

**Replies to supplementary questions raised by Finance Committee Members
in examining the Estimates of Expenditure 2012-13**

Director of Bureau : Secretary for Commerce and Economic Development

Session No. : 13

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**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-CEDB(CT)01

Head: 55 – Government Secretariat : Subhead
Commerce and Economic (No. & title):
Development Bureau
(Communications and
Technology Branch)

Question Serial No.

S062

Programme: (1) Broadcasting and Creative Industries

Controlling Officer: Permanent Secretary for Commerce and Economic Development
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: According to Reply No. CEDB(CT)005, funds will be earmarked in 2012-13 for conducting a consultancy study on the provision of cinemas in Hong Kong. Will the Administration inform this Committee of the following:

- (a) Does the Chinese term “戲院” (translated as “cinemas”) refer to venues for performing regional operas and stage plays, movie theatres or venues serving both purposes?
- (b) What is the policy objective of conducting the consultancy study?
- (c) What policies does the Administration have in place to promote the making of films adopting local themes?

Asked by: Hon. HO Sau-lan, Cyd

Reply: (a) The term “cinemas”, as mentioned in the study, refers to movie theatres run commercially.

- (b) In response to the Hong Kong film industry’s concern over industry development being affected by a continuous downward trend in the number and seating capacity of movie theatres, the Administration has decided to commission a consultancy study on the issue.

The scope of the consultancy study covers a multi-pronged opinion survey on public demand for cinemas conducted to look at different factors that affect movie-goers’ demand, such as location of movie theatres, ticket prices, types of films shown and the viewing of movies on other media platforms; a study on the development trend of movie theatres in cities overseas; an analysis of the incentives provided by overseas governments for promoting the development of movie theatres; and the policy options available to the HKSAR Government.

- (c) In promoting film development in Hong Kong, the Government, through the Film Development Fund (FDF), provides funding support to small and medium film projects and helps identify and nurture talent for the local film industry. It is a requirement under the FDF Scheme for Financing Film Production that for films receiving government funding, in any three of the following categories, namely film producer, film director, scriptwriter, leading actor and leading actress, at least one person employed in each

such category must be a permanent resident in Hong Kong. Also, we have stated on the Scheme's application form that applications which have more production components (including post-production works) carried out in Hong Kong will be favourably considered. As to the themes of the films, we impose no restrictions in order to give local filmmakers freedom and room to let their creativity flow.

Name in block letters Ms Elizabeth TSE
Permanent Secretary for Commerce
and Economic Development
Post Title (Communications and Technology)
Date 19.3.2012

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-CEDB(CT)02

Head: 155 – Government Secretariat : Subhead
Innovation and Technology (No. & title):
Commission

Question Serial No.

SV033

Programme: (1) Support for Research and Development

Controlling Officer: Commissioner for Innovation and Technology

Director of Bureau: Secretary for Commerce and Economic Development

Question: The Administration is requested to provide supplementary information on the evaluation of the effectiveness of the research and development (R&D) projects undertaken by the 5 R&D Centres, and the work on commercialization of R&D results.

Asked by: Hon. LEE Wing-tat

Reply: Between April 2006 and December 2011, the 5 R&D Centres conducted 429 R&D projects involving about \$2.25 b of Innovation and Technology Fund (ITF) funding, of which 258 projects have been completed. The R&D Centres will actively engage in promoting commercialisation of the R&D results. The relevant statistics are as follows:

	ITF funding (in \$b)	No. of R&D projects	No. of completed projects
R&D Centre for Information and Communications Technologies under the Hong Kong Applied Science and Technology Research Institute (ASTRI)	1.54	217	158
Automotive Parts and Accessory Systems R&D Centre (APAS)	0.14	53	34
Hong Kong R&D Centre for Logistics and Supply Chain Management Enabling Technologies (LSCM)	0.21	32	7
Nano and Advanced Materials Institute (NAMI)	0.18	63	24
Hong Kong Research Institute of Textiles and Apparel (HKRITA)	0.18	64	35
	2.25	429	258

We report regularly the progress of the R&D Centres to the Legislative Council Panel on Commerce and Industry (C&I Panel) e.g. in June and December 2011. Some examples of their application and commercialisation efforts are as follows:

- (a) ASTRI has licensed its compact anti-shaking technologies for camera phones to a company which offered a minimum licence fee-cum-royalty income of US\$2 m;
- (b) ASTRI has signed an agreement with a company in Chengdu to co-develop high speed data processing integrated circuits modules which are planned to be deployed in China's High Speed Train system in the coming years;
- (c) ASTRI's LED technology has been adopted in facilities under the Science Park, Highways Department and Housing Department for trial; and
- (d) HKRITA has issued licences to companies on the Nu Torque™ Singles Ring Yarns Technology at a total licensing fee of about \$5 m. HKRITA will continue to discuss with other interested companies .

As reported in LC Paper No. CB(1)624/11-12(05) submitted to the C&I Panel on 20 December 2011, we have conducted a comprehensive review of the overall performance of the 5 R&D Centres between 2006 and 2011. Our recommendations set out in the paper are as follows:

- (a) For R&D Centres which meet the industry contribution target of 15% in their first 5-year period i.e. NAMI and APAS, we will consider extending their operation beyond 31 March 2014 (viz. when their current approved funding expires) to allow them to plan their work on a longer horizon, noting that APAS will be merged with the Hong Kong Productivity Council in due course. Further reviews of their performance will be conducted in good time;
- (b) For the other 2 Centres i.e. HKRITA and LSCM which have not yet achieved an industry contribution of 15% in the first 5 years, we will set key performance indicators (e.g. increase in industry contribution) and observe their performance for another 2 years and make recommendations on their future before the expiry of the current approved funding on 31 March 2014. Possible options include maintaining the status quo, disbandment, merger with an appropriate organization, etc.; and
- (c) ASTRI has demonstrated an improving performance and its operation will continue to be funded under Government's annual recurrent subvention.

We will submit the funding proposal for the R&D Centres' future operation to the C&I Panel later this year, before seeking Finance Committee's approval.

Name in block letters Miss Janet WONG
Post Title Commissioner for Innovation and Technology
Date 16.3.2012

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-CEDB(CT)03

Head: 155 – Government Secretariat : Subhead
Innovation and Technology (No. & title):
Commission

Question Serial No.

S049

Programme: (2) Fostering University-Industry Collaboration

Controlling Officer: Commissioner for Innovation and Technology

Director of Bureau: Secretary for Commerce and Economic Development

- Question:
- (a) It is stated in the Reply Serial No. CEDB(CT)044 that a total of 77 local university graduates were employed in the projects funded and being monitored under the University-Industry Collaboration Programme (UICP) in 2011. Would the Administration increase the employment quota in the coming year to enable more students to take part in research and development (R&D)?
 - (b) Regarding the efforts to attract enterprises to employ research personnel and students from local universities to engage in R&D work, does the Administration currently have any plans and measures to encourage enterprises to recruit these talents? If yes, what are the details and expenditure involved? If no, would the Administration consider formulating any of them?

Asked by: Hon. PAN Pey-chyou

- Reply:
- (a) UICP supports private enterprises to conduct applied scientific research on a matching grant basis. We have not set any ceiling on the number of projects funded nor university graduates employed under UICP each year. We will provide the necessary financial support as long as the projects meet the requirements of UICP.
 - (b) Apart from UICP, the Innovation and Technology Fund (ITF) also operates the Internship Programme. Under the Programme, research institutes and companies conducting R&D projects under ITF can receive additional financial support to engage up to 2 interns to take part in the R&D projects for a maximum internship period of 24 months. In the past 3 years, the Programme has approved over 850 intern positions involving an expenditure of about \$92 m.

In addition, the Small Entrepreneur Research Assistance Programme (SERAP) under ITF supports R&D activities of small and medium enterprises (SMEs) on a matching grant basis. As at February 2012, SERAP has supported over 350 R&D projects with a total funding of about \$400 m. To further encourage SMEs to conduct R&D, this year's Budget announced that SERAP will be enhanced. We will increase the funding ceiling for each project from \$4 m to \$6 m as well as refining the operational details of SERAP and expanding its scope of funding. We plan to launch the enhanced SERAP in April 2012 and will step up promotion in the coming year.

Name in block letters Miss Janet WONG
Post Title Commissioner for Innovation and Technology
Date 16.3.2012

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-CEDB(CT)04

Head: 160 – Radio Television Hong
Kong

Subhead
(No. & title):

Question Serial No.

S063

Programme: (1) Radio

Controlling Officer: Director of Broadcasting

Director of Bureau: Secretary for Commerce and Economic Development

Question: Regarding the broadcast sessions of Radio 1 programmes – “Talkabout” and “Open Line, Open View” – would the Administration please inform us on :

- (a) The rating result(s) on the final round of survey prior to 30 December 2011.
- (b) The rating result(s) on the latest round of survey prior to 7 March 2012.

Asked by: Hon. HO Sau-lan, Cyd

Reply: RTHK conducts one Radio Audience Survey annually to collect information to assist in programme planning.

The most recent survey, commissioned to the Public Opinion Programme of the University of Hong Kong, was conducted in October 2011. Results show that the “Talkabout” programme's projected highest half hourly audience rating was 230,000, while the “Open Line, Open View” programme's projected highest half hourly audience rating was 114,000.

The next Radio Audience Survey will be conducted in October 2012.

Name in block letters Roy TANG
Post Title Director of Broadcasting
Date 16.3.2012