

# LCQ1: Measures to facilitate cinema development in Hong Kong

Following is a question by the Hon Luk Chung-hung and a reply by the Secretary for Commerce and Economic Development, Mr Edward Yau, in the Legislative Council today (June 6):

Question:

In recent years, quite a number of cinemas have closed down one after another. At present, there is no cinema in certain districts (e.g. Tai Po), resulting in fewer entertainment choices for the residents in those districts. In March last year, the Government announced a series of new measures to facilitate the development of cinemas in Hong Kong, with a view to assisting in movie audience-building and promoting the long-term development of the film industry. However, some members of the public have pointed out the slow progress made by the Government on the implementation of such measures. Regarding the measures to promote the development of cinemas and the film industry, will the Government inform this Council:

(1) whether it knows, in respect of each District Council district in each of the past three years, the number of cinemas, the respective numbers of seats and screens of cinemas, and the year-on-year percentage changes of such numbers and the average ticket price;

(2) of the latest progress made by the Government on the implementation of the measures to facilitate the development of cinemas; the measures in place to assist the film industry in setting up more cinemas, so that there will be cinemas in each district, as well as to encourage and assist the film industry in showing more locally produced films and lowering ticket price, so as to attract members of the public to go to the movies; and

(3) whether the Government will consider amending the Hong Kong Planning Standards and Guidelines to reclassify cinemas as "cultural facilities" instead of "retail facilities"; if not, of the reasons for that; whether the Government will conduct regular surveys and studies on local film consumption and the development of the local film industry, in order to assist in the formulation of a more comprehensive development policy for the film industry?

Reply:

President,

The film industry is among the eight major creative industries in Hong Kong, with direct employment of about 12 550 in 2016. Hong Kong was once a major player in Chinese films but has been faced with numerous challenges in recent years. The Government has been sparing no efforts in promoting the development of local film industry on all fronts, mainly through the Film Development Fund (FDF), to support and promote film productions and other

marketing and audience-building activities.

In respect of local cinemas, the Government announced in March 2017 new measures to facilitate cinema development in Hong Kong, including incorporation of a requirement to include cinema in the land sale conditions of two designated government land sale sites to increase the supply of cinemas, with a view to helping the long-term development of the film industry.

My reply to Hon Luk Chung-hung's question is as follows:

(1) From 2015 to 2017, the average price of a movie ticket in Hong Kong had remained stable, at HK\$73, HK\$76 and HK\$75 respectively. The number of cinemas, seats and screens categorised by District Council districts in the three years are set out in Annex.

Overall speaking, from 2015 to 2017, the number of cinemas had increased by 12.8 per cent from 47 to 53; the number of seats by 3.2 per cent from 37 779 to 38 976; and the number of screens by 13.4 per cent from 209 to 237.

Out of the 18 District Council districts, all of them now have cinemas except Tai Po, which will also see the opening of a cinema in 2019. In the past three years, the number of cinemas had increased in six districts, reduced in two districts and stood the same in the remaining nine districts.

(2) As aforementioned, we will incorporate requirement to include a cinema in the land sale conditions of two designated government land sites in Kai Tak and Sha Tin, with a view to increasing the supply of cinemas. The Kai Tak site has been included in the 2018-19 Land Sale Programme, while a technical assessment by the Government is underway for the Sha Tin site. Upon completion of the relevant procedures and work, the two sites will be made available to the market at appropriate junctures.

While adopting the above measure, the Government considers that the provision of cinemas should still largely be market-driven. We are delighted to see the upward trend in respect of the numbers of cinemas, seats and screens in the past three years. With the upcoming launch of a cinema in Tai Po in 2019, there will be provision of cinemas in all the 18 districts.

The Government will continue, through the FDF and relevant measures, to keep pace with the development of the film market and broaden the audience base. For instance, the Government has provided additional screening facilities to the auditorium of the North District Town Hall and commissioned the Hong Kong Film Art Association to organise film screening activities on a regular basis with post-screening seminars in a bid to promote the film industry and build up audience base among students. Moreover, we have provided additional funding to the Hong Kong International Film Festival Society for adding Chinese subtitles to non-Chinese films screened in the Hong Kong International Film Festival and offering student discount tickets, thereby fostering the public's film-watching habit and their ability to appreciate films of different genres.

(3) The Hong Kong Planning Standards and Guidelines (HKPSG) stipulates the general guidelines for determining the various land uses and facilities in accordance with the population size and other factors. The relevant guidelines serve as general reference for the Government to, at the planning stage, reserve land for different developments and facilities to meet the public's needs. Relevant Government bureaux and departments would review, update and formulate the HKPSG from time to time in light of different policy and development needs, while the Planning Department would assist in coordinating the formulation of the relevant standards.

According to the HKPSG, cinemas operating on a commercial basis are categorised as retail activities, and can be built within land use zones where commercial uses, including retail, are permitted. Generally speaking, the provision of commercial and retail facilities should be market-led.

We understand that the development of cinemas and the development of the film industry complement each other. The Government has been consulting the Hong Kong Film Development Council (FDC) on the overall strategies, policies and practical arrangements for promotion and development of the film industry, as well as the use of public funds to support the industry, to understand the needs of the industry and offer support as appropriate.

In view of the considerable changes in the film market in recent years, the Government has engaged a consultant to review the operation and effectiveness of the various funding schemes under the FDF, to study the latest market development trends and to propose feasible corresponding measures. The study report will be completed shortly. We will consider the recommendations therein and, in consultation with the FDC, formulate proposals to enhance the operation of the FDF so as to assist the industry to respond to the needs of the market more effectively.