

**For discussion
on 11 October 2021**

**2021 Policy Address
Policy Initiatives of
Communications and Creative Industries Branch
Commerce and Economic Development Bureau**

This paper sets out the 2021 Policy Address initiatives relating to the communications and creative industries and their progress. The Government will continue to leverage Hong Kong's unique advantages under "one country, two systems" and proactively facilitate the development of telecommunication networks and services in order to maintain our competitiveness. With Hong Kong's particular creative atmosphere and the essence of Chinese and Western cultures, we will continue to support the creative industries and promote cross-border and cross-disciplinary exchanges and co-operation, and consolidate Hong Kong's status as a creative capital.

Telecommunications and Broadcasting

Fifth Generation Mobile Communications (5G)

2. Since the launch of commercial 5G services in Hong Kong last year, the coverage of 5G networks is now over 90%, covering major locations in the urban areas and a total of 97 stations in all MTR lines. The coverage of 5G networks of some mobile network operators (MNOs) in core business districts even reached 99%. Hong Kong ranks first globally in terms of 5G coverage according to a recent report of an international survey organisation¹.

3. With more 5G mobile phones and service plans targeting different market segments gradually becoming available, the vast potential for 5G in mobile communications and smart city applications is being unleashed. We are prepared to continue our support for the development of 5G networks and services.

Spectrum Supply

4. Further to the supply of a total of about 4 500 MHz of 5G spectrum to the market in 2019, we will hold an auction of additional new 5G spectrum in various frequency bands² at the end of this month to meet future demands of the

¹ The report released by Opensignal in September 2021.

² Including spectrum in the 600 MHz and 700MHz low-frequency bands, and the 4.9 GHz mid-frequency band.

telecommunications market and support the continuous development of 5G services in Hong Kong. The Office of the Communications Authority (OFCA) will continue to monitor technological and market developments to prepare for the future supply of spectrum.

Facilitating the Installation of Radio Base Stations (RBSs) by MNOs

5. OFCA has approved more than 7 500 new 5G RBSs. With existing RBSs also being upgraded by MNOs to provide 5G coverage, the progress of network rollout is satisfactory. To facilitate the extension of 5G network coverage by MNOs, we have made available more than 1 000 suitable government premises and public facilities (such as sheltered bus stops, public payphone kiosks and smart lamp-posts). More government premises and public facilities will be opened up under a “demand-led” model for MNOs to install RBSs with streamlined application process and nominal rental (\$1 per year).

6. While facilitating the installation of RBSs by MNOs, we understand the public’s concerns on radiation safety. OFCA will continue to vet the applications for RBSs in strict accordance with the non-ionising radiation safety standards³ recognised by the World Health Organization. In addition, OFCA will conduct on-site measurements of radiation levels, as well as step up publicity and education on radiation safety of RBSs to alleviate public anxiety.

Broadband Services in Remote Areas

7. The network extension works under the “Subsidy Scheme to Extend Fibre-based Networks to Villages in Remote Areas” are implemented in a progressive manner. New fibre-based networks are being extended to 235 villages in phases from this year, providing not only stable and highly efficient fibre-based broadband services to about 110 000 villagers, but also the backbone infrastructure for the extension of 5G coverage. Fibre-based networks have already reached 16 villages (and 11 of them can enjoy ‘fibre-to-home’) with broadband speeds from 200Mbps to 2Gbps, and are expected to reach a total of 44 villages by end of this year.

Providing Land for the Construction of External Telecommunications Facilities

8. As a major regional telecommunications hub, Hong Kong has sound and excellent external telecommunications facilities, including well-established

³ The non-ionising radiation safety limits set by the International Commission on Non-ionizing Radiation Protection.

communications optical fibre cables and satellite systems⁴. To meet the future demand of our communications and other sectors, the Lands Department and we are planning to release suitable land lots at the Chung Hom Kok Teleport in this quarter by way of tender for the industry to construct external telecommunications facilities (such as satellite earth stations and submarine cable landing stations), further enhancing the overall capacity and diversion capability of Hong Kong's external communications networks.

9. The Communications Authority (CA) imposes restrictions on the installation of 5G RBSs operating in the 3.5 GHz band in Tai Po so that they do not interfere with satellite earth stations for telemetry, tracking and control (TT&C stations). To facilitate comprehensive 5G development in Hong Kong, we have been proactively discussing with the two satellite operators regarding the relocation of affected facilities in their Tai Po TT&C stations. The Lands Department has already granted a land lot to one of the operators, which is preparing to relocate relevant facilities to the Chung Hom Kok Teleport. We expect that the "3.5 GHz restriction zone" in Tai Po will be lifted by 2024.

Encouraging Wider Application of 5G

10. The "Subsidy Scheme for Encouraging Early Deployment of 5G under the "Anti-epidemic Fund" is well received. We have increased the total subsidy of the scheme to \$100 million and extended the application period to 31 July 2022. It is expected to benefit around 200 eligible projects. The scheme subsidises 50% of costs for projects deploying 5G technologies, subject to a cap of \$500,000 for each project. As of September 2021, we have approved 113 applications, covering various innovative applications such as remote real-time healthcare system, construction site safety monitoring system, remote mechanical maintenance, e-sports car racing system, 4K/8K live broadcast of musical performance or sports coaching, etc. These projects demonstrated the wider and general application of 5G.

11. We have strengthened the promotion and co-operation with various institutions (e.g. Hong Kong Science and Technology Park, Cyberport, Hong Kong Applied Science and Technology Research Institute, and Hong Kong Productivity Council) to encourage more trades and industries to deploy 5G technology. We will also facilitate the early introduction and application of 5G technology by government departments and public bodies, to demonstrate Smart Government and to lead by example.

⁴ Currently, Hong Kong has 12 external submarine optical fibre cable systems, 19 overland optical fibre cables, 10 communications satellites and more than 180 satellite earth station antennas, meeting Hong Kong's medium to long-term external telecommunications demand.

Real-name Registration Programme for SIM Cards

12. We enacted a regulation under the Telecommunications Ordinance (Cap. 106) (TO) to implement the Real-name Registration Programme for Subscriber Identification Module (SIM) Cards (Real-name Registration Programme) with effect from 1 September 2021. The Real-name Registration Programme strengthens the protection for Hong Kong's telecommunications system and genuine users of mobile telecommunications services. It also supports law enforcement agencies for more effective enforcement against serious crimes involving the use of SIM cards, thereby enabling the HKSAR Government to better fulfill the responsibility of safeguarding law and order.

13. Upon the implementation of the Real-name Registration Programme on 1 September 2021, telecommunications operators have been putting in place registration systems in accordance with the relevant requirements which aims to carry out real-name registration for SIM cards issued by telecommunications operators of Hong Kong to be used for local person-to-person communications from 1 March 2022. Under the Real-name Registration Programme, each individual user may register up to 10 pre-paid SIM cards with each telecommunications operator whereas each corporate user may register up to 25 pre-paid SIM cards with each telecommunications operator. There is no limit on the number of registrable SIM service plan cards.

Mid-term Review of Domestic Free TV Programme Service and Sound Broadcasting Licences

14. Hong Kong has three domestic free TV programme service licensees, namely Fantastic Television Limited, HK Television Entertainment Company Limited and Television Broadcasts Limited, and two sound broadcasting licensees, namely Hong Kong Commercial Broadcasting Company Limited and Metro Broadcast Corporation Limited. These licences are valid for 12 years and shall be subject to a mid-term review by the Chief Executive in Council, which is after the sixth year of the 12-year validity period of the licences.

15. The CA is now conducting a mid-term review exercise of the licences of the five licensees to examine their performance during the first six years of their respective licences. The CA will consider the licensees' compliance with the statutory requirements, licence conditions and codes of practice promulgated by the CA; their investment commitments in the coming six years; and public views on the services provided by the licensees. To gauge public views, the CA has commenced a two-month public consultation exercise for the mid-term review from 10 September 2021.

16. Based on the assessment results of the licensees' performance and views received from the industry and the public, the CA will make recommendations regarding licence conditions and service requirements for the remaining period of the licences to the Chief Executive in Council in mid-2022.

Migration of TV Broadcast Frequency Channels

17. With Hong Kong's implementation of full digital TV broadcast on 1 December 2020, the switching off of analogue TV services has been successfully completed. To facilitate valuable spectrum resources to be utilised more effectively, the CA will migrate some of the digital TV channels on 1 December 2021 to vacate spectrum for high value-added mobile telecommunications services such as 5G in support of Hong Kong's overall telecommunications services and smart city development.

18. During April to November this year, six digital TV programme channels⁵ will be simultaneously broadcast on both the existing and new frequency channels, allowing sufficient time for owners and property managers of public housing estates, private residential estates or multi-storey buildings to reconfigure their common antenna broadcast distribution (CABD) systems. As at end-September 2021, around 70% of households in buildings with CABD systems in Hong Kong have already reconfigured their systems. For households using self-provided TV antennae, if they were unable to receive any of the programme channels affected by the Channel Migration after 00:00 on 1 December this year, they may re-scan programme channels on their existing receiving equipment.

Radio Television Hong Kong

19. Radio Television Hong Kong (RTHK) is stepping up its efforts in implementing the public purposes and mission under the Charter of RTHK (the Charter), such as launching more programmes on important topics such as national security education, the Greater Bay Area and the Outline of the National 14th Five-Year Plan, with a view to engendering a sense of citizenship and national identity.

20. Starting from July this year, RTHK TV has launched a series of refreshing new programmes, with emphasis on sports, cultural, art and health programmes for viewers to feel the pulses of the times and help encourage social inclusion, e.g. transmission of 2020 Tokyo Paralympic Games competitions which Hong Kong athletes took part and providing footage to other TV broadcasters. Moreover, RTHK has introduced quality Mainland dramas and documentaries for

⁵ RTHK TV 31, RTHK TV 32, RTHK TV 33, Jade 81, ViuTVsix 96 and ViuTV 99.

prime time and on weekends, and will establish partnerships with the China Media Group and other programme providers, so that more suitable Mainland programmes will be broadcast on RTHK to enhance Hong Kong viewers' knowledge on the development of the Mainland and appreciation of the customs and livelihood of our country. More viewers in the Greater Bay Area will also be able to watch the productions by RTHK and understand Hong Kong's latest developments, which are beneficial to connecting the hearts of people, and enable Hong Kong to better integrate into the overall development of the country and cultivate patriotic sentiments.

21. RTHK is proactively following up on the recommendations of “the Governance and Management of Radio Television Hong Kong Review Report”, including the promulgation of a new editorial management mechanism to ensure that the programmes comply with the Charter, and improving the complaints handling mechanism to enhance transparency.

Legislative Review

Telecommunications Ordinance Review

22. We completed a public consultation on the Review of Telecommunications Regulatory Framework (TO Review) in early 2019 and proposed four measures including specifying the powers of the Communications Authority (CA) on regulating the telecommunications functions of smart products, enhancing protection for underground telecommunications infrastructure, simplifying the licensing framework to facilitate the introduction of innovative services by the industry and improving the appeal mechanism under the TO. The measures aim to promote the development of 5G and Internet of Things technologies. To this end, we introduced the Telecommunications (Amendment) Bill 2021 (the Bill) into the LegCo on 14 July 2021 to put forward the proposed measures of the TO Review. We seek to complete the legislative process of the Bill within the current Legislative Council (LegCo) term to ensure that our regulatory framework can keep pace with the latest development so as to facilitate sustainable development of the telecommunications industry.

Broadcasting Ordinance Review

23. The Government has been closely monitoring the development of the free TV and sound broadcasting industry, and will review and amend the relevant legislation from time to time as necessary. In 2019, we introduced the Broadcasting and Telecommunications Legislation (Amendment) Bill 2019 into the LegCo to amend the Broadcasting Ordinance (Cap. 562) and TO to relax the “cross-media ownership restrictions” and “foreign control restrictions” as well as

removal of the “requirement of a licensee being a non-subsidiary company”. The amendments help to remove obstacles for the traditional broadcasting sector and facilitate sustainable development of the sector amid fierce competition from Internet-based infotainment. The amendments came into effect on 5 February 2021 and the CA has also revised the relevant codes of practice and guidelines to give effect to the relevant relaxation measures and facilitate the development of the industry.

Amendments to the Film Censorship Ordinance

24. Following the implementation of the Law of the People’s Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region, we have updated the Film Censorship Guidelines for Censors (the Guidelines for Censors) in June 2021 to provide censors with clearer guidance when performing film censorship duties, including the need to consider the implications of a film on national security.

25. Having critically reviewed the Film Censorship Ordinance, we proposed amendments to enhance the film censorship regulatory framework to ensure more effective implementation of the duty to safeguard national security, and to prevent and suppress acts or activities which may be contrary to the interests of national security. On 1 September 2021, we introduced the Film Censorship (Amendment) Bill 2021 (the Bill) into the Legislative Council, putting forward four major proposals, including setting out expressly that a censor should consider whether the exhibition of a film would be contrary to the interests of national security; empowering the Chief Secretary for Administration to revoke certificates of approval or certificates of exemption previously issued on national security ground; empowering the Secretary for Commerce and Economic Development to grant extension of time for the censor to make a decision; and dis-applying the relevant sections that empower the Board of Review (Film Censorship) to review the film censorship decisions of the Authority or a censor, for decisions made on national security ground. We expect that the Bill will take effect immediately upon its passage within this legislative year, and the Guidelines for Censors will be updated accordingly.

Creative Industries

26. The Chief Executive announced the Government’s intention to spearhead the development of the creative industries in her 2017 Policy Address. We

injected a total of \$2 billion into the CreateSmart Initiative (CSI)⁶ in 2018 and 2021 respectively, and \$1 billion into the Film Development Fund (FDF) in 2019. Since the respective injections, the current-term Government has committed over \$1 billion under the CSI and \$280 million under the FDF as at end-September 2021.

Making Good Use of the CSI to Support the Development of the Sector

27. Since the establishment of the CSI in 2009, the Government has already injected a total of \$3 billion into the fund, demonstrating our commitment and support in developing the creative industries. The creative sector could become our new economic drivers, reinforcing Hong Kong's brand as Asia's creative capital and enhancing the attractiveness of Hong Kong as an international city. The CSI has been supporting projects conducive to the long-term development of the creative sectors in accordance with our three established strategic focuses, namely nurturing talents and facilitating start-ups, exploring markets, and promoting Hong Kong as Asia's creative capital and fostering a creative atmosphere in the community.

28. The Government is aware of the need to assist the sector to respond to changes in trade practices and operating environments of the creative sectors around the world, in particular through the application of technology to enhance competitiveness. We will strengthen support for the sector to make use of the latest communications, digital and virtual technologies. For example, the CSI has assisted the sector to conduct online and offline activities to showcase their creativity and provide remote services through different media platforms, and to encourage cross-sectoral exchanges and co-operation.

29. During the past two years, large-scale external promotional activities, visits and roadshows have essentially come to a halt due to travel restrictions under the pandemic. Notwithstanding, once travel restrictions and clearance restrictions are lifted progressively, we will redouble our efforts and partner with the trade to "go global" to reinforce outbound promotion of Hong Kong and showcase our soft power. We also hope to leverage international flagship events of the creative industries and attract more cross-border collaboration events to base in Hong Kong. Such events will attract talents from different places and strengthen Hong Kong's position as a capital for international events.

⁶ The CSI is the dedicated funding scheme for promoting development of the seven non-film creative sectors, including advertising, architecture, design, digital entertainment, music, printing and publishing, and television.

30. In addition, taking into account Hong Kong's unique creative atmosphere, we are implementing the Design and Fashion Project in Sham Shui Po District, which combines design, fashion and tourism and at the same time provides more room for public engagement, with an aim to develop the Project into another landmark for the creative industries. The project is progressing satisfactorily with the commencement of the foundation works, with a planned completion in 2023-24. Concurrently, the Hong Kong Design Centre, which is tasked to operate the project, is engaging the sector and stakeholders on the design and other arrangements of the facilities, as well as the preliminary promotion and preparatory work.

Promotion of Local Film Industry

31. Since 2005, the Government has injected a total of \$1.54 billion into the FDF to support our film industry along four strategic directions, namely nurturing talent, enhancing local production, expanding markets and building audience. The FDF has supported various film productions and other film-related projects, which have won more than 140 local and international awards. Among the more than 70 film productions supported by the FDF, we have groomed 68 new directors and producers.

32. The Hong Kong film industry is facing severe challenges brought about by the pandemic. We have therefore announced in mid-July 2020 the earmarking of about \$260 million under the FDF for five major measures to retain talent and to inject fresh impetus into the sector. The five major measures are (i) the Directors' Succession Scheme (DSS) which sponsors experienced directors to partner and groom new local directors; (ii) the Film Production Financing Scheme (FPFS) (Relaxation Plan) to raise the amount of Government's financing, making earlier disbursements and allowing investors to have priority in recouping their share of the investment, with a view to increasing local productions within a short period of time; (iii) the Scriptwriting Incubation Programme (SIP) which aims to nurture scriptwriting talents and incubate quality scripts; (iv) sponsoring trade organisations to provide free short-term professional trainings for film practitioners; and (v) the First Feature Film Initiative (FFFI) which has been enhanced by increasing the production budget and the number of winning projects in order to upgrade this important platform for new directors and scriptwriters to join the film industry.

33. The multi-pronged approach to address the different needs of the film industry is enthusiastically supported by the sector. As of September 2021, five teams of experienced directors have partnered with new directors to participate in the first round of the DSS; the SIP and the 7th edition of the FFFI have received more than 1 500 and near 50 entries respectively; and short training courses

organised by the trade have benefitted around 2 200 film practitioners. The PFPS (Relaxation Plan) has received positive feedback from the sector since its inception. As at September 2021, 13 applications have been approved are they are under preparation or have commenced filming. The application period has been extended twice from the original six months to 18 months (i.e. until mid-January 2022).

34. While the film industry is encountering difficulties amid the pandemic, the successful implementation of the five measures have created more opportunities for locally produced films to be screened, and there have been more diversified themes and genres to showcase the creativity, vigour and versatility of Hong Kong film practitioners.

35. Notwithstanding the limitations brought by the pandemic, the Government has continued to assist local and international production companies in location filming in Hong Kong, taking into account public health considerations. In the coming year, the Government will continue to assist the sector in location filming in Hong Kong to enable our becoming a “film-friendly” international city; and make good use of the FDF to support the long-term development of the local film industry.

36. We will continue to promote the development of the creative industries, leverage the opportunities arising from the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) Development, and to ride on the re-organisation of Government structure to enhance collaboration amongst the culture, arts, creative, sports and tourism sectors, in order to fully realise the goal of becoming a hub for arts and cultural exchanges between China and the rest of the world under the National 14th Five-Year Plan.

37. Members are invited to note the above.

**Communications and Creative Industries Branch
Commerce and Economic Development Bureau
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