



Movieline (Hong Kong) Limited

(Member of the ADSALE Group)

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2 June 2006

Ms Debbie Yau
Clerk to Subcommittee
Subcommittee on Broadcasting
(Revision of Licence Fees) Regulation 2006
Legislative Council
Legislative Council Building
8 Jackson Road
Central
Hong Kong

Dear Ms Yau,

Submission to Subcommittee on Broadcasting (Revision of Licence Fees) Regulation 2006

Thank you for your letter dated 30 May 2006. On behalf of Movieline (HK) Ltd, we would plead with the Broadcasting Authority not to increase the annual licence fee for Type B other licensable television programme service. The reason is more than obvious. The whole film industry and its various windows of distributions such as theatres, hotel pay movies and home video have all been suffering years of declines in sales. The slow recovery of the economy seems not to benefit the film trades. Let alone the proposed increment of HK\$1,600, i.e. 10.53% on the fixed fee is way exceeding the inflation which is not significant.

The tourist industry seems to be withholding this year but basically with low-spending guests from China and these low-spending guests are not patronizing much the hotel pay-movies. Movieline's annual hotel pay movie access rate has decreased from 3.16% in 2004 to 2.98% in 2005. For the first four months of 2006, the access rate is only 2.87%. The movie industry is declining and so as the hotel pay-movie industry. Please consider our difficult situations and defer the revision of the annual licence fee meanwhile. Looking forward to your favourable reply.

Yours sincerely,

Bill Li
Director