

MRS SELINA CHOW (in Cantonese): Madam Deputy, when the Chief Executive came here for the Question and Answer Session last week, he exchanged views with Honourable Members on many issues. However, media reports have instead focused on the Chief Executive's three "challenges" to the Liberal Party. The first target is the Hong Kong Tourism Board (HKTB) chaired by me, which was described by the Chief Executive as being "expensive". Although it appeared that he was joking, a number of listeners considered that he was indeed "saying something full of sarcasm" knowingly or unknowingly. It is therefore rather difficult to pretend that nothing had been said even though he immediately "withdrew" his remark. What was the Chief Executive thinking in his mind? There is no guessing it. I certainly hope that he is just trying to crack humour at that moment. When he found that his joke had gone a bit too far, he "withdrew" his remark to avoid giving others a wrong impression. Whatever the truth is, being the one who has a good understanding of tourism and the HKTB's operation, I am obliged to account for this publicly.

In the first place, I would like to quote some facts which are scarcely known to the community: Over the past few years, the recurrent expenditure of the HKTB has reduced from \$510 million in 2000-01 to \$466 million this year. The number of staff in the head office has reduced from 325 in 1999-2000 to 226 at present, whereas staff deployed in overseas offices is maintained at a level of about 95 persons due to continuous market expansion. This 320-man team is responsible for the promotion of Hong Kong's tourism globally in 22 cities of 16 countries spreading over seven regions, and the provision of services to consumers, the trade and the media. Meanwhile, the number of inbound tourists has increased from 13 million in 2000 to 21.8 million last year, during which catastrophes such as the September 11 incident and the outbreak of SARS occurred and dealt a serious blow to global tourism.

Certainly, the brilliant performance of our tourism industry is definitely not the effort of the HKTB alone. The whole community has been involved under the leadership, promotion and with the support of Mr TUNG Chee-hwa, Chief Executive Donald TSANG and Financial Secretary Henry TANG, together with the assistance of the Tourism Commission and the HKTB from all possible

angles. As a result, Hong Kong's position and competitive edge in the global travel and tourism market have been strengthened.

Nevertheless, the effort made by the HKTB should not be negated. First, the key task of the HKTB is to promote the image of Hong Kong externally, with a view to ensuring that people around the world know about Hong Kong and will be attracted to pay a visit here.

Second, in respect of the internal affairs of Hong Kong, the HKTB as a public organization also serves as a platform for various trades and industries to enable the development of tourism and its promotion, thus benefiting all walks of life.

Furthermore, we have to look around the countries of the world so as to open new markets and boost patronage in a balanced manner, with a view to bringing about the healthy and sustainable development of the tourist industry of Hong Kong.

We understand that some misconceptions may have resulted in some unfair views on us, which include: First, Hong Kong definitely benefits from the continuous growth in global tourism; second, Hong Kong definitely benefits from the relaxation of the Individual Visit Scheme (IVS) for mainlanders.

I said these are misconceptions because, though it is true that new horizons have been opened up by the growth of global tourism and the relaxation of the IVS for mainlanders, Hong Kong may not benefit from them "definitely".

Last year, tourist spots around the world stepped up promotions in order to gain back the market lost during the outbreak of SARS. At the same time, new spots have also entered into competition in view of the enormous potential offered by the Mainland's relaxation of restrictions on outbound travel. Various tourist spots have strengthened their tourism facilities and stepped up promotion, which means that the competition faced by Hong Kong has become more and more intense. Against this background, we still recorded an increase of inbound tourists by 32% last year when compared to that of 2002, which is much higher than that of Thailand, Malaysia and Singapore, ranging from 8% to 18%. Furthermore, Hong Kong was ranked the seventh by the World Tourism Organization among the top 10 places in the world tourist destinations for the first time. Are we enjoying such a ranking without making any effort?

Despite that the IVS had brought about a remarkable increase in inbound tourists last year, there was a mere 3% increase in the number of mainlanders visiting Hong Kong for the first seven months this year. Although we are already very lucky when compared with Malaysia and Singapore, whose recorded increases are -48.4% and -7.9% respectively, our investment promotion on the Mainland has actually no room for reduction in view of the lifting of restrictions on outbound mainland tourists and increasing options for mainlanders.

From another angle, we appreciate very much the support rendered by the Government to the HKTB's promotion policy of a balanced international portfolio of visitors. Last year, while acknowledging the rapid development of the mainland market, we did not give up other markets, especially long-haul markets, and kept on with our promotion efforts instead. As a result of an overall expansion of the aviation industry this year, Hong Kong immediately became the premier tourist destination of tourists from different places. Nearly all markets recorded a double-digit growth in the first eight months of this year, and the number of inbound Australian tourists has increased by 33.7% this year over the same period last year.

Madam Deputy, I know that people may still say the HKTB is "expensive" after today, with an added remark that "even the Chief Executive said so". I just hope that the media and the public can look at the work of the HKTB in a fair way, and to objectively and seriously examine whether it is, just as I have said, value for money.

Madam Deputy, next I would like to talk about another issue which caused the "suspected three 'challenges'", that is, what can be done to support the development of the film industry. The Chief Executive said that it was necessary to develop creative industries, and he was determined to provide assistance to the film industry in particular, because it is one of the flagships of Hong Kong's creative industries. I think the Chief Executive has made a very true remark. The film industry is not only a flagship of creative industries, but also one of the oldest industries in Hong Kong. The birth of the film industry dates back to the '20s and '30s of the last century, and it has a history of more than half a century. So far, how many industries, other than the film industry, whose birth was before the Second World War can still stand? It can be said that the film industry is a totem of pride for Hong Kong. It is the collective

memory of and belongs to every Hong Kong citizen. Therefore, the rescue of the film industry is indeed of great significance to Hong Kong.

As we all know, the film industry of Hong Kong or the so-called local productions, used to be very prosperous. In 1993, the number of local productions was 242 and box office exceeded \$1 billion. Last year, the box office dropped to \$400 million while films released were 64 only. As far as I know, there is even a decreasing trend.

I have attended a seminar in Korea earlier, during which a Korean member of the industry said that "Hong Kong is no longer hot" when he briefed the audience on the wake of increasing popularity of Korean culture. I felt very uncomfortable at hearing that. In fact, Hong Kong's film industry has so many talents and is endowed with the qualities for development, yet why has it become so discredited?

The Government has announced the members of the newly-formed Film Development Committee, among them are many famous trade representatives. I find it a very good idea to have representatives of the film industry taking the initiative to revitalize the industry. However, the Chief Executive has only responded to some of the requests of the trade because, as far as I know, the trade has actually requested for the setting up of a Film Commission vested with real powers, rather than an advisory committee.

In fact, in order to save the film industry, I think that, in addition to the continuous self-improvement of the industry, it is also necessary for the Government to develop a set of long-term strategies and invest sufficient resources. Furthermore, everyone should demonstrate perseverance and determination. Someone may query why the Government has to salvage a particular industry, and the reason is simple. It is because if the cultural position of a place in the world is lead by its television and entertainment industry, it will bring about a multiplier effect. Farther away, we have the effect produced by Hollywood to the United States, and nearer, we have seen the benefits brought about by popular products to Japan. A recent example is of course the increasing popularity of the "Korean culture". These are, in fact, iron-clad evidence.

What should the Government do to help the film industry? I believe that the most important thing is to look at some precedents of success. The two

most successful precedents are Australia and Korea. The film and television industries of Australia, which emphasized "direct support", were first developed in the '70s. At present, the Australian Commonwealth Government co-ordinates its comprehensive support to the film industry mainly through seven organizations. Among them, the Australian Film Finance Corporation (AFFC) is wholly owned by the Australian Government. Its main duty is to select local film productions with potential for investment, and then re-invest in other film productions with the profits earned. In 2003-04 alone, the AFFC, as mentioned earlier, invested HK\$330 million in the production of 10 dramatic films for distribution worldwide, eight television drama series and 34 documentaries. As regards the Australian Film Commission set up in 1975, it is mainly a production support organization. In addition, it will provide travelling expenses for independent filmmakers to produce their films overseas and participate in film festivals, thereby providing whole support to Australian film productions.

As for Korea, the Korean Motion Picture Promotion Corporation set up in 1973 was originally tasked with the responsibility of promotion, but was later turned into an official organization called the Korean Film Council (KFC). It fully assists the development of the local film industry by granting loans and setting up seed funds. Between 1999 and 2003, the KFC invested HK\$1.1 million to finance the film industry. Furthermore, Korea has also implemented the "Screen Quota System", requiring that all cinemas nation-wide should dedicate at least 40% of its operation hours to show local film productions of South Korea every year. Furthermore, the Korean Government has also organized different film festivals, which of course include the famous Pusan Film Festival, and conducted a series of activities in parallel, with a view to vigorously promoting Korean films to overseas distributors.

Madam Deputy, of course, I am not saying that we should follow direct the experiences of Australia or Korea. Yet, I maintain that we should not rely solely on some means without any parameters to salvage our film industry.

The local film industry has in fact repeatedly requested for the establishment of a Film Commission over the past 20 years, for the purposes of promoting and further developing an industry which has already made great achievements. It was because should the Government fail to do so, I am afraid

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that in the near future, others will not just say that "Hong Kong film industry is no longer hot", but "Hong Kong film industry is no longer".

Thank you, Madam Deputy.