

LEGISLATIVE COUNCIL PANEL ON FINANCIAL AFFAIRS

Update on the campaign to relaunch Hong Kong's economy

This paper informs Members about progress of the campaign to relaunch Hong Kong's economy after the outbreak of Severe Acute Respiratory Syndrome (SARS).

BACKGROUND

2 The outbreak of SARS in March 2003 dealt a serious blow to the local economy. The Chief Executive announced on 23 April a package of relief measures amounting to \$11.8 billion to help the community tide over the difficulties and revive the economy. Of this amount, \$1 billion has been set aside to launch large-scale publicity and promotions locally, internationally and in the Mainland to help bring various economic activities back to normal.

3 On 12 May, the Financial Secretary briefed Members on the overall approach to relaunching Hong Kong's economy.

4 The Financial Secretary has set up two ad hoc bodies, namely the Economic Relaunch Working Group (ERWG), comprising Government officials, and the Economic Relaunch Strategy Group (ERSG), which comprises the same Government officials plus members of the business community, academics and various think-tanks, to advise on and help oversee the implementation of the various economic relaunch aspects. Membership of the ERWG and ERSG is set out at **Annex A**.

5 The Government has adopted a three-phased approach to relaunch the economy of Hong Kong. First is the response phase the main objective of which is to contain the epidemic. Second is the reassurance phase, during which it is important to reassure the local as well as the international community that the disease is being contained here and that Hong Kong is safe. The last is the recovery phase when we promote Hong Kong as a place worth visiting for business and leisure.

6 Under this three-phased approach, the ERSG has endorsed a

comprehensive framework for the relaunch campaign. On 29 May, the Administration further briefed Members on the overall campaign. On 30 May, the Finance Committee approved the creation of a new commitment of \$1 billion for implementing the relaunch campaign.

STRATEGICAL APPROACH

7 On the advice of ERSG, the Government has put in place a substantive programme which focuses on the following three strategic areas –

- (a) promoting local and international confidence in Hong Kong;
- (b) promoting business, tourism and local consumption; and
- (c) attracting international business.

Promotion of Local & International Confidence

8 As part of an overall effort to disseminate the message that Hong Kong is safe to visit, the Information Services Department (ISD) launched separate advertising campaigns overseas following the lifting of the travel advisories on Hong Kong by the World Health Organisation (WHO) as well as the US Centres for Disease Control and Prevention (CDC). A series of print advertisements was placed in leading newspapers in key overseas markets, including Europe, Asia, Australia and the US. Video news releases were also produced for distribution to major TV networks worldwide on the announcements and subsequent major relaunch activities. In June, a dedicated website of “Hong Kong Looking Ahead” and a global postcard campaign of “Hello from Hong Kong” were launched. With the support of the local business community, a “Free IDD Calls Day” was held on 15 June. These activities aim to leverage the efforts of the business and the general community in spreading the positive message about Hong Kong. In late September, the ISD placed another round of advertisements in leading newspapers in our key markets including the Mainland to draw the community’s attention to the range of events that will be taking place in Hong Kong in the months ahead and to encourage them to come and visit for business or leisure.

9 With the help of the overseas Economic and Trade Offices (ETOs) and Beijing Office, the ISD has intensified its sponsored visitors programme by inviting key opinion formers including political and business leaders as well as

journalists to visit Hong Kong. We used the opportunity to let the visitors see for themselves, among other things, how Hong Kong has recovered from the SARS crisis. Furthermore, special TV programmes on Hong Kong in recovery are being produced by some of the media visitors.

10 Having regard to the WHO and CDC travel advisories, a number of governments and authorities around the world had imposed proscription, in one form or another, on Hong Kong. The positive steps taken by the WHO and CDC have helped trigger the lifting of most of these proscriptions. However, members of the Hong Kong Inc and the ETOs have also put in tremendous efforts in lobbying the local authorities and communities in their respective host countries to remove the various restrictions.

11 To rebuild international confidence in Hong Kong's capability in handling SARS and minimising future threats, the Health, Welfare & Food Bureau (HWFB) organised in June a SARS Clinical Management Workshop in Hong Kong in conjunction with the WHO. The Workshop brought together over 170 participants, which included representatives and experts from various countries, cities and the WHO offices, to share the best evidence in the clinical management of SARS.

12 In July, the Economic Development and Labour Bureau (EDLB) organised a Bo'-ao Tourism Forum, in collaboration with the Bo'-ao Forum for Asia and the World Tourism Organisation, with Hong Kong as the host city. The Forum was attended by over 1,000 delegates from 25 countries and territories including government officials and representatives from the private sector. The Forum has helped to demonstrate to the international community and in particular leaders in the tourism field that Hong Kong has successfully overcome the SARS crisis and that our tourism industry is on the road to recovery.

13 The Commerce, Industry & Technology Bureau (CITB) commissioned, through various departments, the Federation of Hong Kong Film Workers to produce a series of 11 short films by renowned local films directors. The ISD has arranged to broadcast these short films on TV as Announcements in the Public Interest (APIs) since August. The VCDs of the films have also been sent to overseas ETOs for screening overseas, as appropriate. The Television and Entertainment Licensing Authority (TELA)

has persuaded the local TV stations to slot them in as programme fillers, and is arranging with the ISD to show them in other multi-media outlets provided by local public transport operators.

14 On the domestic front, the Home Affairs Bureau (HAB) has organised a series of high profile sports and cultural events, and local community programmes. The more spectacular events include the exhibition match by the Spanish Real Madrid Football Club in Hong Kong, the exhibition match by the Chinese National Basketball Men's Team, the Volleyball Superchallenge, the Opening Rally of Drum Festival by the Hong Kong Chinese Orchestra, the Hong Kong Cultural Industries Expo, the Disney Movie Night at the Stadium, Shatin Cycling Festival 2003, etc. InvestHK also acted as the title sponsor for the Liverpool Football Challenge in July.

15 The Administration has been consciously pursuing the organisation of some large-scale international sports and entertainment events in Hong Kong, which will provide anchors for the relaunch campaign and help spread the message that Hong Kong is back to normal, both in terms of business and lifestyle.

Promotion of Business, Tourism and Local Consumption

16 The short-term strategy of the Government in promoting business and local consumption is to engage the partnership of the local business community in providing a whole range of incentives to consumers in order to stimulate domestic consumption. For example, the Tourism Coalition and later on the Retail Coalition initiated a campaign of "We Love Hong Kong", which has the full support of EDLB. The HAB has also launched a series of local economy programmes, e.g. the "High Tea for Hong Kong", and other district based activities such as the Saikung Seafood Festival, Wanchai Starry Starry Night Street Party, Tuen Mun Summer Fantasy, etc.

17 The medium-to-long term strategy is to recover and promote inbound tourism. The Hong Kong Tourism Board (HKTB) has also launched a global tourism campaign since June, which comprises promotional programmes targeting the trade, the media and consumers, as well as a series of eye-catching and spectacular events that will run until early 2004. These include the 2 "Welcome Months" starting mid-July comprising a series of special offers and

promotional activities, which aim to enhance visitor satisfaction and stimulate visitors' and local spending; the Strato-Fantasia which kicked off the Welcome Day on 17 August attended by over 3,000 overseas trade representatives and tourists; the Hong Kong Super Lucky Draw with participation by over 7,500 merchant outlets, offering prizes worth over \$15 million, etc. Other spectacular events coming up include the Hong Kong International Musical Fireworks Competition, which is scheduled for 5 and 12 October; the Hong Kong WinterFest in November; and the Harbour Lighting Show from December onwards.

Attraction of International Business

18 To assure our business partners around the world that it is both safe and profitable to do business in and with Hong Kong, CITB, together with our ETOs, InvestHK and the Hong Kong Trade Development Council (TDC), have been carrying out a series of activities aimed at the export-related industries, the convention and exhibitions sector as well as the business community overseas and in the Mainland. The Bureau has also sponsored the exhibition and convention industry to host the First Asian Exhibition Forum in Hong Kong in late August and will sponsor the promotion of international exhibitions to be held in Hong Kong for the rest of 2003 and the first half of 2004.

19 The TDC has organised a series of additional confidence building activities to capitalise on and raise the profile of major trade fairs, such as the Hong Kong Fashion Week for Spring/Summer 2004, the Hong Kong Gifts and Premium Fair, and the Hong Kong House Fair in July, and the Hong Kong International Film & TV Market 2003 (FILMART) in September.

20 InvestHK will bring in prestigious international business events, such as the Forbes Global 200 Best Small Companies Award in November, and the Forbes Global CEO Conference in 2004. The ETOs have also stepped up their public relations efforts and promotional activities in their host countries, including exhibition, cultural performance by HKAPA students and launching of Hong Kong films at film festival.

FINANCIAL COMMITMENT

21 The Director-General of Investment Promotion (DGIP) is the

Controlling Officer responsible for administering the \$1 billion commitment in relation to the relaunch campaign, in accordance with the decisions of ERWG.

22 Different policy bureaux and Government departments are responsible for the relaunch aspects within their respective scope of responsibilities. On the basis of their input, the ERWG has drawn up a substantive programme of the campaign, viz the Economic Relaunch Programme (the “Programme”) up to early 2004. All proposals of spending items in relation to the Programme have to be submitted to the ERWG for approval. The ERWG does not accept direct funding applications for relaunch activities initiated by an outside party. A subject policy bureau/ department needs to be identified, which will scrutinise the proposal and take up the project, either as the organiser, a co-organiser or a sponsor. The subject bureau/ department will submit a funding application to the ERWG for approval. On the approval of ERWG, DGIP will transfer the amount of the approved fund by an Allocation Warrant to the respective Controlling Officer of the bureau/department concerned, which will oversee the implementation of the project, and monitor the performance of the outside party, who has been commissioned to carry out the project, where appropriate. Upon completion of the project, the subject bureau/ department will evaluate its effectiveness vis-a-vis the stated objectives, and provide a full statement of accounts vis-a-vis the approved budget.

23 So far, the ERWG has convened eleven meetings and considered a total of 69 funding proposals, of which 62 have been approved. A breakdown of the committed budget is summarised below –

Items	Provisional budget as approved by FC (\$ million)	Up-to-date commitment (as at 17.9.2003) (\$ million)
Initiatives to boost business, trade & investment	90	44.870
Initiatives to boost tourism and local consumption	417	402.640
Cultural, sports & community programmes	125	39.276
Media and publicity programme	83	66.995

Items	Provisional budget as approved by FC (\$ million)	Up-to-date commitment (as at 17.9.2003) (\$ million)
Major cultural and sporting events, international health care conference and seminar, and other activities	200	123.810
Contingency	85	2.02
Total :	1,000	679.611

24 Details of the committed budget with breakdown by approved projects are at **Annex B**.

25 The committed budget has not covered the open house of LCSD indoor sports facilities, public swimming pools and museums on 1 July and the four consecutive Sundays in July, as well as the buy-one-get-one free admission to museums in July and August. The revenue foregone is estimated to be \$9.9 million. In accounting terms, the revenue foregone does not require a separate funding approval from the ERWG. However, when taking into account the resource implications, the committed budget on the aspects of cultural, sports & community programmes would amount to \$49.176 million, and the overall commitment would be topped up to \$689.511 million.

26 It needs to be emphasised that the net amount of \$679.611 million represents only the committed budget. A number of the relaunch activities that have been completed in the last couple of months are still in the process of finalising the accounts. The actual amount of public funds spent will not be available until late 2003/ early 2004.

THE HARBOUR FEST

27 In response to the relaunch campaign, the American Chamber of Commerce in Hong Kong (AmCham) has proposed to organise an entertainment showcase festival – the Hong Kong Harbour Fest (the “Festival”). The Festival will be held at Tamar over four consecutive weekends from 17 October to 9 November. A huge outdoor concert stage will be erected, with temporary seating facilities to accommodate an audience of some 13,000 per show.

28 A television special showcasing the festival highlights will be produced for national broadcast in the US during the holiday peak viewing season. The tape will also be given to other TV networks around the world for broadcast, and will be able to reach as many as 500 million TV homes worldwide. The audience to be reached by TV network in the US alone is expected to be up to 80 million TV homes, and over 100 million viewers.

29 This proposal was presented to the ERWG in July. Members endorsed the event and approved the financial support. The ERSG also supported the Festival.

30 The most recent budget for the Festival shows the total costs of about \$130 million. Assuming only 50% of tickets are sold and commercial sponsorship is limited, revenue is estimated at around \$50 million. On this basis, the call on public funds would be in the order of \$80 million. If the actual results are better, the government subsidy will be correspondingly reduced. The most recent draft of the budget is at **Annex C**.

31 The Government is playing the role of major sponsor because we anticipate substantial tangible and intangible benefits. The Festival addresses all three of our target audiences, namely it helps to –

- (a) boost the morale of HK people by providing them with access to top stars at affordable prices;
- (b) promote the short haul visitor market by providing yet more good reasons to visit HK; and
- (c) promote the international image of HK worldwide.

32 The Festival is a major new signature event for world-class entertainment in Asia, featuring a series of live shows and entertainment programmes. It is far more than just a routine pop concert, rather it is a truly international event, pulling top class performing talents from around the world to perform in Hong Kong, which will strengthen our position as Asia's world city.

33 The event is non-profit making. Members of AmCham are not charging for their time and efforts. All proceeds from ticket sales and commercial sponsorship will be ploughed back to offset the operation cost.

AmCham will submit an audited statement of accounts to the Government after completion of the Festival.

34 In securing performing talents for the Festival, AmCham has been engaging the services of a number of local entertainment promoters. AmCham also issued a public invitation for other local promoters to participate if they wished to do so. The organisation and promotion of the Festival by AmCham is being conducted in accordance with prudent commercial principles. The Administration has no intention of interfering with the local entertainment markets.

WAY FORWARD

35 There have been visible revivals in local consumption sentiment and retail sales volume. Inbound tourism has also been improving. Visitor arrivals in August were 1.64 million, i.e. a 27% increase over July (284% increase over May). Hotel occupancy rates were back over 80% in August. Exports have continued to perform well and there was a double-digit growth in the second quarter.

36 The Administration will continue to relaunch Hong Kong by engaging the media (including local, international, and the Mainland media), the tourism trade, business sectors, local community in Hong Kong, as well as foreign business community.

ECONOMIC RELAUNCH STRATEGY GROUP

Membership

Chairman : The Financial Secretary

Members :

Professor Chan Ka Keung	Dean of School of Business & Management, Hong Kong University of Science & Technology
Mr Chan Wing Kee	President of Chinese Manufacturers' Association of Hong Kong
The Hon Mrs Selina Chow	Chairman of Hong Kong Tourism Board
Mr Ivan Choy Chi Keung	Lecturer, Division of Social Studies, City University of Hong Kong
Dr Victor Fung	Chairman of Hong Kong Airport Authority
Mr Ryota Honjo	President of Hong Kong Japanese Chamber of Commerce & Industry
Mr Victor Lo	Chairman of Federation of Hong Kong Industries
Mr Norman Lyle	Chairman of British Chamber of Commerce in Hong Kong
Mr Bertrand Michaud	Chairman of The European Chamber of Commerce in Hong Kong
Mr Anthony Nightingale	Chairman of Hong Kong General Chamber of Commerce
Mr Raymond Or	Chairman of The Hong Kong Association of Banks
Mr James Thompson	Chairman of American Chamber of Commerce in Hong Kong

Dr the Hon Philip Wong	Vice-Chairman of Chinese General Chamber of Commerce
Dr Rosanna Wong	Executive Director of Hong Kong Federation of Youth Groups
Mr Peter Woo	Chairman of Hong Kong Trade Development Council
Mr Yip Kwok Wah, Paul	Chairman of Hong Kong Policy Research Institute Ltd
Mr Yu Pang Chun	Chairman of Hong Kong Retail Management Association
Mr George Yuen	Chief Executive of The Better Hong Kong Foundation
Mr Zhou Jie	Vice Chairman of Hong Kong Chinese Enterprises Association

Secretary for Commerce, Industry & Technology

Secretary for Economic Development & Labour

Secretary for Financial Services & The Treasury

Secretary for Home Affairs

Director of Chief Executive's Office

Director of Information Services

Secretary : Director-General of Investment Promotion

ECONOMIC RELAUNCH WORKING GROUP

Membership

Chairman : The Financial Secretary

Members :

Secretary for Commerce, Industry & Technology

Secretary for Economic Development & Labour

Secretary for Financial Services & The Treasury

Secretary for Home Affairs

Director of Chief Executive's Office

Director of Information Services

Secretary : Director-General of Investment Promotion

Economic Relaunch Programme
Summary of Approved Funding Allocations

<u>Category</u>	<u>S/N</u>	<u>Project Item</u>	<u>Provisional Budget</u> (HK\$)	<u>Bureau/ Dept</u>	<u>Approved Allocation</u> (HK\$)
Business, Trade & Investment			90,000,000		
	02	Liverpool Football Club Asian Tour		InvestHK	1,170,000
	11	Film production (12 nos) for broadcast on local TV channels, cinemas & other media outlets		TELA/ISD	6,000,000
	18	Photo exhibition, luncheon speaking engagement & cultural performance by APA students		ETO London	364,000
	19	Re-packaging the 8th Annual "Made in HK" Film Festival in Washington DC		ETO Washington	386,000
	27	Additional confidence building activities organised in conjunction with the HK Fashion Week for Spring/Summer 2004 & the HK Gifts & Premium Fair/HK Houseware Fair		CITB/ HKTDC	4,000,000
	28	Confidence building programme for overseas HK business associations		CITB/ HKTDC	2,300,000
Revised	29	Supporting the watch and jewellery industries' participation in the Basel Fair in April 2004		CITB/ HKTDC	7,000,000
	30	Creation of "back to business" publicity by invitation of trade leaders/ personalities/ celebrities to HK		CITB/ HKTDC	4,900,000

<u>Category</u>	<u>S/N</u>	<u>Project Item</u>	<u>Provisional Budget (HK\$)</u>	<u>Bureau/ Dept</u>	<u>Approved Allocation (HK\$)</u>
	31	"HK Welcomes You" relaunch campaign in major Asean countries		ETO Singapore	946,000
	32	Launching of HK films at the Melbourne International Film Festival (MIFF)		ETO Sydney	339,000
	33	A sustained outreach exercise to key interlocutors		ETO Sydney	58,000
	34	Special supplement in The Australian - Report on post-SARS HK		ETO Sydney	239,000
	36	Placing advertisements for promoting the exhibition industry in HK & HK's exhibition calendar		CITB/ HKECIA	1,314,000
	37	Additional 'dollar for dollar' advertising campaigns targeted at exhibitors & visitors		CITB/ HKECIA	2,900,000
	38	Asian Exhibition Forum on relaunch strategy and action plans for Asia's exhibition industry		CITB/ HKECIA	686,000
	40	Reception & music performance by HKAPA students in Utrecht, Brussels, Paris & Frankfurt		ETO Brussels	480,000
	41	Placement of 4 newspaper supplements in Seattle Post-Intelligencer in the State of Washington		ETO San Francisco	156,000
	42	Radio promotion of HK by building on the annual HK Dragon Boat Festival		ETO New York	168,000

<u>Category</u>	<u>S/N</u>	<u>Project Item</u>	<u>Provisional Budget (HK\$)</u>	<u>Bureau/ Dept</u>	<u>Approved Allocation (HK\$)</u>
	52	The Hong Kong Dragon Boat Festival in Atlanta		ETO New York	500,000
	53	Fujian-Hong Kong Week		BJO	870,000
	56	Luncheon reception for senior business, government and political contacts at the Melbourne Cup race venue in November 2003		ETO Sydney	143,000
	57	A high-level business conference with speakers from Hong Kong in Sydney to coincide with the Hong Kong Australia Business Association Business Awards Presentation Gala Dinner; and support for SEDL's luncheon briefings in Melbourne and Adelaide		ETO Sydney	576,000
	58	Title sponsorship of the 8th Annual Northern California International Dragon Boat Championship in September 2003 in San Francisco		ETO San Francisco	102,000
	59	Promotion Programme for the CS in Silicon Valley and San Francisco in mid-September 2003		ETO San Francisco	590,000
	60	A one-week exhibition in Tokyo to showcase Hong Kong's cultural heritage in November 2003 plus a follow-up mission to Hong Kong in early 2004		ETO Tokyo	1,500,000

<u>Category</u>	<u>S/N</u>	<u>Project Item</u>	<u>Provisional Budget (HK\$)</u>	<u>Bureau/ Dept</u>	<u>Approved Allocation (HK\$)</u>
	61	Sponsored visit to Hong Kong of selected Board Members of Hong Kong Business Associations worldwide to attend the Hong Kong Forum in Hong Kong in October		CITB/TDC	5,300,000
	63	Hong Kong promotion in Miami in October 2003		ETO New York	794,000
	64	Sponsoring a panel of the Milken Institute's 2003 State of the State Conference to be held in October 2003 in Los Angeles		ETO San Francisco	211,000
	68	Additional programme to promote Hong Kong during the 7th China International Fair for Investment and Trade (CIFIT) in Xiamen		CITB	877,701
				Sub-total :	44,869,701
				% Commitment	49.86%
Tourism & Local Consumption			417,000,000		
	21	Tourism promotion & boost local consumption - "We Love HK" & Boao Tourism Forum		EDLB/TC	11,100,000
	22	HKTB Tourism relaunch programme		EDLB/HKTB	379,000,000
	48	Indoor Trial World Championship (International Motorbike Challenge)		EDLB/TC	3,900,000
	49	Pyrotechnics for the launch month of Harbour Lighting Show		EDLB	8,640,000
					402,640,000

<u>Category</u>	<u>S/N</u>	<u>Project Item</u>	<u>Provisional Budget (HK\$)</u>	<u>Bureau/ Dept</u>	<u>Approved Allocation (HK\$)</u>
					96.56%
Cultural, Sports & Community Programme			125,000,000		
	07	Exercise for All Day on 4 June		LCSD	2,500,000
	08	HK Chinese Orchestra - Drum Festival		LCSD	1,500,000
	10	Shaolin Wushu Performance cum Promotional Scheme		LCSD	1,200,000
	15	Starry Starry Night Wanchai Street Party		HAD	400,000
	16	High Tea for HK - 「擦一擦，擦靚香港」		HAD	2,000,000
	17	Disney Family Movie Night - "A Celebration of Life"		HAB	1,100,000
	23	Asia Cultural Cooperation Forum		HAB	3,500,000
	24	Europe vs Asia Snooker Tournament		LCSD	3,500,000
	25	International Super Starts Diving & Synchronised Swimming Show		LCSD	1,400,000
	35	Tuen Mun Summer Fantasy		HAD	350,000
	43	HK Cultural Industries Expo		HAB	3,500,000
	45	Chinese Basketball National Team's match in HK		LCSD	2,940,000

<u>Category</u>	<u>S/N</u>	<u>Project Item</u>	<u>Provisional Budget (HK\$)</u>	<u>Bureau/ Dept</u>	<u>Approved Allocation (HK\$)</u>
	46	Volleyball Superchallenge		LCSD	3,378,000
	47	Around the Island Race		LCSD	897,000
	51	World Women's Squash		LCSD	1,600,000
	54	The Champions of World Tennis		LCSD	3,491,000
	55	Hong Kong Open Badminton Championships 2003		LCSD	2,270,000
	62	The Inaugural Far East & South Pacific (FESPIC) Youth Games 2003, Hong Kong, China		HAB	2,000,000
	67	Women's World Cup Table-tennis 2003		LCSD	1,750,000
				Sub-total :	39,276,000 (Note 1)
				% Commitment	31.42%
Media & Publicity			83,000,000		
	03	Postcard campaign		ISD	3,000,000
	04	Engagement of a PR Consultant		ISD	1,295,000
	05	Global advertising		ISD	50,000,000
	65	A series of TV programmes to promote Hong Kong in economic recovery to be broadcasted throughout Europe		ISD	550,000

<u>Category</u>	<u>S/N</u>	<u>Project Item</u>	<u>Provisional Budget</u> (HK\$)	<u>Bureau/ Dept</u>	<u>Approved Allocation</u> (HK\$)
	66	Promotion of relaunch activities through publicity vehicles including video news releases, APIs, video films, posters, leaflets, displays, website and souvenirs		ISD	12,150,000
				Sub-total :	66,995,000
				% Commitment	80.72%
Major Events			200,000,000		
	01	Forbes Global CEO Conference 2004 cum Forbes Global 200 Best Small Companies Awards		InvestHK	13,810,000
	26	Real Madrid Football Club - Match in HK		LCSD/ InvestHK	10,000,000
	39	International Autumn Festival (re-titled as Hong Kong Harbour Fest)		InvestHK	100,000,000 (Note 2)
				Sub-total :	123,810,000
				% Commitment	61.91%
Contingency			85,000,000		
	13	SARS Clinical Management Workshop		HWFB	1,120,000
	50	The 7th South East Asian Survey Congress		LandsD	900,000
				Sub-total :	2,020,000
				% Commitment	2.38%
		Total :	1,000,000,000		679,610,701
				% Commitment	67.96%

<u>Category</u>	<u>S/N</u>	<u>Project Item</u>	<u>Provisional Budget</u> (HK\$)	<u>Bureau/ Dept</u>	<u>Approved Allocation</u> (HK\$)
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Note:

- 1 The committed budget excludes the revenue foregone for the open house of all LCSD indoor sports facilities, public swimming pools and museums on 1 July and four consecutive Sundays in July, which is estimated to be \$9.9 million.*
- 2 Provisional budget.*

Harbour Fest Budget

<u>Expenditure#</u>	<u>\$m</u>
Artist Fees	85.8
Operations	30.4
Marketing	6.2
TV Production	6.6
Insurance	4.7
Contingency	<u>2.5</u>
	136.2
<u>Revenue#</u>	<u>\$m</u>
Ticket Sales (assuming 50%)	52.5
Sponsorship	3.1
Merchandise	0.3
Concessions	1.6
TV Rights	<u>1.6</u>
	59.1
Estimated Shortfall (as at 22.9.03)	\$77.1 million

Note#: Neither expenditure nor revenue forecasts include provision of \$8 million for air tickets and hotel rooms, which it is assumed will be sponsored and therefore balanced out.