

**立法會**  
**Legislative Council**

LC Paper No. CB(1)642/20-21  
(These minutes have been seen  
by the Administration)

Ref : CB1/PL/ITB

**Panel on Information Technology and Broadcasting**

**Minutes of meeting**  
**held on Monday, 11 January 2021, at 2:30 pm**  
**in Conference Room 3 of the Legislative Council Complex**

**Members present** : Dr Hon Junius HO Kwan-yiu, JP (Chairman)  
Hon CHAN Kin-por, GBS, JP (Deputy Chairman)  
Hon WONG Ting-kwong, GBS, JP  
Hon Michael TIEN Puk-sun, BBS, JP  
Hon MA Fung-kwok, GBS, JP  
Hon CHAN Han-pan, BBS, JP  
Hon Elizabeth QUAT, BBS, JP  
Hon Martin LIAO Cheung-kong, GBS, JP  
Ir Dr Hon LO Wai-kwok, SBS, MH, JP  
Hon SHIU Ka-fai, JP  
Hon Vincent CHENG Wing-shun, MH, JP

**Members absent** : Hon CHUNG Kwok-pan  
Hon YUNG Hoi-yan, JP

**Public attending officers** : Agenda item IV

Innovation and Technology Bureau

Ms Annie CHOI Suk-han, JP  
Permanent Secretary for Innovation and Technology

Efficiency Office

Mr Ivan LEE Kwok-bun, JP  
Commissioner for Efficiency

Ms Elsa HUNG Pui-ling  
Assistant Commissioner for Efficiency (3)

Agenda item V

Commerce and Economic Development Bureau

Mr Clement LEUNG, JP  
Permanent Secretary for Commerce and Economic  
Development (Communications and Creative  
Industries)

Mr Victor TSANG  
Head of Create Hong Kong

Mrs Elina CHAN  
Principal Assistant Secretary for Commerce and  
Economic Development (Communications and  
Creative Industries)B

Hong Kong Design Centre

Dr Edmund LEE  
Executive Director

**Clerk in attendance** : Mr Daniel SIN  
Chief Council Secretary (1)6

**Staff in attendance** : Ms Mandy LI  
Senior Council Secretary (1)6

Mr Patrick CHOI  
Council Secretary (1)6

Miss Yolanda CHEUK  
Legislative Assistant (1)6

---

**I. Confirmation of minutes of meetings**

- (LC Paper No. CB(1)278/20-21 -- Minutes of the meeting held on 23 October 2020
- LC Paper No. CB(1)279/20-21 -- Minutes of the meeting held on 30 October 2020
- LC Paper No. CB(1)406/20-21 -- Minutes of the meeting held on 9 November 2020)

The minutes of the meetings held on 23 and 30 October, and 9 November 2020 were confirmed.

**II. Information papers issued since the last meeting**

- (LC Paper No. CB(1)254/20-21(01) -- Administration's response to the submission from a member of the public lodging a complaint against Hong Kong Internet Registration Corporation Limited and Hong Kong Domain Name Registration Company Limited [LC Paper No. CB(1)964/19-20(01)]
- LC Paper No. CB(1)255/20-21(01) -- Letter dated 9 November 2020 from Hon MA Fung-kwok requesting for early discussion of the item "Measures under Film Development Fund for promotion of local film industry" (Chinese version only)
- LC Paper No. CB(1)287/20-21(01) -- Administration's written response (Chinese version only) to the letter dated 9 November 2020 from Hon MA Fung-kwok [LC Paper No. CB(1)255/20-21(01)]

2. Members noted that the above papers had been issued since the last meeting held on 9 November 2020.

Measures under Film Development Fund for promotion of local film industry

3. The Chairman referred to a letter dated 9 November 2020 from Mr MA Fung-kwok requesting for early discussion of the item "Measures under Film Development Fund for promotion of local film industry". The Chairman informed members that the Administration had provided a written response to Mr MA's letter. As advised by the Administration, most of the film projects were still in progress, whereas individual film productions were under preparation. The Administration would update the Panel on the subject matter at the regular meetings scheduled for May or June 2021. Members had no objection to the proposed arrangement.

**III. Date of next meeting and items for discussion**

(LC Paper No. CB(1)416/20-21(01) -- List of outstanding items for discussion

LC Paper No. CB(1)416/20-21(02) -- List of follow-up actions)

Regular meeting on 8 February 2021

4. Members noted that the next regular Panel meeting would be held on Monday, 8 February 2021 at 2:30 pm to discuss the following items:

- (a) Update on smart city development; and
- (b) Television broadcast frequency channel migration arrangements.

Radio Television Hong Kong

5. The Chairman said that, at the last meeting held on 9 November 2020, some members had expressed concerns about the arrest of a producer of Radio Television Hong Kong ("RTHK") by the Police on suspicion of making false declarations when conducting vehicle registration searches in her editorial work. Members requested the Panel to hold a meeting to discuss the operation of RTHK. The Chairman also referred to a letter dated 17 December 2020 from Ms Elizabeth QUAT suggesting that an item be put on the agenda of a Panel meeting to discuss a case of alleged misreporting in a RTHK programme.

The Chairman commented that the Panel should review and discuss issues relating to RTHK in a holistic manner, and that he planned to hold a meeting in the second quarter of 2021 for the purpose and he asked the Clerk to circulate Ms QUAT's letter to Panel members for information and invite the Administration to respond to Ms QUAT's comments.

*(Post-meeting note: The letter from Ms Elizabeth QUAT was circulated to members vide LC Paper No. CB(1)463/20-21(01) on 11 January 2021.)*

6. Ms Elizabeth QUAT mentioned that she had received public complaints that some of RTHK's programmes were biased, and the facts presented were inaccurate and the comments were partial. For these reasons she had suggested a meeting should be held to discuss those issues. Nevertheless, Ms QUAT agreed with the Chairman's suggested arrangements.

7. Mr CHAN Han-pan said that the management and programme contents of RTHK had aroused wide public concern recently. He suggested that the Administration should update the Panel on the review of the governance and management of RTHK and address public concerns.

#### Development of fifth generation mobile communications ("5G") in Hong Kong

8. The Chairman said that when the Panel discussed the Administration's facilitative measures for extending mobile network coverage at its meeting on 9 November 2020, some members, including Dr CHIANG Lai-wan, expressed concerns about the coverage of 5G networks and the development of 5G telecommunications infrastructure. Members noted that to facilitate the Panel's further deliberation on the subject, the Chairman had directed the Secretariat to invite submissions from local mobile network service operators. The Administration would brief the Panel on the progress of the Subsidy Scheme for Encouraging Early Deployment of 5G at the regular meeting scheduled for March 2021.

#### **IV. Introduction of and proposed funding injection into the "Social Innovation and Entrepreneurship Development Fund"**

(LC Paper No. CB(1)416/20-21(03) -- Administration's paper on Introduction of and Proposed Funding Injection into the "Social Innovation and Entrepreneurship Development Fund")

### Briefing by the Administration

9. At the invitation of the Chairman, Commissioner for Efficiency ("C, Eff") briefed members on the "Social Innovation and Entrepreneurship Development Fund" ("Fund") and the proposed funding injection with the aid of a powerpoint presentation. He advised that the Fund was launched in 2013 with an allocation of \$500 million, which sought to alleviate poverty and social exclusion as well as foster the well-being and cohesion of the society by promoting social innovation and nurturing social entrepreneurship. As at end November 2020, about \$457 million had been earmarked/allocated to take forward various initiatives under the three priority areas, including innovative programmes, capacity building and research. More than 1 900 ideas for social innovation had been generated, over 5 600 social entrepreneurs nurtured and 252 projects funded. Of the \$500 million allocated to the Fund, the funding commitment had now reached 91%. The Administration proposed to inject \$500 million into the Fund to further promote social innovation and entrepreneurship so as to enable more social entrepreneurs to address social needs through innovative ideas, products and services, thereby creating greater and more lasting social impact. Details of the briefing were set out in the Administration's paper (LC Paper No. CB(1)416/20-21(03)).

*(Post-meeting note: A soft copy of the powerpoint presentation materials (Chinese version only) was circulated to members vide LC Paper No. CB(1)423/20-21(01) on 11 January 2021.)*

10. The Chairman reminded members that in accordance with Rule 83A of the Rules of Procedure ("RoP") of Legislative Council ("LegCo"), they should disclose the nature of any direct or indirect pecuniary interests relating to the subjects under discussion at the meeting before they spoke on the subjects. He further drew members' attention to Rule 84 of RoP on voting in case of direct pecuniary interest.

### Discussion

#### *Objective and work of the Fund*

11. Ir Dr LO Wai-kwok expressed support for the proposed injection into the Fund. He considered that the Fund had achieved its objectives as it had greatly supported innovation and entrepreneurship, benefiting stakeholders of different sectors and people in need. As regards entrepreneurship development, Ir Dr LO took the view that the success rate of start-up businesses was not high. He enquired whether business starters had to bear any risks of failure, and if so, the measures to help reduce their risk in failure.

12. C, Eff responded that intermediaries were engaged to design and deliver incubation programmes to nurture social entrepreneurs and support ventures of different forms and at various stages of development. Different intermediaries provided tailored and hands-on incubation, coaching and support to social innovators/ventures funded under the innovative programmes in terms of, for example, project design, business sustainability, fund pitching, etc. during the project implementation stage. The Administration considered it effective to leverage the resources, expertise and networks of knowledgeable, experienced and credible practitioners in the social innovation field to help nurture budding social innovators/ventures and maximize the impact of the Fund.

13. Mr Michael TIEN said that he did not object to the proposed funding injection. He pointed out that with the rapid development of technology, it was more common for the public to use smartphones rather than computers. Separately, his staff had received many enquiries from elderly people in the local community on how to use their smartphones. Mr TIEN suggested that the Administration should hire young people as instructors to help elderly people use smartphones. This would not only help build Hong Kong as a smart city, but would also benefit elderly people while providing employment opportunities for young people.

14. Permanent Secretary for Innovation and Technology ("PS(IT)") advised that, in addressing the needs of the elderly population, in addition to the two flagship projects of setting up the food support collaborative platform "FOOD-CO" and gerontechnology platform, the Administration would further discuss and work out further initiatives under the Fund. For example, the Administration was exploring an emerging overseas model of "assisted living", which integrated the elements of housing, personalized care and community support, to cater for ageing-in-place. Promoting digital inclusion of the elderly would be a key element of any similar initiatives to be worked out in the future, subject to the approval of proposed funding injection.

15. Ms Elizabeth QUAT expressed support for the proposed injection into the Fund. She expressed concerns that the Administration's anti-epidemic measures were not able to relieve the difficulties faced by the unemployed and the grassroots families affected by the outbreak of coronavirus disease 2019 ("COVID-19"). She asked the Administration to step up the food assistance service, by, for example, subsidizing food banks, so as to render assistance to more people in need. Pointing out that elderly people who stayed at home for a prolonged period during the pandemic were prone to having depression and other emotional problems, Ms QUAT suggested that the Administration should provide more support services, such as conducting home visits, to better gauge

the needs of the elderly and achieve "ageing-in-place". Ms QUAT also enquired how the initiatives supported by the Fund would help the unemployed hard hit by the COVID-19 epidemic outbreak to seek employment and acquire new skills. Ms QUAT expressed grave concerns that schools had suspended face-to-face classes and implemented online teaching and learning during the COVID-19 epidemic. Given that students from grassroots families might not have ready access to information technology ("IT") facilities and equipment compared with their better-off cohorts, it might pose difficulties for these students if they had to take classes online. She hoped that the Fund would provide appropriate support for students from grassroots families, especially ethnic minorities, to bridge the digital divide among students and reduce student diversity in learning.

16. Ms Elizabeth QUAT further said that as small- and medium-sized non-governmental organizations ("NGOs") had limited resources and experience, the Administration should enable those NGOs, including NGOs at district level, to participate on a more equal footing with large NGOs. She suggested that the business sector could play the role of mentors to assist NGOs in taking forward social innovation programmes under the Fund. Noting that the Fund was supported by a secretariat established in the Efficiency Office under the Innovation and Technology Bureau, Ms QUAT considered that the composition of the Task Force should comprise members from the IT sector to provide IT expertise and experience.

17. PS(IT) informed the Panel that in mid-2019 St. James' Settlement ("SJS") received additional support from the Fund to take forward the second stage of "FOOD-CO" for three years so as to further enhance the effectiveness and efficiency of the food support service. Furthermore, following the outbreak of COVID-19, the Fund provided an additional grant of \$5 million to SJS, which also secured donation of more than \$16 million from nine business and charity organizations to render short term food assistance to the underprivileged affected by the epidemic. In addition, there were funded projects that helped underprivileged children to learn English and those of diverse races to improve their Chinese proficiency. PS(IT) assured members that the Administration would continue to solicit ideas and proposals with more diversity, innovation and impact to address the needs of the underprivileged amid the epidemic.

### *Performance evaluation*

18. The Chairman said that he supported the proposed injection. He noted that, according to the study conducted by the University of Hong Kong ("HKU") to assess the performance of the Fund, the research team had selected 130 innovative projects/ventures at more advanced stage to conduct social impact assessment, and that the funding amount approved by the Fund for those



projects was \$45.5 million in total. The Chairman requested the Administration to provide information on (a) the amount paid to the 1 600 jobs created under the 130 innovative projects/ventures of the Fund and (b) the evaluation and projection of the effectiveness of the initiatives of the Fund in achieving its objectives for the five-year period from 2021-2022 to 2025-2026.

19. PS(IT) replied that the Fund was inaugurated in 2013 as a catalyst for social innovation in Hong Kong and the first batch of intermediaries were appointed in 2015 to take forward capacity building and innovative programmes. The evaluation of quantifiable impacts of the 130 funded projects nurtured by the intermediaries during the study period was based on pre-determined criteria including the number of jobs created and the benefits brought by the projects, etc. As regards the Fund's performance, PS(IT) indicated that following the completion of the evaluation study conducted by HKU in 2020, the Administration had issued an open invitation for interested organizations to conduct the second round of evaluation to assess the performance of the Fund from July 2020 to end 2023. PS(IT) undertook to provide details for members' reference.

*(Post-meeting note: The Administration's response was circulated to members vide LC Paper No. CB(1)537/20-21(01) on 26 January 2021.)*

20. Mr MA Fung-kwok noted from paragraph 9 of the Administration's paper (LC Paper No. CB(1)416/20-21(03)) that as at end November 2020, more than 1 900 ideas for social innovation had been generated. He asked the Administration to illustrate with examples, the projects that were considered successful and were worth continued support by the Fund. PS(IT) quoted FOOD-CO as an example. FOOD-CO was the first flagship project of the Fund commissioned in 2016 with the aim of establishing a collaborative platform to connect food support service operators, corporate food donors and volunteers by making use of IT and data analysis. Riding on its success, additional funding was approved under the Fund in 2019 for SJS to take forward the second stage of the project, "FOOD-CO 2.0", to further enhance service efficiency and effectiveness and step up advocacy for food donation with wider adoption of IT. PS(IT) undertook to provide more examples for members' reference.

*(Post-meeting note: The Administration's response was circulated to members vide LC Paper No. CB(1)537/20-21(01) on 26 January 2021.)*

21. Mr CHAN Kin-por queried why the study conducted by HKU only covered 130 innovative projects/ventures with funding support of \$45.5 million in total approved by the Fund. He sought elaboration on the performance of other projects and initiatives supported by the Fund, in particular the critical

success and/or failure factors and the lessons learnt.

22. In response, PS(IT) said that HKU selected the 130 innovative projects/ventures for conducting social impact assessment because they were more mature in terms of implementation stage so that a meaningful assessment of their outcomes could be made. The scope of the second evaluation study of the Fund would include the evaluation of the effectiveness of other ongoing projects not covered in the first evaluation study.

*New funding model*

23. Mr Martin LIAO expressed support for the proposed injection into the Fund and considered that the Fund was worth continued operation. Mr LIAO noted that the Fund had been exploring new funding models and piloting "Pay-for-Success" ("PFS") (also known as "Social Impact Bond"), an innovative financing model based on public-private partnership and engaging investors in risk-sharing and funding innovative social services under performance-based contractual arrangements. Mr LIAO enquired about the criteria or indicators for evaluating the effectiveness of each project under the PFS financing model, and whether such criteria would be open to the public. He further asked how the Administration could determine if a project was successful if its outcomes could not be quantified.

24. PS(IT) explained that depending on the nature of individual projects funded under the PFS model, the Fund would set quantifiable indicators to measure the performance of the projects, such as the estimated number of beneficiaries, the number of jobs that would be created, and so on. The agreed key performance indicators ("KPIs") and target outcomes/impacts of the funded projects would be stipulated in the relevant project agreements. PS(IT) further said that investors would pay up-front the costs for implementing the project and the Fund would repay the investors such costs, possibly with financial returns, if the KPIs and target outcomes/impacts could be achieved by the service providers. PS(IT) added that the first PFS project supported by the Fund had commenced in September 2020. The Fund would continue to promote the development of the PFS model so as to bring in more private investment to fund innovative social projects.

*Modus operandi of the Fund*

25. Mr MA Fung-kwok noted that the Fund had engaged two batches of eight intermediaries in 2015 and 2020 to design and deliver innovative programmes and capacity building programmes. He asked about the criteria for engaging the eight intermediaries concerned to design and deliver funding and incubation

programmes, and whether the performance of the appointed intermediaries was able to meet the expectation of the Administration.

26. PS(IT) advised that the Administration had invited proposals from interested parties to take up the role of intermediaries to design and administer innovative programmes under the Fund, and the engagement period for intermediary was generally three years. Each appointed intermediary would be required to produce a detailed implementation plan including proposed activities to be undertaken and the work plan, the budget required and KPIs to gauge the level of performance by the intermediary and/or social innovators/ventures, throughout the engagement period. The Administration would evaluate the performance, finance, outcomes and impacts of the funded projects against the agreed KPIs and intended outcomes/impacts as stipulated in the relevant project agreements. Following the completion of services of intermediaries appointed in the first batch in or before 2020, the Fund engaged a new batch of four intermediaries in 2020 to run a new batch of innovative programmes for three years to provide incubation and support for individuals and organizations to take forward innovative projects of different nature that created social impact. PS(IT) further pointed out that the first batch of intermediaries was effective in fostering early-stage social innovation projects and providing support to projects across various stages of maturity, including prototype, start-up and scale-up. The Administration was generally satisfied with their performance.

27. Mr MA Fung-kwok further sought details on the performance of the first batch of intermediaries engaged by the Fund to design and deliver the innovative programmes. At the request of the Chairman, the Administration would provide a written response to Mr MA's questions after the meeting.

*(Post-meeting note: The Administration's response was circulated to members vide LC Paper No. CB(1)537/20-21(01) on 26 January 2021.)*

### *Financial implications*

28. Referring to the estimated funding provision required for the Fund from 2021-2022 to 2025-2026, Mr Martin LIAO asked about the reason for the difference in the estimated cash flow requirements from 2021-2022 to 2025-2026. PS(IT) and C, Eff advised that the funding requirements of the Fund for the five-year period from 2021-2022 to 2025-2026 was estimated on the basis of the funding commitment created upon funding approval for individual projects, even though the projects might straddle more than one year. Since more initiatives/projects were expected to be funded in the first two financial years from 2021-2022 to 2022-2023, it was estimated that more funding would be committed in those years. As the proposed \$500 million injection into the Fund

was expected to be exhausted by 2026, only a small amount of funding, i.e. \$8 million, which was the estimated balance of the proposed injection by then, was earmarked for 2025-2026. To further sustain the operation of the Fund, the Administration would need to seek another funding injection into the Fund before 2025-2026.

Motion

29. The Chairman said that he had received a motion proposed by Mr Michael TIEN, and considered that the proposed motion was directly related to the agenda item under discussion. Members agreed that the motion be proceeded with at the meeting.

30. Mr Michael TIEN read out his proposed motion:

"鑒於現時長者對學習使用智能電話需求殷切，同時懂得活用智能電話的年輕人缺乏工作機會，本委員會促請政府撥正社會錯配的資源，推出計劃，聘請年輕人擔任導師，指導長者使用智能電話，將科技融入生活，打造智慧城市。"

(Translation)

"That, given the present keen demand among elderlies for learning to use smartphones and the lack of working opportunities for young people who know how to make good use of the smartphones, this Panel urges the Government to rectify the misallocation of resources in society by launching programmes to hire the young people as instructors to provide guidance for the elderlies on the use of smartphones, with a view to integrating technologies into people's daily lives and developing Hong Kong as a smart city. "

31. The Chairman put the motion to vote. All members present voted for the motion. The Chairman declared that the motion was carried.

*(Post-meeting note: The wording of the motion passed was issued to members vide LC Paper No. CB(1)462/20-21(01) on 12 January 2021. The Administration's response to the motion was circulated to members vide LC Paper No. CB(1)512/20-21(01) on 25 January 2021.)*

32. PS(IT) responded that the Administration would take into account the motion moved by Mr Michael TIEN in taking forward future initiatives/projects of the Fund.

Conclusion

33. The Chairman concluded that, the Panel supported, in principle, the proposed funding injection of \$500 million into the Fund.

**V. Work of the Create Hong Kong and the Hong Kong Design Centre and proposed injection into the CreateSmart Initiative**

(LC Paper No. CB(1)362/20-21(05) -- Administration's paper on the report on the work of Create Hong Kong and Hong Kong Design Centre and proposed injection into the CreateSmart Initiative

LC Paper No. CB(1)416/20-21(04) -- Paper on the work of Create Hong Kong and Hong Kong Design Centre and the proposed injection into the CreateSmart Initiative prepared by the Legislative Council Secretariat (Updated background brief))

Briefing by the Administration

34. At the invitation of the Chairman, Permanent Secretary for Commerce and Economic Development (Communications and Creative Industries) ("PS(CCI)"), Head of Create Hong Kong and Executive Director of Hong Kong Design Centre briefed members on the work of Create Hong Kong ("CreateHK") and Hong Kong Design Centre ("HKDC") and the proposed funding injection into the CreateSmart Initiative ("CSI") with the aid of powerpoint presentation. PS(CCI) advised that creative industries were important new economic drivers of Hong Kong. By end-September 2020, CreateHK had committed \$1.787 billion under CSI to support programmes under the three strategic foci, namely (a) nurturing talent and facilitating start-ups; (b) exploring markets; and (c) fostering a creative atmosphere. The last injection to CSI in 2018 was welcomed by the creative sectors. CreateHK had since received some 200 new applications and approved projects with an estimated total cost of over \$800 million. To sustain the support to the creative industries, a further injection of \$1 billion to CSI was proposed. Head of CreateHK and Executive Director of HKDC further introduced some major initiatives of CreateHK related to the

seven creative industries and HKDC respectively from 1 April 2019 to 31 March 2021 ("the reporting period"). Details of the briefing were set out in the Administration's paper (LC Paper No. CB(1)362/20-21(05)).

*(Post-meeting note: A soft copy of the powerpoint presentation materials (Chinese version only) was circulated to members vide LC Paper Nos. CB(1)363/20-21(01) and CB(1)363/20-21(02) on 11 January 2021.)*

35. The Chairman reminded members that in accordance with Rule 83A of RoP of LegCo, they should disclose the nature of any direct or indirect pecuniary interests relating to the subjects under discussion at the meeting before they spoke on the subjects. He further drew members' attention to Rule 84 of RoP on voting in case of direct pecuniary interest.

### Discussion

#### *Effectiveness and value for money of the CreateSmart Initiative*

36. The Chairman noted that some Hong Kong designers and companies supported by the Design Incubation Programme ("DIP") and the Fashion Incubation Programme under CSI had won a number of international and local awards and had registered patents and trademarks for their designs. He queried how practical these achievements were in enabling incubatees to commercialize their designs and launch their products into the market, and what fashion trends they were able to set. The Chairman commented that it was important that resources spent should bring about commercially successful designers and enterprises. He asked the Administration to provide more concrete information to illustrate the effectiveness of CSI, in, for example, nurturing design-entrepreneurs and supporting development of Hong Kong's fashion design industry, to justify further injection.

37. PS(CCI) responded that the Administration measured the cost-effectiveness of projects supported under CSI with a number of indicators including the number of participants or people benefited, level of satisfaction towards projects organized or sponsored by CreateHK, and the number of potential clients that could be reached. Apart from the various promotional activities, support would also be provided under CSI for projects that would bring about business deals for local companies. He said that according to data compiled by the Administration, some 90% of DIP incubatees could still sustain operation two years after graduation; some had even been awarded overseas contracts.

Admin

38. PS(CCI) added that the design companies supported under CSI were mostly small and medium enterprises ("SMEs") and it was difficult to assess the extent of value-for-money of the support efforts provided. Nevertheless, over the past few years, the number of establishments in the architecture, design and digital entertainment industries had recorded double-digit increase in absolute number every year. PS(CCI) undertook to provide supplementary information in this regard after the meeting.

39. The Deputy Chairman supported the proposed funding injection into CSI. He said that the Administration should channel resources to address the actual needs of the sectors. Despite the considerable amount of resources the Administration had spent to promote the development of the creative industries, the sectors were still experiencing undue hardship under the prevailing circumstances, and they did not appear to appreciate the Administration's efforts. The Deputy Chairman queried whether the Administration was aware of any gap between its assessment of the sectors' needs and the actual assistance the sectors expected the Administration would provide them.

40. PS(CCI) said that the Administration had maintained close dialogue with the trade on their needs and CSI-funded initiatives had largely met their needs, such as nurturing talents and developing start-ups, building brands and exploring markets outside Hong Kong, etc. He added that the proposed funding injection, if approved, would be used to support projects conducive to the development of the industries, such as enabling services to be digitized, which could, in turn, help local enterprises to expand their businesses overseas. The Administration would continue to maintain close dialogue with the trade, and examine whether and how additional flexibility could be allowed in considering funding applications under CSI that would better meet the needs of the sectors. PS(CCI) said that the Administration understood that different sectors would have different support needs. Stakeholders were welcome to put forth specific proposals, and the Administration stood ready to consider supporting worthwhile proposals that could benefit the relevant creative industries.

41. The Chairman echoed the Deputy Chairman's concerns and asked, after having spent public funds to help SMEs and individuals build up their businesses, whether the Administration would receive a share of their profits. PS(CCI) said that the Administration's objective was to help designers and SMEs during their start-up stage. There were no arrangements or mechanism for the Administration to share profits from their operations.

42. The Chairman commented that the Administration was helping individuals and SMEs with public funds by which they built up their businesses and make profits. It was reasonable for the Administration to demand an

appropriate return of its commitment on the viable operations. He asked the Administration to give his suggestion due consideration.

43. The Chairman asked if there was overlap of roles between the Administration and the local universities in nurturing design talents. PS(CCI) responded that the Administration's objective was to impart skills and know-how to budding designers so that they could know how to start up and operate a business, to reach out to local and overseas customers using various electronic platforms, manage their finance and to promote their businesses in different markets. These practical knowledge and skills were different from the academic subjects that were taught in universities. PS(CCI) further explained that CSI, as a fund set up under the Commerce and Economic Development Bureau, aimed at providing financial support to projects conducive to the development of creative industries in Hong Kong. Despite the fact that one of the three strategic foci of CSI was nurturing talent and facilitating start-ups, its primary objective was not to educate an individual, but to equip the beneficiaries of CSI with the necessary means to engage and excel in commercial and business activities.

44. The Chairman asked how much HKDC's operating expense was. Executive Director of HKDC advised that as per the prevailing funding arrangement, HKDC's operational costs in the reporting period had been distributed among the projects it carried out.

*Allocation of funding among different creative industries supported by the CreateSmart Initiative*

45. Mr MA Fung-kwok supported in principle the proposed funding injection into CSI as he considered that creative industries were important for Hong Kong and had good potential for growth.

46. Mr MA Fung-kwok observed that, in terms of the quantity and the amount of fund provided, projects supported under CSI seemed skewed towards design-related industries and digital entertainment, while less emphasis was given to supporting the publishing, music and television sectors. He queried whether the Administration had preference for design-related industries.

47. PS(CCI) responded that direct comparison of support for the various industries, in terms of the number of approved projects and the amount of funding provided, might not be appropriate, as stakeholders of individual creative industries might decide whether to apply for CSI funding based on their own circumstances. The Administration had, in consultation with the trades, facilitated the approval of projects or funding which were in line with CSI's three strategic foci and suited the needs of individual creative industries.



*Support for the printing and publishing industry*

48. Mr MA Fung-kwok said that the Administration should provide relief measures, such as additional financial aids or direct subsidy, to the publishing sector which had been heavily hit by the COVID-19 pandemic.

49. PS(CCI) replied that the Administration had taken proactive steps to promote Hong Kong's publishing industry. For example, the Administration had facilitated publishers and printers to participate in book fairs held overseas. The Administration had also funded the setting up of booths in those book fairs to promote Hong Kong's publishing and printing businesses. Furthermore, the Administration had engaged local publishers to explore measures which the Administration might implement to help the sector.

*Music projects supported by the CreateSmart Initiative*

50. Mr MA Fung-kwok noted that all three major music projects sponsored by CSI in the reporting period carried the name "Ear Up". He enquired whether all of these projects were undertaken by the same organization.

51. Head of Create Hong Kong said that in the reporting period, music projects under CSI were mainly carried out by Ear Up Music, a music brand established by the Renaissance Foundation. He explained that Ear Up Music had launched different programmes to nurture Hong Kong indie music talents, which enabled these talents to perform on global music stages, and supported them to perform, promote and build up brands in the Mainland. Head of Create Hong Kong added that CSI had also provided funding support to other music projects outside the reporting period, such as the Hong Kong Asian-Pop Music Festival organized by the International Federation of the Phonographic Industry (Hong Kong Group) Limited. In 2020, the Administration had also supported the "Music Must Go On" programme with the objective of rebuilding confidence in Hong Kong as a place to do business, work and live.

52. Mr MA Fung-kwok said that while he appreciated the Administration's efforts in nurturing local young musicians, the Administration should play a more proactive role in supporting different creative industries in Hong Kong and should introduce measures that would produce immediate effects. PS(CCI) responded that Mr MA had expressed similar suggestions on various occasions and the Administration had well taken note of the views. The Administration would continue to engage the relevant sectors and listen to their views.

Conclusion

53. The Chairman concluded that the Panel supported, in principle, the proposed funding injection of \$1 billion into CSI.

**VI. Any other business**

54. There being no other business, the meeting ended at 4:24 pm.

Council Business Division 1  
Legislative Council Secretariat  
4 March 2021