

Chapter 17

Communications, the Media and Information Technology

Hong Kong people are among the most informed in the world, due largely to the city's dynamic news media. At last count in 2008, there were close to 700 daily newspapers and periodicals published in Hong Kong. Some 27.8 per cent of the population were broadband service subscribers, the second highest penetration in Asia. Mobile phones, too, are ubiquitous with a population penetration rate of 162.3 per cent, also one of the world's highest. And, some one million households subscribe to Internet Protocol Television (IPTV) services — the highest penetration rate in the world

Excellent communications have been an essential element in Hong Kong's development as an international business and financial centre. The city has one of the most competitive telecommunications markets in the world, and its people are kept well informed by an efficient and vigorous media.

Hong Kong has a fully liberalised and highly competitive telecommunications market. A wide range of advanced and innovative telecommunications services are available at reasonable prices to consumers. Based on a study conducted by the Office of the Telecommunications Authority (OFTA) in October 2008, compared with the Organisation for Economic Co-operation and Development (OECD) economies and Singapore, the take-up rates of fixed voice services, mobile services, broadband services and data services in Hong Kong are in the top tier. At the same time, telecommunications services in Hong Kong are among the least expensive. Prices for telecommunications services in Hong Kong are, across the board, significantly lower than those in most advanced economies.

Since the launch of third generation (3G) mobile services in 2004, the take-up rate has grown rapidly. By the end of the year, more than 2.81 million mobile phone users were enjoying 3G or 3.5G advanced services such as video calls, video streaming/downloading and interactive real-time gaming. New 3G services based on the CDMA2000 standard, one of the world's major 3G standards, were introduced in November in addition to the existing 3G mobile services based on the W-CDMA technology. The availability of CDMA2000 mobile services has strengthened Hong Kong's strategic position as a world city and the gateway to the Mainland. The Government will put up for auction in January 2009 the radio spectrum in the 2.3 GHz and 2.5/2.6 GHz band to provide fixed/mobile/converged services, based on

broadband wireless access (BWA) technologies. This will enable greater usage of broadband technologies in Hong Kong.

Hong Kong has a vibrant broadcasting industry offering a wide range of services. The two terrestrial television broadcasters officially launched digital broadcasting in December 2007, providing 13 domestic channels in Chinese and English free of charge. Radio Television Hong Kong (RTHK), a government department, produces programmes of public interest for broadcast on free TV channels. In addition, subscribers to three domestic pay TV operators can access more than 300 local and overseas television channels broadcasting programmes in different languages. There are three radio stations, including RTHK, broadcasting on 13 channels in Hong Kong. In November, the Government granted a sound broadcasting licence to Wave Media Limited to operate a new AM Chinese language radio station. Wave Media Limited is required to start broadcasting within two years. Hong Kong, which has 17 licensed satellite television broadcasters providing about 190 channels for the Asia-Pacific region, is regarded as a regional broadcasting hub.

Hong Kong is one of the world's major film production centres. A total of 67 Hong Kong movies were released in 2008, realising \$263.9 million in box office receipts. The film industry is a flagship of Hong Kong's creative industries. The Government is committed to promoting its development and has introduced a host of measures to assist it in strengthening its competitiveness in both the local and global markets.

The Government reviews regularly the laws on published articles, particularly those targeted young people, to ensure they do not breach the standards of public decency. The first stage review of the Control of Obscene and Indecent Articles Ordinance commenced in October and the public consultation exercise will be completed in early 2009.

The Mass Media

Hong Kong's mass media at the end of 2008 included 45 daily newspapers, a number of electronic newspapers, 699 periodicals, two domestic free television programme service licensees, three domestic pay television programme service licensees, 17 non-domestic television programme service licensees, one government-funded public service broadcaster and two sound broadcasting licensees.

The availability of the latest telecommunications technology and keen interest in Hong Kong's affairs have attracted many international news agencies, newspapers with international readership and overseas broadcasting corporations to establish regional headquarters or representative offices here. The production of regional publications in Hong Kong underlines its importance as a financial, industrial, trading and communications centre.

The Press

The registered Hong Kong press at year-end included 20 Chinese-language dailies, 13 English-language dailies (one in Braille and with an internet edition), seven bilingual dailies and five in Japanese. Of the Chinese-language dailies, 14

cover mainly local and overseas news, four specialise in finance and the rest cover horse racing. The larger papers include overseas Chinese communities in their distribution networks and some have editions printed outside Hong Kong, in particular in the United States, Canada, the United Kingdom and Australia.

One of the English dailies publishes a daily Braille edition, in conjunction with the Hong Kong Society for the Blind, as well as an internet edition. One English daily and four bilingual dailies are published on the internet. Hong Kong is the base for a number of regional publications such as the *Far Eastern Economic Review* and business and trade magazines. *The Financial Times*, *The Wall Street Journal Asia*, *USA Today International*, *International Herald Tribune* and *The Nihon Keizai Shimbun* are printed in Hong Kong.

Several organisations represent people working in the news media in Hong Kong. The Newspaper Society of Hong Kong represents Chinese and English newspaper proprietors. It is empowered to act in matters that affect the interests of its members.

The Hong Kong Journalists Association is the biggest industry-wide union of journalists and one of the most active. Formed in 1968, it has more than 400 members. It pays special attention to a range of press freedoms and ethics concerns as well as to professional training and the handling of labour disputes.

Other media organisations include the Hong Kong News Executives' Association, the Hong Kong Federation of Journalists and the Hong Kong Press Photographers Association. The long-established Foreign Correspondents' Club offers its members social facilities and a range of professional activities, including news conferences and briefings.

During the year, the Mass Communications Training Board of the Vocational Training Council continued to run training programmes to help people working in the media, advertising and public relations sectors to improve their skills with the co-operation of various trade associations and professional bodies such as the Hong Kong News Executives' Association, the Hong Kong Advertisers Association, the Hong Kong Public Relations Professionals' Association, the Hong Kong Journalists Association and the Hong Kong Federation of Journalists.

Information Policy

The Secretary for Home Affairs has overall responsibility for policy formation on information and related matters, while the Director of Information Services advises the Government on the presentation of its policies, and on public relations matters generally, in Hong Kong and overseas. The main aims are to ensure an open exchange of information in the community, to keep the media fully informed of government plans, policies and activities, and to promote Hong Kong's image abroad.

Information Services Department

The Information Services Department (ISD) serves as the Government's public relations consultant, news agency, publisher and advertising agent. It provides the link between the Administration and the media and, through the latter, enhances public understanding of government policies, decisions and activities.

The department comprises four divisions: Local Public Relations, Publicity and Promotions, Public Relations Outside Hong Kong, and Administration.

Local Public Relations Division

The division oversees the work of Information Grade officers seconded to government bureaux and departments. They serve as Press Secretaries to Principal Officials or work in the 34 bureau and department information and public relations units. They help formulate and implement public relations and publicity strategies, advise their bureau or department heads on public relations matters, answer media enquiries and questions from the public, prepare press releases, and organise press conferences and special promotional activities.

The News Sub-division operates a 24-hour press enquiry service. During typhoons, major disasters and other emergencies, ISD will activate its Combined Information Centre to co-ordinate responses to media enquiries and disseminate information and public announcements.

The Government News and Media Information System (GNMIS) channels press releases, photographs and video clips through a single system accessible to journalists on the Internet.

All press releases are also uploaded onto the Internet at www.info.gov.hk/gia. In addition, major government press conferences and events, including the annual Policy Address by the Chief Executive and the Budget Speech by the Financial Secretary, are webcast live on the Internet.

The Government's electronic bulletin, news.gov.hk, serves as a communications channel to enhance ties between the Government and the media, business, industry, academia and the community, presenting news and information throughout the day, seven days a week, in a dynamic multimedia format. By year-end, news.gov.hk had posted 8 265 news and features stories. It had also developed and posted dozens of short videos to its Reel HK page, and added more than 81 new image collections to its Photo Gallery page. Visitors to the site may sign up for free daily e-mails of news summaries, weekly City Life alerts and HK for Kids updates. The e-bulletin now has about 9 600 subscribers.

The e-bulletin attracted about nine million visitors and more than 122 million page views during 2008.

The Media Research Sub-division keeps the Government informed of public opinion expressed in the news media. It produces daily reports summarising news and editorial comments in the Chinese and English press as well as radio phone-in

programmes. It also produces special reports on subjects of interest to the Government.

Publicity and Promotions Division

The Publicity and Promotions Division helps bureaux and departments mount publicity campaigns and related activities locally and outside Hong Kong. It is responsible for advertising, creative design, photography, videography and the production of many of the Government's publications. The larger local campaigns conducted or supported by the division during the year covered a wide range of subjects such as the promotion of Olympism and the Beijing 2008 Olympic and Paralympic Equestrian Events, the fight against youth drug abuse, voter registration, Legislative Council election, road safety, environmental protection, civic education and fire prevention.

The division also helps organise major promotional activities such as exhibitions, cultural performances and media partnerships in overseas countries and on the Mainland.

The division handles about 4 100 titles and produces a wide variety of government publications, including the Hong Kong Annual Report and its internet version. A large number of free publications such as booklets, leaflets, fact sheets, brochures, posters and government forms are distributed by the division each year. In 2008, the division sold 358 125 government books and miscellaneous printed items through its sales outlet and online bookstore. Photographs are also sold by the division.

Public Relations Outside Hong Kong Division

The division helps develop and implement the Government's public relations and communications strategy outside Hong Kong, working closely with the Government's Economic and Trade Offices overseas and on the Mainland. Its Overseas Public Relations Sub-division promotes and monitors Hong Kong's image overseas. It is also in close liaison with more than 100 foreign media organisations based in Hong Kong, handling press enquiries, disseminating news and arranging interviews. It runs a programme for visiting journalists, produces summaries of overseas reports on Hong Kong and distributes promotional material on Hong Kong worldwide.

The Brand Management Unit is responsible for carrying out the Brand Hong Kong programme which promotes Hong Kong as Asia's world city through different channels locally, overseas and in the Mainland. The unit makes sure the Brand is used effectively to promote Hong Kong around the world. Besides organising activities to highlight the Brand, the unit also helps to publicise major events organised by government departments, non-governmental organisations and the private sectors to strengthen Hong Kong's positioning as Asia's world city.

The Visits and International Conferences Sub-division runs the department's Sponsored Visitors Programme for opinion formers, political leaders and think-tank members to visit Hong Kong at the invitation of the Government to enhance their

understanding of the Special Administrative Region. The sub-division also helps to draw up programmes for non-sponsored visitors coming to Hong Kong on private trips. In addition, it runs an Overseas Speakers Programme to enable foreign investors to better understand Hong Kong's development and what makes it competitive. Arrangements are also made for senior government officials and prominent members of the community and local personalities to address targeted audiences abroad.

Promoting Hong Kong Overseas and in the Mainland

Europe

In collaboration with the Hong Kong Trade Development Council (HKTDC) and related Hong Kong business associations, the Brussels Hong Kong Economic and Trade Office (ETO) organised Lunar New Year celebrations in 12 cities across Europe in February and March 2008. Over 2 000 guests from diplomatic, political and business circles attended the events. Renowned jazz guitarist Mr Eugene Pao teamed up with three other jazz musicians from Hong Kong to stage nine performances during the celebrations, earning overwhelmingly positive response. A 10-day Hong Kong Food Festival organised by the Brussels ETO in Berlin in March was also well received.

The Brussels ETO organised the Chief Executive's visit to the Middle East in January. Mr Donald Tsang visited Kuwait, Riyadh in Saudi Arabia, and Abu Dhabi and Dubai in the United Arab Emirates. He headed a business delegation comprising senior leaders in the financial services and infrastructural and real estate sectors. Mr Tsang also met royal families and leaders in the three countries and attended business luncheons organised by the HKTDC. The visit generated considerable media coverage in those countries.

In May, the Chief Secretary for Administration, Mr Henry Tang visited Brussels, Milan and Paris, where he met different ministers and senior government officials and attended a series of events to promote Hong Kong, delivering keynote speeches in all three cities on Hong Kong's trade and economic developments.

In October, during a visit to Madrid, the Secretary for Commerce and Economic Development, Mrs Rita Lau, signed a Memorandum of Understanding (MoU) on co-operation in wine-related business with Spain, while the Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism), Miss Yvonne Choi, signed a similar MoU in Bordeaux with the Bordeaux Chamber of Commerce and Industry.

The Brussels ETO organised an annual film festival, *Hong Kong Film Panorama*, which showed the latest Hong Kong movies in Amsterdam, Antwerp, Barcelona, Brussels and Madrid. The office also helped organise the 10th Udine Far East Film Festival in Italy in April and two events to pay tribute to well known Hong Kong film director, Johnnie To, at *La Cinémathèque Française* in Paris in March and at the Lisbon International Film Festival, *IndieLisboa*, in April.

The London ETO organised several visits by senior Hong Kong Government officials to countries under its purview in 2008, notably the Chief Executive, Mr Donald Tsang's visit to London in November where he met Prime Minister Gordon Brown and Conservative Leader David Cameron, and was Guest of Honour at the HKTDC Annual Dinner. Mr Tsang also gave a talk at the London School of Economics.

The London ETO co-organised a programme, 'Creative Hong Kong in London' in June with the Hong Kong Design Centre and HKTDC. It was launched by the Financial Secretary, Mr John C Tsang, who gave a speech at the Hong Kong Creative Business Forum at the London Business School to mark the occasion.

The London ETO supported a number of artistic and musical events, including the first full UK tour by the Hong Kong Chinese Orchestra in London, Manchester, Birmingham and Newcastle. It also sponsored the screening of Hong Kong films at Copenhagen's NATFilm Festival, the Riga Arsenal's Film Festival and the Stockholm International Film Festival as well as supported projects involving Hong Kong artists in London, Manchester, Leeds, Newcastle and Brighton. The London Hong Kong Dragon Boat Festival, which attracted over 20 000 festival-goers, was also sponsored by the office.

London ETO again took part in London's Lord Mayor's Show, with a stunning acrobatic display by a flying lion team outside Mansion House. Over 500 000 people turned up for the show.

Working with the HKTDC, the London ETO organised 10 Chinese New Year receptions to celebrate the Year of the Rat in Moscow, St. Petersburg, London, Edinburgh, Birmingham, Stockholm, Copenhagen, Oslo, Malmö and Helsinki.

North America

The Washington ETO presented the 13th annual 'Made in Hong Kong Film Festival' co-sponsored by the Smithsonian Institution's 'Freer Gallery of Art'.

The office promoted Hong Kong's co-hosting of the 2008 Olympic and Paralympic Games via television and online publicity campaigns with National Broadcasting Company (NBC), the official broadcaster of the 2008 Beijing Olympic and Paralympic Games.

In May, the Secretary for Financial Services and the Treasury, Professor K C Chan, visited Washington, DC. He met the Chairman of the Securities and Exchange Commission, Mr Christopher Cox; Chairman of The Board of Governors of the United States Federal Reserve, Mr Ben Bernanke; and the US Under Secretary of the Treasury for International Affairs, Mr David McCormick. Professor Chan also delivered a speech at the Carnegie Endowment for International Peace.

In November, the Financial Secretary, Mr John C Tsang, and the Chief Executive of the Hong Kong Monetary Authority, Mr Joseph Yam, attended the G20 Financial Market and World Economic Summit as members of the Chinese delegation.

Ties between Hong Kong and Canada received a boost in 2008 with the signing of a Memorandum of Understanding on Investment Promotion Co-operation between the two economies, recognising the benefit of increasing two-way investment. This was followed by the launching of 'Ventures' — a business information blog, set up jointly by the Toronto ETO, the HKTDC, the Ontario Chamber of Commerce and the Hong Kong-Canada Business Association. The blog focuses on Hong Kong-China-Canadian trade and highlights Hong Kong's strategic position as the gateway to the Mainland.

A national business forum was held in Edmonton in June to promote Hong Kong as the 'smart link' to China. A video conference on career opportunities in Hong Kong, at which representatives of major business sectors spoke, was organised for the sixth consecutive year in Toronto, Vancouver and Montreal. Close to 800 young people attended the conference. The Secretary for Education, Mr Michael Suen, visited Toronto in June and spoke at a seminar on Hong Kong's quality migrant scheme to attract talented overseas people to Hong Kong.

In November, the Secretary for Commerce and Economic Development, Mrs Rita Lau, visited Vancouver where she met government officials, business leaders, academics and students. She elaborated on Hong Kong's programme for boosting innovative industries and on the opportunities for Canadian businesses in her keynote speech to the Vancouver Board of Trade.

'Hong Kong riding high with Olympic spirit' was the theme used in Canada to promote the Beijing 2008 Olympics Games. The Toronto ETO and the Hong Kong Tourism Board worked with CBC-Radio Canada, the official Canadian broadcaster of 'Beijing 2008', on publicising the event and providing media coverage of Hong Kong's equestrian events in Canada. Joint promotions were organised with major Canadian equestrian magazines and websites as well as the China National Tourist Office in Toronto. The Games were also publicised at the Spruce Meadows in Calgary, an internationally recognised equestrian organiser-cum-facility.

An exhibition was staged at Toronto's Design Exchange, showcasing a range of Hong Kong designs and products. Another display-cum-seminar on Hong Kong's creativity, entitled 'Open Book: A Very Hong Kong Book Design Display', was co-organised with the University of Toronto.

The New York ETO participated in events in Atlanta, Boston, Chicago, Lexington (Kentucky), Miami and New York to promote Hong Kong as a co-host city for the Beijing 2008 Olympic and Paralympic Equestrian Events in the run-up to the Games.

An eye-catching Hong Kong exhibition, titled 'Asia's world city welcomes the Olympics' was staged during the prestigious three-day Rolex Kentucky trials held by the United States Equestrian Federation in Lexington in April to pick the US 2008 Olympic Eventing Team. A 13-minute film 'Hong Kong is Ready' was also shown during the trials.

In October, the ETO held a month-long festival, 'New York Celebrates Hong Kong', in New York City, showcasing Hong Kong's cultural and economic vitality

through art exhibits, opera and dance performances and educational symposiums. The Secretary for Home Affairs, Mr Tsang Tak-sing, and the Secretary for Development, Mrs Carrie Lam, officiated at some of the events.

During the festival period, a 30-second vignette showing Hong Kong's cosmopolitan look and economic energy was broadcast on NBC Universal's Jumbo Tron in New York City's bustling Times Square and on video-screens in the city's yellow taxicabs.

The Secretary for Financial Services and the Treasury, Professor K C Chan, visited New York in May where he delivered a keynote speech about opportunities in Hong Kong for US financial services providers. Professor Chan also rang the Opening Bell at the New York Mercantile Exchange and met senior business executives and financial editors. He later attended a luncheon hosted by NYSE Euronext.

The ETO continued to promote Hong Kong films actively by taking part in film events in Atlanta, Boston, Chicago and New York in collaboration with internationally known organisations such as the Harvard Film Archive. Hong Kong's popular animated film 'My Life as McDull' was entered in the 5th Chicago Animation Film Festival in Chicago. It also continued highlighting the Brand Hong Kong logo at dragon boat festivals held in Atlanta, Boston, Miami and New York.

The San Francisco ETO worked with NBC on a website to introduce Hong Kong as the co-host city for the Beijing 2008 Olympic and Paralympic Equestrian Events to internet browsers in San Francisco, New York, Washington DC and neighbouring areas.

The ETO also helped to produce a half-hour film, 'Hong Kong Reins', which was broadcast in July and early August to viewers in the East and West coasts of the United States.

An NBC crew flew to Hong Kong to film the world-class facilities built for the competition and interviewed senior government officials and key personnel involved in organising the equestrian events. The programme was aired in the San Francisco Bay Area just before the start of the 2008 Olympics Games' opening ceremony in Beijing on August 8.

To build on the excitement of the lead up to the Games, three half-minute vignettes highlighting Hong Kong as the perfect host for international events were aired in the same cities for six weeks prior to the start of the Games. An 'Olympic Viewing Celebration', featuring a Hong Kong booth and cultural performances was held in San Jose on August 8, attended by thousands of people.

To involve young people creatively in the Olympic excitement, the ETO partnered with the *San Francisco Chronicle* newspaper to organise an Olympic Equestrian Events poster design competition. The contest ran from May to June. The paper said afterwards the competition 'brought the Hong Kong Olympic Equestrian Events to life' in the Bay Area.

The 2008 Dressage Festival of Champions Olympic Selection Trials, which the San Francisco ETO sponsored, was held on June 28 and 29 in San Juan Capistrano, Southern California. The official US dressage contestants were chosen in the finals at the festival. Thousands of spectators visited the Hong Kong booth at the festival.

The year also saw a host of important people, including the Hong Kong Chief Executive, Mr Donald Tsang, visit the West Coast.

In June, San Francisco Mayor Gavin Newsom welcomed the Chief Executive to the city where Mr Tsang addressed a mega promotional event entitled 'Hong Kong — The Perfect Choice!' which was attended by 250 guests, Bay Area dignitaries and the former US Secretary of State, Mr George Schultz, a long-time friend of Hong Kong. Mayor Newsom declared June 13, 2008 as 'Hong Kong Day' in San Francisco and presented the 'Key to the City of San Francisco' the highest honour bestowed by the city, to the Chief Executive. A preview of 'Hong Kong Reins' was shown at the reception.

Earlier in the year, the Secretary for the Environment, Mr Edward Yau, visited San Francisco, Sacramento and Los Angeles, where he briefed the state's Lieutenant Governor and senior officials on Hong Kong's energy efficiency and conservation efforts. He also addressed business luncheons attended by executives of companies in the environmental business and the media, and visited a wind farm in Solono County.

The Secretary for Financial Services and the Treasury, Professor K C Chan, visited California where he attended the Hong Kong Financial Summit, entitled 'Globalisation through Hong Kong's Capital Markets' in Santa Clara, organised by the ETO and the Hong Kong Exchanges and Clearing Limited. The meeting was attended by more than 350 business leaders and venture capitalists.

In November, the Secretary for Commerce and Economic Development, Mrs Rita Lau, made her first visit to Los Angeles where she addressed an audience of about 220 business leaders and senior government officials on 'Turning Crisis into Opportunity' during a luncheon hosted jointly by the ETO, the Los Angeles World Affairs Council and the Hong Kong Association of Southern California.

North Asia

Tokyo ETO made arrangements for a number of visits to Japan and South Korea by senior Hong Kong officials, who included the Chief Secretary for Administration, Mr Henry Tang, and the Secretary for Security, Mr Ambrose Lee. During his visit to Tokyo in January, Mr Tang had talks with Japan's Minister of Foreign Affairs and other senior Japanese politicians to strengthen bilateral ties between Hong Kong and Japan. He also visited museums at the 'Art Triangle' in Roppongi to see how arts and cultural facilities are developed in an integrated manner in Tokyo's central business district.

Mr Lee visited Seoul and Tokyo in November and had talks with the Minister of Public Administration and Security of South Korea and the Minister of Justice of

Japan, as well as representatives of security-related agencies in both countries, to exchange views on issues of common interest.

To promote better understanding of Hong Kong among young people in Japan, Tokyo ETO organised, for the second consecutive year, an English speech contest for university students. The contestants were required to have a Hong Kong theme in their speeches.

To showcase Hong Kong's creative industry in Japan, Tokyo ETO participated in the 'Yokohama Asian Wave 2008' exhibition in October at which comics and Chinese paintings by Mr Lee Chi-ching, winner of the first International Manga Award organised by Japan's Ministry of Foreign Affairs, were displayed.

Southeast Asia

In May, the Chief Executive, Mr Donald Tsang, visited Singapore. He called on the Prime Minister, Mr Lee Hsien Loong, and the Minister Mentor, Mr Lee Kuan Yew, and attended a lunch hosted by the Senior Minister, Mr Goh Chok Tong. He also had fruitful meetings with other senior government officials and learned about the country's latest developments in health care, tourism and environmental protection.

In December, the Financial Secretary, Mr John C Tsang, led a business delegation to Hanoi, Vietnam. He met the Deputy Prime Minister of Vietnam, Mr Nguyen Sinh Hung and other senior government officials of finance, trade and investment, and signed a 'Comprehensive Agreement for Avoidance of Double Taxation' with Vietnam. Mr Tsang gave a speech at a business seminar organised by the HKTDC and addressed the Dragonair Hanoi Inaugural Gala Dinner.

On the cultural front, the ETO in Singapore sponsored and supported the Kowloon Club, a community organisation formed by Hong Kong immigrants in Singapore, to take part for the first time in the Chingay Festival parade during the Chinese New Year. In December, the ETO sponsored a recital by 12-year old piano prodigy, Aristo Sham, from Hong Kong, and a series of showings of 'Bruce Lee' films.

In addition, the ETO joined hands with the Hong Kong Tourism Board and the HKTDC to launch the new 'Meetings and Exhibitions Hong Kong' office to serve related organisations and to strengthen contact with the media in Singapore and Malaysia.

During the year, seminars and presentations were held in the key cities of the Association of South East Asian Nations (ASEAN) to promote Hong Kong as an economic and trading hub in Asia. The ETO also capitalised on every opportunity to promote Hong Kong as a co-host city of the Beijing Olympic Games.

Australia and New Zealand

To promote Hong Kong as a co-host city for the Beijing 2008 Olympic and Paralympic Equestrian Events, the Sydney ETO took part in several major equestrian events in Australia. These included the 'Australian Show Jumping Championships' in Sydney, the 'South Australian State Show Jumping Championship' in Adelaide and

the 'Dressage and Jumping with the Stars' in Melbourne. Thousands of visitors to the events learned about Hong Kong's meticulous preparation and superb facilities for the Games, enhancing the city's reputation as a venue for world class sporting events.

Several senior Hong Kong government officials visited Australia during the year. In August, the Financial Secretary, Mr John C Tsang, attended the Structural Reform Ministerial Meeting of the Asia-Pacific Economic Co-operation (APEC) in Melbourne, and held meetings with the President of the Asian Development Bank and the Treasurer of Australia. Mr Tsang officiated at the reception hosted by the Sydney ETO for the 'Hong Kong Cinema' at the Melbourne International Film Festival. He also took the opportunity to meet state officials and visit wineries in Adelaide to promote Hong Kong as a wine trading and distribution centre.

In September, a Hong Kong delegation led by the Secretary for Development, Mrs Carrie Lam, attended the World Sustainable Building Conference 2008 in Melbourne to look at the latest developments in 'green' building technology and sustainable built environments.

The Secretary for the Environment, Mr Edward Yau, visited Australia in November. He called on the Federal Minister for the Environment, Heritage and the Arts, as well as federal, state and local environment protection authorities in Victoria and New South Wales to exchange views on climate change and other environmental issues.

The Secretary for Justice, Mr Wong Yan Lung, visited Australia in November to strengthen ties with the country and promote Hong Kong as an international legal services and dispute resolution centre. He met senior federal and state legal and judicial officials, including the Chief Justice of the High Court and the Attorney General.

Leading a Hong Kong delegation, the Secretary for Education, Mr Michael Suen, visited Melbourne in December to attend the 2008 International Education Leaders' Dialogue. During his stay, Mr Suen visited the University of Melbourne and met Victoria's Minister for Education.

On the cultural side, the ETO collaborated with the Australian Centre for the Moving Image in Melbourne to show works by the renowned Hong Kong film director Johnnie To. The office also participated in four major international film festivals in Australia and New Zealand at which Hong Kong films were shown.

Mainland of China

The Beijing Office and the three ETOs in Guangdong, Shanghai and Chengdu continue to maintain close contact with the Central People's Government and other Mainland authorities and to promote official exchanges between the Government of the Hong Kong Special Administrative Region (HKSAR) and the Mainland authorities. They provide logistical support to HKSAR Government delegations visiting the Mainland and arrange visits of Mainland officials to Hong Kong. The Chief Executive, Mr Donald Tsang, made four visits to Beijing in 2008. He also led a 100-strong

delegation of Hong Kong business leaders to Heilongjiang, Jilin and Liaoning in July; visited Shanghai in May, Chengdu in June, and attended the Boao Forum for Asia in Hainan and the Third Expo Central China in Hubei in April as well as the Guangdong/Hong Kong Co-operation meeting in Guangzhou in August.

The Mainland Offices organised seminars, research as well as visits to different parts of the Mainland for Hong Kong business delegations and organisations. The Investment Promotion Divisions of the Mainland Offices liaised closely with Mainland enterprises intending to invest in Hong Kong, helping them to go through the necessary procedures.

The Mainland Offices made good use of the Beijing Olympics to publicise Hong Kong widely as a co-host of the Beijing 2008 Olympic and Paralympic Equestrian Events. Exhibitions were held during 23 major activities, including trade fairs, expos, and other events in various Mainland cities. The Beijing Office also worked with the People's Daily Online to promote Hong Kong on the internet.

The Shanghai ETO continued to maintain close contact with the Bureau of Shanghai World Expo Co-ordination (Expo Bureau) to keep up to date with developments concerning the World Exposition 2010 Shanghai China (Shanghai World Expo) in which Hong Kong will take part. The Shanghai ETO and the Constitutional and Mainland Affairs Bureau assisted the Expo Bureau in organising an 'Expo 2010 Shanghai China — Hong Kong Promotion Week' in Hong Kong in October.

The Chengdu ETO, assisted by the Immigration Divisions of Beijing Office and Guangdong ETO, was heavily involved in assisting Hong Kong people in distress following the earthquakes in the Sichuan Province in May. They secured medical care for the injured and arranged for family members to visit from Hong Kong, helped locate missing people and received professional teams from Hong Kong to engage in search and rescue work.

Between June and December, the Chengdu ETO helped arrange visits to the stricken areas by the Chief Executive, the Chief Secretary for Administration, Legislative Council members and other organisations. The ETO also assisted in liaising between the HKSAR Government and the relevant Sichuan authorities concerning HKSAR's implementation of reconstruction projects in the province.

Government Home Pages on the Internet

Among other measures for ensuring openness, transparency and accountability, the Government uses the internet to disseminate information on its policies, services and activities and to communicate with the public. All bureaux and departments produce their home pages in Chinese and English. Thematic home pages are also produced for special events and topics. These home pages can be accessed through the GovHK at www.gov.hk.

The GovHK also provides 24-hour news updates, consultation papers and topical information to enable the public to keep track of local developments and important announcements. It is also a portal to a wide range of electronic services

of various departments and agencies, including the submission of tax returns, payment of government fees and the purchase of government publications.

Code on Access to Government Information

As an open and accountable Government, all government bureaux and departments are committed to making information available to the public in accordance with the Code on Access to Information. The code specifies the types of government information the public may have access to. Disclosure may be refused on grounds of the confidential and sensitive nature of the information to ensure appropriate protection of such information. The public may complain to The Ombudsman if government bureaux and departments do not respond to requests for information in accordance with the code.

Information Technology

Digital 21 Strategy

The Government is committed to keeping Hong Kong at the forefront of the development of information and communications technology (ICT) and to make it a leading digital city. To achieve this aim, in 1998 the Government formulated Digital 21 Strategy, a plan which is updated continually to cope with technological advancements and the community's changing needs. This has produced the right environment, infrastructure, skills and culture for developing and adopting ICT. This is evident in Hong Kong's mobile phone penetration rate of 162.3 per cent, one of the highest in the world; its household broadband connection rate of 77.7 per cent, the second highest in Asia; and its Smart ID card, one of the first to be invented in the world.

The latest 2008 Digital 21 Strategy was introduced in December 2007 with the motto: 'advancing our achievements and seizing new opportunities: building on Hong Kong's position as a world digital city'. The strategy follows a 'Statements of Desired Outcomes' drawn up to make Hong Kong a vibrant digital economy, a centre for advanced technology and innovation as well as a hub for technological co-operation. Maintaining Hong Kong's position as a leader in the use of e-government and as a knowledge-based society is another of its aims.

Hong Kong as a Leading Digital Economy

Driving E-business

The Government is committed to providing the infrastructure to facilitate a digital economy. The Electronic Transactions Ordinance was enacted in 2000 and updated in 2004 to provide a legal framework for the conduct of secure electronic transactions.

There are now two certification authorities recognised under the ordinance, which issue digital certificates for people to conduct electronic transactions in a secure manner.

Institutional Framework on the Administration of '.hk' Domain Names

To ensure the public internet domain names are properly managed, in 2002 the Government appointed the Hong Kong Internet Registration Corporation Limited (HKIRC), a non-profit-making company, to administer the '.hk' domain name.

To make the most of the benefits from this public resource, the Government has been working closely with the HKIRC to instigate changes to the institutional framework to make better use of the '.hk' internet domain. In December 2008, the HKIRC simplified the membership classes and formed a smaller Board of Directors to focus on corporate governance. The HKIRC will also set up a new advisory panel to engage stakeholders to advise the Board and to enhance transparency on its activities.

IT Manpower

The Government is committed to creating an environment where a well-qualified IT workforce can flourish and meet the needs of a digital economy. The Government has been working closely with the industry and academia to facilitate continued upgrading of the IT workforce. It has been providing sponsorship for an annual IT exchange programme since 2002 to expose students to IT projects in overseas or Mainland universities. The Government has also sponsored the implementation of IT internship programme which provides opportunities for IT graduates to gain practical working experience.

On the industry side, through Government sponsorship, the Hong Kong Computer Society is implementing a Certification System for IT Professional Qualifications.

Hong Kong as a Hub for Technological Co-operation and Trade

Facilitating the IT Industry

The Government has introduced a range of measures to cultivate a vibrant, competitive and innovative ICT industry. They help to increase business opportunities, improve service quality, build expertise and provide financial and infrastructural support.

The Government has been adopting an aggressive outsourcing policy for its IT projects. This, together with programmes aimed at promoting the use of IT in business and the community, has created a good environment for the local industry's growth. The Government will continue to help the industry to explore business opportunities in Mainland and overseas markets. For example, the Government supports relevant industry bodies in organising overseas trade missions to explore software outsourcing business opportunities.

To assist Hong Kong service suppliers in entering the Mainland market and obtaining third-party accreditation of their service, the Closer Economic Partnership Arrangement (CEPA) allows them to apply for Computer Information System Integration (SI) Qualification Certification. Seven Hong Kong companies have been granted the SI Qualification Certificate so far. Under Supplement V to the CEPA,

Guangdong and Hong Kong will continue issuing applications of mutual recognition of electronic signature certificates on a trial basis.

Cyberport

Cyberport is a strategic centre which brings together a cluster of high quality IT and related enterprises, and facilitates synergy and partnership among members of the ICT industry. The centre is home to more than 90 local, Mainland and overseas companies specialising in IT applications, information services and multimedia content creation, as well as around 30 start-up companies undergoing incubation. Cyberport is a major venue for IT and digital entertainment-related conferences in Hong Kong and Asia. Since 2002, over 1 100 IT-related events have been held at Cyberport.

The centre also provides the ICT and digital media industries with important infrastructure, technical and resource support and facilitates the development of local small and medium enterprises (SMEs) through the industrial support centres.

Leader in E-government

E-government is an integral part of the Government's overall IT strategy. Building on the foundation laid down in the past few years, Hong Kong has launched the next stage of e-government. The key developments include:

(a) GovHK

GovHK (www.gov.hk) which was officially launched in August 2007 as Hong Kong's one-stop shop for online government information and services sought frequently by the general public.

To bring more convenience to the general public, a more personalised interface will be introduced to provide information and services tailored to users' needs, preferences and interests.

(b) Electronic Health Records

Hong Kong needs a healthcare system that can cater for the changing demographic structure, increasing healthcare needs and rising health expenditure. As part of Government healthcare reform, in 2009 the Food and Health Bureau will set up a dedicated office to co-ordinate the development of a territory-wide patient-oriented electronic health record system. This will provide a pivotal infrastructure for implementation of the reform.

(c) GovWiFi Programme

The Government officially launched the GovWiFi Programme in March as a step forward in making Hong Kong a wireless city. The Programme will provide free Wi-Fi facilities for the public at about 350 government premises throughout the territory including public libraries, public enquiry service centres, sports centres, job centres, community halls, parks and government joint-user buildings. By the end of 2008, the GovWiFi service was available

at about 250 government premises. The service will be progressively rolled out to the remaining 100 government premises by mid-2009.

(d) Property Information Hub

The Property Information Hub is a join-up service which provides one-stop access by the public to reliable and updated property information held by the Government. As the first step for implementation, it is targeted to launch the Rating and Valuation Department's new departmental e-service in early 2009 to enable online public access to its property data.

(e) Multiple Applications on the Smart Identity Card

In 2003 the Government introduced the Smart Identity Card which can support multiple applications. It enables citizens to benefit from automated immigration clearance at border control points. Apart from immigration use, the Smart ID card holder may use it to store an e-cert and perform library card functions. Since March 2008, it has been possible to use the Smart ID card to make bookings for sports facilities and leisure activities at Leisure Link Self-Service Kiosks.

Hong Kong continued to gain recognition for its efforts in promoting e-government. In the e-readiness rankings released by the Economist Intelligence Unit (EIU) in 2008, Hong Kong was ranked second in the world, and first in the Asia-Pacific Region.

Digital Inclusion

Digital Inclusion Task Force

To enable the whole community to benefit from ICT development and to ensure that members of vulnerable groups are able to use ICT to participate fully in society, the Government set up a Digital Inclusion Task Force in July. Comprising representatives from government departments, industry and the community at large, the aim of the Task Force is to formulate strategies and initiatives to address digital inclusion issues. In addition to tackling the digital divide issue with regard to the different needs of sub-groups, the Task Force will also consider measures to foster the safe and ethical use of ICT in the wider community.

District Cyber Centres

The Government is spearheading a pilot scheme to set up district cyber centres by early 2009. By providing computing facilities, internet connectivity and technical support, these will enable young people from low-income families and other needy members of the community to access and use information technology and online services.

Telecommunications

The Government's telecommunications policy is to facilitate the development of the telecommunications industry and enhance Hong Kong's position as an international telecommunications hub.

The Telecommunications Authority (TA) is appointed by the Chief Executive to perform functions and exercise powers under the Telecommunications Ordinance and the Unsolicited Electronic Messages Ordinance ('the UEM Ordinance'). The Office of the Telecommunications Authority (OFTA) is the executive arm of the TA. It oversees the regulation of the telecommunications industry in Hong Kong, advises the Government on telecommunications matters, and enforces the relevant provisions set out under the abovementioned ordinances.

Hong Kong's telecommunications market is fully liberalised and highly competitive. The Telecommunications Ordinance includes sector-specific pro-competition provisions to ensure fair and effective competition in the telecommunications market.

Broadband Wireless Access Services

Broadband Wireless Access (BWA) refers to next generation of wireless communications technologies providing vastly improved high-speed data services. The technologies can be used to provide both fixed and mobile broadband access services, and may also be used as wireless backhaul for fixed or mobile networks.

After considering the views of the industry and decisions made by the ITU's World Radiocommunications Conference 2007, the TA announced in December 2007 that spectrum in the 2.3GHz and 2.5GHz bands would be assigned to the industry through an auction for the provision of BWA services. In October 2008 the TA published the Information Memorandum setting out the terms and conditions of the auction as well as the licence conditions to be imposed upon BWA service providers. In December, five applications for bidding were received and the auction was scheduled for January 2009.

Internet Protocol TV Services

Rapid advances in broadband technologies and the increasing convergence between telecommunications and broadcasting have created opportunities for telecommunications operators to offer Internet Protocol television (IPTV) services. A number of fixed carriers have entered the IPTV market and are now offering triple-play and quadruple products, such as fixed and mobile telephony services, broadband internet access and IPTV to their customers. With over one million subscribers, Hong Kong is at the forefront in terms of IPTV household penetration and coverage.

Broadband Internet Access Services

During the year, the number of wireline-based broadband internet access accounts increased to 1.95 million, which represented a household penetration rate of 77.7 per cent and population penetration rate of 27.8 per cent. According to the reports issued by the International Telecommunication Union (ITU), Hong Kong ranked second in Asia in 2007 in terms of broadband population penetration.

Local operators have been rolling out broadband facilities providing high bandwidth services to customers. According to a recent report of the Fibre-to-the-Home Councils of the Asia-Pacific, Europe and North America, Hong Kong is a world

leader in the coverage of fibre-to-the-home (FTTH) or fibre-to-the-building (FTTB) networks with a household penetration of 28 per cent. At year-end, there were three fixed carriers offering FTTH services with data transmission speed of up to 1 000 megabits per second (Mbps).

Other than the traditional wireline-based broadband services, there was a rapid and massive rollout of wireless local area networks in 2008. At year-end, 25 class licensees and five fixed carrier licensees were authorised to provide public Wi-Fi services. With the installation of over 7 800 Wi-Fi hot spots at around 4 700 locations in the territory by both the Government and the private sector, Hong Kong is at the forefront in the provision of public Wi-Fi service.

Local Fixed Telecommunications Network Services

Businesses and consumers in Hong Kong enjoy an excellent telecommunications infrastructure. In 2008, the telephone density was 99.1 exchange lines per 100 household, one of the highest in the world. The local fixed-line market has been fully liberalised since January 2003. Under the full liberalisation policy, there is no pre-set limit on the number of licences issued or any deadline for submission of applications for licences. By year-end, there were 10 local wireline-based fixed network licensees and one local wireless-based fixed network licensee.

Since the introduction of competition in the local fixed network services market in 1995, operators have been rolling out their self-built customer access networks to provide choices and services to end-customers. By March 2008, 81 per cent of businesses and 58 per cent of households in Hong Kong were able to enjoy a choice of at least two and three self-built fixed networks respectively. Accordingly, the mandatory Type II interconnection policy¹, the purpose of which was to facilitate new entrants in providing competing service to customers in the start-up phase, was fully withdrawn with effect from June 30, 2008.

Mobile Communications Services

The market for mobile communications services is highly competitive. Five mobile carrier licensees were operating a total of 15 digital systems providing second generation (2G) and third generation (3G) mobile services, serving a customer base of 11.37 million. The penetration rate of mobile communications services was about 162.3 per cent, one of the highest in the world. At year-end, the four 3G operators had acquired a customer base of 2.81 million. Mobile data services based on the high-speed downlink packet access (HSDPA) technology offering service to mobile customers as fast as 14.4 Mbps are available. Higher speeds exceeding 21 Mbps will be offered when the technologies are available.

¹ Type II interconnection, a regulatory tool widely deployed in the world, requires the incumbent fixed network operator to open up its copper-based customer access network to new entrants. After a comprehensive review, the Government announced in July 2004 that the regulation for mandatory Type II interconnection at telephone exchange level would be gradually withdrawn on a per building basis.

External Telecommunications Facilities and Services

The external telecommunications facilities market was fully liberalised in 2000. At year-end, there were 25 licensees providing cable-based external telecommunications facilities and another five providing non-cable based external telecommunications facilities. Hong Kong, being a major telecommunications and internet hub, is connected to seven regional/trans-Pacific submarine cable systems and to the land cable networks of all three telecommunications operators of the Mainland. The total equipped capacity of external telecommunications facilities was over 3 400 Gbps in December 2008. Three new submarine cable systems connecting to Hong Kong are being planned or under construction. Cost reduction in the external telecommunications facilities and services markets due to competition and technological advancement has led to significant drops in the price of International Direct Dialling (IDD) calls as well as international private lease circuits.

Satellite Communications

Two Hong Kong companies, APT Satellite Company Limited and Asia Satellite Telecommunications Company Limited (AsiaSat), hold licences to operate and provide satellite communication services. At year-end, the two satellite companies were operating eight satellites.

Creation of the Unified Carrier Licence

With a dynamic market and technological developments, the distinction between fixed and mobile networks and services is becoming increasingly blurred. The Government has therefore introduced a new Unified Carrier Licence as a single licensing vehicle for all types of carrier services — fixed, mobile or fixed-mobile converged services — under harmonised licensing conditions and license fees. With effect from August 1, 2008, a Unified Carrier Licence is granted to all new and/or renewal carrier licence applications. Existing carrier licensees can convert their licences to the new Unified Carrier Licence before expiry on a voluntary basis. At year-end, three Unified Carrier Licences had been issued to replace existing Mobile Carrier Licences.

Combating Unsolicited Electronic Messages

To tackle the problem of unsolicited electronic messages (UEM), the UEM Ordinance was implemented in December 2007 to regulate the sending of commercial electronic messages (CEMs), including fax, pre-recorded voice calls, short messages and emails. Under the UEM Ordinance, senders of CEMs are required to comply with specific sending rules, including provision of accurate sender information and an unsubscribe facility in the message. Moreover, under the UEM Ordinance, three do-not-call registers (for fax, short message and pre-recorded telephone message respectively) have been established. Senders are prohibited from sending CEMs to the numbers registered therein, unless consent from the registered user of the number has been obtained. By December 31, 2008, there were more than 1.46 million registrations in the three do-not-call registers with some 374 000 numbers for fax, 371 000 for short message and 722 000 for pre-recorded message.

If a sender is found to have contravened any prescribed rules, the TA may issue an Enforcement Notice. Failure to comply with the Enforcement Notice is an offence. By the end of 2008, the TA had received 8 753 reports of suspected contraventions and had issued 67 warning letters to the senders. No Enforcement Notice has been issued.

In addition to the enforcement of the UEM Ordinance, the Government has also stepped up international co-operation on anti-spam measures. For example, Hong Kong continued to co-operate with other signatories of the Seoul–Melbourne Multilateral Memorandum of Understanding on Co-operation on Countering Spam, an international community on anti-spam co-operation, to share experiences and exchange intelligence worldwide. Moreover, Hong Kong has established spam reporting channels with other jurisdictions such as Australia, South Korea, Japan, the USA, the UK and the Mainland. Through these channels, OFTA can refer spam emails originated from these jurisdictions to the relevant agencies for follow-up action.

A community-wide Anti-spamming Task Force has also been set up to review the effectiveness of the UEM Ordinance and advise the Government on policies and measures to further tackle the problem of spamming.

International Activities

Hong Kong has been an active player in international telecommunications forums. It is part of the Mainland delegation to conferences and meetings convened by the ITU. It participates as an independent member at the meetings of the Asia-Pacific Telecommunity and the Telecommunications and Information Working Group of the Asia-Pacific Economic Co-operation (APEC). Hong Kong also plays an active part in the initiative to implement the APEC Mutual Recognition Arrangement for Conformity Assessment of Telecommunications Equipment.

In November, the International Regulators Forum 2008 and the 39th Annual Conference of the International Institute of Communications were held in Hong Kong, co-hosted by OFTA and the Broadcasting Authority. The Forum was attended by 67 senior regulatory officers of the communications industry representing 22 territories from all five continents, while the Annual Conference was attended by 160 policy makers, scholars and industry players from 33 territories.

Broadcasting

Hong Kong is a forerunner in the adoption of advanced broadcasting and telecommunications technologies. The Government's broadcasting policy objectives are to widen programme choice and diversity through competition, to facilitate the introduction of new, innovative broadcasting services and to enhance Hong Kong's position as a regional broadcasting hub.

In order to achieve these objectives, Hong Kong has adopted a facilitating and pro-competition approach to adopting various innovative broadcasting technologies, and provides a liberalised and light-handed regulatory environment for new broadcasting services to flourish. This allows Hong Kong to enter a new era of

broadcasting, with broadened programming choice and innovative services available to the viewing and listening public. Hong Kong now has some 600 satellite and pay television channels available in digital format, and is the world leader in deploying Internet Protocol Television (IPTV) technology with some one million subscribers. By the end of 2007, the number of free-to-air television channels increased almost threefold following the start of digitisation.

Regulatory Approach

Hong Kong's television broadcasting regulatory regime is technology-neutral. Provision of television services and carriage networks is regulated separately so that a television programme service provider may hire any transmission network operator to transmit its service instead of investing in transmission infrastructure itself. This arrangement facilitates market entry and encourages competition.

Under the Broadcasting Ordinance, the four categories of television programme services — domestic free, domestic pay, non-domestic (mainly satellite television services targeting the Asia-Pacific region) and other licensable television programme services (mainly television services for hotel rooms) — are regulated according to their characteristics and pervasiveness rather than their transmission mode.

As a result of the liberalised, light-handed and pro-competition regulatory approach, Hong Kong has a vibrant broadcasting industry and its people enjoy a multitude of television and radio channels with diversified programming — four analogue and 13 digital terrestrial free TV channels, some 300 pay TV channels, over 300 free satellite TV channels and 13 radio channels.

The Broadcasting Authority

The Broadcasting Authority (BA) is the independent statutory regulator of the broadcasting sector, comprising nine non-official members from various sectors of the community and three public officers. The BA is the licensing authority for non-domestic and other licensable television licences, and is responsible for making recommendations to the Chief Executive in Council on applications for new domestic free television, domestic pay television and sound broadcasting licences, as well as on applications for renewal of these licences.

The BA's main function is to safeguard proper standards of television and sound broadcasting with regard to both programme and advertising content, as well as technical performance. It publishes codes of practice on programme, advertising and technical standards with which licensees are required to comply. The BA is also responsible for upholding a fair and competitive television market in Hong Kong through the enforcement of the competition provisions of the Broadcasting Ordinance.

In light of media and technological convergence, the BA constantly examines and updates its regulatory approach and codes of practice to ensure that public expectations are met and at the same time that the operators have sufficient flexibility to operate effectively and efficiently. It engages the public through its 540-

member television and radio consultative scheme as well as focus group discussions to collect audience feedback.

Radio Television Hong Kong

Radio Television Hong Kong (RTHK), a government department, is an editorially independent public broadcaster providing quality radio and television programmes.

RTHK currently operates seven radio channels and produces over 980 hours of radio programmes weekly of different genres in Cantonese, English and Putonghua.

RTHK produced about 570 hours of television programmes in 2008 for broadcasting on Hong Kong's two commercial television stations. In addition to 41.3 hours of new school educational television programmes and pre-primary school programmes, an interactive learning platform, the eTVonline, has also been launched to complement the Government's education policies. As the territory's publicly-funded broadcaster, RTHK provides local and overseas broadcasters with audio and video pool feeds of events that are of public interest. In support of the Beijing 2008 Olympics, RTHK took the lead in forming a consortium with six other local electronic media organisations to provide live transmission of the 'Flame Receiving Ceremony' and the 8.5-hour 'Beijing 2008 Olympic Torch Relay in Hong Kong'.

RTHK has embraced the new media era and started broadcasting online in 1994 with the launch of 'RTHK on INTERNET' (www.rthk.org.hk). The daily average hit rate of the website is 33 million. RTHK continues to harness the multi-media potential of the different emerging media platforms, such as licensing web content to mobile operators and providing podcasting services. Since August 2007, RTHK has run an official channel on YouTube (www.youtube.com/rthk) to reach out more to the young audience.

Recent Developments

The boundaries between broadcasting, telecommunications and information technology continue to blur. The present arrangement of separate statutory regulators for broadcasting and telecommunications services is not sustainable in the long term. There was general support in public consultations for the merging of the BA and the Telecommunications Authority into a unified regulator responsible for overseeing the whole electronic communications sector. The Government is preparing for the introduction of legislation to pave the way for the merger's implementation. The Government continues to review the broadcasting policy and regulatory regime in light of technological and market convergence and new services coming on stream.

The Government encourages the deployment of digital terrestrial television broadcasting technology in Hong Kong to enhance spectrum efficiency and enable the provision of new services such as high-definition television (HDTV) broadcasting. The two incumbent terrestrial broadcasters, Asia Television Limited and Television Broadcasts Limited officially launched digital terrestrial television, including the broadcasting of free HDTV programmes and channels, on December 31, 2007. They extended digital coverage to 75 per cent by August 2008 so that more Hong Kong

people could receive digital broadcasts of the Beijing 2008 Olympics. The two broadcasters will continue to extend the digital network to achieve almost full coverage by 2011.

To plan ahead on the development of mobile multimedia services, the next wave of advance in broadcasting technologies, the Government completed two public consultations on mobile TV and related digital broadcasting services in 2007 and 2008. Taking into account views received from the public and the industry, international trends and technological advances, the Government formulated the framework for development of mobile TV services and announced details on spectrum availability, allocation, assignment and licensing arrangements in December 2008. OFTA plans to release the concerned spectrum for broadcast-type mobile TV services by way of auction in 2009.

In the light of media and technological convergence, the Government also sees the need to review the future policy and arrangements for public service broadcasting in Hong Kong. Appointed by the Chief Executive in early 2006 and comprising professionals, academics and media practitioners, an independent committee completed its review on public service broadcasting in Hong Kong and submitted the report to the Government in March 2007. The Government is studying the committee report and public views on the relevant issues in mapping out the future public service broadcasting policy.

Film Industry

Hong Kong is one of the world's major film production centres. A total of 67 Hong Kong produced films were released in 2008. Their combined box-office receipts amounted to \$263.9 million. By the end of 2008, Hong Kong had 48 cinemas, with 190 screens. Hong Kong's film industry has been well recognised regionally and internationally over the years. In 2008, Hong Kong films (including Hong Kong-Mainland co-productions) and Hong Kong film artists won a total of 39 awards at 16 film festivals and competitions, held in the Mainland and overseas.

Hong Kong Film Development Council

The Government is committed to providing a favourable environment for the healthy long-term development of the film industry in Hong Kong. In order to provide better support to the Secretary for Commerce and Economic Development (SCED), the Hong Kong Film Development Council (HKFDC) was established on April 15, 2007.

The HKFDC, chaired by a non-official and comprising mainly members from the film industry, is entrusted with broader and more onerous film-related responsibilities to advise the SCED on the policy, strategy and institutional arrangement for the promotion and development of the film industry; the use of public funds to support the film industry; the planning, co-ordination and implementation of film-related activities; the manpower and training needs of the industry; and the promotion of film literacy in the community.

Film Development Fund

The Film Development Fund (FDF) aims at providing financial support for projects conducive to the long-term development of the local film industry.

In July 2007, the Government injected \$300 million into the FDF and expanded its scope to finance small-to-medium budget film productions. The expanded FDF aims to encourage more commercial investment in film productions, create a larger mass of film activity and more employment opportunities, and assist the film industry in revitalising and developing further. In 2008, seven film production financing projects involving total funding of \$18.38 million, and 20 film-related projects involving total funding of \$37.85 million, were approved.

Film Services Office

The Government set up a Film Services Office under the Television and Entertainment Licensing Authority in April 1998 to provide support for the film industry by facilitating film production in Hong Kong and promoting Hong Kong films locally and abroad.

To facilitate location filming in Hong Kong, the office has obtained agreements from over 3 396 organisations, including government departments, on the use of their premises for location filming, and has published reference materials on locations for the industry. The office also provides a centralised service for assisting the film industry in matters of a more complicated nature such as location work that requires lane closures or special permits. In 2008, it dealt successfully with 492 such requests. The office acted as the co-ordinator in the vetting process for film industry parking applications, and processed 128 such applications during the year, all of which were approved. In 2008, the office also provided co-ordination services to process applications to use pedestrian precincts and to hire police for intermittent traffic control for location filming.

To promote Hong Kong films in the international market, the office assisted the overseas Hong Kong Economic and Trade Offices to organise Hong Kong Film Festivals in major cities in the United States and Australia, and promoted Hong Kong as an ideal city for location filming at the global 'Locations Trade Show' 2008 held in April in Los Angeles in the United States. In 2008, 112 overseas film crews came to Hong Kong for location filming.

The office is also responsible for licensing special effects operators and issuing permits for the discharge of special effects materials for the film and entertainment industry. In 2008, it processed 2 000 such applications.

Film Classification System

Hong Kong adopts a three-tier film classification system: Category I (suitable for all ages); Category II, which is subdivided into Category IIA (not suitable for children) and Category IIB (not suitable for young people and children); and Category III (for people aged 18 and above only). The aim is to allow adults wide access to films while protecting young people under the age of 18 from exposure to potentially harmful materials. Category IIA and IIB classifications are advisory — not governed

by statutory age restriction — and are intended to give more information to cinema patrons, particularly parents, to help them select films for themselves or their children. The age restriction is mandatory for Category III films.

In 2008, some 1 296 films were submitted for classification, compared with 1 298 in 2007. Of these, 387 were classified Category I, 408 Category IIA, 376 Category IIB, and 125 Category III. Film trailers, instructional films and cultural films intended for public exhibition can be exempted from classification. During the year, 6 909 such films were examined and exempted from classification.

Film classification standards are kept in line with society's expectations by regular surveys of community views and consultation with a statutory panel of advisers, comprising about 300 members drawn from different levels of society.

The Board of Review (Film Censorship), a statutory body established under the Film Censorship Ordinance, is empowered to review the film censors' decisions on film classifications upon request. The board comprises nine non-official members appointed by the Chief Executive, plus the Secretary for Commerce and Economic Development as an ex officio member.

Control of Obscene and Indecent Articles Ordinance

The policy objective in regulating obscene and indecent articles is to preserve public morals and protect young people from harmful effects of obscene and indecent materials while preserving the free flow of information and safeguarding freedom of expression. The publication (including distribution, circulation and sale) and public display of obscene and indecent articles (including printed matters, sound-recordings, films, video-tapes, discs and electronic publications) is regulated by the Control of Obscene and Indecent Articles Ordinance.

However, the Ordinance does not apply to films, film packaging and film advertising material covered under the Film Censorship Ordinance and television broadcasts governed by the Broadcasting Ordinance. Under the Control of Obscene and Indecent Articles Ordinance, 'obscenity' and 'indecent' include violence, depravity and repulsiveness. An article may be classified as - Class I: Neither obscene nor indecent, Class II: Indecent and Class III: Obscene. Submission of articles to the Obscene Articles Tribunal is entirely voluntary. Publishers, authors, printers, manufacturers, importers, distributors and copyright owners may submit articles to the Tribunal for classification rulings if in doubt.

In the last few years, newspapers and entertainment magazines have on many occasions published articles and photos that have subsequently been ruled to be indecent or worse. Members of the public have also expressed concern about the dissemination of obscene and indecent materials over the Internet. Steps were therefore undertaken to conduct a comprehensive review of the Ordinance. A comprehensive review of the Ordinance is under way and this will involve two rounds of public consultation. In the first round, the aim is to engage members of the public in discussion of the main issues relating to the operation of the Ordinance and possible improvement measures. The Government hopes to receive the

community's opinions on measures to improve the existing regime and then to draw up concrete proposals for a second round of public consultation.

The free flow of information and freedom of expression are core values of Hong Kong, which the Government will defend and safeguard. It will not deviate from its well-established policy of not mandating prior censorship on distribution of information or published content.

Postal Services

Hongkong Post provides reliable, efficient and universal postal services at affordable prices to meet the needs of Hong Kong and its international postal obligations. Since 1995, it has operated as a trading fund department, and has evolved into a highly customer-oriented Government department responding swiftly to market changes and customer needs. A 'Customer Satisfaction Survey' carried out in 2007 showed a 90 per cent level of satisfaction with Hongkong Post's services, 93 per cent with its hotline and counter services, and 95 per cent with its delivery services.

Mail Volume

In 2008, Hongkong Post handled 1.39 billion mail items, representing a decrease of 0.8 per cent compared to 2007. Local mail constituted 87 per cent of the total volume. Major destinations for outward traffic included the United States, United Kingdom, Australia, Japan and the Mainland.

Speedpost

As a result of closer economic ties between Hong Kong and Guangdong, Hongkong Post launched three value-added Speedpost services for the province in 2008: the 'Postage-paid-by-addressee' service, a more convenient way for the recipient to pay for his postage; the 'Cash-on-delivery' service, enabling the sender to collect the amount due for the package from the receiver on delivery; and the 'Economy Express' service, offering a more economic yet good delivery service with computerised tracking.

For very urgent delivery, a joint Cathay Pacific Cargo and RPX service named 'Next Flight Out' was launched in October. It offers same-day delivery to five major cities in Asia and next-day delivery to three European metropolitan cities. In collaboration with Japan Post, Hongkong Post launched in January a 'Next-day-delivery' service to Tokyo, Osaka and Fukuoka, which has considerably enhanced Speedpost's service to Japan.

Promoting Philately

In 2008, Hongkong Post issued 11 sets of special stamps with different themes, some of which appeal to children. The images range from fascinating jellyfish to Hong Kong flowers, Mainland scenery and Giant Pandas. A special glow-in-the-dark printing effect was used for the first time for the 'Jellyfish' stamp. Other special stamps issued during the year include the 'Year of the Rat', 'Beijing 2008 Olympic

Equestrian Events’, ‘Hong Kong, China - Republic of Korea Joint Issue on Masks’ and ‘Judiciary’.

The ninth annual Inter-School Stamp Exhibits Competition was co-organised in April with the Education Bureau and was supported by local philatelic organisations to promote philately among young collectors.

Supporting Direct Marketing Activities

During the year, Hongkong Post collaborated separately with China Post and Macao Post to launch a cross-border direct mail service. The service enables merchants to promote their products and services across the border.

Mail Distribution and Logistics

Hongkong Post signed a Logistics Collaboration Memorandum of Understanding with China Post Logistics Co. Ltd (CNPL) in the Mainland in January to set out the co-operation framework with Hongkong Post as the local sales and execution arm and transshipment hub for CNPL. The Hongkong Post Logistics Centre in Tuen Mun was opened in April to provide warehousing and logistics services for CNPL’s key corporate clients. This is an important milestone in Hongkong Post’s development in logistics service.

A new e-Post Centre was opened in Sheung Shui in October with sophisticated equipment enabling Hongkong Post to provide customers with a total postal solution which includes the printing and enveloping of mail items that will be seamlessly processed by Hongkong Post’s sorting centres and delivery offices.

To enhance operating efficiency, Hongkong Post started replacing its Mechanised Letter Sorting System in January in phases. The new system combines the functions of the Optical Character Reader, Video Coding Machine and Letter Sorting Machine to streamline the mail flow and improve the efficiency of automated letter sorting.

Retail Business

Business hours at three post offices were revised during the year. Four post offices were closed down either to make way for development or due to low utilisation and alternatives available in the community.

Supporting the New Era of E-commerce

Hongkong Post joined hands with major online portals to conduct regular seminars, streamline workflow and provide value-added services for local businesses to promote e-commerce in the region during the year.

To assist customers in preparing customs pre-declaration and expedite customs clearance at destination, Hongkong Post launched an iMailR service in July to automate relevant processes and simplify procedures.

To meet e-traders’ demand for on-time tracking information and home delivery service for international registered items, Hongkong Post worked with the Universal

Postal Union (UPU) and other Asia-Pacific postal partners on a three-year regional project to improve end-to-end tracking of registered items.

Boosting the Efficacy of International Mail

Hongkong Post consolidates Hong Kong's role as an Asia-Pacific mail transit hub and a sub-hub for the Mainland by forming close ties with the Airport Authority and airline partners to develop international mail business.

Active Participation in the International Postal Arena

In July, Hongkong Post participated in the 24th UPU Congress held in Geneva as part of the Chinese delegation. The congress is held every four years for postal operators to discuss and vote on major issues that affect the future development of postal business.

Hongkong Post was appointed to represent China on the UPU Letter Posts Terminal Dues Workgroup Steering Committee in November to help devise a new terminal dues system, a mechanism whereby the destination postal administration charges the originating postal administration for processing and delivering inward international mail.

Websites

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