

## MESSAGE

Rapid advances in information and communications technologies are bringing revolutionary changes to the broadcasting scene. These changes are opening up unprecedented business opportunities for the broadcasting industry. At the same time, they are posing immense challenges to broadcasters, network operators, programme producers as well as policy-makers and regulators.

It is against this background that we conducted a comprehensive review of our television policy last year. We have since decided on a package of policy initiatives which are aimed at keeping Hong Kong in the forefront of the broadcasting industry.

A key policy decision arising from the review is the opening up of the television market for competition by all technically feasible means of transmission. We believe that a vibrant television market will attract investment, encourage innovation and, most important of all, bring wider choice of quality services to viewers in Hong Kong. A guidance note was issued in August 1999 to invite applications and we look forward to the early introduction of new, innovative television services in Hong Kong.

Technological advancement must be supported by a flexible and facilitating regulatory environment. We are now working on a new, technology-neutral Broadcasting Bill which seeks to provide a regulatory framework sufficiently flexible to embrace new services made possible by convergence in technologies.

In the year ahead, we will continue to press on with the implementation of policy initiatives to pave the way for Hong Kong to become a pre-eminent regional broadcasting and telecommunications hub as it enters the Information Age in the next millennium.

On the film services side, we are committed to providing the local film industry with an environment conducive to its healthy and long-term development. The global entertainment business is highly competitive. Through the Film Development Fund, we will continue to provide funding support to our film industry with a view to enhancing the industry's professional and technological capabilities, stimulating creative productions, facilitating the use of advanced special effects techniques and improving the skills of the workforce. Use of special effects in film production is a global trend. Our aim is to have in

place a user and business-friendly regulatory framework governing the use of dangerous goods in film production. To this end, we will introduce an Entertainment Special Effects Bill into the Legislative Council in 2000. To encourage infrastructural investment in film production, we shall make available a site for film production facilities in the 1999-2000 land sale programme.

A handwritten signature in black ink, appearing to read 'Kwong K C Kwong', written in a cursive style.

(K C Kwong)  
Secretary for Information Technology  
and Broadcasting

## BROADCASTING AND FILM SERVICES

Our Policy Objective is to promote the development of the broadcasting and film industries and enhance Hong Kong's position as a broadcasting and film production centre.

Our targets this year in pursuing this Policy Objective are –

- to increase programme choice for TV viewers by increasing the number of television programme channels received in Hong Kong
- to attract investment in the broadcasting industry through the issue of new television broadcasting licences
- to encourage and facilitate the use of advanced technology in broadcasting services and film production
- to maintain Hong Kong's position as one of the major film producers and film exporters in the world through assistance to and promotion of the development of the film industry

### Progress Made

In the past year, we have achieved satisfactory results in all the four Key Result Areas. These will be further described later in this booklet.

At the Policy Objective level, we had four targets last year.

Our first target was to increase programme choice for TV viewers. Following completion of the 1998 Review of Television Policy in December 1998, we announced the policy decision to open up the television market for competition. In August 1999, we issued a guidance note to invite applications for the provision of new television services. We expect to grant new television broadcasting licences in the first half of 2000.

Our second target was to attract investment in the broadcasting industry. We have decided to relax the existing rules governing ownership by non-residents and cross-media ownership. This will promote diversification in services and stimulate investment. We have also decided to allow the fixed telecommunications networks to deliver television services and the cable television network to deliver telecommunications services. This will generate new business opportunities and promote cross-fertilisation of the broadcasting and telecommunications markets.

Our third target was to encourage and facilitate the use of state-of-the-art technology in broadcasting services and film production. In the past year, we have carried out technical trials of digital audio broadcasting. In May 1999, we commenced technical trials of digital terrestrial television. In the light of the results of the trials, we will formulate policy proposals on broadcasting services under a digital environment. Meanwhile, we are drafting a technology-neutral Broadcasting Bill which seeks to provide a regulatory framework sufficiently flexible to embrace new services made possible by advances in technology.

On film production, there are at present 18 companies providing high technology services for film production. Two local films have been produced this year using digital technology extensively to achieve special audio-visual effects which enhance their entertainment value. The film industry and the Hong Kong Academy for Performing Arts jointly organised a two-day conference on digital technology in June 1999. Between January and September 1999, we have funded seven educational and training programmes in the use of technology in film production.

The fourth target was to maintain Hong Kong's position as one of the major film producers and exporters in the world through assistance to and promotion of the development of the film industry. The Hong Kong film entertainment services industry employed 4 752 people. Hong Kong produced 92 films in 1998, with box office receipts amounting to \$422 million or 44% of the total box office receipts. Revenue generated by local films in overseas markets in 1998 amounted to \$252 million. In 1998, we won 13 awards at international film festivals and events.

## KEY RESULT AREAS (KRAs)

To ensure that this Policy Objective can be achieved, we must deliver results in a number of key areas, that is, we must –

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# 1

## Provide a transparent, predictable and proportionate framework of law and regulation

Information and communications technologies are developing rapidly. Technically, it is now feasible to transmit all forms of information through the various transmission means, i.e., telephone lines, coaxial cables, optical fibre and radio spectrum. Increasingly, the broadcasting, telecommunications and information technology markets are converging at both the technological and service levels. The distinctions between telecommunications, broadcasting and computer networks are becoming blurred.

The global trend is to encourage and promote the common use of the broadcasting and telecommunications networks. The application of digital technology and the roll-out of fibre optic networks have eased the pressure on the limited spectrum available, thus providing opportunities for the introduction of new broadcasting services, e.g. digital audio broadcasting, digital terrestrial television.

Consistent with these developments, we have reviewed our regulatory regimes and are making the necessary legislative amendments to ensure that they provide a fair, open and technology-neutral regulatory environment which is conducive to investment, technology application and innovation in the broadcasting industry.

In embracing the Information Age, we must not neglect the need to uphold public moral standards while safeguarding the freedom of expression and access to information. To this end, we have laid down in the Film Censorship Ordinance a clear legal framework for film classification. We will keep film classification standards under review so as to keep pace with changing community standards.

We will continue to work with all licensed broadcasters to ensure that broadcast materials comply with the standards set out in the respective Codes of Practice.

As regards publications, we will continue to promote self-regulation by publishers and maintain the voluntary submission system for classification. We will at the same time also intensify our enforcement efforts under the Control of Obscene and Indecent Articles Ordinance (COIAO). We are reviewing the operations of the COIAO with a view to improving its effectiveness.

### Progress Made

In 1998, we aimed to facilitate the development of new broadcasting services and to provide an open, user-friendly and up-to-date regulatory framework for the broadcasting industry.

Good progress has been made in this KRA. We carried out a technical trial of digital audio broadcasting and commenced a technical trial of digital terrestrial television. In the light of the results of these trials, we will formulate policy proposals on broadcasting services under a digital environment for consultation with the industry and the community.

Having conducted a comprehensive review of our television policy in 1998, we announced our policy decision to provide a technology-neutral regulatory framework for the broadcasting industry. We have also made the policy decision to invite the Broadcasting Authority to issue a set of generic codes of practice for television programmes and advertising standards.

We have made good progress in developing a new regulatory framework governing the use of dangerous goods in the creation of special effects scenes. In consultation with the entertainment industry, a new regulatory framework has been drawn up. Work has started in drafting the new legislation. We plan to introduce the Entertainment Special Effects Bill into the Legislative Council in 2000.

On the review of the COIAO, we shall soon issue the consultation paper on our policy proposals. We shall complete the review of the legislation in the light of views received in the consultation exercise.

We have completed the review of the Film Censorship Ordinance, and the legislation has been amended to make the regulatory regime as user and business-friendly as possible. Improvement measures have been implemented since 17 June 1999.

To achieve results in this area, various initiatives have been undertaken in the past years. Details are set out below –

Initiative *	Target #	Present Position +
To consult the industry and the community on the regulatory framework for the introduction of digital audio broadcasting (DAB), and develop an appropriate framework  <i>(Information Technology and Broadcasting Bureau (ITBB))</i>	To start the consultation in 1999 on satisfactory completion of the DAB trials, with a view to developing a regulatory framework for DAB by 2000  <i>(1998 and 1997)</i>	Technical trials of DAB were carried out. A consultancy study on the market and regulatory issues has reached the final stage. Policy proposals will be formulated for consultation in early 2000.  <i>(Action in Progress: Under Review)</i>

\* the bracketed information denotes the agency with lead responsibility for the initiative  
 # the bracketed information denotes the year in which the target was set  
 + the bracketed information denotes the status of the target

Initiative	Target	Present Position
To explore the introduction of digital terrestrial television (DTT) in Hong Kong <i>(ITBB)</i>	To develop with the industry plans to conduct technical trials on DTT in 1999 <i>(1998)</i>	The trials based on plans agreed with industry representatives commenced in May 1999 and are expected to be completed in early 2000.  <i>(Action Completed)</i>
To introduce direct-to-home (DTH) services using the four high-power Broadcasting Satellite Service (BSS) channels assigned by the International Telecommunication Union to Hong Kong <i>(ITBB)</i>	To explore the feasibility of and market readiness for the introduction of DTH services with a view to finalising policy proposal by end-1998 <i>(1998)</i>	The policy proposal for DTH was finalised as part of the 1998 Review of Television Policy which was completed in December 1998. A guidance note to invite licence applications to launch and operate a satellite using the BSS channels was issued in August 1999.  <i>(Action Completed)</i>
To update the existing legislation with a view to providing a fair, open and technology-neutral regulatory environment <i>(ITBB)</i>	To introduce a technology and transmission neutral Broadcasting Bill into the Legislative Council in 1999-2000 <i>(1998 and 1995)</i>	Drafting of the Broadcasting Bill is under way. We aim to introduce the Bill into the Legislative Council in the 1999-2000 legislative session.  <i>(Action in Progress: On Schedule)</i>
To review the current codes of practice for television programmes and advertising with a view to bringing them in step with the new television broadcasting policy  <i>(Television and Entertainment Licensing Authority (TELA))</i>	To complete the review by 1999 <i>(1998)</i>	Following the completion of the 1998 Review of Television Policy in December 1998, a policy decision was made to invite the Broadcasting Authority to revise the current codes of practice with a view to issuing a set of generic codes for television programmes and advertising standards and specifying which parts of the codes are applicable to all or a certain category of licences.  <i>(Action in Progress: On Schedule)</i>



Initiative	Target	Present Position
<p>To establish a new regulatory framework governing the use of dangerous goods in the creation of special effects scenes (ITBB)</p>	<p>To conduct public consultation in 1999-2000 on a new licensing system for pyrotechnic operators and a permit system governing the discharge of pyrotechnics and other dangerous goods in the production of films and television programmes (1998)</p>	<p>The Entertainment Special Effects Bill to regulate the use of dangerous goods in film and television programme production and theatrical performance is being prepared. The Bill will be introduced into the Legislative Council in 2000. We have consulted the film industry closely on the proposed regulatory framework. (Action in Progress: On Schedule)</p>
<p>To review the Control of Obscene and Indecent Articles Ordinance (COIAO) with a view to improving its operation and effectiveness (ITBB)</p>	<ul style="list-style-type: none"> <li>● To complete a public opinion survey by the end of 1998 and formulate policy proposals for public consultation in the first quarter of 1999 (1998)</li> <li>● To conduct a review in 1998 on the effectiveness of the Code of Practice developed by the industry for regulating obscene and indecent materials transmitted through the Internet (1997)</li> </ul>	<ul style="list-style-type: none"> <li>● The public opinion survey was conducted from September to December 1998. Findings of the survey were announced in May 1999.  Policy proposals following the review of the COIAO (including those on regulation of obscene and indecent materials on the Internet) will soon be published for public consultation. (Action in Progress: On Schedule)</li> <li>● Review on the effectiveness of the Code of Practice developed by the industry for regulating obscene and indecent materials transmitted through the Internet was completed in January 1999. (Action Completed)</li> </ul>
<p>To ensure compliance with the COIAO through preventive inspections and enforcement action (TELA)</p>	<p>To increase the number of inspections of newsstands and retail outlets for comic books and Video Compact Discs by 16% to 21 000 inspections in 1999 (1998)</p>	<p>About 17 000 inspections were conducted between January and September 1999. We expect to carry out 5 000 more inspections from October to December 1999. (Action in Progress: On Schedule)</p>

Initiative	Targets	Present Position
<p>To strengthen public education and enhance public awareness of the provisions of the COIAO through broadcast of Announcements of Public Interests (APIs), distribution of publicity leaflets and organisation of briefings to target groups (TELA)</p>	<ul style="list-style-type: none"> <li>● To produce a new API for broadcast in late 1998</li> <li>● To double the number of briefings on the COIAO for parents, students and youth organisations from 25 in 1998 to 50 in 1999 (1998)</li> </ul>	<ul style="list-style-type: none"> <li>● A new API has been broadcast since May 1999. <i>(Action Completed)</i></li> <li>● 40 briefings were organised for about 16 000 participants between January and September 1999. We expect to organise ten briefings from October to December 1999. <i>(Action in Progress: On Schedule)</i></li> </ul>
<p>To conduct a review of the television environment with a view to providing a favourable environment for the long-term development of quality television services in Hong Kong (ITBB)</p>	<p>To complete the review by 1998 (1997)</p>	<p>The review was completed and the policy decisions were announced in December 1998. <i>(Action Completed)</i></p>
<p>To review the Film Censorship Ordinance (ITBB)</p>	<p>To review the Film Censorship Ordinance with a view to making the regulatory regime as user and business-friendly as possible (1997)</p>	<p>The review had been completed and the Film Censorship Ordinance and Regulations were amended to make the regulatory regime as user and business-friendly as possible. Improvement measures have been implemented since 17 June 1999. <i>(Action Completed)</i></p>

## Looking Forward

In the next 12 months, we will assess our performance in respect of this KRA against the following indicators –

Indicator	1999 Target
<p><b>Broadcasting</b></p> <p>The development of a fair, open and user-friendly regulatory framework which is conducive to the use of advanced technology and encourages investment</p>	<ul style="list-style-type: none"> <li>● To introduce a technology-neutral Broadcasting Bill into the Legislative Council in the 1999-2000 legislative session</li> <li>● To conduct consultations in 2000 on broadcasting under a digital environment</li> </ul>
<p><b>Film Services</b></p> <p>A new regulatory regime governing the use of dangerous goods in the creation of special effects scenes which meets the needs of the industry and Government's policy objectives on safety and security</p>	<ul style="list-style-type: none"> <li>● To introduce the Entertainment Special Effects Bill into the Legislative Council in 2000</li> <li>● Fewer accidents, injuries and fatalities related to the use of dangerous goods in creating special effects in film/television programme production, and theatrical performances</li> </ul>
<p>A user and business-friendly Film Censorship Ordinance</p>	<ul style="list-style-type: none"> <li>● Fewer complaints received in respect of the film censorship system</li> <li>● Fewer requests for review of the decision of the Film Censorship Authority or a film censor</li> </ul>
<p>A COIAO with up-to-date regulatory measures</p>	<p>To complete the review of the COIAO in the light of public consultation in 1999-2000</p>

We will undertake the following initiatives to deliver results in this area –

Initiative	1999 Target
<p>To conduct consultations on the regulatory framework for the introduction of digital audio broadcasting (DAB) and develop an appropriate framework <i>(ITBB)</i></p>	<p>To complete the consultation in 2000, with a view to developing a regulatory framework for DAB by end-2000</p>
<p>To explore the introduction of digital terrestrial television (DTT) services in Hong Kong <i>(ITBB)</i></p>	<p>On satisfactory completion of DTT technical trials, to determine in 2000 a DTT standard for adoption</p>
<p>To develop a licensing framework for direct-to-home (DTH) services using the four high-power broadcasting-satellite service (BSS) channels assigned by the International Telecommunication Union to Hong Kong <i>(ITBB/Office of the Telecommunications Authority)</i></p>	<p>To draw up the licensing framework in 2000</p>
<p>To review the current codes of practice for television programmes and advertising with a view to bringing them in line with the new broadcasting policy <i>(TELA)</i></p>	<p>To issue generic codes of practice for television programmes and advertising upon the enactment of the Broadcasting Bill</p>
<p>To establish a new regulatory framework governing the use of dangerous goods for creating special effects in film and television productions and theatrical performances <i>(ITBB)</i></p>	<p>To introduce the Entertainment Special Effects Bill into the Legislative Council in 2000</p>
<p>To review the COIAO with a view to improving its operation and effectiveness <i>(ITBB)</i></p>	<p>To complete the review of the COIAO in the light of public consultation in 1999-2000</p>
<p>To strengthen enforcement action by stepping up inspection visits to high-risk retail outlets to combat more effectively the sale of obscene and indecent articles <i>(TELA)</i></p>	<p>To increase the number of inspections by 14% to 24 000 in 2000</p>

Initiative	1999 Target
<p>To strengthen public education and enhance public awareness of the provisions of the COIAO</p> <p><i>(TELA)</i></p>	<p>To increase the number of talks, seminars and briefings on the COIAO by 25% to 62 in 2000</p>

# 2

## Create an open and competitive market for the broadcasting industry

In line with the world trend to deregulate the telecommunications and broadcasting industries, we are committed to opening up the television market to more competition. We have introduced a package of measures to liberalise the satellite broadcasting market. We have awarded the world's first commercial-scale video-on-demand (VOD) licence. We have also issued an open invitation for applications for the provision of new television services in Hong Kong. We will continue to take advantage of advanced and converging technologies to reduce technical constraints to broadcasters and increase transmission capacity in order to facilitate the provision of better quality multi-media services to the community.

We believe that an open and competitive television market will attract investment, encourage innovation and bring wider choice to the public. We will continue to promote the growth of the industry by providing a business-friendly operating environment, minimising entry barriers, safeguarding fair competition and ensuring reasonable access by consumers to new services.

### Progress Made

In 1998, we aimed to increase competition in the television market and to encourage the expansion of and penetration between the television and telecommunications markets. Progress towards these targets over the past year was satisfactory.

Following completion of the 1998 Review of Television Policy, we made the policy decisions to lift the moratorium on pay TV and VOD programme service licences. In August 1999, we issued a guidance note inviting applications for the provision of new television services in Hong Kong.

To facilitate the introduction of new broadcasting and telecommunications services, we rationalised the frequency allocations in in-building distribution networks. In July 1999, we promulgated the in-building frequency rationalisation plan and related technical standards for reference by the industry.

To promote cross-fertilisation of the television and telecommunications markets, we made the policy decision to allow the telecommunications networks to carry television services and the cable television network to carry telecommunications services. We are in the process of developing a set of principles and technical arrangements on interconnection between the networks for consultation with the industry.

To achieve results in this area, various initiatives have been undertaken in the past years. Details are set out below –

Initiative	Target	Present Position
<p>To review the existing moratorium on local pay TV and VOD programme service licences</p> <p><i>(Information Technology and Broadcasting Bureau (ITBB))</i></p>	<p>To announce policy decisions on the liberalisation of pay TV and VOD markets before the end of 1998</p> <p><i>(1998)</i></p>	<p>Following the completion of the 1998 Review of Television Policy, policy decisions were made, amongst others, to lift the moratorium on pay TV and VOD programme service licences and to open up the television market for competition. The policy decisions were announced in December 1998.</p> <p><i>(Action Completed)</i></p>
<p>To consider whether satellite broadcasting licensees should be allowed to open up their transmission facilities for use by others after Hong Kong Telecom International Limited's exclusivity on external facility-based services expires on 1 January 2000</p> <p><i>(ITBB)</i></p>	<p>To announce policy decisions by end-1998 with a view to putting in place the relevant regulatory procedures by 2000</p> <p><i>(1998)</i></p>	<p>Policy decision was made to allow satellite broadcasting licensees to make use of their transmission facilities to carry other companies' broadcast programmes and various telecommunications services with effect from 1 January 2000. The policy decision has been announced and regulatory procedures are being finalised.</p> <p><i>(Action in Progress: On Schedule)</i></p>
<p>To maximise choice of services by relieving congestion in in-building distribution networks</p> <p><i>(ITBB)</i></p>	<p>To consider technological and legislative means to resolve the capacity constraints and announce policy decisions by end-1998</p> <p><i>(1998)</i></p>	<p>Policy decisions were announced in December 1998 and a Statement of the Telecommunications Authority on the Frequency Layout Plan of In-building Coaxial Cable Distribution System was issued in July 1999.</p> <p><i>(Action Completed)</i></p>

## Looking Forward

In the next 12 months, we will assess our performance in respect of this KRA against the following indicators –

Indicator	1999 Target
<p><b>Broadcasting</b></p> <p>The increase in competition in the television market and the diversification of broadcasting services for the community</p>	<ul style="list-style-type: none"> <li>● An increase in the number of licensees offering free television services</li> <li>● An increase in the number of licensees offering pay television services</li> <li>● Growth in the number of subscribers to pay television services</li> </ul>
<p>The extent to which the telecommunications and broadcasting networks are opened up and the expansion and penetration between the telecommunications and broadcasting services markets</p>	<p>To consult the industry on interconnection arrangements between the telecommunications and broadcasting networks in 1999-2000</p>

We will undertake the following initiatives to deliver results in this area –

Initiative	1999 Target
<p>To open up the television market for competition <i>(ITBB)</i></p>	<p>To process applications for the provision of new television services in Hong Kong with a view to issuing new licences in 2000</p>
<p>To strengthen competition safeguards for the broadcasting market <i>(ITBB/Television and Entertainment Licensing Authority (TELA))</i></p>	<p>To incorporate provisions against anti-competition practices in the Broadcasting Bill and to issue guidelines on the enforcement of these competition provisions by the Broadcasting Authority upon the enactment of the Broadcasting Bill</p>



Initiative	1999 Target
<p>To open up the cable TV network for interconnection with other telecommunications and broadcasting networks</p> <p><i>(Office of the Telecommunications Authority)</i></p>	<p>To issue statements on principles for interconnection with cable TV networks in 2000</p>
<p>To increase the transparency of the Broadcasting Authority (BA) by introducing administrative procedures to allow the licensees to make representations to the BA in respect of the recommendations made by the Broadcasting Authority Complaints Committee on complaints against them</p> <p><i>(TELA)</i></p>	<p>To implement the new procedures by the end of 1999</p>

# 3

## Foster the development of local broadcasting and film industries

The broadcasting and film industries are important both to our economy and to the development of Hong Kong's cultural identity. We should help to foster their further development through user-friendly regulation and appropriate support.

To lower the costs of the service providers in an increasingly open and competitive market, we have decided in principle not to levy royalty charges on subscription and advertising revenue received by broadcasting licensees.

To help the local film industry, we will continue to provide funding support for investment in human talent and the development of advanced technology through the Film Development Fund established in January 1999. We will continue to introduce measures to make Hong Kong a more "user-friendly" place for film production, and work with government departments and public organisations to shorten and simplify application procedures for location shooting.

### Progress Made

In 1998, we aimed to complete the review of the subscription and advertising royalties.

Upon completion of the review of subscription and advertising royalties in December 1998, we announced the policy decision to abolish the charging of royalties subject to implementation of full-cost recovery of licence fees. The policy decision will take effect upon the enactment of the Broadcasting Bill.

With regard to support to the film industry, a \$100 million Film Development Fund was established in January 1999. As of early September 1999, about \$7.4 million have been allocated to support six projects.

To improve the technological know-how of the local film industry, a two-day conference on digital technology was jointly organised by the film industry and the Hong Kong Academy for Performing Arts (HKAPA) in June 1999. The Television and Entertainment Licensing Authority (TELA) will also explore with film industry organisations and other tertiary institutions the organisation of appropriate training programmes on digital editing technology for the film industry. In the coming year, TELA will encourage film industry organisations and tertiary institutions to organise at least three training programmes to meet the training needs of the film industry.

On the whole, good progress has been made under this KRA.

To achieve results in this area, various initiatives have been undertaken in the past years. Details are set out below –

Initiative	Target	Present Position
<p>To establish a \$100 million Film Development Fund to provide financial support to projects which are beneficial to the development of the local film industry, such as equipping the film industry with special skills, upgrading their technological know-how, and adopting state-of-the-art post-production technology</p> <p><i>(Information Technology and Broadcasting Bureau (ITBB))</i></p>	<p>To set up the Film Development Fund in the 1999-2000 financial year</p> <p><i>(1998)</i></p>	<p>The \$100 million Film Development Fund was established in January 1999. We started to receive applications for funding support on 27 January 1999. As of early September 1999, about \$7.4 million have been allocated to support six projects.</p> <p><i>(Action Completed)</i></p>
<p>To explore with tertiary institutions the possibility of developing training programmes for improving technological know-how in the local film industry</p> <p><i>(Television and Entertainment Licensing Authority (TELA))</i></p>	<p>To facilitate the organisation of a conference on digital technology in April 1999 and a short-term training programme on digital editing technology for the film industry in July 1999</p> <p><i>(1998 and 1996)</i></p>	<ul style="list-style-type: none"> <li>● The film industry and the Hong Kong Academy for Performing Arts (HKAPA) jointly organised a two-day conference on digital technology in June 1999. The event attracted around 1 100 participants.</li> </ul> <p><i>(Action Completed)</i></p> <ul style="list-style-type: none"> <li>● Although the HKAPA has agreed in principle to conduct a short-term training programme on digital editing technology for the film industry in 1999, it has encountered funding difficulties in organising the course. TELA will discuss with other tertiary institutions and industry organisations the possibility of developing training courses of similar nature for the industry.</li> </ul> <p><i>(Action in Progress: Under Review)</i></p>

## Looking Forward

In the next 12 months, we will assess our performance in respect of this KRA against the following indicators –

Indicator	1999 Target
<b>Broadcasting</b>	
The growth in advertising and subscription revenues received by broadcasting licensees	To aim for positive growth in the year
The number of programme channels broadcast	An increase in the number of programme channels
<b>Film Services</b>	
Appropriate funding support for the film industry	To provide funding support under the Film Development Fund to projects which are beneficial to the development of the film industry
Appropriate assistance to the film industry in location shooting	90% success rate in dealing with location shooting requests of a more complicated nature

We will undertake the following initiatives to deliver results in this area -

Initiative	1999 Target
To lower the costs of the broadcasters in an increasingly open and competitive market (ITBB)	To abolish the charging of royalties on subscription and advertising revenues upon enactment of the Broadcasting Bill, subject to implementation of full-cost recovery of licence fees
To minimise regulatory restrictions on television broadcasting licensees (ITBB)	To remove existing investment restrictions and relax advertising time restrictions on licensees upon enactment of the Broadcasting Bill

Initiative	1999 Target
<p>To facilitate applications for the provision of television services under the new regulatory regime to be established under the Broadcasting Bill</p> <p><i>(ITBB/TELA)</i></p>	<p>To issue guidance notes on applications for the new categories of licences upon the enactment of the Broadcasting Bill</p>
<p>To explore with film industry organisations and tertiary institutions the possibility of developing training programmes for improving technical and technological know-how in the local film industry</p> <p><i>(TELA)</i></p>	<p>To encourage film industry organisations and tertiary institutions to organise at least three training programmes to meet the training needs of the film industry in 2000-2001</p>
<p>To explore means to assist the film industry in film financing</p> <p><i>(TELA)</i></p>	<p>To complete a consultancy study on film financing in 2000</p>
<p>The Film Services Office to provide one-stop service to the film industry on location shooting requests of a more complicated nature</p> <p><i>(TELA)</i></p>	<p>To achieve 90% success rate in dealing with the location shooting applications</p>
<p>To set up a dedicated web site for the dissemination of information and statistics relating to the local film industry</p> <p><i>(TELA)</i></p>	<p>To establish the web site by November 1999</p>

# 4

## Champion the growth of Hong Kong as a broadcasting and film production centre

Hong Kong has the potential to grow into one of the world's major film and broadcasting centres. This would attract international expertise and investment to Hong Kong, as well as help to showcase our own local talent. To champion the growth of Hong Kong as a broadcasting centre, we have decided in principle to relax and simplify existing rules governing ownership by non-residents and cross-media ownership in order to promote diversification in services, attract investment and encourage the participation of international enterprises in the local market. We have also made the policy decision to permit satellite broadcasting licensees to make use of their transmission facilities to carry other companies' broadcast programmes and various telecommunications services with effect from January 2000.

We have been promoting and will continue to promote Hong Kong films in international markets and Hong Kong as a location for filming. To sustain Hong Kong's growth as a film production centre, we will encourage infrastructural investment in film production by making available a site for film production facilities in this year's land sale programme.

### Progress Made

In 1998, we aimed to attract local and international investment in our broadcasting industry.

We have made the policy decision to simplify and relax the existing rules governing ownership by non-residents and cross-media ownership. The new set of rules were announced in December 1998 and will be incorporated into the Broadcasting Bill which is scheduled for introduction into the Legislative Council in the 1999-2000 legislative session.

Hong Kong Film Festivals were organised in Vancouver in June 1999 and in Washington D.C. in July 1999. They together attracted some 5 600 participants. The Film Services Office also promoted Hong Kong as a choice for location filming at the international trade show "Location '99" held in Los Angeles in February 1999.

Overall, good progress was made last year.

To achieve results in this area, various initiatives have been undertaken in the past years. Details are set out below –

Initiative	Target	Present Position
<p>To simplify and relax, as appropriate, the rules governing ownership by non-residents and cross-media ownership</p> <p><i>(Information Technology and Broadcasting Bureau (ITBB))</i></p>	<p>To draw up a new set of rules governing ownership by non-residents and cross-media ownership by end-1998 and introduce legislative amendments in 1999-2000</p> <p><i>(1998)</i></p>	<p>The new set of rules were announced in December 1998 and they will be incorporated into the Broadcasting Bill which is scheduled for introduction into the Legislative Council in the 1999-2000 legislative session.</p> <p><i>(Action in Progress: On Schedule)</i></p>
<p>To promote Hong Kong films and Hong Kong as a location for filming</p> <p><i>(Television and Entertainment Licensing Authority)</i></p>	<ul style="list-style-type: none"> <li>● To hold Hong Kong Film Festivals in Washington D. C. and Sydney in 1999</li> <p><i>(1998)</i></p> <li>● To promote Hong Kong films and encourage filming in Hong Kong at one international conference in 1999</li> <p><i>(1998)</i></p> </ul>	<ul style="list-style-type: none"> <li>● The Film Services Office (FSO) facilitated the organisation of the Hong Kong Film Festivals in Vancouver in June 1999 and in Washington D.C. in July 1999. The two film festivals attracted some 5 600 participants. Three more Hong Kong Film Festivals will be held in Sydney, Melbourne and Brisbane respectively in November 1999.</li> <p><i>(Action in Progress: On Schedule)</i></p> <li>● The FSO promoted Hong Kong as a choice for location filming at the international trade show “Locations ’99” held in Los Angeles in February 1999. Some 300 people visited the Hong Kong booth set up in the trade show.</li> <p><i>(Action Completed)</i></p> </ul>

Initiative	Target	Present Position
	<ul style="list-style-type: none"> <li>To consider measures to make it more convenient to shoot films in Hong Kong, such as providing a comprehensive database to facilitate film production (1996)</li> </ul>	<ul style="list-style-type: none"> <li>The FSO continues to administer and manage a resource centre on film production services in Hong Kong which was first established in June 1998. The resource centre now provides a wide range of information about the film industry such as a location library with photographs and slides showing possible sites for location shooting, statistics on the film industry, overseas Film Commissions and Film Festivals, and training courses and programmes for film industry personnel. The FSO also published in 1999 the “Guide to Filming in Hong Kong” (1999 edition), the “Film and Video Production Directory” and the “Locations - Venues under the Management of Government Departments and Public Bodies”.  (Action in Progress: On Schedule)</li> </ul>
<p>To continue to organise the Hong Kong International Film Market (Filmart) as an annual event and encourage exhibitors and buyers to participate in the event  (Hong Kong Trade Development Council)</p>	<p>To maintain the level of participation in Filmart 1999 at the level achieved in Filmart 1998 (1998)</p>	<p>Filmart '99 was held in June 1999. Some 82 exhibitors and 605 buyers participated in the event, compared with 62 exhibitors and 621 buyers in Filmart '98.  (Action Completed)</p>



## Looking Forward

In the next 12 months, we will assess our performance in respect of this KRA against the following indicators –

Indicator	1999 Target
<b>Broadcasting</b>	
<ul style="list-style-type: none"> <li>The number of satellite broadcasters uplinking their broadcasting services from Hong Kong</li> </ul>	<ul style="list-style-type: none"> <li>An increase in the number of satellite broadcasters uplinking from Hong Kong</li> </ul>
<ul style="list-style-type: none"> <li>The number of satellite television channels uplinked from Hong Kong</li> </ul>	<ul style="list-style-type: none"> <li>An increase in the number of satellite television channels uplinked from Hong Kong</li> </ul>
<b>Film Services</b>	
<ul style="list-style-type: none"> <li>The number of overseas films with scenes shot in Hong Kong</li> </ul>	<ul style="list-style-type: none"> <li>To aim at having films with scenes shot here</li> </ul>
<ul style="list-style-type: none"> <li>The number of film co-production projects between Hong Kong and other places</li> </ul>	<ul style="list-style-type: none"> <li>To aim at having co-production projects</li> </ul>
<ul style="list-style-type: none"> <li>The number of awards won at international film festivals and events</li> </ul>	<ul style="list-style-type: none"> <li>To aim at having awards won</li> </ul>

We will undertake the following initiatives to deliver results in this area –

Initiative	1999 Target
To allow satellite broadcasting licensees to transmit other companies' broadcasting programmes and various telecommunications services with effect from 1 January 2000 <i>(Office of the Telecommunications Authority)</i>	To put in place relevant regulatory procedures by end of 1999
To make available a site for film production facilities in the 1999-2000 land sale programme <i>(ITBB)</i>	To issue tender in 1999-2000