

## Message

The broadcasting and film industries have made significant contributions to Hong Kong's economy. We must strive to further develop their potential for even greater success.

Rapid advancement and convergence in technologies are opening up unprecedented opportunities for entertainment, information, education and commerce. They can bring immeasurable economic benefits to the community. The challenge for Government is to ensure that the regulatory frameworks for telecommunications and broadcasting keep pace with the Information Age.

Hong Kong is well placed to benefit from the opportunities of the Information Age. We have a world-class information infrastructure; and world-class content providers in broadcasting, film, publishing, information and advertising. Above all, we have a favourable pro-business environment to facilitate the further development and growth of these industries.

My colleagues in the Bureau and our executive departments, the Television and Entertainment Licensing Authority, the Office of the Telecommunications Authority and Radio Television Hong Kong, are committed to delivering the Policy Objective set out in this booklet.



(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 in pursuing this policy objective are –

- to increase programme choice for TV viewers and facilitate introduction of new and innovative broadcasting services
- to attract investment in local broadcasting services and encourage expansion into regional markets
- to encourage and facilitate the use of state-of-the-art 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

## 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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The following sections of this booklet explain the importance of these KRAs, describe the broad thrust of our efforts, and outline the indicators which we are using to assess progress. Each section lists the new key initiatives being taken to achieve our objectives and pinpoints the agency accountable for each initiative and the specific targets which we intend to meet.

# I

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

Communications technology is developing rapidly. Technically, it is now feasible to transmit all forms of media through the various transmission means, i.e., telephone lines, coaxial cables, optical fibre and radio spectrum. Increasingly, the broadcasting, telecommunications and information technology industries are converging towards each other's markets at both the technical and service levels. The distinctions between telecommunications, broadcasting and computer networks are becoming artificial and unnecessary.

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

In step with these developments, we will review our current legislation and make necessary legislative amendments to ensure that our regulatory framework provides a fair, open and technology-neutral regulatory environment which is conducive to investment, technology transfer and innovation in the broadcasting industry.

In embracing the new Information Age, we must not neglect the need to uphold public morals and safeguard the freedom of expression and access to information at the same time. To this end, we have laid down in the Film Censorship Ordinance (FCO) 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 also review the FCO to make it more user and business-friendly.

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

For the print media, we will continue to promote and rely on publishers to exercise self-regulation and maintain a voluntary submission system for classification. We will review the Control of Obscene and Indecent Articles Ordinance (COIAO) with a view to improving its effectiveness.

### Indicators

The indicators which we will use to measure progress in this area are –

- the development of new broadcasting services which will widen choice for consumers and promote Hong Kong as a regional broadcasting hub
- the public perception of the fairness, soundness and user-friendliness of the regulatory systems
- the provision of an up-to-date regulatory framework which is conducive to the use of advanced technology and encourages investment by service providers
- a new regulatory regime governing the use of dangerous goods in film production which meets the needs of the industry and Government's Policy Objectives on safety and security
- a user and business-friendly Film Censorship Ordinance
- a COIAO with up-to-date regulatory measures

| Initiatives  | Targets   |
|--|---|
| <p>To consult the industry and the community on the regulatory framework for the introduction of digital audio broadcasting (DAB), and develop an appropriate framework</p> <p><i>(Information Technology and Broadcasting Bureau (ITBB))*</i></p> | <p>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</p> |
| <p>To explore the introduction of digital terrestrial television (DTT) in Hong Kong</p> <p><i>(ITBB)</i></p>   | <p>To develop with the industry plans to conduct technical trials on DTT in 1999</p>  |
| <p>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</p> <p><i>(ITBB)</i></p>                                  | <p>To explore the feasibility of and market readiness for the introduction of DTH services with a view to finalising policy proposal by end 1998</p>    |
| <p>To update the existing legislation with a view to providing a fair, open and technology-neutral regulatory environment</p> <p><i>(ITBB)</i></p>   | <p>To introduce the legislative amendments into the Legislative Council in 1999-2000</p>  |

\* the brackets denote the agency with lead responsibility for the initiative

| Initiatives  | Targets   |
|--|---|
| <p>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</p> <p><i>(Television and Entertainment Licensing Authority)</i></p> | <p>To complete the review by 1999</p>   |
| <p>To establish a new regulatory framework governing the use of dangerous goods in film production</p> <p><i>(ITBB)</i></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</p> |
| <p>To review the COIAO with a view to improving its operation and effectiveness</p> <p><i>(ITBB)</i></p>   | <p>To complete a public opinion survey by the end of 1998 and formulate policy proposals for public consultation in the first quarter of 1999</p>   |
| <p>To ensure compliance with the COIAO through preventive inspections and enforcement action</p> <p><i>(ITBB)</i></p>  | <p>To increase the number of inspections of news-stands and retail outlets for comic books and Video Compact Discs by 16% to 21 000 inspections in 1999</p>   |

| Initiatives   | Targets   |
|---|---|
| <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</p> <p><i>(ITBB)</i></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</li> </ul> |



## II

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

In line with the trend in developed economies 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 also awarded the world's first commercial-scale video-on-demand (VOD) licence. 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 widest choice for 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 consumers' accessibility to new services.

#### Indicators

The indicators which we will use to measure progress in this area are –

- the increase in competition in the television market
- the diversification and improvement in quality of broadcasting services for the community
- the extent to which the telecommunications and broadcasting networks are opened up
- the expansion and penetration between the telecommunications and broadcasting services markets

| Initiatives   | Targets  |
|---|--|
| <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>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>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> |



## 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 recognise the need to foster their further development through sympathetic regulation and appropriate funding support.

To lower the costs of the service providers in an increasingly open and competitive market, we will review the policy of levying royalty charges on subscription and advertising revenue received by broadcasting licensees.

To help the local film industry, we will provide funding support for investment in human talent and the development of advanced post-production technology. We will also shorten and simplify application procedures for location shooting and introduce measures to make Hong Kong a more “user-friendly” place for film production.

### Indicators

The indicators which we will use to measure progress in this area are –

- timely completion of the review of subscription and advertising royalties
- the timing of the establishment of a film development fund
- the number of new courses and training programmes developed by tertiary educational institutions for the film industry

| Initiatives   | Targets  |
|---|--|
| <p>To establish a 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 and upgrading their technological know-how, 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>To explore with tertiary institutions the possibility of developing training programmes for improving technological know-how in the local film industry</p> <p><i>(ITBB)</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> |

# IV

## 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 and film production centre, we will review and simplify existing rules governing ownership held by non-residents and cross-media ownership to promote diversification in services, attract investment and encourage the participation of international enterprises in the local market.

We have been promoting and will continue to promote Hong Kong films in the international market. In 1997, Hong Kong film festivals were held in four cities in Europe and the US which attracted some 7 600 participants. We aim to hold Hong Kong film festivals in Europe, the US and Australia in 1998.

### Indicator

Our main indicator of progress in this area is the level of international investment in both local broadcasting in Hong Kong and regional broadcasting from Hong Kong.

| Initiatives   | Targets  |
|---|--|
| <p>To simplify and relax, as appropriate, the rules governing 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 non-residents and cross-media ownership by end 1998 and introduce legislative amendments in 1999-2000</p>   |
| <p>To promote Hong Kong films and Hong Kong as a location for filming</p> <p><i>(ITBB)</i></p>  | <ul style="list-style-type: none"> <li>● To hold Hong Kong film festivals in Washington D. C. and Sydney in 1999</li> <li>● To promote Hong Kong films and encourage filming in Hong Kong at one international conference in 1999</li> </ul> |
| <p>To continue to organise Hong Kong International Film Market (Filmart) as an annual event and encourage exhibitors and buyers to participate in the event</p> <p><i>(Hong Kong Trade Development Council)</i></p> | <p>To maintain the level of participation in Filmart 1999 at the level achieved in Filmart 1998</p>  |