free TV service on 1 April 2016, and the transitional arrangements had been completed smoothly. Radio Television Hong Kong (“RTHK”) commenced the simulcast of its digital television programmes on the two analogue channels vacated by ATV on 2 April 2016. Meanwhile, HK Television Entertainment Company Limited launched its new integrated Chinese channel on 31 March 2016. Another free TV licensee, Fantastic Television Limited (“Fantastic TV”), was granted a free TV licence by the Chief Executive in Council (“CE in C”) on 31 May 2016. Under the licence, Fantastic TV is required to launch its integrated Chinese channel no later than 30 May 2017. On domestic pay television programme service (“pay TV”), the CE in C approved on 13 December 2016 the application for renewal of the pay TV licence of Hong Kong Cable Television Limited for a validity period of 12 years from 1 June 2017 to 31 May 2029.

9. We will continue to assist the CE in C in the licensing and regulatory matters in relation to free and pay TV broadcasting services.

Digital audio broadcasting

10. In August and September 2016, Digital Broadcasting Corporation Hong Kong Limited (“DBC”) and Metro Broadcast Corporation Limited (“Metro”) applied for the surrender of their digital audio broadcasting (“DAB”) licences respectively. Subsequently, the CE in C approved the termination of the DAB licences of DBC and Metro with effect from 15 October 2016 and 12 November 2016 respectively. Together with Phoenix U Radio Limited which had terminated its service in 2015, all commercial licensed DAB operators have left the DAB market owing to commercial considerations. Against this development, the Government has conducted a review of the future of DAB in Hong Kong. We aim to report the findings of the review to this Panel in the first quarter of 2017.

Public service broadcasting by RTHK

11. RTHK has been embarking on various new development initiatives to fulfill its mission as the public service broadcaster of Hong Kong. For DTT service, RTHK is now providing DTT service with three high definition TV channels. RTHK TV 31 (main channel) broadcasts 19 hours daily (from 6:30 am to 1:30 am), offering programmes on current affairs, education, information, culture and arts

and drama. RTHK TV 32 live broadcasts Legislative Council meetings every Wednesday, as well as other panel meetings, important events and international news feed. RTHK TV 33 relays the China Central Television China Global Television Network Documentary. To extend the DTT network coverage to about 99% of Hong Kong's population, RTHK is in the process of establishing 22 DTT fill-in stations by phases. The plan is to complete the programme in 2019. The Community Involvement Broadcasting Service of RTHK, currently being broadcast on RTHK's DAB service, has completed its three-year pilot run and is now an ongoing service. For the construction of the New Broadcasting House, RTHK and the relevant departments have been reviewing the proposal, having regard to the concerns of Members of the Public Works Subcommittee on the cost estimate and project scope, with a view to working out a revised proposal to address Members' concerns over cost-effectiveness. We will continue with the review and internal planning in accordance with the established mechanism.

Review of the Control of Obscene and Indecent Articles Ordinance (“COIAO”) (Cap. 390)

12. We briefed this Panel on the way forward to improve the regulatory regime of COIAO on 9 March 2015. The drafting of the amendment bill is in progress.

Public consultation on Strengthening the Regulation of Person-to-Person Telemarketing Calls (“P2P calls”)

13. Person-to-person telemarketing calls (“P2P calls”) serve the purpose of conveying commercial information to customers. But the proliferated use of these calls has caused nuisance to telephone users who have expressed concern over the lack of effective control over P2P calls. In response to the community's concern and noting the discussion at this Panel on 11 April 2016, we plan to launch a consultation in 2017 to gauge public views on ways to strengthen the regulation of P2P calls. The imposition of stricter control over P2P calls involves various considerations, such as privacy protection, consumers' access to information, employment and enforcement issues, etc. We hope to gauge the views of different stakeholders and the community on the preferred model of regulation for Hong Kong having regard to overseas experiences and local circumstances.

Review of the Telecommunications Ordinance (“TO”) (Cap. 106) and the Broadcasting Ordinance (“BO”) (Cap. 562)

14. In June 2016, with the approval of the Finance Committee, we have created one supernumerary Administrative Officer Staff Grade B post and one supernumerary Administrative Officer Staff Grade C post to lead a dedicated team to review the TO and the BO in the next three years. The team has commenced the preparatory work for the review and expects to report the progress to this Panel in mid-2017.

Creative Industries

Support measures under the Film Development Fund

15. We will continue to support the film industry of Hong Kong through the Film Development Fund¹. The Film Production Financing Scheme (“FPFS”) has since its establishment in 2007 supported 32 movies, while the Film Production Grant Scheme (“FPGS”) has since its establishment in 2015 supported three movies. These schemes have provided 18 new directors and 19 new producers with opportunities to direct and produce films for the first time respectively. We will continue to encourage the production of local films for commercial release and nurturing of film talents through FPSG and FPGS.

16. The First Feature Film Initiative (“FFFI”) identifies and nurtures new film talents through a competition on screenplay and production proposals. We have already held three rounds of competitions for the FFFI. In the latest round of competition for which the result was announced recently, we have selected two winning teams – one each from the Higher Education Institutions Group and the Professionals Group – and provide them with cash subsidy of \$3.25 million and \$5.5 million respectively to fully subsidise their film production projects. We plan to hold at least one round of competition each year under the FFFI. The fourth round of the FFFI will commence in March 2017.

Cinema development

17. Enhancing cinema development will facilitate movie-watching by the community and support movie audience-building, and is conducive

¹ The Film Production Financing Scheme (“FPFS”) provides financing to low-to-medium budget commercial films with production budget not exceeding \$25 million. The Film Production Grant Scheme (“FPGS”) provides production subsidy to low-budget commercial films with production budget not exceeding \$10 million.

to the long-term development of Hong Kong's film industry. The Government is finalising the policy study on requiring developers to include cinemas in their development projects as appropriate in the terms and conditions of the land lease, and drawing up relevant supporting arrangements. We will report the outcome to this Panel within this legislative session.

18. We have also proactively implemented other measures to facilitate movie-watching by members of the public. For example, we worked with the Home Affairs Bureau to undertake works to install movie screening facilities at the Auditorium of the North District Town Hall. The new screening facilities, which commenced operation in December 2016, make it convenient for residents of the North District to watch movies in their own district.

Movie audience-building

19. We will continue to implement audience-building initiatives to enhance film literacy among students and young audiences. We will continue to provide funding support to the Hong Kong International Film Festival and relevant audience-building initiatives, including screenings, student discounts, etc. To tie in with the launching of the screening facilities in the North District Town Hall mentioned above, Create Hong Kong ("CreateHK") and the Hong Kong International Film Festival Society have jointly presented a film screening programme, "Cine-rama@North District Town Hall", which will run for about a year and a half. There will be free screenings of classic and quality movies in different genres as well as post-screening talks to enhance understanding of film culture among movie-goers.

Development of the Pearl River Delta Region as a film production base

20. We will continue to collaborate with the relevant authorities of the Mainland and Macao to promote location filming and film production services in the Pearl River Delta Region (including Hong Kong), with a view to attracting overseas production crews to shoot films in the region and thereby encouraging film production, post-production and other related business activities in Hong Kong. At the Hong Kong International Film & TV Market to be held in March 2017, we will collaborate with the trade to stage a forum and promote the filming locations and film production services of Hong Kong and the Pearl River Delta Region.

Supporting and encouraging the trade to organise programmes at the Comix Home Base and PMQ

21. To promote the Comix Home Base (“CHB”) and facilitate development of the local ani-com sector, we have provided funding support through the CSI to trade bodies for hosting promotional activities at CHB and enhancing the exposure of local comics artists. In 2016, CreateHK sponsored five exhibitions/activities held at the CHB and some activities in celebration of the third anniversary of the CHB. In 2017, CreateHK will continue to sponsor comics exhibitions, workshops and forums which will be held at the CHB.

22. CreateHK has sponsored through the CSI various programmes held at PMQ, including deTour and Smart Fashion fashion show and exhibition organised by PMQ, part of the activities of the second Hong Kong-Shenzhen Design Biennale organised by the Hong Kong Federation of Design Associations, Fashion PMQ organised by the Hong Kong Design Centre, etc. CreateHK will continue to encourage the trade to organise more programmes at PMQ.

Measures to promote the development of fashion industry

23. In response to the recommendations of the Economic Development Commission on promoting the development of the fashion industry, we launched on a pilot basis in 2016 a series of measures which would run for three years. The Hong Kong Trade Development Council organised in September 2016 CENTRESTAGE, a programme which includes exhibitions, seminars, fashion shows, business matching, exchange activities, etc. Close to 8 300 buyers from 71 countries/regions were attracted to the event. The Hong Kong Design Centre also organised in end-November last year a large-scale forum, namely the Fashion Asia 2016 Hong Kong, to explore the trends and developments of the fashion industry and promote fashion talents of Hong Kong and Asia. We have also provided funding support to Fashion PMQ, a business-to-customer fashion event held in September 2016. With funding support from CreateHK, eight and ten emerging designer brands set up a showcase and present their works in a catwalk during the Paris Fashion Week held in March and October respectively last year.

24. On the front of technical support and training, the sample development centre set by the Clothing Industry Training Authority has commenced operation since November last year.

25. Regarding incubation programme, the Hong Kong Design Centre has received the Government's funding support to launch the Fashion Incubation Programme ("FIP") to admit 15 companies for incubation in three years. FIP has just kick-started the recruitment exercise in January 2017.

26. Apart from the aforementioned initiatives launched on a pilot basis, funding support has also been provided to relevant bodies to organise the Hong Kong Young Talent Alumni Fashion Show; a fashion show and exhibition featuring fashion pieces created with smart textile; a fashion show featuring both established and up-and-coming designers, etc.

27. We will in 2017 continue to focus on those programmes launched on a pilot basis, as well as supporting other appropriate programmes proposed by the trade to further the development of fashion industry in Hong Kong.

**Communications and Creative Industries Branch
Commerce and Economic Development Bureau
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