

**Speaking Notes for
the Secretary for Commerce and Economic Development
at the Special Meeting of the Finance Committee
on 14 April 2021**

Introduction

- Mr. Chairman, I will briefly introduce our key tasks under the communications and creative industries portfolios in the current financial year.

- On economic development, the "Outline of the 14th Five-Year Plan for National Economic and Social Development of the People's Republic of China and the Long-Range Objectives Through the Year 2035" (the 14th Five-Year Plan) continues to support Hong Kong to enhance its status as an international financial, transportation and trade centre, etc., promote Hong Kong's service industries for high-end and high value-added development, develop Hong Kong into an international innovation and technology hub and a hub for arts and cultural exchanges between China and the rest of the world, and support the future development of Hong Kong in various important areas.

- Meanwhile, the twin engines of the country's economic development, namely the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) development is important to Hong Kong's development, Hong Kong will continue to make the best use of the advantages under the "one country, two systems" principle to tap into the business opportunities.

- In the current financial year, Commerce and Economic Development Bureau will actively press ahead with measures to bolster Hong Kong's competitiveness in relevant sectors, and to introduce targeted measures on our work under the communications and creative industries portfolios. The main ones include:

Telecommunications and Broadcasting

- On telecommunications, in line with the 14th Five-Year Plan's support for Hong Kong to promote high-end and high value-added services, the Government is proactively promoting 5G development.
- During past year just after the launch of 5G services, in spite of the epidemic and challenging economic environment, major telecommunications operators continue to proactively invest in 5G infrastructure. 5G network coverage is now over 90%, covering major shopping centres and more than 50 MTR stations. The coverage of individual operators in core business districts even reached 99%.
- We have launched the 5G subsidy scheme under the Anti-epidemic Fund to encourage the early adoption of 5G by various sectors through offering financial incentives and promote 5G applications and popularization. We have received positive feedbacks and already approved 78 innovative applications in different aspects such as construction, estate and facility management, transportation, medical and healthcare, as well as environmental protection, etc., opening up vast value-adding potential for various

services and applications.

- This year we will also supply more 5G spectrum, facilitate operators to install base stations, subsidise the extension of fibre-based broadband to villages.
- On broadcasting, Hong Kong has successfully implemented full digital TV broadcast at the end of last year. This year, we will proceed with the migration of TV broadcast transmission frequencies. Six digital TV programme channels will use new transmission frequencies from 1 December, thereby vacating spectrum for high value-added mobile telecommunications services including 5G. The Office of the Communications Authority has finalised technical arrangements in collaboration with TV broadcasters and stakeholders, allowing sufficient time for channel migration to be carried out in phases, and launched a series of publicity programmes.

Creative Industries

- For creative industries, we have been joining hands with the sector in conducting various projects (such as delegation visits, exhibition activities, etc.) to strengthen exchanges and collaborations with the Mainland and Belt and Road countries/regions, with a view to assisting the trade in exploring business opportunities. We will continue the work on this front. Meanwhile, as the pandemic has inevitably resulted in constraints on physical exchanges, we will also proactively encourage and support the trade in making good use of various virtual means to conduct online exchanges, showcasing and promoting Hong Kong's creative products and

services as well as strengthening exchanges and collaborations with the trade thereat and developing businesses.

- In order to continue the Government's support to the creative industries, which become a driving force of our economic development, we propose to inject \$1 billion into the CreateSmart Initiative (CSI).
- The new injection will enhance our support to relevant projects according to the three strategic foci of the CSI, i.e. nurturing talent and facilitating start-ups, exploring markets, and promoting Hong Kong as Asia's creative capital and fostering a creative atmosphere in the community.
- With the far-reaching changes that the pandemic has brought to the local and international trade practices and environment in the past year, we would use the new injection to assist the creative sectors in adapting to the digitisation trend and the challenges arising from the use of various virtual means to carry out online exchanges and business activities, developing their unique competitive edge and seizing opportunities in emerging markets, such as those offered by the Greater Bay Area, Belt and Road Initiative and ASEAN markets.
- The pandemic has presented a major challenge to the film industry. We announced in July 2020 that around \$260 million under the Film Development Fund (FDF) would be earmarked to implement five major measures. Among them, the short-term advanced professional training courses conducted by the Federation of Hong

Kong Filmmakers and the Hong Kong Film Directors' Guild respectively have been completed and benefitted around 2 200 industry practitioners. There are also positive responses from the sector regarding the launch of other measures (including the Directors' Succession Scheme, relaxation measures under the Film Production Financing Scheme, the Scriptwriting Incubation Programme and the enhanced First Feature Film Initiative). The sector considers that these support measures are practical and sustainable, and help increase the number of high-quality local film productions and nurture more film professionals, thereby benefitting both the sector and practitioners of various film disciplines.

- In the coming year, we will continue to liaise closely with the sector and make good use of the FDF to promote the long-term development of the local film industry through nurturing talent, enhancing local production, expanding markets and building audience.

Review of the Broadcasting Ordinance and the Telecommunications Ordinance

- Regarding the Review of the Broadcasting Regulatory Framework, the Broadcasting and Telecommunications Legislation (Amendment) Ordinance 2020 came into effect on 5 February 2021. The Communications Authority has revised the relevant codes of practice and guidelines to give effect to a series of relaxation measures to facilitate the sustainable development of the broadcasting industry.

- As for the Review of the Telecommunications Regulatory Framework, we propose to streamline the regulatory and licensing procedures under the Telecommunications Ordinance (Cap 106) to promote the development of 5G and Internet of Things technologies as well as to enhance the protection of underground telecommunications facilities. We plan to consult the Legislative Council Panel on Information Technology and Broadcasting (ITB Panel) in April on the amendment bill and the related legislative proposals.

Conclusion

- Mr. Chairman, this concludes my opening remarks. Members are welcome to raise questions.

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