

**Speaking Notes for  
the Secretary for Commerce and Economic Development  
at the Special Meeting of the Finance Committee  
on 10 April 2013**

**Introduction**

- Chairperson, I will highlight the main points in the policy area of communications and technology.

**Broadcasting**

- On broadcasting, we will continue to promote the development of digital terrestrial television (DTT) and digital audio broadcasting (DAB) in Hong Kong. The two free TV licensees will continue to optimise their DTT network to bring the coverage on par with that of the analogue TV broadcasting by the end of this year. We will also continue to organise publicity campaigns to further boost up the DTT take-up rate as well as promote the DAB service.

**Telecommunications**

- On telecommunications, the second public consultation on the arrangements for the frequency spectrum upon expiry of the existing assignments for 3G mobile services in October 2016 is ongoing. The 3 1/2 month consultation period will come to an end tomorrow. We will analyse the views received carefully in order to map out the way forward.

## **Creative Industries**

- The Budget mentioned that the Government will proactively provide appropriate support for emerging industries with the potential. Cultural and creative industries are one of these emerging industries, contributing nearly \$90 billion or 4.7% to local GDP in 2011. The number of persons engaged in cultural and creative industries exceeds 190 000. Cultural and creative industries are very important for Hong Kong's economy.
  
- We will continue to run the CreateSmart Initiative (CSI) and inject an additional \$300 million into the CSI so as to provide support for the trade to undertake programmes that nurture talents, expand markets, build brands, and stage large-scale creative events to develop Hong Kong into Asia's creative capital. We will seek funding approval from the Finance Committee later on. We have also launched the First Feature Film Initiative to support those filmmakers with no prior experience in directing commercial films to implement their first commercial film project.

## **Innovation and Technology**

- On innovation and technology, we will implement a number of new measures this year. The measures include –
  - (a) we will provide funding support to six universities engaging in technological research and development. Each of them will be provided with a maximum of \$4 million per annum for three years in order to enhance the universities' capabilities in technology transfer as well as commercialisation and realisation of research

and development results;

- (b) to enhance the funding support for the Partner State Key Laboratories (PSKLs) in Hong Kong by increasing the existing ceiling of \$2 million per annum to \$5 million per annum until 2015-16; and
  - (c) to provide funding support to the Hong Kong Branch of Chinese National Engineering Research Centre (CNERC). CNERC will be provided with a maximum of \$5 million per annum for three years in order to enhance its capabilities in conducting research projects.
- On hardware support, Phase 3 development of the Science Park will be completed in stages from 2014 to 2016 increasing the gross floor area by some 50%. The Hong Kong Science and Technology Parks Corporation would also continue to revitalise the three existing industrial estates, whilst exploring the feasibility of expanding the Yuen Long Industrial Estate to meet the long term development of the high-tech industry.

### **Testing and Certification**

- On promotion of testing and certification services, the Hong Kong Council for Testing and Certification (HKCTC) just completed a comprehensive review of the implementation progress of a three-year industry development plan in end March 2013, and proposed to Government a series of recommendations to support further development of the testing and certification industry. Government will later brief the Panel on Commerce and Industry of

the Legislative Council on the details of HKCTC's review findings and recommendations.

### **Digital 21 Strategy**

- As regards information technology (IT), the estimated non-recurrent expenditure of the Government on computerisation in 2013-14 amounts to \$2.25 billion, which is 62% above the sum of \$1.39 billion in the previous financial year. The increased provision will help enhance public service and create new business opportunities for the IT industry.
- IT has been developing rapidly in Hong Kong over the past few years, adding impetus to the local economic and social development. In view of the technological advancement, we must continue to seize all opportunities. As such, we are conducting a comprehensive review on the Digital 21 Strategy so as to formulate a blueprint for IT development in Hong Kong to meet the evolving needs of the community.

### **International IT Fest 2013**

- We will hold the first International IT Fest in Hong Kong from 8th to 21st of this month. Featuring a variety of information and communications technology (ICT) events, International IT Fest 2013 will showcase Hong Kong's flourishing development as an IT hub.

### **Cloud Computing**

- Cloud computing is a major future development trend. We will invest

more than \$200 million on the implementation of Government Cloud Platform (GovCloud) over the next five years. The first phase of GovCloud is expected to be rolled out by the end of this year to enable more agile and cost-effective delivery of e-government services including electronic information management, human resource management and e-procurement.

- On the other hand, the one-stop InfoCloud portal we launched in January this year provides useful references for both cloud consumers and service providers, especially small and medium enterprises (SMEs) to facilitate their selection, management and provision of cloud services.

### **Enhancing ICT Adoption among SMEs**

- To assist SMEs in making good use of ICT, we will continue to work with the industry and professional bodies to implement the Sector-specific Programme. We are also exploring measures to facilitate the local industry to provide appropriate software and services to SMEs through the use of cloud computing, so as to enhance the adoption of IT among SMEs and facilitate the development of digital economy.
- Chairperson, my colleagues and I stand ready to answer questions from Members.

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