

LCQ4: Promoting the development of the sports industry

Following is a question by the Hon Adrian Ho and a reply by the Secretary for Culture, Sports and Tourism, Miss Rosanna Law, in the Legislative Council today (January 8):

Question:

Neighbouring regions such as the Mainland and Singapore have been committed to developing the sports industry in recent years, and "The Road to Becoming a Sports Powerhouse" – The Value and Inspiration of Xi Jinping's Important Discourses on Sports" released by the Xinhua Institute earlier on has even identified the sports industry as one of the three important development directions in the theoretical system for the construction of a sports powerhouse. However, there are views that the development of Hong Kong's sports industry has been lagging far behind that of neighbouring regions. For example, the average annual growth rate of the value-add of Mainland's sports industry was as high as 13.5 per cent between 2017 and 2022, whereas the average annual growth rate of the value added of sports and related activities in Hong Kong was only 2.35 per cent during the same period. In this connection, will the Government inform this Council:

(1) whether the authorities have made reference to the measures taken by neighbouring regions to promote the development of the sports industry; if so, how the authorities plan to improve the progress of developing sports in Hong Kong as an industry through such measures; if not, of the reasons for that;

(2) whether the authorities will set performance indicators for the development of sports as an industry in the future, such as specifying the growth value of the value added of sports and related activities; and

(3) given that the Government has engaged a consultant to study issues relating to the professionalism in the sports sector and the development of sports as an industry, and that the consultant has already submitted a report in May 2023, of the recommendations made in the report to assist in the development of sports in Hong Kong as an industry, as well as the recommendations therein which have been implemented or planned to be implemented by the Government?

Reply:

President,

The Government has all along been committed to promoting sports development by proactively implementing the five key policy objectives (the five-pronged approach), namely, by promoting sports in the community,

supporting elite sports, maintaining Hong Kong as a centre for major international sports events, enhancing professionalism, and developing sports as an industry. Additional resources have been devoted to further promote these objectives. The Government's estimated expenditure on sports development in 2024-25 is about \$7.9 billion, which is double the \$3.9 billion spent 10 years ago (2014-15). According to the statistics released by the Census and Statistics Department in August 2024, the value added of sports and related activities at basic prices is about \$38 billion in 2022, representing an increase of 11.8 per cent over five years ago (2017) and accounting for 1.4 per cent of Hong Kong's Gross Domestic Product.

My reply to the three parts of the question raised by Hon Adrian Ho is as follows:

(1) In formulating the policy on sports development, the Government will make serious reference to the relevant policies and experience of the Mainland and other regions. Meanwhile, we must fully consider Hong Kong's own conditions and opportunities, so as to set direction and formulate measures for sports development that suit the circumstances and needs of Hong Kong. We notice that the scale and development level of sports industry in the Mainland have continued to rise. Many Mainland provinces and municipalities have proactively implemented measures to promote the development of the sports industry. Directions of these measures include promoting innovation of the sports industry, building a modern sports industry system, expanding the range of sports products and services, and cultivating the potential for sports consumption, etc. The objective is to promote high-quality development of the sports industry. We have also made reference to the sports development policies of other regions, including Australia, New Zealand, Singapore and the United Kingdom. The policies and objectives of different regions vary. We will continue to refine the five-pronged approach in accordance with our circumstances with a view to promoting sports development in Hong Kong.

(2) Developing sports as an industry involves a number of different areas and elements. We provide comprehensive training and support to elite athletes through the elite sports policy, and assist them to excel in international competitions. These will help enhance the public's interest and devotion to sports, increase their desire to exercise and enjoy sporting events, and thereby promote the spending on tickets and sporting apparels, etc. Through organising and supporting major sports events, we will also attract more athletes, their teams and family members, sports officials, as well as Mainland and overseas spectators to Hong Kong, thereby increasing the consumption on accommodation, catering, transport and other items that promote economic development. Promoting sports in the community and enhancing professionalism also encourage spending on sporting apparels and professional services. With the commencement of the Kai Tak Sports Park (KTSP), Hong Kong sports teams will have ample opportunities to compete there. This will help cultivate an audience base for the home stadium and develop peripheral products, including merchandise sales, venue management, refereeing, training, event co-ordination, etc.

The 15th National Games, the 12th National Games for Persons with

Disabilities and the 9th National Special Olympic Games will take place at the end of this year. Apart from attracting Mainland and overseas audiences to Hong Kong, the events will also allow Hong Kong people to participate in and support the sporting events as home spectators, thereby arousing their interest in sports competition, reinforcing the sporting atmosphere, as well as enhancing their sense of national identity.

Hong Kong, China athletes achieved outstanding results in world championships, the Asian Games and the Olympic Games in recent years. Government resources devoted to sports development over the years have gradually borne results. The opening of the KTSP will bring about valuable and immense opportunities for developing sports as an industry in Hong Kong. We will carefully monitor and analyse the situation after the opening of the KTSP, and will establish higher goals to further develop sports as an industry.

(3) To enhance the professionalism of the sports sector and encourage the development of sports as an industry, the Government has earlier engaged a consultant to study the relevant issues as well as consulted the sports and business sectors during the process. Taking into account the recommendations of the consultant's report and the experience of other regions, the Government is implementing a number of measures to promote the development of sports as an industry.

Overall speaking, promoting sports in the community, supporting elite sports, maintaining Hong Kong as a centre for major international sports events, enhancing professionalism and developing sports as an industry are interactive and closely related. In promoting sports in the community, the Government encourages people of different ages and physical abilities to develop the habit of regular exercise by organising a wide range of recreational and sports activities. In recent years, the Government has been actively promoting urban sports which are popular among young people. In collaboration with the Schools Sports Federation of Hong Kong, China, the Government launched the Urban Sports Funding Scheme in November 2023, organising around 37 900 sports activities for over 2.7 million participants in 2024-25. In addition, the Pilot Scheme on Subvention for New Sports will be regularised in 2025-26. Through the above efforts, we aim to enhance the public's interest in different sports activities, creating conditions for the development of sports as an industry.

With the international achievements of our elite athletes, public awareness and interest in sports have grown significantly. We will continue to devote resources to support elite athletes in achieving good results and expanding the audience base of sports enthusiasts. Investment by commercial organisation in the sports market and sponsorship of sports events are key factors in furthering development of the sports industry. The Government is committed to promoting Hong Kong as a centre for major international sports events and supports the organisation of major sports events through the "M" Mark System. Matching funds under the "M" Mark System provide incentives for event organisers to seek sponsorship from commercial organisations, so as to make the best use of market funds to enhance the quality of events and

incorporate commercial elements, thereby promoting the development of the sports industry. We are consolidating the experience gained over the past year since implementing the "M" Mark System enhancement measures in April 2023, and reviewing their effectiveness with a view to further enhancing the system. We will continue to formulate policies to promote sports events and enhance the involvement of private enterprises in the sports market.

Fundamentally, we believe that there is a need to enhance the professionalism of the sports sector. I understand that the Sports Federation and Olympic Committee of Hong Kong, China has completed the review on the corporate governance of national sports associations (NSAs), and I very much hope that this can help enhance the corporate governance and operational efficiency of the NSAs, and ensure a fairer and more professional environment for the development of the sports industry. The Government will also explore establishing a sports dispute resolution system and promote sports arbitration, so that disputes could be handled professionally, enhancing the protection of sports activities in Hong Kong and the competitiveness of the sports industry.

The Government will continue to maintain close communication with the sports sector and formulate policies to further promote the development of sports as an industry.