

Transcript of remarks by CE at media session before ExCo (with video)

Following is the transcript of remarks by the Chief Executive, Mrs Carrie Lam, at a media session with the Secretary for Food and Health, Professor Sophia Chan, and the Secretary for Home Affairs, Mr Caspar Tsui, before the Executive Council meeting today (May 11):

Reporter: Hello, Mrs Lam. I would like to ask you about quarantine arrangements and Olympics. On quarantine, many residents under quarantine complain about the poor quality of food and being left behind in the quarantine camps when the neighbours have returned home. How would the Government learn from this, and did the Government really strictly follow the procurement and tender procedures before choosing the food supplier because it had the track record of causing food poisoning? And on Olympics, this is really an unprecedented arrangement that the Government used public money to secure this right. My questions are, why the Government did not include RTHK as its partner but only chose the other five? As Olympics involves a lot of advertisement revenue, how would the Government co-ordinate to make sure that the TV stations and broadcasters will really share the popular sports games evenly? And what is the rationale behind not asking the TV broadcasters to pay the Government anything? Like, should the broadcasters be asked to share some of the money being used? Thank you.

Chief Executive: On the first question, I have already expressed my apology to affected residents during this very stringent measure of putting everyone in the same block with a confirmed case of the variant of concern under this 21-day quarantine. We have also rectified the situation after reviewing the first cohort and allowed the residents to go home as soon as possible. During their stay in the quarantine centre, I understand that the conditions are not the best that we would like to see. The service may be a bit sub-standard, particularly over this alleged food-poisoning case. We will review all these complaints and grievances with a view to improving the arrangements, but as I said, I really hope people of Hong Kong will appreciate because of the large number of people who have to be arranged for quarantine within a very short period.

As far as for the procurement of the food supplier, this is a matter that the Centre for Health Protection, under Department of Health, will handle. I would just emphasise that within the government procurement regime, there is indeed something called a direct quotation. Because of the time, the urgency and so on, it is not possible to go through a full public tender. Please don't draw a conclusion that we have breached the rules. There are rules which allow the Government to act decisively and as a matter of urgency in order to meet the community needs.

On the question about the Tokyo Olympic Games, yes it is quite unprecedented. Previously, despite pressure from time to time – whenever

there were risks that a commercial broadcaster could not buy the right, then the Government please step in. We have heard this many times, whether in Olympics and/or other games. This time I would say that it is partly because of the importance that we have attached to sports development over the years, in terms of training and support for elite athletes, in terms of organising major mega-sports events in Hong Kong to raise the status of sports development in Hong Kong in anticipation of completion of this huge Kai Tak Sports Park, and also to popularise sports in Hong Kong for the health of Hong Kong people. As early as 2018, we have internal discussions and came to the view that it would be a great pity, despite all the things that we have done on sports development, if the people of Hong Kong have no chance to watch, free of charge, the Tokyo Olympic Games. Because unlike the Rio Games, which were held many miles away, the Tokyo Olympic Games is the first Games held in Asia, after the Beijing Olympic Games, so it's much easier for us to watch. You don't have to get up in the midnight to watch the Games. Our athletes have been very well prepared for the Tokyo Games, and I've just told you that we have gained access, what we call the "entry ticket", to 27 items, and the athletes will be getting more to contest in the Tokyo Olympic Games.

It is with that backdrop that we started to explore, research, sound out commercial broadcasters and ultimately came to the view that the Government needs to step in because this is not a sort of money-making business. I was told that even in the Rio Games, that commercial broadcaster had not been able to make money because of the huge cost involved in lining up the production, in buying the broadcasting rights and so on, let alone one has to appreciate that the economy is going downhill. I gave you this figure that in 2020 the total advertising money spent by businesses in Hong Kong was down 20 per cent. You will have heard the commercial broadcasters sharing with you their business outlook which is not good at all. Finally we came to the view, having sounded out that there will be no commercial broadcaster who was willing to pay for these broadcasting rights, that in order to meet the objective that I have emphasised, the Government has no option but to step in. That's why from 2019, the Home Affairs Bureau has been given a mandate and a negotiation brief from me to negotiate with Dentsu (Dentsu Inc), which is the licensee for broadcasting the Tokyo Olympic Games in this part of the region. They have done a very good job in negotiating and we signed the agreement on May 7. That is the story behind it and I hope, and I'm talking to the people of Hong Kong, because we need to promote sports together and our elite athletes need every one of us to support them, even if we could not go onsite to support them, we could watch a TV and then cheer them on as they contest in the Olympic Games.

But if the Tokyo Games could not take place, we are not spending a single dollar. We are not going to pay. We'll get back what we have paid if there is no Tokyo Olympic Games. We have secured a right but this right needs not be paid for if there is no Games.

RTHK is a very valid question because I mentioned we want to make sure everybody could watch it. RTHK does not have that capacity. We did discuss, I did personally talk to the Secretary for Commerce and Economic Development, and the Bureau came back that if RTHK has to produce the Tokyo Olympic Games,

they need a lot of investment in the equipment, they need a lot of production fees, they need to send and engage additional crew and people to do the programme. That will be another part of additional money which is not small. I can tell you that amount is not small according to earlier projections or estimates. But we have the commercial broadcasters who are ready. They have the studio, they have the equipment, they have the stars to do all these events. This is why RTHK is not made a broadcaster on this occasion but they will have access to the video shots, the clips from the five broadcasters which they can screen on their channels. That is the arrangement.

Why do the Government offer the use of the broadcasting right free of charge to the five broadcasting companies? Again it's a commercial consideration because during the production, paying for the technical fees will already be quite an investment on the part of the commercial broadcasters. Instead of the Government getting some money back on the broadcasting rights, or a little bit of sharing of the advertising revenue, which at the moment is uncertain as how much advertising revenue they can get is unknown, we ask for services. We ask for programmes to promote sports. We ask for, not only during the Games, but before and after the Games, these broadcasters have to commit to helping Hong Kong to promote sports development, especially in popularising sports in Hong Kong. I think that is a more pragmatic arrangement to go forward, let alone the time. Now it's already May 11 and the Games will open on July 23. This is the easiest way to take forward this very important task, and the fact that it's shared by the five, so it's not exclusive broadcasting, whereas previously, very often, it is exclusive broadcasting by the one who has bought the broadcasting rights. This time, Hong Kong people could switch on the TV, whichever channel run by the five broadcasters, and they will be able to watch the Games. This is our full consideration behind this unprecedented government involvement in the Olympic Games.

(Please also refer to the Chinese portion of the transcript.)