

SPORTS COMMISSION

Progress Report of the Major Sports Events Committee

Introduction

This paper reports on the work of the Major Sports Events Committee (MSEC) since April 2021.

Progress Update

“M” Mark event applications and funding position

2. Between April and June 2021, the MSEC granted the “M” Mark status to the “2021 UCI Tissot Track Cycling Nations Cup Hong Kong, China” and endorsed its funding support comprising a matching fund capped at \$3.5 million; a direct grant of \$6 million; a direct grant for marketing of \$1 million and a subvention of Notional Venue Charges of \$2,455,363 by the Leisure and Cultural Services Department. The event was successfully staged from 13 to 16 May 2021 under a “safety bubble” arrangement. It was the first “M” Mark event held in Hong Kong after the outbreak of the COVID-19 epidemic in early 2020.

3. Currently, eight applications for “M” Mark event to be held from October to December of 2021 are under processing –

- (i) Standard Chartered Hong Kong Marathon 2021;
- (ii) New World Harbour Race 2021;
- (iii) Cathay Pacific/HSBC Hong Kong Sevens 2021;
- (iv) 15th IDBF World Nations Dragon Boat Racing Championships;
- (v) FIBA 3X3 World Tour Hong Kong Master 2021(Basketball);
- (vi) Hong Kong Open (Golf) 2021;
- (vii) Everbright Sun Hung Kai Hong Kong Squash Open 2021; and

(viii) Prudential Hong Kong Tennis Open 2021.

4. Since the launch of the “M” Mark in 2004, we have granted “M” Mark status to 156 events, 72 of which received a total funding support of **\$215.57 million**.

Special Support Measures for “M” Mark Events Scheduled for 2020 and 2021

5. Having made reference to the special one-off support measures to seven “M” Mark events originally scheduled for the first half of 2020 but were eventually cancelled or postponed due to the epidemic, the MSEC recommended providing similar special one-off support measures to “M” Mark events scheduled for the second half of 2020 and 2021 to help alleviate the financial loss of the “national sports associations’ concerned arising from the cancellation or postponement of such events. The support measures include -

- (a) to provide a special direct grant of a maximum of \$2 million or 85% of eligible expenditure items that had been reasonably incurred or committed (and would be foregone even if the events would be held at a later date) for each “M” Mark event cancelled or postponed due to the epidemic in the second half of 2020 and 2021, subject to deduction of an amount equal to receipt from sponsors; and
- (b) to provide a special direct grant of a maximum of \$2 million or 85% of eligible expenditure items of the additional costs that arise from arrangements made in response to the epidemic situation (e.g. testing, point-to-point ground transportation, personal protective equipment and gear, self-isolation, cleaning and disinfection etc.) for each “M” Mark event successfully held in 2021, subject to deduction of an amount equal to any surplus in the event.

Encouragement of New “M” Mark Events

6. In light of the pandemic situation around the globe, it is envisaged that the current economic situation would not be recovered within a very short period of time and thereby adversely affected the willingness of commercial sponsors to support the staging of new major sports events. MSEC recommended extending the existing extra funding support for hosting new “M” Mark events to end June 2022 with a view to encouraging the staging of more new “M” Mark events in Hong Kong. Details are set out as follows-

- (a) the cap on direct grant **for a new “M” Mark event** be increased from \$2 million to \$6 million (the same as for new world championship or equivalent) or 85% of eligible expenditure items, subject to the same combined ceiling of \$10 million¹; and
- (b) a direct grant² of up to \$6 million or 85% of eligible expenditure items **for an exhibition match or tournament**, subject to a combined ceiling of \$10 million³.

7. The above measures were endorsed by the Sports Commission in mid-June 2021. The MSEC Secretariat is following up on the logistics arrangement.

Advice Sought

8. Members are invited to note the above progress update.

Sports Commission Secretariat July 2021

¹ The applicant may apply for a direct grant in addition to matching fund, subject to a combined funding ceiling of \$10 million per event.

² The applicant for exhibition match or tournament can only apply matching fund, venue hiring grant for venue subsidy and subvention of LCSD notional venue charges in the past.