

CE's speech in delivering "The Chief Executive's 2020 Policy Address" to LegCo (6)

Convention and Exhibition Industry

67. The Government has launched the Convention and Exhibition Industry Subsidy Scheme under the AEF with a commitment of over \$1 billion to provide impetus for the convention and exhibition (C&E) industry in the next year or so. In the long run, we still have great confidence in the C&E industry. We will take forward the plan to redevelop the sites of the three government towers in Wan Chai North and the Kong Wan Fire Station into C&E facilities, hotel and Grade A office. The AAHK will also invest in the construction of phase two of the AWE. These two projects in total will increase C&E space by more than 40%. As for the proposal to develop a new convention centre on the site above the Exhibition Station of the Shatin to Central Link, in view of the technical difficulties involved, the uncertainties concerning the construction period and concerns about cost-effectiveness, we have decided to use the site for other purposes.

Support for Small and Medium Enterprises

68. To facilitate small and medium enterprises (SMEs) to apply for relevant funding from various government support schemes in a quicker and easier way, we have formed the "SME ReachOut" service team to provide one-stop consultation and referral services. We plan to expand the scope of the SME Export Marketing Fund for two years to cover large-scale exhibitions organised by organisers with proven track record targeting the local market, as well as virtual exhibitions organised by the HKTDC and reputable exhibition organisers with good track record. The eligibility criteria will also be relaxed to cover non-SMEs.

69. To further encourage the professional services sectors to step up promotion of Hong Kong's competitive edges and professional services to the Mainland cities of the GBA and overseas markets after the pandemic has stabilised, we will set aside \$50 million under the Professional Services Advancement Support Scheme to subsidise major professional bodies to participate in relevant activities organised by the HKSAR Government, the HKTDC and overseas Economic and Trade Offices (ETOs).

Abolishing Doubled Ad Valorem Stamp Duty on Non-residential Property Transactions

70. In order to alleviate the financial burden of enterprises and support them in obtaining commercial loans, the Government has rolled out the 90% Guarantee Product and the Special 100% Guarantee Product in the past year. Meanwhile, many banks have been offering extension of principal payment holiday with the support of the Hong Kong Monetary Authority. Some Members

of this Council have proposed that the Government should abolish the Doubled Ad Valorem Stamp Duty (DSD) imposed on non-residential property transactions, so as to facilitate enterprises to cash out by selling non-residential properties to address their financial predicament or liquidity needs because of the economic downturn. At my request, the Financial Services and the Treasury Bureau has recently completed a review of the measure, which was introduced in 2013 as a demand-side management measure to rein in the soaring prices of non-residential properties.

71. As a result of the economic downturn and uncertainties surrounding the COVID-19 pandemic, prices and demand for non-residential properties have been dropping over a period of time. The Government considers now the right time to abolish the DSD imposed on non-residential properties. To allow relevant property owners to benefit immediately from the proposal, the Executive Council approved this morning the introduction of the relevant amendments to the Stamp Duty Ordinance. I have also exercised my statutory powers and made a Public Revenue Protection Order to give effect to the abolition of the DSD on non-residential property transactions with effect from tomorrow (26 November). We will continue to monitor the developments of the non-residential property market, and resort to appropriate measures again as and when necessary to ensure the stable development of the market. Given the tight housing supply and that residential property prices remain beyond the reach of the average households, I must stress that the Government has no plan to adjust any of the stamp duty rates concerning residential properties.

Network Development and Wider Application of 5G

72. The fifth generation mobile communications technology (5G) is not only an important infrastructure of the communications industry, but also a driver to upgrade and transform the overall economy. The 5G coverage of major mobile network operators is expected to reach 90% of the population this year. We plan to release more 5G spectrum in different frequency bands in 2021 to meet the needs of various 5G applications in terms of speed, capacity and coverage. In addition, we have been discussing with the two satellite operators the relocation of their telemetry, tracking and control stations in Tai Po to Chung Hom Kok Teleport. The relocation and installation of the relevant facilities are expected to be completed in four years. By then, various mobile network operators will be able to deploy the 5G frequency bands in a more holistic and efficient manner and improve their coverage.

73. To further promote the development of 5G application, we have extended the application period of the subsidy scheme concerned under the AEF for six months until May next year, and have worked with a number of public organisations to encourage the deployment of 5G technology in various sectors. We will also facilitate the early adoption of 5G technology and application in government departments and public organisations.

Creative Industries

74. Creative industries highlight the humanity features of people in Hong Kong where the cultures of East and West meet, making Hong Kong an even more attractive international city and giving new energy to our diversified

economy. I made an injection of \$1 billion each into the CreateSmart Initiative and the Film Development Fund in 2018 and 2019 respectively and the industry has responded enthusiastically.

75. The global film industry has been hard hit by the pandemic and related economic activities have almost come to a halt. The Commerce and Economic Development Bureau (CEDB) announced in mid-July this year that around \$260 million will be earmarked under the Film Development Fund to implement various measures to address the needs of the industry at different levels, help retain talents and inject fresh impetus into the sector.

76. The CreateSmart Initiative received around 200 new applications in the past two years or so and over \$800 million of funding has been granted so far. Our pledge and determination to vigorously promote the development of the creative industries remain unchanged. I propose to inject an additional \$1 billion into the CreateSmart Initiative to further promote the development of the creative industries in Hong Kong and provide support for them to adapt to the impact arising from the “new normal” under the epidemic.

Art Tech

77. With the advancement of technology, the integration of arts and I&T has become a new trend in arts development. Besides, during the pandemic, the application of technology has also enabled us to enjoy a wide array of visual and performing arts at home. The application of technology has extended the horizon of creativity in arts and brought new opportunities for the arts and creative industries. Leveraging the bold and innovative spirit of local artists, I believe that, with the active promotion and support of the Government, Art Tech will flourish and thrive in Hong Kong.

78. The promotion of Art Tech calls for inter-bureau co-operation. I have asked the Secretary for Home Affairs to take the lead in setting up a task force comprising representatives of the Innovation and Technology Bureau, the CEDB as well as the Education Bureau (EDB), and invite the participation of representatives from the relevant sectors and non-government organisations (NGOs) to formulate strategies and measures to develop and promote Art Tech. The Government will be more proactive in encouraging the related sectors to apply for funding under the Arts and Sport Development Fund, the Innovation and Technology Fund, the Film Development Fund and the CreateSmart Initiative to implement projects that integrate technology and arts. To this end, we have set aside a total of \$100 million under the various funds and will provide venues and complementary facilities for experimental use.

Legal Services

79. As an international legal hub, Hong Kong faces a pressing need to enhance the capability of its legal profession by harnessing modern technology in the provision of legal and dispute resolution services. Further to the establishment of the LawTech Fund and the COVID-19 Online Dispute Resolution Scheme under the second round of the AEF, the DoJ will actively explore the development of the Hong Kong Legal Cloud, a state-of-the-art online facility equipped with advanced information security technology, to provide secure,

reliable and affordable data storage services for the local legal and dispute resolution sector to promote the overall long-term development of Hong Kong's legal and dispute resolution services.

Agricultural and Fisheries Industries

80. The Government is committed to promoting high value-added and sustainable development of the agricultural and fisheries industries. We will establish an Agricultural Park in Kwu Tung South to facilitate the development of agro-technology and modernisation of farm management, as well as provide technical support to farmers. Works on Agricultural Park Phase 1 will commence shortly, and is expected to be completed in phases between next year and 2023. Regarding the fisheries industry, the Government has resumed issuing new marine fish culture licences since the beginning of this year, and is preparing to designate new fish culture zones at four locations in Hong Kong waters to increase fish production. Related environmental impact assessment is underway and is expected to be completed in 2022. We also support Hong Kong fishermen to participate in the development of deep-sea mariculture in the GBA. Last year, we signed a co-operation agreement with the relevant authorities of the Guangdong Provincial Government, and will provide assistance under the Sustainable Fisheries Development Fund and set up a modern demonstration farm to help the fisheries trade switch to deep-sea mariculture.

Rebuilding Local and Overseas Confidence

81. The social unrest last year dealt a heavy blow to Hong Kong's image as a safe city internationally and in the Mainland. The unreasonable criticism and smearing of the Central Government's enactment of the National Security Law in Hong Kong and the NPCSC's decision on the qualification of LegCo members by some foreign governments and political organisations have also undermined the confidence of overseas enterprises in the rule of law and freedom in Hong Kong. We should seize the opportunity to clarify the misconceptions and misunderstanding and showcase Hong Kong's unique strengths and extraordinary charm to the outside world again. When the pandemic situation stabilises, we will roll out large-scale publicity and promotion strategies to promote Hong Kong to businessmen, investors, entrepreneurs, researchers and talents around the world.

82. Moreover, to restore the confidence of various Mainland sectors in Hong Kong, the five Mainland Offices of the HKSAR Government will launch publicity programmes through diversified platforms in various places in the Mainland to enhance our promotion work.

(To be continued.)