

Speaking Notes for
the Secretary for Commerce and Economic Development
at the Special Meeting of the Finance Committee
on 10 April 2019

Introduction

- Chairperson, I will briefly highlight the main areas of work in respect of communications and creative industries in the coming financial year.

Telecommunications and Broadcasting

- On telecommunications, 5G is an important infrastructure for Hong Kong's smart city development, and has immense potential in various business services and applications in the long run. We plan to assign and auction 5G spectrum in various bands from this year. Apart from spectrum supply, we will continue to support technical trials for 5G and initiate facilitation measures for operators to develop their 5G networks.
- One of the important facilitation measures is the opening up of suitable government premises for operators to install base stations. The Office of the Communications Authority, with the support of various departments such as the Food and Environmental Hygiene Department, the Leisure and Cultural Services Department, the Government Property Agency, the Architectural Services Department, the Electrical and Mechanical Services Department and the Lands Department, just launched a pilot scheme last month and has identified more than 1 000 government premises for operators' selection with streamlined application procedures. Operators have also been informed of the application details. These

arrangements aptly demonstrate our Government's role as a "facilitator" and a "promoter".

- After a year of preparation and having completed consultations with the districts and Rural Committees, we plan to issue the tender documents for the subsidy scheme for extending fibre-based networks to villages in rural areas in the second quarter of this year. According to the latest assessment, these networks can be extended to around 235 villages in nine districts in the New Territories and outlying islands in phases from 2021 onwards. About 110 000 villagers will be benefited under the scheme.
- On broadcasting, to prepare for Full Digital TV Broadcast on 1 December 2020, we will partner with a non-governmental organisation to implement an assistance programme. We will, through a simple application process, assist needy households to purchase digital TV sets or set-top boxes, so that they can continue to receive free TV services after analogue switch-off. We plan to seek the approval of the CCF Task Force and the Commission on Poverty by mid-year for funding under the Community Care Fund (CCF). It is expected that the assistance programme will be open for application by the end of this year. We will continue with our publicity work to encourage analogue TV households to make early preparation.
- On the review of the television and sound broadcasting regulatory framework, First and Second Reading of the Broadcasting and Telecommunications Legislation (Amendment) Bill took place in the Legislative Council (LegCo) on 27 March 2019. Our proposed measures to lower the burden of regulation for the industry cover three areas, including relaxation of "Cross-media Ownership Restrictions", relaxation of "Foreign Control Restrictions" and removal of the "Requirement of Licensee being a Non-subsidiary Company". We will cooperate with LegCo to scrutinize the Bill with a view to enabling early implementation of the proposals to facilitate the sustainable development of the

broadcasting industry.

- As for the review of the telecommunications regulatory framework, we completed a three-month public consultation on 27 February 2019. The consultation covered four proposed measures under two themes, namely “Embracing the Arrival of 5G and Internet of Thing Technologies” and “Trade Facilitation”. We will study carefully stakeholders’ views and aim to introduce an amendment bill into the LegCo as soon as possible.
- In recent years, person-to-person telemarketing calls (P2P calls) have caused nuisance to many members of the public. There are growing demands on strengthening the regulation of such calls. We propose to regulate P2P calls by setting up a statutory Do-not-call Register to allow phone users who do not wish to receive such calls to include their phone numbers in the Register. We plan to brief the relevant LegCo Panels on the progress of the work and the proposed legislative framework on 16 April 2019. Our aim is to complete the legislative drafting work and introduce an amendment bill into LegCo as soon as possible.

Creative Industries

- In respect of creative industries, the 2019-20 Budget proposes to inject \$1 billion into the Film Development Fund to support further development of the local film industry. We look forward to the passage of the Appropriation Bill, so that we can immediately increase the maximum number of winning teams under the 6th First Feature Film Initiative to six, and raise the amount of subsidies by around 50%. We will also press ahead to roll out the enhanced Film Production Financing Scheme and raise the production budget limit and maximum financing amount so as to better support the production of small to medium-budget films.
- In respect of the seven creative industries other than film, we will make good use of the \$1 billion injection into the CreateSmart Initiative in 2018 to support the trade to take forward various activities and programmes. We will continue to organise various mega events

(including the scaled-up Business of Design Week), and step up efforts in nurturing talent and start-ups. We also place emphasis on fostering a design and creative atmosphere in the community. This year, we will support the Hong Kong Design Centre to set up an event space at No. 7 Mallory Street in Wan Chai to promote creativity, design and design thinking at the community level.

- The Sham Shui Po Design and Fashion Project aims to develop synergy between design and industry, enrich district tourism resources and further promote the development of the design and fashion sectors. The Project is in good progress. Construction works have commenced and are expected to be completed in 2023-24.

Conclusion

- Chairperson, the above summarises the main points. My colleagues and I stand ready to answer questions from Members.

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