

立法會
Legislative Council

LC Paper No. CB(1)558/18-19
(These minutes have been seen
by the Administration)

Ref : CB1/PL/ITB

Panel on Information Technology and Broadcasting

Minutes of meeting
held on Monday, 10 December 2018, at 2:30 pm
in Conference Room 3 of the Legislative Council Complex

- Members present** : Hon Charles Peter MOK, JP (Deputy Chairman)
Hon James TO Kun-sun
Hon WONG Ting-kwong, GBS, JP
Hon CHAN Kin-por, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon Claudia MO
Hon YIU Si-wing, BBS
Hon MA Fung-kwok, SBS, JP
Hon CHAN Chi-chuen
Hon Christopher CHEUNG Wah-fung, SBS, JP
Hon Martin LIAO Cheung-kong, SBS, JP
Hon CHUNG Kwok-pan
Hon Alvin YEUNG
Hon CHU Hoi-dick
Hon YUNG Hoi-yan
Hon CHAN Chun-ying
Hon HUI Chi-fung
- Members absent** : Dr Hon Elizabeth QUAT, BBS, JP (Chairman)
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP

**Public officers
attending**

: Agenda item III

Innovation and Technology Bureau

Mr Nicholas YANG, GBS, JP
Secretary for Innovation and Technology

Mr Davey CHUNG Pui-hong, JP
Deputy Secretary for Innovation and Technology

Mr Victor LAM Wai-kiu, JP
Government Chief Information Officer

Mr Donald MAK Chi-kui
Assistant Government Chief Information Officer
(Infrastructure)

Agenda Item IV

Commerce and Economic Development Bureau

Mr Edward YAU, GBS, JP
Secretary for Commerce and Economic Development

Mr Clement LEUNG, JP
Permanent Secretary for Commerce and Economic
Development (Communications and Creative
Industries)

Mr Edward TO, JP
Deputy Secretary for Commerce and Economic
Development (Communications and Creative
Industries) (Special Duties)

Mr Tony YIP
Principal Assistant Secretary for Commerce and
Economic Development (Communications and
Creative Industries) (Special Duties)

Office of the Communications Authority

Mr Chaucer LEUNG
Deputy Director-General (Telecommunications)

Agenda Item V

Commerce and Economic Development Bureau

Mr Edward YAU, GBS, JP
Secretary for Commerce and Economic Development

Mr Clement LEUNG, JP
Permanent Secretary for Commerce and Economic
Development (Communications and Creative
Industries)

Ms Julina CHAN, JP
Deputy Secretary for Commerce and Economic
Development (Communications and Creative
Industries)

Mr Victor TSANG
Head of Create Hong Kong

Mr Wellington FUNG
Assistant Head of Create Hong Kong (2)

Clerk in attendance : Mr Daniel SIN
Chief Council Secretary (1)6

Staff in attendance : Ms Mandy LI
Senior Council Secretary (1)6

Miss Yolanda CHEUK
Legislative Assistant (1)6

Ms Yvonna HO
Clerical Assistant (1)6

I. Information paper(s) issued since the last meeting

- (LC Paper No. CB(4)278/18-19(01)) -- Letter dated 30 November 2018 from Dr Hon Elizabeth QUAT to the Chairman of the Panel on Financial Affairs suggesting that a joint discussion with members of the Panel on Financial Affairs, Panel on Constitutional Affairs and Panel on Information Technology and Broadcasting be held to follow up on an incident involving leakage of clients' credit information by TransUnion (Chinese version only)
- LC Paper No. CB(4)278/18-19(02) -- Letter dated 30 November 2018 from Dr Hon Elizabeth QUAT to the Chairman of the Panel on Constitutional Affairs suggesting that a joint discussion with members of the Panel on Financial Affairs, Panel on Constitutional Affairs and Panel on Information Technology and Broadcasting be held to follow up on an incident involving leakage of clients' credit information by TransUnion (Chinese version only)

- LC Paper No. CB(4)296/18-19(01) -- Submission dated 5 December 2018 from a member of the public expressing views on open data policy (English version only)
- LC Paper No. CB(4)297/18-19(01) -- Joint letter dated 5 December 2018 from Hon Charles Peter MOK and Hon Alvin YEUNG regarding licensing of e-sports centres and e-sports training facilities (Chinese version only))

Members noted that the above papers had been issued for the Panel's information.

II. Date of next meeting and items for discussion

- (LC Paper No. CB(4)283/18-19(01) -- List of outstanding items for discussion
- LC Paper No. CB(4)283/18-19(02) -- List of follow-up actions)

Regular meeting on 14 January 2019

2. Members noted that the next regular Panel meeting would be held on Monday, 14 January 2019 at 2:30 pm to discuss the following items:

- (a) Annual update of Cyberport's work; and
- (b) Assignment of spectrum for fifth generation mobile services.

(Post-meeting note: As proposed by the Administration after the meeting and with the concurrence of the Chairman, the Panel would discuss an item "Revision of Fees under Entertainment Special Effects (Fees) Regulation (Cap. 560B)" at the regular meeting on 14 January 2019, and discussion on the item "Assignment of spectrum for fifth generation mobile services" had been deferred to a future meeting.)

3. As regards the regular meeting currently scheduled for 1 April 2019, the Deputy Chairman said that the Secretary for Commerce and Economic Development had indicated earlier that he would be out of town for an overseas duty visit in early April 2019 and could not be present at the meeting to discuss with members about the proposed regulation of person-to-person telemarketing calls. The Deputy Chairman sought members' views on whether the date of the Panel meeting should be re-scheduled to 10:30 am on Tuesday, 16 April 2018 instead. Members had no objection to the proposed arrangement.

Personal data protection issues relating to credit reference agencies

4. The Deputy Chairman said that the Chairman had written to the Chairmen of the Panel on Financial Affairs ("FA Panel") and the Panel on Constitutional Affairs suggesting that a joint panel meeting involving the two Panels and this Panel to be held to follow up on the recent incident involving leakage of clients' credit information by TransUnion Limited. The meeting noted that the Chairman of the FA Panel had made arrangements for the matter to be discussed at FA Panel's regular meeting scheduled for 7 January 2019.

Issues relating to licensing of e-sports centres and e-sports training facilities

5. The Deputy Chairman said that on 5 December 2018, he had submitted a joint letter with Mr Alvin YEUNG raising queries on the progress of e-sport development in Hong Kong (LC Paper No. CB(4)297/18-19(01)). The Deputy Chairman said that the Administration would update members on the progress of Cyberport's work programme at the next regular meeting to be held in January 2019. The status of e-sports development would be covered in the Administration's briefing. He suggested that the Administration should be requested to address the issues raised in the joint letter in the corresponding discussion paper to be prepared by the Administration for the Panel meeting.

III. Open data policy

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| (LC Paper No. CB(4)283/18-19(03) | -- Administration's paper on open data policy |
| LC Paper No. CB(4)283/18-19(04) | -- Paper on open data policy prepared by the Legislative Council Secretariat (background brief)) |

Briefing by the Administration

6. At the invitation of the Deputy Chairman, Secretary for Innovation and Technology ("S for IT") briefed members on the new open data policy and implementation measures. Details of the briefing were given in the Administration's paper (LC Paper No. CB(4)283/18-19(03)).

7. The Deputy Chairman informed members that two submissions had been received from Mr Scott Edmunds of Open Data Hong Kong and Mr WONG Ho-wa. The submissions had been copied to the Administration. The Deputy Chairman requested the Administration to provide a response to the views and concerns raised in the two submissions for members' reference.

(Post-meeting note: A submission from Open Data Hong Kong was issued to members vide LC Paper No. CB(4)296/18-19(01) (English version only) on 6 December 2018 and a submission from Mr WONG Ho-wah was issued to members vide LC Paper No. CB(1)314/18-19(01) (Chinese version only) on 11 December 2018.)

(Post-meeting note: The Administration's response was circulated to members on 24 January 2019, vide LC Paper No. CB(1)512/18-19(01).)

Discussion

New open data policy

8. Mr Alvin YEUNG expressed support for the direction of open data initiatives. He suggested that the Administration should follow the examples of other places (such as Silicon Valley) and open up non-sensitive government data by default unless the relevant data holders had indicated otherwise. Mr YEUNG asked by what criteria the Administration would determine if certain data should be released as open data, and which parties would make the final decision on whether or not the open data plans submitted by various bureaux and departments ("B/Ds") should be published.

9. S for IT responded that the Administration had formulated the new policy in September 2018, under which B/Ds should as a matter of principle endeavour to release their data for public use free of charge via the one-stop Public Sector Information ("PSI") portal (i.e. "data.gov.hk"), unless there were justifiable reasons not to do so (e.g. the data included personal information). The Steering Committee on Innovation and Technology chaired by the Chief Executive ("CE") would oversee policy matters related to the opening up of data and monitor its progress. Government Chief Information Officer ("GCIO")

supplemented that the Office of the Government Chief Information Officer ("OGCIO") had been playing a coordinating role regarding the annual open data plans of B/Ds, and would release a full list of such plans under the PSI portal for inviting public views and suggestions.

10. Ms Claudia MO remarked that the United Kingdom ("UK") had put in place a set of clear standards, namely the Public Data Principles, to be adopted across the public sector for releasing public datasets. Meanwhile, Taiwan had implemented a formalized consultation mechanism characterized by the establishment of dedicated advisory committees on open data in all government ministries. Ms MO asked whether the Administration would adopt similar approaches in opening up government data. Mr HUI Chi-fung expressed a similar view.

11. Citing the open data policy adopted by the United States as an example, Mr HUI Chi-fung held the view that the Administration should introduce legislation to require government departments to open up their data.

12. S for IT and GCIO advised that while some overseas economies had imposed statutory requirements for the relevant authorities and organizations to make available data for public use, only one-third of datasets committed to be opened up were released in a timely manner. Moreover, the statutory regimes did not facilitate active dialogue between data providers and data users. The Administration did not consider it more effective to legislate on the open data initiatives. In response to the Deputy Chairman and Mr CHAN Chun-ying's enquiries, GCIO said that the public was welcomed to make suggestions on open data through the websites of respective B/Ds. All suggestions would be copied to OGCIO for reference.

13. GCIO supplemented that in formulating the new policy and implementation measures, reference had been made to the demands from the industry and the public for different public data, the experience of other economies (such as Singapore and Taiwan) as well as the major findings and recommendations in the relevant international reports and studies such as the analysis of the Global Open Data Index ("GODI"). The annual open data plans would not only enable B/Ds to open up their data in an orderly and more transparent manner, but would also facilitate the public to provide feedback and suggestions on the types of data to be opened up in future and their potential applications. This would facilitate B/Ds to assess priorities in opening up various data.

14. Mr Christopher CHEUNG commended the Administration for its efforts in promoting the open data initiatives. Awaiting that the Hong Kong Monetary

Authority ("HKMA") was collaborating with the Hong Kong Association of Banks on developing a "Know-your-customer Utility" ("KYCU") for the banking sector, Mr CHEUNG asked whether and how the Administration would promote the development of KYCU in the financial and banking sectors.

15. S for IT said that under the new policy, relevant B/Ds were required to encourage public organizations (e.g. Insurance Authority, Hong Kong Examinations and Assessment Authority and Hospital Authority) and private enterprises to open up relevant data with high degree of public interest. B/Ds were also required to include specific measures in their annual open data plans. The Administration would liaise with the regulators on how to facilitate the financial services sector to use electronic identity in KYCU applications. GCIO added that HKMA was steering the provision of open Application Programming Interfaces for the banking industry, which would allow better and easier system and service integration between banks and other industries.

16. Mr MA Fung-kwok enquired whether the Administration had taken into consideration the views from the industry and the public when formulating the policy of opening up data, and whether it would establish a mechanism for receiving and handling public's requests for access to datasets. To facilitate the development of smart city, Mr MA suggested that the Administration should promote the opening up of more data such as real-time public transport data to help the industry enhance quality of services. He also asked about the measures the Administration would take to facilitate data sharing among various sectors in a safe manner, including whether the Administration would provide coordinated support and establish a platform to facilitate the share use of resources.

17. S for IT and GCIO advised that there had been demands and suggestions from members of the public and various sectors for data possessed and collected by public or commercial organizations. B/Ds were required to explore options in collaboration with the concerned organizations with a view to releasing more data with high degree of public interest. For example, the Transport Department was liaising with the public transport services operators such as MTR Corporation Limited and franchised bus companies to release various real-time data to the public.

18. Mr CHAN Chun-ying noted that according to GODI 2016-2017 ranking, Hong Kong ranked 24 out of 94 economies. He was concerned that Hong Kong even scored zero in the area of open data for land ownership. Mr CHAN asked what the Administration would do to improve its ranking in GODI, and whether land records of Land Registers could be made available for the public free of charge.

19. S for IT said that under the new policy, B/Ds should in principle open up their data for use by the public free of charge as far as possible, and they were required to publish their first annual open data plans by end 2018. GCIO added that in formulating their annual open data plans, B/Ds would take into account factors such as information security, personal privacy and financial implications to the Government, in addition to demands from the public and the industry, and ensure that the opening up would comply with relevant ordinances such as the Personal Data (Privacy) Ordinance (Cap. 486).

20. Mr James TO asked how the Administration would handle requests for access to government data by foreign potential investors, bearing in mind that foreign direct investment would help boost local economic activities. The Deputy Chairman referred to the written submission from Open Data Hong Kong which raised concerns over the quality and usability of the government data. He asked whether the Administration would draw reference from the UK practice and draw up an "open government licence".

21. S for IT responded that different jurisdictions had adopted rather different approaches for opening up data. The new policy per se was not intended for attracting foreign investment. The main policy objective was to improve city management, thus bringing more convenience and better quality of living to the public. GCIO supplemented that OGCIO conducted reviews with B/Ds concerned from time to time on ways and formats of releasing data, and offered them with technical support and other assistance. B/Ds would also conduct timely reviews to ensure data usability. OGCIO had also simplified the terms and conditions of using the open data provided via the PSI portal, so that users could now browse, download, distribute, reproduce, print and hyperlink to such data, on a free-of-charge basis, for both commercial and non-commercial uses, on the condition that they had to state clearly the data source in all copies and acknowledge the intellectual property rights of the Government.

Annual open data plans

22. Noting that the estimated number of new datasets to be opened by the Government in 2019 would exceed 500, Mr CHAN Chun-ying asked for an update on the progress for consolidating the first annual open data plans, including the extent of the data planned to be opened and whether all government data would be made available to the public.

23. S for IT advised that B/Ds were required to formulate and publish their annual open data plans on their departmental web pages covering the datasets which had been released in the PSI portal and datasets to be released in the following three years. While OGCIO was still consolidating the first annual

open data plans provided by B/Ds, it was expected that the number of new datasets to be opened by the Government in 2019 would exceed 600.

IV. Review of Telecommunications Regulatory Framework

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| (LC Paper No. CB(4)283/18-19(05)) | -- | Administration's paper on review of telecommunications regulatory framework |
| LC Paper No. CB(4)283/18-19(06) | -- | Paper on review of telecommunications regulatory framework prepared by the Legislative Council Secretariat (updated background brief) |

Briefing by the Administration

24. At the invitation of the Deputy Chairman, Secretary for Commerce and Economic Development ("SCED") briefed members on the proposals of the Review of Telecommunications Regulatory Framework. Details of the briefing were given in the Administration's paper (LC Paper No. CB(4)283/18-19(05)). Principal Assistant Secretary for Commerce and Economic Development (Communications and Creative Industries) (Special Duties) then gave a power-point presentation on the subject vide LC Paper No. CB(1)316/18-19(01).

(Post-meeting note: A set of the power-point presentation materials (Chinese version only) was issued to members vide LC Paper No. CB(1)316/18-19(01) on 11 December 2018.)

Discussion

25. Mr MA Fung-kwok agreed that the current regulatory regime on telecommunications should be reviewed. In this connection, Mr MA asked whether reference had been drawn to international practices in carrying out preparatory work for the new regulatory regime in response to the advancement of telecommunications technologies, in particular the imminent arrival of the fifth generation mobile communications ("5G") services and their application in the era of Internet of Things ("IoT").

26. SCED responded that the Government had introduced various measures to prepare for the arrival of the 5G era, including making available frequency spectrum in various frequency bands for the development of 5G services, and proactively opening up suitable Government premises for mobile operators to install base stations. SCED added that the existing legislation would also continue to apply in regulating various aspects of 5G and IoT applications. For instance, in respect of autonomous vehicles, the regulation on other non-telecommunications aspects (e.g. traffic-related aspects) would continue to apply. SCED emphasized that the current exercise targeted certain aspects of the telecommunications regulatory framework arising from the imminent arrival of 5G services, such as to enhance protection of underground telecommunications infrastructure, the integrity of which would become even more crucial in future. He said that the Administration would introduce two forward-looking measures to embrace the arrival of 5G and IoT technologies and advancement of telecommunications technologies, viz. (a) regulation of telecommunications functions of devices in 5G and IoT era; and (b) protection of underground telecommunications infrastructure. He further explained that the non-telecommunications functions of the smart and IoT devices such as autonomous vehicle would continue to be regulated by the respective general or dedicated legislation as applicable to them.

27. Mr MA Fung-kwok further asked which party(s) would be held liable for any damage to underground telecommunications facilities under the Telecommunications Ordinance (Cap. 106). He queried why other underground infrastructures such as gas pipes were not protected by sanctions under Cap. 106.

28. SCED and Permanent Secretary for Commerce and Economic Development (Communications and Creative Industries) ("PS(CCI)") advised that the Administration proposed to create certain criminal offences under Cap. 106 against any person, who, without taking reasonable care in carrying out road works, caused damages to underground telecommunications facilities. The proposed provisions served to provide stronger deterrence and better protection for both telecommunications operators and the public from network outage. SCED supplemented that the Administration had drawn references from other statutory provisions related to the protection of public infrastructures, including electricity supply lines and gas pipes, in developing the proposed offences.

29. The Deputy Chairman called on the Administration to ensure that the relevant statutes of the Broadcasting Ordinance (Cap. 562) and Cap. 106 would be suitably updated to dovetail with the advancement of telecommunications technologies in future. The Deputy Chairman said that the industry in general had no adverse comments on the proposed improvement measures in relation to

the regulation of telecommunications devices using 5G technologies and IoT as well as improving the appeal mechanism under Cap. 106. The Deputy Chairman added that the industry expressed concerns that the non-carrier licences would be subject to a set of less stringent conditions to be determined by the Communications Authority ("CA") as compared to those applicable to carrier licences. There were also concerns about the spectrum utilization fees and licence fees, and whether and how the legislative amendment to Cap. 106 would facilitate establishing telecommunications networks and facilities for the provision of public telecommunications services, etc. The Deputy Chairman asked whether and how the Administration would address the views and concerns of the industry about the legislative amendment proposals.

30. SCED responded that the Government had been carrying out the Review of Cap. 562 and Cap. 106 ("the Review") in two phases. The first phase of the Review focused on the regulation of broadcasting (both TV and sound) under Cap. 562 and Part 3A of Cap. 106 in response to the changes and challenges brought about by the evolution in the infotainment industry. A number of legislative amendments as well as administrative measures had been proposed to facilitate the operation of traditional broadcasters. In the second phase of the Review, the Administration would develop, for public consultation, a number of proposals seeking to update the statutory requirements under Cap. 106 to prepare for the imminent arrival of 5G services and their application in the IoT era. Subject to the outcome of the consultation, the Administration would complete the legislative exercise within the current legislative term. PS(CCI) supplemented that in addition to the four aspects identified in the public consultation, the Government would follow up on other suggestions made by stakeholders and the public during the consultation exercise as appropriate.

31. As the arrival of 5G technology would enable the development and massive adoption of IoT devices, Mr MA Fung-kwok queried whether Hong Kong was geared up for the launch of 5G mobile services and applications. He was concerned whether there would be any conflicts when moving from a network of dedicated telecommunications equipment and devices in the current fourth generation mobile communications ("4G") to 5G technology. Mr MA also asked whether the Administration would put 5G standards and services under regulation of Cap. 106.

32. SCED and PS(CCI) responded that the telecommunications regulatory framework in place in Hong Kong was technology-neutral. Deputy Director-General (Telecommunications) advised that Cap. 106 already empowered CA to set technical standards. In prescribing technical standards for telecommunications networks for the provision of 5G services, reference would be made to the 5G specifications set out by the Third Generation Partnership

Project ("3GPP"), an international standardization body. The initial deployment of 5G services would be based on non-standalone operation under which 5G networks would be complemented by the existing 4G infrastructure. The subsequent 5G network deployment would likely evolve to standalone operation at a later stage of development.

V. Review of and Proposed Funding Injection to the Film Development Fund

(LC Paper No. CB(4)283/18-19(07) -- Administration's paper on review of and proposed funding injection to the Film Development Fund

LC Paper No. CB(4)283/18-19(08) -- Paper on Film Development Fund prepared by the Legislative Council Secretariat (updated background brief))

Briefing by the Administration

33. At the invitation of the Deputy Chairman, SCED and PS(CCI) briefed members on the findings of the review of the Film Development Fund ("FDF") and the proposed funding injection. They advised that CE announced in the 2018 Policy Address the plan to provide a one-off injection of \$1 billion into FDF, with the aim of promoting the development of the film industry through measures under four broad strategic directions, namely, nurturing talent, enhancing local production, market expansion and building audience. Details of the briefing were given in the Administration's paper (LC Paper No. CB(4)283/18-19(07)).

Discussion

Expanding the scope of Film Development Fund

34. Mr CHAN Chi-chuen declared that he was an actor. While welcoming the proposed injection of \$1 billion into FDF, he queried how the Administration interpreted the meaning of "films". Referring to the study report at Annex 3 to the Administration's paper, Mr CHAN was concerned that the intellectual

property rights of a film would generate very little value from downstream buyers such as television, DVD/BluRay and over-the-top television services once productions left the cinema. Besides, audience had more options in the leisure market such as Netflix, which was a serious challenge to the future success of the film industry. In this connection, Mr CHAN asked about the possibility of expanding the scope of FDF to support short films in addition to those produced for theatrical release. Mr MA Fung-kwok raised a similar question.

35. PS(CCI) advised that the Government's current policy was to support the development of films as an industry. FDF was set up to support Hong Kong films intended for commercial theatrical release in Hong Kong. In order to equip young film talents with necessary skills set to tap the opportunities arising from multi-media platforms, the Administration would explore with the industry to introduce a new "Short Film Production Scheme" which would provide targeted training in scriptwriting, shooting, presentation skills, etc. for production of short films of less than 60 minutes in length.

36. Mr CHAN Chi-chuen noted the Administration's proposal that the Film Production Grant Scheme should be discontinued and that resources should be ploughed back for other initiatives. Mr CHAN questioned why so many applications could not pass the required quality threshold. He also called on the Administration to consider subsidizing film productions of non-mainstream genres.

37. PS(CCI) pointed out that applications for funding support under FDF were assessed by experts of the film industry and the Fund Vetting Committee under the Hong Kong Film Development Council ("FDC") in an independent and open manner. When the Scheme ended in end-February 2018, only 13 projects (or about 27%) out of the 49 applications received had been approved. On average, only 1.3 projects were approved each quarter, which was far below the original approval quota of three projects per quarter. SCED said that funding applications for film productions were assessed based on their merits instead of genres.

Nurturing film talent

38. Mr MA Fung-kwok declared that he was Chairman of FDC. He pointed out that FDC members and the industry generally welcomed the proposed injection and agreed with the development directions set out by the Administration. He further said that the First Feature Film Initiative ("FFFI") had been vital in identifying and grooming new talent. In particular, FFFI had received positive response from the film industry and tertiary education sector

and had provided valuable opportunities for young talent who wished to join the film industry. Mr MA also remarked that FDC had played a significant role in supporting the film industry in Hong Kong on various fronts. Noting that the total number of winning teams each year would increase from three to a maximum of six, Mr MA appealed for continual support of the film industry in this regard to help ensure the high quality of winning projects.

39. SCED stressed that the Administration had spared no efforts in promoting the development of local film industry on all fronts, mainly through FDF, by providing funding support for projects conducive to the long-term and sustainable development of the local film industry. FFFI had been very successful and widely supported by the trade since its launch in 2013. New film talent had produced high quality films with excellent reviews and box office results. To enhance FFFI, the Administration would also arrange experienced film-makers to provide more training to the winning teams. PS(CCI) supplemented that without compromising the quality required of a winning project, the Administration proposed to enhance FFFI by doubling the total number of winning teams from three to a maximum of six, and significantly raising the prize amount for the Higher Education Institution Group from \$3.25 million to \$5 million and that for the Professional Group from \$5.5 million to \$8 million, representing an increase of about 50%.

40. Mr MA Fung-kwok said that the international market for post-production digital effects was competitive and the highly skilled creative labour force was mobile. Drawing reference from the positive contribution of the New Zealand Screen Production Grant to the New Zealand economy, Mr MA took the view that the Administration should step up efforts to raise the competitiveness of the post-production sector, including promoting Hong Kong's post-production and special effects services.

Enhancing local production

41. Mr MA Fung-kwok supported the proposal of enhancing the Film Production Financing Scheme by raising the current production budget limit. SCED said that the proposed measure would attract film investors to increase their investment, which would help enhance local production in terms of quality and quantity, as well as their market competitiveness.

Expanding new markets

42. Mr CHAN Chun-ying expressed support for the proposed injection into FDF. He noted that the consultancy study had recommended that the Administration should promote Hong Kong films in the Greater Bay Area cities

and among the Belt and Road countries and regions. Mr CHAN asked whether the Administration would learn from the experience of South Korea and encourage local producers to promote local brands through distribution of local films outside Hong Kong. He also suggested that the Administration should identify new opportunities of collaboration with other markets along the Belt and Road such as Turkmenistan with a view to achieving synergy between the film industry and the tourism industry of Hong Kong and other places.

43. SCED said that the film industry was a major soft strength of Hong Kong. To assist the local film industry to explore markets outside Hong Kong and to capitalize on the opportunities arising from the Greater Bay Area Development and the Belt and Road Initiative, the Administration would continue to organize and participate in local film festivals in collaboration with the Hong Kong Economic and Trade Offices in the Mainland and overseas. Film elements would also be added to roadshows promoting Hong Kong's competitive edges. In addition, the Administration might also invite directors, cast members and crew members to participate in those festivals to exchange ideas with counterparts and meet with local audiences.

Film release

44. Mr CHAN Chun-ying recalled that he had previously suggested that the Administration should broadcast films funded under FDF through the television channels of Radio Television Hong Kong ("RTHK") after their release in local cinemas, in order to increase their exposure among local audience and raise the average television rating of RTHK. SCED responded that screening platforms of a local production was decided by the concerned distributors. Apart from releasing films in cinemas, there were other channels for distribution of the production.

45. The Deputy Chairman asked about the Administration's measures to encourage exhibitors to provide more favourable release periods to local film productions. PS(CCI) responded that the Administration would explore with cinema operators the feasibility of providing more screening slots and opportunities for local film productions and would consider sponsoring promotional campaigns (such as gala premiere, pre/post-screening talk, etc.) for small-to-medium budget film productions to help attract audience through word of mouth.

Policy on cinema development

46. Mr MA Fung-kwok noted that in the 2015 and 2016 Policy Addresses, the then CE announced that the Administration would consider reserving space

for cinemas in major cultural and entertainment development areas, and would explore ways to facilitate cinema development through land sales and planning, as well as requiring developers to include cinemas in their development projects as appropriate in the terms and conditions of the land lease ("land-lease option"). He enquired about the details on the progress of the land-lease option.

47. PS(CCI) advised that provision of cinemas should still largely be market-driven while the Administration would assume the role of a facilitator. The Administration was delighted to see the upward trend in respect of the number of cinemas, seats and screens in the past two years. Moreover, all of the 18 District Council districts now had cinemas except Tai Po, which would also see the opening of a cinema in 2019. In view of the rapid changes in market situation and community aspirations, the Administration would review the arrangement in due course.

Conclusion

48. The Deputy Chairman concluded that the Panel supported, in principle, the proposed funding injection of \$1 billion into FDF.

VI. Any other business

49. There being no other business, the meeting ended at 4:36 pm.