

# LCQ10: Promoting sports development

â€‹Following is a question by the Hon Jimmy Ng and a written reply by the Secretary for Culture, Sports and Tourism, Mr Kevin Yeung, in the Legislative Council today (November 15):

Question:

As pointed out in a research publication of the Legislative Council Secretariat, Hong Kong faces quite a number of challenges in developing the sport industry, including limited tax incentives to encourage resources from the business and private sectors, and few measures available to promote sport sponsorship. On promoting sports development, will the Government inform this Council:

(1) of the amount of tax deductions available to Hong Kong enterprises relating to expenses on sport sponsorship in each of the past five years; whether it will provide additional tax concessions for enterprises' expenses on sport sponsorship, such as allowing a 200 per cent tax deduction for the amount of sponsorship for sports events; if so, of the details; if not, the reasons for that;

(2) as the Chief Executive indicated in the 2023 Policy Address that the Government will collaborate with the Sports Federation & Olympic Committee of Hong Kong, China to organise Festival of Sport events on the Sport For All Day, and will consider opening its sports facilities for free admission on specific festive occasions every year, where thematic sports days will be held for public participation, of the details of relevant events and initiatives;

(3) whether it has assessed the effectiveness of the work of promoting urban sports, such as 3 on 3 basketball, sport climbing and skateboarding; and

(4) as the Government introduced various measures to enhance the "M" Mark System (the System) in April this year, of the number of applications for "M" Mark events following the introduction of these measures, and whether the average amount of funding support for each event has increased accordingly compared with that before the introduction of the enhancement measures; whether it has plans to further increase the amount of funding for each event under the System; if so, of the details; if not, the reasons for that?

Reply:

President,

â€‹It is the Government's policy to promote the development of sports through a five-pronged approach, namely, by promoting sports in the community, supporting elite sports, promoting Hong Kong as a centre for major international sports events, enhancing professionalism and developing sports as an industry; which include strengthening the support to elite athletes,

attracting major international sports events to Hong Kong and further promoting sports development through enhanced professionalism in the sports sector and the development of sports as an industry. In addition, we endeavour to promote sports in the community and in schools, build more and enhance sports and recreation facilities, and encourage collaboration among communities in fostering a strong sporting culture.

My reply to the questions raised by the Hon Jimmy Ng is as follows:

(1) At present, if a commercial organisation sponsors a sports event in order to promote its own business, the sponsorship concerned will be treated as marketing expenses and can be used to apply for tax deduction. Given the large number of sports events of varying scale, we have not maintained information on tax deduction relating to sports sponsorship expenses by commercial organisations. Upon a comprehensive review, including the implications on other charitable services following the introduction of special tax deduction under a certain policy, the Government has decided not to introduce new tax concessions for commercial organisations sponsoring local sports organisations for the time being.

(2) The Leisure and Cultural Services Department (LCSD) has been organising the "Sport For All Day" every August since 2009 to encourage people of all ages and abilities to take part in sports activities. On the event day, a series of free sports and recreation programmes will be offered at designated LCSD venues across the 18 districts, while most of the LCSD's sports facilities will be open for free use by the public. In a bid to further promote "Sport for All" and encourage the public to participate in sport, the LCSD will collaborate with the Sports Federation & Olympic Committee of Hong Kong, China (SF&OC) to organise Festival of Sport events on the "Sport For All Day" at government venues and private venues such as shopping centres. We will announce the details in due course after discussion with the SF&OC on the event arrangements. The LCSD will also consider opening its sports facilities for free admission on specific festive occasions every year and holding thematic sports days (e.g. distance race) for public participation, so as to achieve synergy and provide more opportunities for the public to use the LCSD sports facilities free of charge, and thereby help them develop a healthy lifestyle of regular exercise.

(3) To further promote sports in the community, the Chief Executive announced in the 2022 Policy Address that the Government would work with the sports sector, schools and other sectors to promote urban sports that are popular among young people in recent years, such as 3-on-3 basketball, futsal, breaking, skateboarding and sport climbing. We will provide subsidy to those schools and organisations which are interested in participating in the promotion programme for organising training courses as well as activities on urban sports. In the first phase, we will work with schools in organising training courses and activities after class at school campus, with an aim to provide 8 000 students with the opportunity to take part in urban sports every year starting from the 2023/24 academic year. We will review the promotion programme in due course and refine relevant measures when necessary in order to optimise its effectiveness.

In addition, to encourage the participation in sports by members of the public and promote urban sports, the LCSD plans to organise some 370 urban sports programmes in 2023-24, including 3-on-3 basketball, sport climbing, breaking, skateboarding and futsal, which are expected to be participated by about 15 300 people. For the Corporate Games 2023, futsal has been included as one of the competition events and a substitute for 7-a-side soccer. Moreover, the LCSD will retain futsal events and add some urban sports (such as sport climbing, breaking and skateboarding) as demonstration competitions in the 9th Hong Kong Games, and substitute 5-on-5 basketball competition by 3-on-3 basketball which is more popular among the youth. At the, the LCSD provides subvention of around \$10 million through the Sports Subvention Scheme to relevant national sports associations of urban sports for their organisation of over 400 programmes, which are expected to be participated by about 30 000 people. The LCSD will closely monitor the implementation of the programmes and encourage wider public participation in order to evaluate the effectiveness of the programmes.

(4) The Government has launched various measures on April 1, 2023 to enhance the "M" Mark System with a view to attracting more major international sports events to be held in Hong Kong. The measures include increasing the funding ceiling for each event to \$15 million, lifting the quota of "M" Mark events to be organised by the same applicant each year, and relaxing the eligibility of the applicants for "M" Mark events to cover events organised by national sports associations (NSAs) as well as other private or non-governmental organisations (NGOs).

Responses have been positive since the implementation of the enhancement measures. From April to October 2023, we received more than 20 applications. It is envisaged that about 17 major international sports events being awarded "M" Mark status will be held in Hong Kong in this financial year, which is the highest number ever. It represents an increase of three events (around 21 per cent) as compared to a maximum of 14 events per year in the past. Among these events are the Aramco Team Series Hong Kong as well as the Hong Kong Tennis Open, which are staged in Hong Kong for the very first time. So far, nine events have taken place and five events have been granted a matching fund up to a ceiling of \$15 million. With the enhancements of the "M" Mark System, the average subsidy per event is approximately \$7.66 million, which is a significant increase as compared with \$1.64 million per event before the introduction of the enhancement measures. We will continue to closely monitor the effectiveness of the enhancement measures and review the "M" Mark System in order to meet the needs of events of different scales. With the above, we hope to encourage NSAs, private enterprises and other NGOs to bid for the hosting of more major international sports events in Hong Kong.