

No Government commitment to fund large-scale events like Harbour Fest beyond 2003

There is neither any plan nor commitment at this stage for the Hong Kong Special Administrative Region Government to sponsor such a large-scale festival as the Hong Kong Harbour Fest beyond 2003, a Government spokesman said today (October 28).

The Hong Kong Harbour Fest 2003 is a one-off entertainment event with financial support from the Government as part of the Economic Relaunch Programmes.

The American Chamber of Commerce in Hong Kong (AmCham) is the organiser of the event conducted in accordance with commercial principles.

"We would like to clarify two issues which have been raised concerning the contract for the Hong Kong Harbour Fest 2003 between the HKSAR Government and AmCham," the spokesman said.

Future Harbour Fests/"Intellectual Property Rights"

There is no commitment by the Government to sponsor any future Harbour Fests. Any proposal for financial support would need to be approved by the Finance Committee of the Legislative Council.

AmCham devised the idea of an international entertainment festival to be held in the autumn at the Tamar site on the harbour. However, the intellectual property rights are owned by the Government. Although the Government has given AmCham temporary custody of those rights for the next five years on behalf of the people of Hong Kong, it has made no commitment for funding beyond 2003.

"None of this prevents anyone from organising, on a self-standing basis, a purely commercial venture similar to the Harbour Fest," the spokesman added.

"Payment in Advance"

As stated in the contract, the Government and AmCham entered into three legally binding Memoranda of Understanding (MoU) on July 31, August 29 and October 3, 2003. Upon execution of each MoU, AmCham was paid \$25 million -- representing an advance of the sponsorship fee.

Payment in advance is an established practice for both sporting and entertainment events. Earlier this year, for example, the Leisure and Cultural Services Department paid over \$18 million in advance to the

Hong Kong Football Association to secure the contract for Real Madrid's visit to Hong Kong. Of this, \$10 million was an advance of the sponsorship fee. When ticket revenue came in, it was used to meet various expenses and also to offset the advance payment. It was also possible to refund most of the sponsorship fee.

For exactly the same reasons, the Government has also advanced the sponsorship fee to AmCham for the Harbour Fest. In order to secure many of the artists to appear for the Harbour Fest, it was necessary to pay 50 per cent of their fees in advance. In addition, a number of costs - such as for erecting the stadium and for engaging certain contractors to do other work - all had to be paid before there was any revenue from ticket sales.

"This advance payment does not affect the Government's ultimate liability, which is limited to a maximum of \$100 million - as stated in the contract. If the final shortfall is less than \$100 million, the balance will be refunded to the Government," the spokesman said.

Ends/Tuesday, October 28, 2003

NNNN

 [Email this article](#)

Attention News Editors:

In response to enquiries, a Government spokesman confirmed today (October 28) that the fourth and final payment of \$25 million has been paid to the American Chamber of Commerce since the contract between the HKSAR Government and AmCham on the Hong Kong Harbour Fest 2003 was signed. AmCham has received the full \$100 million from the Government as provided in the contract

End/Tuesday, October 28, 2003

NNNN