

Brief Presentation to the Legislative Council Bills Committee

on the Broadcasting Bill

at 10:45 a.m. on Friday, 31 March 2000

Madam Chairman,

Opening

Thank you very much for giving us a chance to share our views with Members on the new proposed Broadcasting Bill.

As Honorable Members may know, the Bill was in fact the result of the Administration's 1998 Review of Television Policy. During the review, TVB has on numerous occasions been invited to provide input to this process, and we have always responded with enthusiasm.

From the beginning of the review process, we share the Administration's view that:

- a. the television environment has in recent years changed radically and fundamentally;

- b. it will continue to evolve at a pace which is stunning when compared to the relative stability of the past several decades;
- c. the existing Ordinance, written long ago for a television environment which has passed into history, is no longer adequate; and
- d. a visionary and progressive approach would be necessary to create a new regulatory environment responsive to the dynamics and opportunities of the new television environment.

Although not all our views expressed during the consultation period are accepted by the Administration, we are on the whole supportive of the new Bill, which we believe is conducive to the achievement of the following objectives:

- a. opening up the market to more players;
- b. increasing competition in the industry;
- c. providing more programme choices for viewers;
- d. providing a level playing field for all operators;

- e. creating a dynamic environment which will help promote and establish Hong Kong as an important regional production and broadcasting centre.

Urgent Need for the Bill

As stated earlier, the broadcasting scene in Hong Kong has changed tremendously in the past few years. Until 1991, Hong Kong had only two television stations, offering a total of four channels. But now with STAR TV, Hong Kong Cable and Hong Kong Telecom's Video On Demand programme service, both the range and number of services being available to the public have increased more than ten fold.

We are sure with rapid developments on the technology front, more services will become available to the public in the future. The existing legislation is incapable of catering for such developments. A new regulatory framework is therefore urgently required to be in place to ensure Hong Kong is in a position to grow and prosper as the broadcasting and production hub of the region. We believe the new Bill, which adopts a technology neutral approach in the classification and issuing of licences, is the right way forward.

We are glad that the Administration eventually recognized that the environment in which we operate is no longer protected and is prepared to abolish the royalty payment scheme under the new Bill.

Anti-Competitive Provisions

There is perhaps one other point which is worth mentioning here. TVB is a staunch supporter of fair and free competition. We share the Administration's view that anti-competitive behaviour should not be condoned and encouraged. We have however a different opinion from that of the Administration as to how this objective should best be achieved.

We believe anti-competitive regulations should be established generally for and enforced upon the business community at large, and should not be targeted only at a single industry. In the absence of an overall anti- competitive law, situations will arise where industries not requiring licences can lawfully engage in anti-competitive behaviour. This is certainly not conducive to the healthy development of the economy.

During the consultation period, we understand that the Administration is not prepared to look into the possibility of introducing general anti- competitive laws at this stage. We still hope the Administration could take a closer look at this issue in time to come.

In any case, as a strong believer in fair and free competition, we do not have any objections to incorporating anti-competitive provisions into the present Bill as long as they not only targeted at any single company but the industry at large.

Ending

All in all, we are supportive of the Bill and if Members have any questions on our views, we should be happy to provide further elaboration.

Thank you, Madam Chairman.