

Chapter 17

Communications, the Media and Information Technology

Hong Kong people are among the most informed in the world, thanks to the city's enterprising news media and telecommunications industry. There are currently close to 700 daily newspapers and periodicals published in Hong Kong. More than 80 per cent of households are broadband service subscribers — the second highest penetration in Asia — and mobile phone penetration is over 170 per cent.

Hong Kong has one of the most successful telecommunications markets in the world. It has a vibrant broadcasting industry offering a wide range of services to the community and is also one of the world's major film production centres, while through its Digital 21 Strategy, the Commerce and Economic Development Bureau strives to establish Hong Kong as a leading digital economy.

The Mass Media

Hong Kong's mass media at the end of 2009 included 46 daily newspapers, a number of electronic newspapers, 640 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 21 Chinese-language dailies, 13 English-language dailies, seven bilingual dailies and five in Japanese. Of the Chinese-language dailies, 16 cover mainly local and overseas news, three 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 regional base for a number of international and news agencies' media organisations such as the *The Financial Times*, *The Wall Street Journal Asia*, *USA Today International*, *the International Herald Tribune*, *The Nihon Keizai Shimbun*, *Time Warner (including CNN International)* and *Agence France-Presse*.

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 freedom 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 and the Hong Kong Public Relations Professionals' Association.

Information Policy

The Secretary for Home Affairs has overall responsibility for policy information 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 information and public relations units in bureaux and departments. 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 activates its Combined Information Centre to co-ordinate responses to media enquiries and disseminate information and public announcements in a timely manner.

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 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 nearly 8 000 news and features stories. It had also developed and posted about a dozen short videos to its Reel HK page, and added more than 66 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 more than 10 500 subscribers, and attracted more than 12 million visitors and more than 425 million page views during 2009.

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 Hong Kong 2009 East Asian Games, the 60th Anniversary of the Founding of the People's Republic of China, Hong Kong's participation in the World Exposition 2010 Shanghai China; and measures against Human Swine Flu. Other major campaigns included those on anti-drug, clean Hong Kong, tree management, fight crime, civic education, environmental protection, road safety and fire prevention.

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

The division handles about 3 700 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 2009, the division sold 243 214 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 in the Mainland. Its Overseas Public Relations Sub-division promotes and monitors Hong Kong's image overseas. It is also in close liaison with about 100 foreign media organisations based in Hong Kong, handling press enquiries, disseminating news and arranging briefings and 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. Under the programme, arrangements are 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 11 cities across Europe between January and February 2009. Over 1 500 guests from diplomatic, political and business circles attended the events. A young Hong Kong pianist, Colleen Lee, gave recitals at four of the events.

In March, the Secretary for Commerce and Economic Development, Mrs Rita Lau, accompanied by the Commissioner for Innovation and Technology, Mr Eddy Chan, led a Hong Kong delegation to Paris and Lille to see how France promotes its creative industry and nurtures its talents.

In May, the Secretary for Financial Services and the Treasury, Professor K C Chan, visited Brussels to exchange views on financial market regulations and steps taken to deal with the global financial crisis.

Also in May, the Secretary for Commerce and Economic Development, Mrs Rita Lau, visited Rome, where she signed a Memorandum of Understanding on wine promotion with Italy. Mrs Lau went on to Cannes for the Hong Kong film industry's centenary celebrations at the Cannes Film Festival.

In November, the Permanent Secretary for Transport and Housing (Transport), Mr Francis Ho, led a Hong Kong Logistics Development Council delegation to the Netherlands, Belgium and Luxembourg to renew ties with their counterparts in the three countries, and to promote Hong Kong as a springboard to the huge market of the mainland of China.

The Brussels ETO organised an annual film festival, *Hong Kong Film Panorama*, which showed the latest Hong Kong movies in Madrid, Antwerp, Lisbon and Brussels. The ETO also supported two acclaimed performances by the Hong Kong Chinese Orchestra as part of the International Festival of Flanders in Brussels in October.

Hong Kong participated in the famous biennial *Europalia* International Arts Festival in Belgium with China as guest country, and the Brussels ETO sponsored an exhibition of the acclaimed K S Lo teaware collection and three performances by the Hong Kong Chinese Orchestra Ensemble.

The London ETO organised visits to the United Kingdom by several senior Hong Kong SAR Government officials in 2009. They included the Chief Executive of the Hong Kong Monetary Authority, Mr Joseph Yam, in April; the Secretary for Financial Services and the Treasury, Professor K C Chan, in May; the Financial Secretary, Mr John C Tsang, in June and September (to attend the G20 Finance Minister Meeting); the Secretary for Commerce and Economic Development, Mrs Rita Lau, in June; Commissioner, Independent Commission Against Corruption, Dr Timothy Tong, in July; and the Chief Secretary for Administration, Mr Henry Tang, in November,

during which he attended the HKTDC London Dinner. Mr Tsang also visited Russia and Sweden in May and June, and Mrs Lau visited Finland in July.

To strengthen Hong Kong's cultural links with the United Kingdom, the London ETO organised or supported a number of artistic, creative and musical events during the year. The London ETO presented young Hong Kong musicians in concerts in Birmingham and Liverpool, and organised a series of concerts in London by Hong Kong jazz guitarist Eugene Pao.

In visual arts, the London ETO supported art exhibitions and projects around the United Kingdom in which Hong Kong artists were involved. It also supported a major film festival celebrating Hong Kong's women directors, showing more than 20 films in Manchester in October and November, with other screenings around the United Kingdom. The office also sponsored the London Hong Kong Dragon Boat Festival in London Docklands, which attracted 44 participating teams and thousands of festival-goers.

London ETO made its fifth appearance at London's Lord Mayor's Show. Its entry recreated Hong Kong's iconic skyline in flag form, along with skaters dressed to represent Hong Kong's street trams. Over 500 000 people along the route watched the show which was broadcast to 300 million people around the world.

In association with the HKTDC, the London ETO organised 10 Chinese New Year events in six countries to celebrate the Year of the Ox: UK, Russia, Denmark, Sweden, Norway and Finland. The London ETO and the Hong Kong Tourism Board also sponsored the Chinese New Year celebration organised by the London Chinatown Chinese Association at Trafalgar Square and Shaftsbury Avenue, which carried the theme, 'Hong Kong in London Chinatown' featuring banners and people dressed as trams and Hong Kong's iconic Star Ferries.

The Hong Kong Economic and Trade Office in Berlin held a reception on May 19 to mark the commencement of operation of the first overseas ETO to be set up after Hong Kong's reunification with China in 1997. More than 200 guests, including Federal Government officials, business contacts in Berlin and nearby cities and media acquaintances attended the event.

To coincide with the occasion, the office commissioned a special supplement in a German magazine, *Diplomatisches Magazin* and placed advertisements in two newspapers, the *Frankfurter Allgemeine Zeitung* and *China Contact* to publicise Hong Kong as Asia's world city and the message that 'our door is open'. Berlin ETO also published a booklet in English and German to give visitors and contacts an update on Hong Kong and on the continuing success of the 'one country, two systems' principle under which Hong Kong is run.

The office also sponsored a TV documentary entitled '*Mythos Hong Kong*' featuring the work of the HKETO, developments in Hong Kong's tourism industry, economy, politics and creative industry. The documentary was shown on the German news channel, n-tv, from December 2009 until January 2010 and will be repeated in the summer of 2010.

In 2009, Berlin ETO participated in business seminars and receptions in a number of cities, including Vienna, Graz, Prague, Budapest, Berlin, Frankfurt, Hamburg, Munich, Warsaw, Bratislava, Ljubljana, Geneva and Zurich. Topics covered at these forums included cultural and creative industries; environmental policies; intellectual property rights protection; and Hong Kong as a regional financial centre and logistics hub, as a gateway to the mainland of China, as a strategic partner with the booming Pearl River Delta region.

Briefings on developments in Hong Kong, the Government's Budget and the Chief Executive's Policy Address, were also given.

In November, the office organised visits to Frankfurt, Bern and Zurich by the Secretary for Financial Services and the Treasury, Professor K C Chan who delivered the keynote speech at the highly influential conference, Euro Finance Week, in Frankfurt and another at a luncheon in Zurich for business leaders. During his visit, Professor Chan met key economic and financial policymakers, including President of the European Central Bank, Mr Jean-Claude Trichet, and the then Swiss Vice President and Minister of Economic Affairs, Ms Doris Leuthard.

In October, the office helped arrange visits to the 2009 Frankfurt Book Fair by two Hong Kong delegations, one led by the Permanent Secretary for Home Affairs, Mrs Carrie Yau, and the other by the Under Secretary for Commerce and Economic Development, Mr Gregory So. China was the partner in that fair at which a Hong Kong pavilion was set up to showcase the Hong Kong publishing industry's achievements and developments.

In 2009, Berlin ETO organised a number of performances by well known Hong Kong musicians at big events such as the Euro Finance Week in Frankfurt, and the Asia-Pacific Weeks in Berlin to promote Hong Kong's cultural and creative industries. Award-winning pianist Colleen Lee performed at both events, while the Hong Kong Harmonica Association performed at the World Harmonica Festival 2009 in Trossingen, Germany and won 14 awards in the solo, duet, ensemble and orchestral categories.

Berlin ETO also hosted nine Chinese New Year receptions: in Berlin, Bratislava, Budapest, Frankfurt, Hamburg, Ljubljana, Prague, Vienna, and Warsaw with the HKTDC and local chambers of commerce as co-hosts.

North America

The Washington ETO presented the 14th annual 'Made in Hong Kong Film Festival' co-sponsored by the Smithsonian Institution's Freer Gallery of Art.

In April, the Secretary for the Environment, Mr Edward Yau, visited Washington, DC where he met the Chairman of the US Senate Committee on Energy and Natural Resources, Senator Jeff Bingaman; and the Environmental Protection Agency's Acting Deputy Administrator, Scott Fulton. Mr Yau also visited the US Green Building Council.

Mr Yau spoke at events hosted by the China Environment Forum of the Woodrow Wilson International Center for Scholars and the Hong Kong-US Business Council.

The Toronto ETO organised several visits to Canada by senior Hong Kong SAR Government officials in 2009. The Financial Secretary, Mr John C Tsang, visited Vancouver in May where he delivered a speech to over 400 business people at the Canada-Hong Kong National Business Forum, entitled 'Challenges and Strategies: Economic Opportunities and the Hong Kong-Canada Partnership'.

The Secretary for the Environment, Mr Edward Yau, visited Toronto and Ottawa in April for talks on environmental protection with Canadian government officials and business leaders. He also spoke about the 'Green Opportunities' in Hong Kong and the mainland of China in speeches in Toronto and Ottawa.

The Secretary for Justice, Mr Wong Yan Lung, visited Ottawa and Toronto in October. He met the Canadian Minister of Justice and Attorney General Mr Robert Douglas Nicholson, and Chief Justice Ms Beverley McLachlin. He also spoke at a luncheon hosted by the Canadian Club of Toronto on Hong Kong's legal system.

The Basic Law and the 'one country, two systems' principle under which Hong Kong is run were the topics discussed by Secretary for Constitutional and Mainland Affairs, Mr Stephen Lam, and Convener of the Working Group on Overseas Community of the Basic Law Promotion Steering Committee, Ms Maria Tam, during their visits to Vancouver.

Toronto's Asian Heritage Month had a 'mouth-watering' start in May when the Toronto ETO, the Toronto office of the Hong Kong Tourism Board, and the Asian Institute of the University of Toronto jointly presented the 'Asian Foodprints' conference and gala to celebrate the Hong Kong Food and Wine Year.

International scholars, chefs, culinary experts, critics and filmmakers spoke at the conference, which included a reception for guests called 'Happy Hour Lan Kwai Fong'. The 'Asian Foodprints' gala featured the latest trends in Hong Kong-style cooking, which was given a touch of creativity by a team of chefs originally from Hong Kong.

A century's worth of Hong Kong film-making was honoured at the Fantasia International Film Festival in Montreal. The celebration, jointly organised with the Toronto ETO, included a display of vintage posters and trailers of Hong Kong films. The celebration's highlight was the Canadian premiere of the film, 'The Warlords', which won the Best Picture prize at the 2008 Hong Kong Film Awards and at the Golden Horse Awards.

The 69-member Hong Kong Children's Symphony Orchestra, serving as Hong Kong's young ambassadors, held two captivating performances in Ottawa in August during the unveiling of the Hong Kong veterans' memorial wall to honour the Canadian soldiers who helped defend Hong Kong in the Second World War. Supported by the Toronto ETO, the group also staged the 'Let There be Peace on Earth' benefit concert in Toronto for the veterans.

The New York ETO continued to promote Hong Kong through various events in cities across the East Coast of America during the year.

The month-long 'Hong Kong comes to Chicago' festival organised in May put Hong Kong in perspective in Chicago. Through an array of cultural and business-oriented programmes, Hong Kong was again showcased as a culturally diverse and economically vibrant world city. A highlight of the festival was a concert at which a Hong Kong Chinese music ensemble performed alongside a Chicago-based orchestra which US music critics described as a contemporary approach to modern Chinese music.

The New York ETO also continued promoting Hong Kong's creative industries. Twenty-five Hong Kong films were prominently featured at major US film festivals, which included America's oldest film festival, the Chicago International Film festival, the well-known New York Asian Film Festival, the Atlanta Asian film festival, and other film events. Veteran film maker John Woo and a number of new generation Hong Kong film makers, including Kenneth Bi, Wai Ka-fai, Chan Wing-chiu and Mak Hei-yan were among guests specially honoured at the festivals. John Woo's epic drama *Red Cliff* made its US premiere at the Chicago International Film Festival, while the New York ETO sponsored the Hong Kong Chinese Orchestra's Carnegie Hall debut in October.

To promote Hong Kong as a wine hub, San Francisco ETO hosted a luncheon in April 2009 for representatives of the wine trade in California at which the Financial Secretary John C Tsang spoke. The event, entitled 'Hong Kong – Asia's Wine and Gourmet Centre' was supported by the Wine Institute and Napa Valley Vintners in Napa Valley, California. In his speech to the more than 150 winery and vineyard representatives, Mr Tsang said Hong Kong was committed to becoming the wine trading, distribution and storage hub in Asia.

San Francisco ETO also sponsored a 30-minute TV programme, entitled 'Wine Portfolio', showing how Hong Kong is becoming a wine trading hub. It was aired by CNBC World in September 2009 and repeated by CNBC Asia the following month. In addition, the TV crew which filmed the Financial Secretary's Napa Valley luncheon speech flew to Hong Kong to interview government officials, industry leaders, wine auctioneers and restaurant owners.

During his California visit, Mr Tsang also spoke at a gala dinner in San Francisco about Hong Kong as an international financial centre. The dinner was attended by over 200 business leaders, senior officials, consuls-general and local dignitaries.

In June, the Secretary for Commerce and Economic Development, Mrs Rita Lau visited the San Francisco Bay Area to promote Hong Kong as a regional technology services hub. She also addressed more than 400 conference participants at the 'Hong Kong Innovation and Technology Summit' in San Jose.

At another event, organised by San Francisco ETO, entitled 'Hong Kong-Smart City, Smart Life' Mrs Lau spoke about the Octopus card, a Hong Kong technological invention, which has become a commercial success.

North Asia

The Chief Executive, Mr Donald Tsang, visited Japan and Korea in February to enhance ties with the two countries. In Tokyo, Mr Tsang met Prime Minister Taro Aso with whom he exchanged views on the financial tsunami and how they tackled its impact. Besides meeting senior government officials, business and think-tank leaders, Mr Tsang officiated at the launch of the 2009 Hong Kong-Japan Tourism Exchange Year and the Meeting and Exhibitions Hong Kong office in Tokyo. He also gave a press conference at the Japan National Press Club.

In Seoul, the Chief Executive called on President Lee Myung-bak with whom he exchanged views on the global financial crisis and other issues of common interest.

During the year, the Tokyo ETO made arrangements for visits to Japan and Korea by senior Hong Kong officials. The Secretary for Development, Mrs Carrie Lam, led a delegation to Tokyo in February to learn how the city rejuvenates its urban areas and preserves its heritage. In April, the Secretary for Environment, Mr Edward Yau, visited car manufacturers in Japan with the aim of introducing electric vehicles to Hong Kong. He also visited the San'in Coast Geopark in Tottori Prefecture to gain ideas for Hong Kong's own geopark. Mr Yau visited Tokyo again in September where he saw the latest waste incineration technology.

In November, the Secretary for Financial Services and the Treasury, Professor K C Chan, visited Korea and Japan to promote Hong Kong's status as an international financial centre. He also delivered a keynote speech at the 'Islamic Finance Symposium 2009' organised by Nikkei Inc. The Secretary for Food and Health, Dr York Chow, visited Japan in the same month to study the country's food safety, health and related issues.

As part of the Hong Kong-Japan Tourism Exchange Year programme, Tokyo ETO launched a wide variety of activities to promote Hong Kong's attractions and culture to the Japanese people. These included a major event called 'Hong Kong Week at Roppongi Hills' in July which featured exhibitions, seminars, thematic talks, tai chi lessons, food and wine tasting, and musical performances.

To promote a better understanding of Hong Kong among young people in Japan, Tokyo ETO organised, for the third consecutive year, an English speech contest for university students. The top four winners were given a short holiday in Hong Kong and an opportunity to take part in an exchange programme at the Chinese University of Hong Kong.

The ETO also publicised Hong Kong as the host city of the Fifth East Asian Games.

Southeast Asia

The Singapore ETO continued organising business, cultural and public relations events across Southeast Asia during the year to promote Hong Kong as Asia's premier business hub, financial centre and tourist destination, while Hong Kong SAR Government officials, visiting the region, took the opportunity to update leaders there on Hong Kong's developments.

To celebrate the Chinese New Year, the Singapore ETO co-hosted with the Hong Kong Tourism Board receptions in Jakarta, Bangkok, Singapore, Kuala Lumpur and Manila.

Several senior Hong Kong SAR Government officials flew to Singapore for the Asia-Pacific Economic Co-operation (APEC) meetings and other international conferences hosted by the country in 2009. The Secretary for Development, Mrs Carrie Lam, and the Secretary for Education, Mr Michael Suen, visited Singapore in June and July respectively to address international forums organised by the Singapore Government. The Secretary for Commerce and Economic Development, Mrs Rita Lau, was in Singapore in July to attend the APEC Meeting of Ministers Responsible for Trade. At a luncheon co-organised by the Singapore ETO and the Hong Kong-Singapore Business Association (HSBA), she spoke about new emerging business opportunities in Hong Kong.

In November, the Chief Executive, Mr Donald Tsang, and the Financial Secretary, Mr John C Tsang, attended respectively the APEC Economic Leaders' Summit and ministerial meetings held in Singapore. The Chief Executive also spoke at the HSBA's 15th Anniversary Gala Dinner and at a public lecture, held by the Singapore Management University, on Hong Kong's response to the global financial crisis. Hong Kong SAR Government officials also visited Vietnam and Malaysia.

In February, the Secretary for Transport and Housing, Ms Eva Cheng, led a business delegation to Ho Chi Minh City and Hanoi to promote the maritime and related services offered by Hong Kong. In August, the Secretary for Financial Services and the Treasury, Professor K C Chan, visited Kuala Lumpur where he addressed the Special Ministerial Session of the World Capital Markets Symposium, organised by Malaysia's Securities Commission. In November, the Secretary for Justice, Mr Wong Yan Lung, spoke at the Sixth ASEAN-China Prosecutors General Conference in Hanoi.

He also called on the country's Minister of Justice and the Prosecutor General and informed members of the legal profession about Hong Kong's growing importance as an international dispute resolution centre.

The Singapore ETO co-organised two business seminars with the Vietnam Chamber of Commerce and Industry in August to inform the Vietnamese business community about the benefits of the Comprehensive Agreement for the Avoidance of Double Taxation between Hong Kong and Vietnam which goes into effect in early 2010.

The Singapore ETO also co-organised a seminar with the Thai-Hong Kong Trade Association in Bangkok in October to brief Thai businessmen about the opportunities they can tap from Hong Kong's Closer Economic Partnership Arrangement (CEPA) with the mainland of China. The audience was also informed about the pilot scheme on renminbi trade settlement, launched by the Mainland government.

On the cultural front, the Singapore ETO organised the Hong Kong Film Festival for the first time in Malaysia in early March, featuring eight productions by Hong

Kong's new generation of film directors and producers. The Singapore ETO joined forces with the Hong Kong Tourism Board in August and September to promote the 'Hong Kong Food and Wine Year', by holding a series of events in Singapore, Kuala Lumpur and Manila.

Australia and New Zealand

The Chief Secretary for Administration, Mr Henry Tang, visited Sydney in October to deliver a keynote speech at the Joint Hong Kong Guangdong Business Conference held there. He also visited Melbourne's iconic arts and culture venues and met the heads of these establishments. Their discussions provided useful tips for developing Hong Kong's cultural infrastructure. Mr Tang also met Victoria's Governor and Premier.

The Secretary for Financial Services and the Treasury, Professor K C Chan, visited Sydney and Canberra in March. He met Australia's financial regulators and discussed ways to improve regulatory systems and better protect investors.

The Secretary for Food and Health, Dr York Chow, visited Canberra, Melbourne and Sydney in April to study Australia's health insurance system, and pharmaceutical and food regulatory regime. He called on senior officials of the Department of Health and Ageing, the Private Health Insurance Administration Council, Medibank Private, the Food Standards Australia and New Zealand and New South Wales Food Authority.

Major events were organised for the first time during the year in Perth and Auckland to highlight Hong Kong Week. Apart from trade promotion activities, cultural activities were also held to showcase Hong Kong's achievements as Asia's creative hub. Special promotional activities were organised with the Hong Kong-Australia Business Association and Hong Kong-New Zealand Business Association to promote Hong Kong as the wine trading and distribution hub of the Asia-Pacific Region.

On the cultural front, Sydney ETO collaborated with the Adelaide Festival Centre to show Hong Kong films at the OzAsia Festival in October. The ETO also worked with the Hurstville City Council in Sydney to present the Hong Kong Film Festival as part of the City Council's Chinese New Year celebrations. In addition, internationally renowned Hong Kong director, Mr John Woo, attended the premiere screening of *Red Cliff*, supported by the ETO, at the Sydney Film Festival. The ETO also participated in the Adelaide Film Festival and Brisbane International Film Festival at which Hong Kong films were shown.

Mainland of China

In 2009, the Beijing Office and the three ETOs in Guangdong, Shanghai and Chengdu continued to maintain close contact with the Central People's Government and other Mainland authorities as well as promote official exchanges between the HKSAR Government and the Mainland authorities. They provided logistical support to HKSAR Government delegations visiting the Mainland and arranged visits by Mainland officials to Hong Kong. The Chief Executive, Mr Donald Tsang, made three

visits to Beijing in 2009, including leading a 200-member delegation to attend celebrations marking the 60th Anniversary of the Founding of the People's Republic of China. He also attended the Boao Forum for Asia in Hainan and the Fourth Expo Central China in Hefei in April, the Fifth Pan-Pearl River Delta Regional Co-operation and Development Forum in Guangxi in June, and the Guangdong/Hong Kong Co-operation meeting in Hong Kong 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 follow required procedures.

To commemorate the 60th Anniversary of the Founding of the People's Republic of China as well as the East Asian Games hosted by Hong Kong in December 2009, the Mainland Offices organised exhibitions on Hong Kong 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 Expo) in which Hong Kong will take part. Together with the relevant HKSARG departments and bureaux, the Shanghai ETO organised the 'Hong Kong Pavilion Works Commencement Ceremony' in April, the 'Exhibition on Hong Kong's Participation in the World Exposition 2010 Shanghai China' in July, the 'Hong Kong Pavilion Foundation Completion Ceremony' also in July, and the 'Hong Kong Pavilion Completion of Structure Ceremony' in October. It also co-ordinated the HKSARG's participation in the 3rd meeting on HKSAR and Macao SAR's participation in Shanghai Expo held in Shanghai in December 2009, and set up meetings with, and visits to, the Expo Bureau for HKSARG officials.

The Chengdu ETO continued to assist the HKSAR and Sichuan authorities liaise with each other at various levels on reconstruction matters following the earthquake in Sichuan in May 2008. The Chengdu ETO helped visiting government officials and delegations from Hong Kong co-ordinate their meetings with Sichuan officials on reconstruction matters. The office also provided the meetings with logistical support.

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 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.

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 (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 above-mentioned 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.

Mobile Communications Services

The local mobile market is highly competitive. There are five mobile operators operating a total of 14 digital systems providing second generation (2G) and third generation (3G) services. By December 2009, there were over 12 million mobile subscribers. This represents a penetration of 173.7 per cent, one of the highest in the world. The number of 3G users also continues to rise. By December 2009, the four 3G operators had acquired a customer base of 3.8 million.

Mobile data services, based on the high-speed packet access (HSPA) technology offering service to mobile customers as fast as 21 Mbps, are available. By December 2009, the local mobile data usage surged to 638 Terabytes (638 389 Gigabytes), or an average of 127.6 Mbytes per 2.5G/3G mobile user. This represents 4.8 times and 19.8 times the mobile data usage over the same period in 2008 and 2007 respectively. Higher-speed mobile data services will be available in the market as

operators roll out the broadband wireless access services (BWA) in the 2.5/2.6 GHz band.

Broadband Wireless Access Services

Hong Kong is at the worldwide forefront in provision of new technologies and innovative services. To cope with the increasing public demand for mobile multimedia services and to meet the challenges of the information society, the TA held an auction of radio spectrum in the 2.3 GHz and 2.5/2.6 GHz bands in January 2009. Three bidders successfully bid for a total of 90 MHz in the 2.5/2.6 GHz band at a spectrum utilisation fee of more than HK\$1.5 billion. With the spectrum, the bidders will be able to provide mobile broadband multimedia services based on BWA technologies, which are next generation wireless communications technologies capable of providing vastly improved high-speed data services.

Broadband Internet Access Services

The local broadband service market continues to grow. According to reports issued by the International Telecommunication Union (ITU), Hong Kong ranked second in Asia in 2008 in terms of broadband population penetration. By December 2009, the number of wireline-based broadband internet access accounts had increased to over two million. This represents a household penetration rate of 81.4 per cent.

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 over 33 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). Services are offered at affordable rates as low as HK\$99 (i.e. less than US\$13) per month for unlimited usage of broadband internet service at 100Mbps.

Other than the traditional wireline-based broadband services, telecommunications operators continued to rollout wireless local area networks in 2009. By December 2009, 25 class licensees and five fixed carrier licensees were authorised to provide public Wi-Fi services. With the installation of over 8 800 Wi-Fi hot spots at around 4 900 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

The local fixed market has been fully liberalised since January 1, 2003. Under the full liberalisation policy, there is no preset limit on the number of licences issued or any deadline for submission of applications for licences. By year-end, there were 11 wireline-based fixed network licensees and one local wireless-based fixed network licensee.

With the efforts of local fixed telecommunications operators to roll out self-built customer access networks, consumers are able to enjoy a greater choice of operators

and services. Following the complete withdrawal of the Type II interconnection policy¹ in June 2008, the number of consumers who have at least two choices of operators has continued to grow. By March 2009, 85 per cent and 66 per cent of households in Hong Kong were able to enjoy a choice of at least two or three self-built fixed networks respectively.

By December 2009, the city's telephone density was 101.8 fixed telephone lines per 100 household, one of the highest in the world.

Triple Play and Quadruple Play Services

The rapid development of advanced broadband technologies and the increasing convergence between telecommunications and broadcasting have created opportunities for telecommunications operators to offer triple play and quadruple play products, bundling fixed and mobile telephony services, broadband internet access (wireline and Wi-Fi) and IPTV services at attractive rates.

Fixed Mobile Convergence

With a dynamic market and technological developments, the distinction between fixed and mobile networks and services is becoming increasingly blurred. To pave the way for the emergent trend of fixed-mobile convergence, the Government has implemented a series of important regulatory measures.

On August 1, 2008, a new Unified Carrier Licence was introduced as a single licensing vehicle for all types of carrier services — fixed, mobile or fixed-mobile converged services — under harmonised licensing conditions and licence fees. Existing carrier licensees can convert their licences to the new Unified Carrier Licence before expiry on a voluntary basis. At the end of December 2009, a total of 20 Unified Carrier Licences had been issued. Among these, six were issued to new applicants while the rest were issued to replace existing Fixed or Mobile Carrier Licences.

Furthermore, the TA issued a statement in April 2007 to set out his decision to withdraw the regulatory guidance on the asymmetric Fixed Mobile Interconnection Charge (FMIC) arrangement, which was based on a 'Mobile Party's Network Pay' (MPNP) approach². To ensure smooth withdrawal of the regulatory guidance, the industry was given a two-year transitional period, which ended in April 2009. Following the withdrawal of the regulatory guidance, FMIC arrangements are now subject to commercial negotiations.

¹ Type II interconnection policy, more commonly referred to as 'local unbundled loop policy', is a regulatory tool widely deployed around the world. First introduced to Hong Kong in July 1995, it required 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.

² Under this MPNP arrangement, which had been in place since 1980s, the mobile operator had been the one to pay the FMIC regardless of whether the calls were made by fixed or mobile users.

In addition, after conducting a comprehensive market survey and public consultation in 2008, the TA has decided to allow telecommunications operators to provide fixed-mobile number portability (FMNP), which allows cross-platform number portability between mobile and fixed services, on a voluntary basis. The introduction of the FMNP service will provide a level playing field for mobile and fixed operators, promote cross-platform competition, and meet consumer demand. The service is also conducive to the more efficient use of telephone numbers.

External Telecommunications Facilities and Services

The external telecommunications facilities market was fully liberalised in 2000. By December 2009, in addition to seven licensees providing both local and external telecommunications facilities, there were 29 licensees providing cable-based external telecommunications facilities and another five providing non-cable based external telecommunications facilities. As a major telecommunications and internet hub, Hong Kong has six submarine cable landing stations and is connected to nine regional and trans-Pacific submarine cable systems as well as the land cable networks of all three telecommunications operators of the Mainland. The total equipped capacity of external telecommunications facilities was over 3 964 Gbps in December 2009. Cost reduction in the external telecommunications facilities and services markets due to competition and technological advancement has led to a significant drop 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, hold licences to operate and provide satellite communication services. At year-end, the two satellite companies were operating nine satellites.

Combating Unsolicited Electronic Messages

To tackle the problem of unsolicited electronic messages (UEMs), 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, 2009, there were more than 1.94 million registrations in the three do-not-call registers with some 558 000 numbers for fax, 474 000 for short message and 905 000 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 December 31, 2009, the TA had received over 14 800 reports of suspected contraventions and had issued 150 warning letters to senders. One Enforcement

Notice has been issued. Notably, the number of reports has declined from 8 700 in 2008 to around 6 100 in 2009.

In addition to the enforcement of the UEM Ordinance, the Government has contributed to 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. Hong Kong has also established spam reporting channels with other jurisdictions including Australia, South Korea, Japan, the United States, the United Kingdom and the Mainland.

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 tackle further the problem of spamming. In order to assess better the extent of the problem of person-to-person marketing calls, which are currently not regulated under the UEM Ordinance, and to assess the views of the public and the industry towards such marketing calls, OFTA commissioned a survey of public opinions and collected views from the industry. Based on the results of these surveys and having balanced the importance of person-to-person calls as the means of marketing to small and medium enterprises, the Government is of the view that Hong Kong should first proceed with a self-regulation scheme through a voluntary code of practice (CoP) for compliance by the industry. The CoP will contain measures to ensure good practices, such as maintaining an in-house do-not-call list and establishing a system effectively to respond to unsubscribe requests.

Protection of Consumers

OFTA has been working with the industry on a number of measures to heighten customer protection and satisfaction levels in Hong Kong. These included a pilot alternative dispute resolution scheme named 'Customer Complaint Settlement Scheme' (CCSS) to refer selected cases of contractual disputes which cannot be resolved between the service providers and the customers to independent professionals for adjudication on a voluntary basis, a series of consumer education programmes on fixed and mobile broadband services through seminars, newspaper columns, online games, and internet portal, and the publication of Consumer Alerts from time to time to provide consumer tips on telecommunications services.

To enhance consumer protection further, the TA will issue a voluntary code for communications service contracts which aims to provide the industry with guidelines on the drawing up of service contracts and further guidance on what constitutes fair, balanced and reasonable service contracts for both consumers and the industry.

International Activities

Hong Kong has been an active player in international telecommunications forums. In addition to being a member of the Mainland delegation to conferences and meetings convened by the ITU, Hong Kong also participates as an independent member in the meetings of the Asia-Pacific Telecommunity (APT) and the Telecommunications and Information Working Group of the Asia-Pacific Economic

Co-operation (APEC). In addition, Hong Kong plays an active part in the initiative to implement the APEC Mutual Recognition Arrangement for Conformity Assessment of Telecommunications Equipment.

In May 2009, Hong Kong hosted the APT Policy and Regulatory Forum. This was attended by 104 Asia-Pacific region's policy makers, heads of regulatory authorities, eminent experts and active industry players. During the forum, they shared views on key regulatory and policy issues of common interest and concern.

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, it has formulated the Digital 21 Strategy. The work plan under this strategy 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 173.7 per cent, one of the highest in the world; its household broadband connection rate of 81.4 per cent, among the highest in Asia; and its Smart Identity Card, one of the first to be invented in the world.

The motto of the latest Digital 21 Strategy is: 'advancing our achievements and seizing new opportunities: building on Hong Kong's position as a world digital city'. The strategy follows '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. The Statements of Desired Outcomes set out qualitatively what we are seeking to achieve in each of the five action areas under the Digital 21 Strategy.

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 enabling 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 in recent years to instigate changes to the institutional framework. The new governance arrangements have been progressively put in place, including simplified membership classes, a smaller Board of Directors to focus on corporate governance, and a new advisory panel to engage stakeholders to advise the Board and to enhance transparency on its activities. A new Memorandum of Understanding has been adopted between HKIRC and the Government that sets out the duties of the company to conduct its activities in an open and transparent manner.

The internet is evolving to accept domain names in different local languages. To benefit the Chinese-speaking community in accessing the internet, the Government supports HKIRC in making arrangements for the Chinese language domain ‘.香港’ to be introduced in Hong Kong.

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 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 and Mainland universities. The Government has also sponsored the implementation of an 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 in collaboration with other IT professional bodies.

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 for their services, the Closer Economic Partnership Arrangement (CEPA) allows them to apply for Computer Information System Integration (SI) Qualification Certification. Also under CEPA, Guangdong and Hong

Kong will continue to take forward the pilot run of applications of mutual recognition of electronic signature certificates for the development of e-commerce in the two places.

Cyberport

The 24-hectare Cyberport is a critical piece of infrastructure for the development and support of IT and related industries in Hong Kong. It brings together a cluster of high quality IT and related enterprises, and facilitates synergy and partnership among members of the ICT industry. Cyberport is home to more than 80 local, Mainland and overseas companies specialising in IT applications, information services and multimedia content creation, including 21 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 1 350 IT-related events have been held at Cyberport.

Cyberport 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 established at Cyberport.

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

Following its launch in August 2007, GovHK (www.gov.hk), the one-stop portal, had continued to achieve a high level of user satisfaction, and had won awards for its design, services and accessibility features among other e-Government services in Hong Kong and around the world.

The aim is to make continuous improvements and, from 2010 onwards, to launch a revamped GovHK with a new-look and new functions, offer geospatial information, and to provide a more personalised interface to meet the specific needs, preferences and interests of individual users.

(b) Electronic Health Records

Hong Kong needs a modern healthcare system that can cater for the changing demographic structure, increasing healthcare needs and rising health expenditure. As part of Government healthcare reform, the Government will be spending \$702 million over the next five years on the development of a territory-wide patient-oriented electronic health record sharing system. A dedicated office has been set up under the Food and Health Bureau to co-ordinate the development of the electronic health record sharing system for both the public and private sectors. This will provide the pivotal infrastructure for implementation of the reform.

(c) GovWiFi Programme

The Government officially launched the GovWiFi Programme in March 2008 as a step towards making Hong Kong a wireless city. By March 2010, Wi-Fi facilities will be provided at about 380 government premises throughout the territory for free use by the public. These premises include public libraries, public enquiry service centres, sports centres, job centres, community halls, parks, cooked food centres, museums and some tourist spots.

(d) Electronic Information Management

The Government is taking a strategic approach to managing electronic information. To determine the optimum way of implementing electronic information management (EIM) across the Government, a study will be completed in 2010 into development of the first wave of EIM strategies for a number of pilot bureaux and departments. These strategies will cover the full life-cycle of information from its creation to archival as records.

(e) E-procurement

The Government is pursuing E-procurement to automate and integrate procurement processes to enhance efficiency and achieve more competitive pricing for Government procurements. A pilot programme including a Procurement Portal was launched in 2008 to provide one-stop access to procurement information. E-services have also been progressively rolled out to the suppliers' community since September 2009.

(f) 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

Established in July 2008, the Digital Inclusion Task Force comprising representatives from government departments, industry and the community at large, continues to play an active role in advising the Government on relevant strategies and measures in addressing the digital divide issues of different needy groups in the

community. A number of priority action areas were initiated in 2009 with the support of the task force, which included a District Cyber Centres pilot scheme, a dedicated portal for the elderly, and a one-year territory-wide Internet education campaign.

District Cyber Centres

The District Cyber Centres pilot scheme was launched in February 2009 to help narrow the digital divide by enabling needy members of the community to access and use ICT by strengthening the provision of computing facilities, Internet connectivity, training and technical support to cyber centres operated by community organisations in various districts. A tripartite collaboration among business, ICT professional and community sectors was established to drive the initiative with support from the Government and commercial sponsorships, both in cash and in kind including professional support, hardware, software, service donation. Currently, there are 33 district cyber centres participating in the pilot scheme. These are geographically well spread in different districts across the territory and support a good mix of different needy groups in the community including the elderly, youth, women, low income families and people with disabilities.

Dedicated Portal for the Elderly

This portal aims to serve as the entry point for the elderly, integrating information around their interests, such as those related to their daily lives, medical and health, housing and care, elder academy, social and recreational activities, as well as silver hair market information. The portal also provides a discussion forum for the elderly to build up social networking, thus enhancing their social inclusiveness, encouraging active and healthy ageing and helping to eliminate the inter-generational digital divide. The Government has sponsored an elderly-related community organisation to take forward the development of the portal, which will be put into service in June 2010.

'Be Netwise' Internet Education Campaign

To enable youngsters to make good use of the Internet to realise their full potential, improve quality of life and promote the development of the information society, the Government has allocated \$63 million to sponsor a 'Be Netwise' one-year territory-wide Internet education campaign to promote the safe and healthy use of the Internet among youngsters, their parents and teachers. The campaign was launched in September 2009. Various activities including large-scale promotion events, roving exhibitions and training in districts, school talks, inter-school activities, telephone hotline support, home visit technical assistance and family counselling service are being organised across the territory until the autumn of 2010.

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 700 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. There are also 19 licensed satellite television broadcasters providing about 190 channels for the Asia-Pacific region. The two terrestrial television broadcasters officially launched digital broadcasting in December 2007. By the end of 2009, the number of free-to-air television channels increased substantially (4 analogue and 11 digital free TV channels). Radio Television Hong Kong (RTHK), a government department, produces programmes of public interest for broadcast on free TV channels. There are three radio stations, including RTHK, broadcasting on 13 channels in Hong Kong. In November 2008, 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.

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 enjoys a multitude of television and radio channels with diversified programming.

The Broadcasting Authority

The Broadcasting Authority (BA) is an 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 publicly-funded 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.

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 to the younger 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 previous public consultation exercises 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 establishment of a combined Communications Authority. The Government continues

to review the broadcasting policy and regulatory regime in light of technological and market convergence as well as 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 in early August 2008 which enabled more Hong Kong people to receive digital broadcasts of the Beijing 2008 Olympics. The digital terrestrial television is well accepted by the viewing public. According to a public survey conducted in December 2009, more than 46 per cent of Hong Kong households are receiving digital television via set-top boxes, integrated digital television sets and computers. The two broadcasters further expanded the digital coverage to 85 per cent by end-2009 and will continue to extend the digital network to achieve almost full coverage by 2012.

To plan ahead for 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. OFTA plans to release the concerned spectrum for broadcast-type mobile TV services by way of auction in 2010.

In September 2009, the Government announced the way forward in respect of the development of public service broadcasting in Hong Kong. RTHK is to be tasked to take up the mission to serve as the public service broadcaster for Hong Kong, with safeguards and appropriate resources provided to allow it to do so effectively. In October 2009, Commerce and Economic Development Bureau conducted a public consultation exercise on how the new RTHK should operate in future to achieve its mission as the public service broadcaster, the programming direction it should take, the ways and means to evaluate its performance and enhance its accountability to the community.

Creative Industries

In June 2009, the Government set up a dedicated office entitled 'Create Hong Kong' (CreateHK) to champion and drive the development of the creative economy in Hong Kong. It co-ordinates Government policy and effort regarding the creative industries, focuses Government's resources catering for the promotion and speeding up of the development of creative industries in Hong Kong, and works closely with the trade to boost the development of creative industries.

Apart from the dedicated office, the Government also established a \$300 million CreateSmart Initiative to provide funding support to projects conducive to driving development of creativity and creative industries.

Through concerted effort with stakeholders, the Government aims to foster an environment conducive to the development of creative industries. This will have particular emphasis on nurturing a pool of creative human capital which will form the backbone of our creative economy. It will facilitate the establishment of start-up companies and the development of creative establishments, generating demand for innovation and creativity and expanding local market size for creative industries. It will promote creative industries in the Mainland and overseas to help explore outside markets, fostering a creative atmosphere within the community and developing creative clusters in the territory that will generate synergy and facilitate exchanges that will promote Hong Kong as Asia's creative capital.

Film Industry

The film industry in Hong Kong is the flagship of the creative industries in Hong Kong. A total of 51 Hong Kong films (including Hong Kong-Mainland co-productions) were released in 2009. Their combined box-office receipts amounted to \$242 million. By the end of 2009, Hong Kong had 48 cinemas, with 203 screens. Hong Kong's film industry has been recognised for its innovation and creativity regionally and internationally over the years. In 2009, Hong Kong films (including Hong Kong-Mainland co-productions) and artists won a total of 52 awards at 12 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. The Hong Kong Film Development Council (HKFDC), established in April 2007, is responsible for advising the Secretary for Commerce and Economic Development 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.

The HKFDC is chaired by a non-official and mainly comprises members from the film industry.

In December 2008, the HKFDC launched a large-scale project entitled 'Hong Kong Film New Action' and organised a series of promotional activities, including film delegation visits to the Mainland, Taiwan, Singapore and Malaysia between December 2008 and July 2009. It also supported business forums and promotional sessions during Entertainment Expo Hong Kong held in March 2009, which provided a platform for the industry players from the Mainland, Hong Kong, Taiwan, Singapore and Malaysia to explore business opportunities. It also assisted Hong Kong new generation directors in promoting their film projects to investors from the Mainland and overseas.

Film Development Fund

The Film Development Fund (FDF) aims to provide financial support for projects conducive to the long-term development of the local film industry. In 2009, five film production financing projects involving a total funding of \$13.84 million, and 21 other film-related projects beneficial to the healthy and long-term development of the film industry involving a total funding of \$36.6 million, were approved.

Film Services Office

The Government set up a Film Services Office (FSO) 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. Starting from June 1, 2009, the FSO was transferred to CreateHK.

To facilitate location filming in Hong Kong, the FSO has secured the support of over 3 400 organisations, including government departments, on the use of their premises for location filming, and has published reference materials on locations for the industry. The FSO also provides a one-stop service to location filming requests which are particularly complicated in nature, and co-ordinates the processing of applications for filming involving lane closure, parking of filming vehicles, hiring of police for intermittent traffic control, and the use of hospitals and government land for filming purposes. In 2009, the FSO handled 537 complicated filming requests, of which 69 involved lane closure and 109 vehicle parking. In addition, the FSO co-ordinates the processing of notifications of filming at pedestrian precincts, Tsing Sha/Tsing Ma Control Area, fish rafts, and at other unusual locations. The FSO maintains a dedicated website providing information on filming locations, which also supports on-line submission of notifications and applications for filming.

To promote Hong Kong films in the international market, the FSO assisted the overseas Hong Kong Economic and Trade Offices to organise Hong Kong Film Festivals in major cities in the United States, Australia and the Asian region, and promoted Hong Kong as an ideal city for location filming at the global 'Locations Trade Show' held annually in Los Angeles in the United States. In 2009, 114 overseas film crews came to Hong Kong for location filming.

The FSO 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 2009, it processed 2 185 such applications.

Hong Kong International Film Festival

Organised by the Hong Kong International Film Festival Society Limited, the 33rd Hong Kong International Film Festival offered a wide range of programmes during the 23-day festival in 2009. Awards presented during the event included the Asian Digital Competition awards, the Humanitarian Awards for Documentaries, the FIPRESCI Prize, the SIGNIS Award and the Fresh Wave Short Film Competition Award. Nearly 340 films from over 50 countries and territories were shown during the festival. Fringe activities included talks, seminars and exhibitions.

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 persons and children); and Category III (for persons who have attained the age of 18 years only). The aim is to allow adults wide access to films while protecting young persons under the age of 18 years 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 2009, some 1 370 films were submitted for classification, compared with 1 296 in 2008. Of these, 389 were classified Category I 428 Category IIA, 387 Category IIB, and 166 Category III. Film trailers, instructional films and cultural films intended for public exhibition can be exempted from classification. During the year, 7 763 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 matter, sound-recordings, 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 recent years, newspapers and entertainment magazines have on many occasions published articles and photos that were subsequently 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 and the Government undertook to conduct two rounds of public consultation on the review. The first round of public consultation was completed in January 2009, followed by the publication of the consultation report in July 2009. Having considered carefully the public views collected in the first round of public consultation, the Government will prepare concrete proposals for in-depth and focused discussion in the second round consultation.

Postal Services

Hongkong Post provides a reliable, efficient and affordable service that meets changing needs and aspirations. A survey carried out in 2008 gave the postal service a customer satisfaction rating of 96 per cent.

Mail Volumes

A total of 1.32 billion postal items were handled in 2009, a 5.3 per cent fall compared to 2008. Local postal items made up 85 per cent of the total, while the remaining items were for overseas destinations, mostly for the United States, United Kingdom, Australia, the Mainland and Japan.

Speedpost

Capitalising on the partnership between Hongkong Post and China Post, an economical courier service, 'EC-Post' (e郵寶) for short, was introduced in 2009 to provide clients with a cost-effective means of sending packages weighing under two kilogrammes to Guangdong by post. This popular service has now been extended to Beijing, Shanghai, Chongqing, Sichuan, Fujian, Zhejiang, Shandong and Tianjin.

In July 2009, Hongkong Post launched another express service, called 'Next Day Delivery' to serve areas in Hanoi and Ho Chi Minh City covered by key postcodes.

Promoting Philately

Eleven new sets of special stamps were issued in 2009 bearing commemorative themes such as the 60th Anniversary of the Founding of the People's Republic of China; the 23rd Asian International Stamp Exhibition, held in Hong Kong; completion of the Stonecutters Bridge, the East Asian Games, also held in Hong Kong; and football, a joint issue with Brazil Post.

Supporting Direct Marketing Activities

Hongkong Post also developed an electronic mechanism that enables customers to access its Circular Service, and collaborated with China Post to extend direct mailing service to Shenzhen and Dongguan, two cities experiencing strong business growth and an increasing cross-boundary flow of people and services.

Mail Distribution and Logistics

A co-operative arrangement with China Post Logistics Company Limited, enables Hongkong Post to provide customers with a full range of services that includes warehousing, inventory management, local delivery and customer support.

The new Mechanised Letter Sorting System which combines the functions of optical character reading, video coding and letter sorting machines, was commissioned in June 2009, reducing operational costs significantly and enhancing efficiency.

Supporting the New Era of E-Commerce

Hongkong Post joined hands with major on-line portals to conduct seminars regularly, streamline workflow and offer value-added services to e-commerce traders in Hong Kong.

Hongkong Post played host to the Universal Postal Union's (UPU) inaugural e-commerce conference in May 2009, bringing together postal service executives, supply chain partners and technical experts from around the world to promote cross-border co-operation and product development.

Participation in the International Postal Arena

Hongkong Post is a staunch supporter of activities organised by the UPU and the Asian-Pacific Postal Union. It has an officer on the board of directors of the UPU Express Mail Service Co-operative who is also the Chairman of the Asia-Pacific Post Co-operative and is actively involved in promoting quality service and regional co-operation among postal administrations in the Asia-Pacific area. Hongkong Post also helped the UPU Letter Post Terminal Dues Workgroup Steering Committee to devise a new system for levying charges on the exchange of international mail that is processed and delivered.

Websites

Government Home Page: www.gov.hk

Commerce and Economic Development Bureau: www.cedb.gov.hk
(links to related departments and agencies)

Digital 21 Strategy: www.digital21.gov.hk

Cyberport: www.cyberport.com.hk

Digital television: www.digitaltv.gov.hk

Broadcasting Authority: www.hkba.hk

Film Development Council: www.fdc.gov.hk

Radio Television Hong Kong: www.rthk.org.hk

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