

Budget Speech by the Financial Secretary (5)

Arts, Culture and Tourism

91. Arts and culture, which depicts the spirit and values of a community, is where the soft power of a place lies. With a rich Chinese heritage, distinctive advantages as a cultural melting pot of East and West, as well as extensive international connections, Hong Kong is uniquely positioned to tell the story of China and Hong Kong through the promotion of arts and culture development and exchange. This can also tie in with Hong Kong's new positioning as an East-meets-West centre for international cultural exchange under the 14th Five-Year Plan. I will allocate additional resources to promote arts and culture.

Hong Kong Performing Arts Market

92. To promote the development of the arts and cultural sector, it is important for us to provide an international platform, which will be conducive to the creation of a complete ecosystem for the industry. Our arts and cultural sector has gathered considerable strength. In respect of visual arts, Art Basel (Hong Kong) and the Business of Design Week held annually are acclaimed internationally. In 2020, Hong Kong ranked as the second-largest art market in the world, after only New York.

93. To consolidate Hong Kong's role as an East-meets-West centre for international arts and cultural exchange, I will allocate \$42 million for organising the first Hong Kong Performing Arts Market within two years. The large-scale arts market, which is designed for the performing arts industry, will serve as an integrated platform for showcasing the works of top-notch performing artists and arts groups from the Mainland, Hong Kong and overseas. This will help bring the remarkable performing arts of the Mainland and Hong Kong onto the world stage through activities such as exhibitions, forums, focus discussions, performances and trading. The event will also facilitate exchanges between renowned overseas performing artists as well as arts groups and their counterparts in the Mainland and Hong Kong.

Arts Technology

94. The integration of arts and technology has become a new trend. Apart from expanding the reach of arts and its form of presentation, such integration has also brought new development opportunities for the relevant sectors, especially the youth. In 2020, we set aside \$100 million to promote the integration of arts and technology by providing support to arts groups and I&T talent.

95. To further facilitate arts technology development, I will allocate \$30 million to implement a Arts Technology Funding Pilot Scheme in the next financial year with the aim of encouraging the nine major performing arts

groups to apply arts technology to enrich their stage production. I will also inject an additional amount of \$10 million into the Arts Capacity Development Funding Scheme in order to encourage small and medium-sized arts groups to further explore the use of arts technology under the scheme.

96. In addition, the East Kowloon Cultural Centre is expected to be commissioned in phases next year. I will earmark \$85 million each year to support its development into a major arts technology venue and incubator for the provision of structured training. I will also set aside \$70 million to upgrade the facilities of the performing venues under the Leisure and Cultural Services Department (LCSD), with a view to enabling arts groups to further apply technology in their performances, thereby enhancing audience experience.

Development of Tourism Industry

97. As the development of tourism industry and the promotion of East-meets-West arts and cultural exchange are closely related, strengthening support for the tourism industry can help achieve synergy. Over the past two years, the Government has rolled out measures of more than \$3.8 billion to support the tourism industry. In addition to providing direct financial subsidy to the trade, it also encourages the trade to explore more local tour itineraries before resumption of cross-boundary tourism and enhancing the supporting facilities of tourist attractions and the tour guide services as well.

98. In light of fierce regional competition, we will get well-prepared by providing additional resources for the promotion of cultural, heritage and green tourism projects with Hong Kong characteristics, enhancing tourism promotion and rolling out enticing promotional offers in a timely manner to attract tourists from outside Hong Kong. This will also help consolidate Hong Kong's position as a core demonstration zone for multi-destination tourism and an international tourism hub as specified in the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area and the Culture and Tourism Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area (the CTD Plan).

99. I will earmark \$1.26 billion to support and develop the tourism industry, of which \$600 million will be used to implement a three-year scheme entitled "Cultural and Heritage Sites Local Tour Incentive Scheme". The scheme aims at providing incentives for the industry to develop and launch tourism products with cultural and heritage elements as well as supporting the operation of the Green Lifestyle Local Tour Incentive Scheme. Another sum of \$60 million will be used to sponsor the training of tourism practitioners for three years, with a view to further improving the professional standards and service quality of the industry.

100. The remaining sum of \$600 million in the earmarked funding will be used for supporting the work of the Hong Kong Tourism Board (HKTB) to revive the tourism industry and implement the CTD Plan. The HKTB will continue to launch the "Holiday at Home" campaign to support the industry. When cross-boundary travel gradually resumes, the HKTB will promote the "Open House Hong

Kong” campaign in appropriate source markets, with a view to attracting tourists to revisit Hong Kong. Last year, the HKTB completed a preliminary study and a consultation exercise on the positioning of Hong Kong’s tourism in the long run. Depending on the circumstances of individual source markets, a new tourism brand promotion campaign will be launched around the world in phases in the coming year. The HKTB will also allocate a sum of \$100 million from its reserve to support the above work.

Aviation and Maritime Sectors

101. Hong Kong’s airport and port facilities are among the best in the world. The 14th Five-Year Plan expressly supports Hong Kong in developing high value-added maritime services, and states for the first time the support for enhancing Hong Kong’s status as an international aviation hub. The Government will continue to take forward the development of Hong Kong’s aviation sector by leveraging the geographical advantage of the Hong Kong International Airport (HKIA) on Lantau Island to build an Airport City with diversified industry make-up.

International Air Cargo

102. To further provide quality and efficient cargo services for the GBA, the Airport Authority Hong Kong (AA) plans to develop sea-air cargo transshipment between the HKIA and the rest of the GBA. The AA will set up an upstream HKIA Logistics Park in Dongguan and an airside intermodal cargo handling facility at the HKIA. This will allow export cargo from the Mainland to complete security screening in advance and then be transported seamlessly to Hong Kong. It will then be directly transhipped to all overseas destinations through Hong Kong’s international aviation network without the need to undergo further security screening. Similarly, international cargo can also be imported into the Mainland through the reverse process. Since the end of 2021, the AA has progressively launched a sea-air intermodal pilot scheme with the existing facilities at the HKIA for the purpose of testing and establishing the full operational procedures.

Maritime and Port Sector

103. The Hong Kong Maritime and Port Board (HKMPB) has set up a dedicated task force to explore concrete proposals to promote the development of “Smart Port”, including further enhancing port efficiency and reducing cargo handling time and cost with the use of a digitalised system. Based on the findings of its study, the HKMPB has proposed to provide half-tax concession to attract more maritime enterprises to establish a presence in Hong Kong. The Government plans to introduce the proposed legislative amendments to the LegCo in the first half of this year.

Agriculture and Fisheries

104. To encourage the upgrading and sustainable development of the agricultural and fisheries sector, we have launched two pilot schemes under the Sustainable Agricultural Development Fund (SADF) and the Sustainable Fisheries Development Fund (SFDF) respectively, to provide subsidies for the

local agriculture and fisheries industry to adopt new technologies, such as hydroponic technology, smart farm management, advanced livestock waste treatment technology, deep sea mariculture and shellfish and crustacean farming, etc., with a view to further promoting modernisation of the industry and enhancing its competitiveness as well as fostering the transfer of knowledge. I propose making two separate injections of \$500 million each into the SADF and the SFDF, as well as expanding the coverage of the funds and streamlining the application procedures as appropriate. This will support the development of the industry in terms of application of advanced technology and intensification of production, and help it seize the opportunities arising from the GBA development.

105. We will continue to take forward the measures under the New Agriculture Policy, including the establishment of the Agricultural Park (Agri-Park) in Kwu Tung South in the New Territories. The Agri-Park Phase 1 will provide about seven hectares of agricultural land. The works are expected to complete in phases from the second quarter of this year to 2023. As for Phase 2, the preparatory work has commenced and the project is expected to provide about 70 hectares of agricultural land.

(To be continued.)