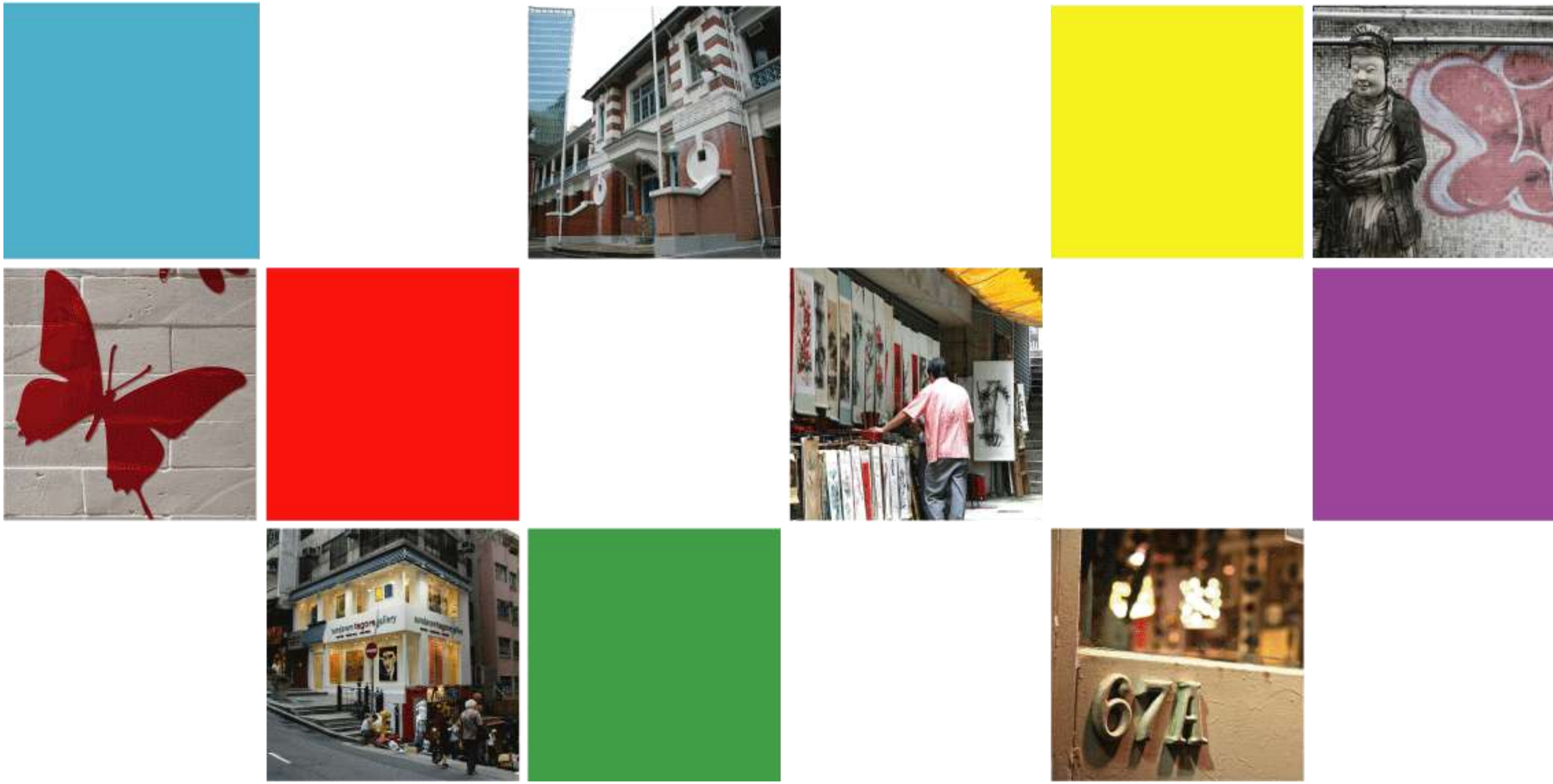


# STUDY ON CREATIVE INDUSTRIES IN HONG KONG

Hong Kong Ideas Centre

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## Research Team

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# Contents

# Contents

# Contents

# Contents

# Contents

# Contents

# Contents

# Contents

# Contents

# Contents

# Contents

# Contents

# Contents

# Contents

# Contents

# Contents

# Contents

# Section 1

# Introduction

# 1.1 Study Objective

To examine the current state of creative industries in Hong Kong, their contribution to the economy and employment and prospects for future development, as well as the role the Government can/should play.

# 1.2 Methodology/Approach

- update data in 2003 Baseline Study*
- snapshot of current state of different sectors
- interview key players and experts
- examine Government policy
- benchmark overseas experience

* Centre for Cultural Policy Research, HKU for Central Policy Unit, HKSAR Government (Sept. 2003) "Baseline Study on Hong Kong's Creative Industries".

# 1.3 Deliverables

- defining and assessing the importance of creative industries
- the nature of creative industries, recent changes and key drivers for successful development
- creative industries development as a matter of public policy
- how different creative industry sectors are performing
- Hong Kong’s strengths, weaknesses, opportunities and challenges
- suggestions on how Hong Kong should promote and develop creative industries
- recommendations

## Section 2

# Concepts and Definitions

## 2.1 Creativity

The origination of new ideas. Connected to the notions of originality, imagination, inspiration, ingenuity and inventiveness. Associated with knowledge, these ideas are the essence of intellectual property.

# 2.2 Creative Product

A good or service that originates from creativity and has economic value.

# 2.3 Creative Industries

Industries that deal with the creation, production and distribution of goods and services that use creativity and intellectual property as primary inputs.

# 2.4 Definition – UK

"Those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property."

Source: Department of Culture, Media and Sport, United Kingdom (Nov. 1998) "Creative Industries Mapping Document".

# 2.5 UK – 13 sectors

1. Advertising
2. Architecture
3. Arts & Antiques
4. Crafts
5. Design
6. Designer Fashion
7. Film & Video
8. Interactive Leisure Software
9. Music
10. Performing Arts
11. Publishing
12. Software & Computer Services
13. Television and Radio

## 2.6 Definition – Hong Kong

"A group of economic activities that exploit and deploy creativity, skill and intellectual property to produce and distribute products and services of social and cultural meaning – a production system through which the potentials of wealth generation and job creation are realized."

Source: Centre for Cultural Policy Research, HKU for Central Policy Unit, HKSAR Government (Sept. 2003) "Baseline Study on Hong Kong's Creative Industries".

# 2.7 Hong Kong – 11 sectors

1. Advertising
2. Architecture
3. Art, Antiques & Crafts
4. Design
5. Digital Entertainment
6. Film & Video
7. Music
8. Performing Arts
9. Publishing
10. Software & Computing
11. Television & Radio

# 2.8
# Other Names for Creative Industries

- Content/Copyright Industries (WIPO)
- Cultural Industries (China)
- Cultural Creative Industries (Taiwan)

# 2.9 The Copyright Industries

According to the World Intellectual Property Organization's definition:

- Core copyright industries
  - fundamentally exist to produce/distribute copyright material
- Interdependent industries
  - facilitate the creation, production and use of works
- Partial copyright industries
  - a portion of the activities is related to copyright
- Non-dedicated support industries
  - induced impact, measure spillover effects

Source: Gantchev, Dimiter (20 May 2008) "Assessing the Economic Contribution of Creative Industries", presentation by the Creative Industries Division, World Intellectual Property Organization in Geneva.

# 2.9.1 Core Copyright Industries

press and literature; music, theatrical productions, opera; motion picture, video and sound; radio and television; photography, visual and graphic arts and related professional and technical services; software, databases and new media; advertising services; copyright collective management societies

Source: World Intellectual Property Organization.

# 2.9.2 Non-Core Industries

- interdependent copyright industries
  - manufacture, wholesale and retail of TV sets, radios, DVD players, electronic game consoles, computers, music instruments, photographic instruments, blank recording material, paper
- partial copyright industries
  - architecture, engineering and surveying, interior design, museums, furniture, etc.
- non-dedicated support industries
  - general wholesale and retailing, general transportation, telephony and internet

Source: World Intellectual Property Organization.

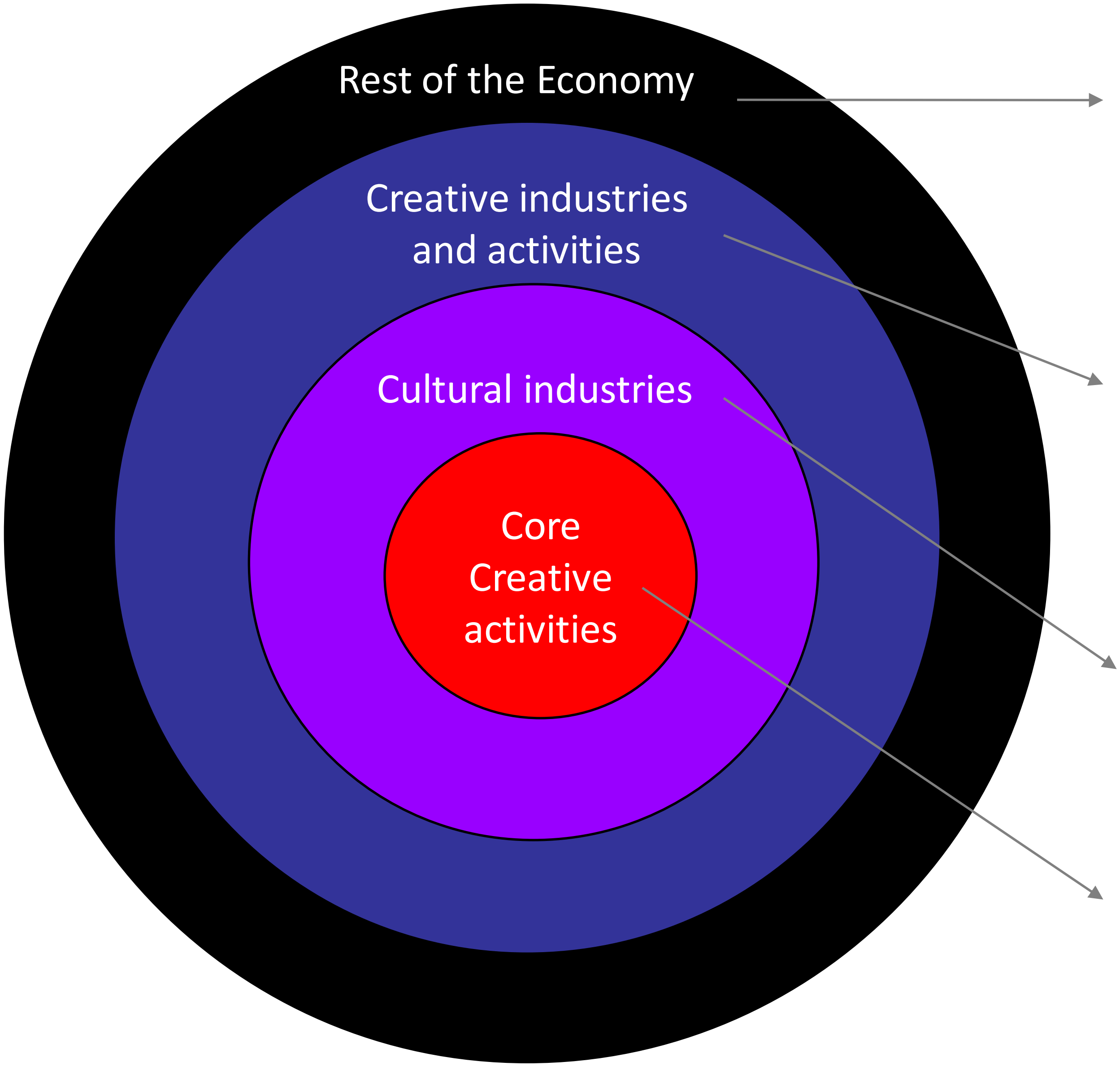
# 2.10 China – Cultural Industries

1. Performing Arts
2. Film & Television
3. Music & Video
4. Cultural Entertainment
5. Cultural Tourism
6. Internet
7. Publishing
8. Arts & Antiques
9. Arts Training
10. Advertising
11. Distribution
12. Cultural Exhibitions & Fairs
13. Digital Content & Entertainment

# 2.11
# Taiwan – Cultural Creative Industries

1. Performing Arts
2. Popular Music
3. Visual Arts
4. Arts & Crafts
5. Film
6. Broadcasting & Television
7. Advertising
8. Design
9. Architecture
10. Publishing
11. Software
12. Cultural Facilities

## 2.12 Creativity, Creative Industries and the Wider Economy




Manufacturing & service sectors benefit from and exploit the expressive outputs generated by the creative industries

The combination of expressive & functional values, e.g. design, fashion, advertising, architecture, software

Mass reproduction to commercialise expressive values, e.g. film, music, publishing

Performing arts, arts & crafts

Adapted from "Staying Ahead: The Economic Performance of the UK's Creative Industries", The Work Foundation, June 2007.

# Section 3

**How Important Are the Creative Industries?**

# 3.1 Importance/Benefits (1)

- high value-added and employee-intensive, with increasing contribution to GDP and employment. UNCTAD estimated that creative industries accounted for 7% of world GDP and were forecasted to grow at an average of 10% per annum*

- environmentally friendly

- desirable and prestigious – image appeal, also attracting talent for non-creative sectors

- tool for urban/regional regeneration, instilling and reinforcing community identity and vitality

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* 11th session on Creative Industries and Development, United Nations Conference on Trade and Development, São Paulo, 13-18 June 2004.

# 3.1 Importance/Benefits (2)

- crossover ability – sustaining the evolution of individual sectors as well as breeding new products
- multiplier and spillover effects
  - Conference Board of Canada estimated a 1.84 multiplier impact if taking indirect and "induced" contributions into account*
  - NESTA of UK estimated that 54% of "specialist" creative people worked in non-creative sectors**
  - spillover impact on tourism, for example
- creativity as an economic "enabler" which facilitates a stronger focus on innovation to foster the development of a creative economy

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* The Conference Board of Canada (Aug. 2008) "Valuing Culture: Measuring and Understanding Canada's Creative Economy".

** National Endowment for Science, Technology and the Arts (Feb. 2008) "Beyond the Creative Industries: Mapping the Creative Economy in the United Kingdom".

# 3.2 Problems with Measurement and International Comparison

- different definitions
- services not counted well in censuses worldwide; industry classification manufacturing-oriented
- creative workforce does not only work in creative industries
- large number of small players
- creative industries have close supply chain links with firms in the wider economy
- a large part of the value lies in intangible assets, making it difficult to calculate or project worth

# Section 4

**Contribution of Creative Industries to**

**Hong Kong's Economy and Employment**

# Section 4.1

**Economic Contribution of the Creative Industries**

**Compared with Four Key Industries**

## 4.1.1 Value-Added as % of GDP, 2007

| Four Key Industries | % | |
|---|---|---|
| Financial services | 19.5 | |
| Tourism | 3.4 | |
| Trading & Logistics | 25.8 | |
| Professional services & other producer services | 11.0 | |
| Total | | 59.6% |
| Creative Industries | | 3.9% |

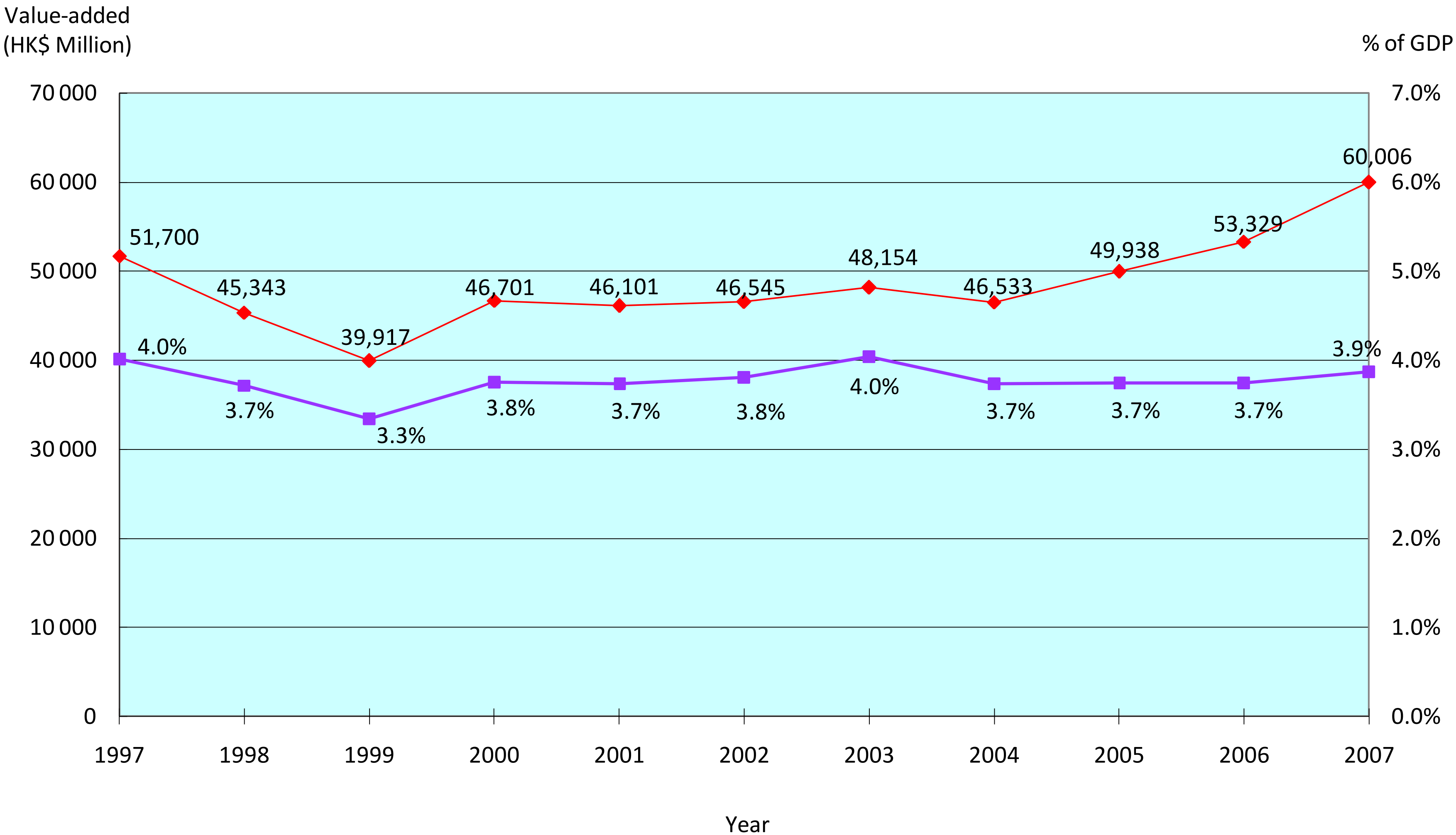
Source: Census and Statistics Department.

# 4.1.2 Employment as % of Total Employment, 2007

| Four Key Industries | % | |
|---|---|---|
| Financial services | 5.5 | |
| Tourism | 5.6 | |
| Trading & Logistics | 24.2 | |
| Professional services & other producer services | 11.7 | |
| Total | | 46.9% |
| Creative Industries | | 4.9% |

Source: Census and Statistics Department.

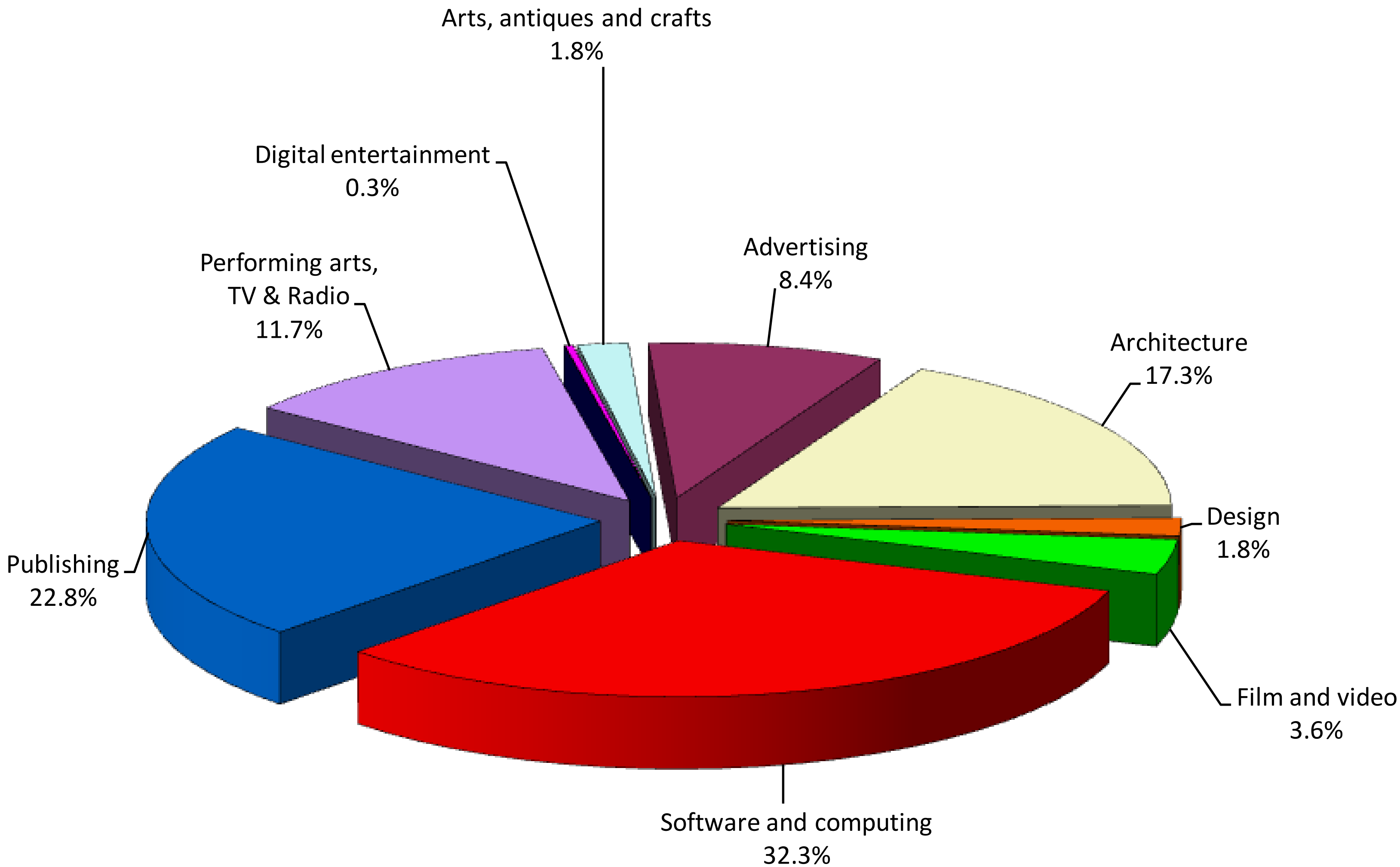
# 4.2 Value-Added of Hong Kong's Creative Industries, 1997-2007




Source: Programme of Annual Economic Surveys, Census and Statistics Department.

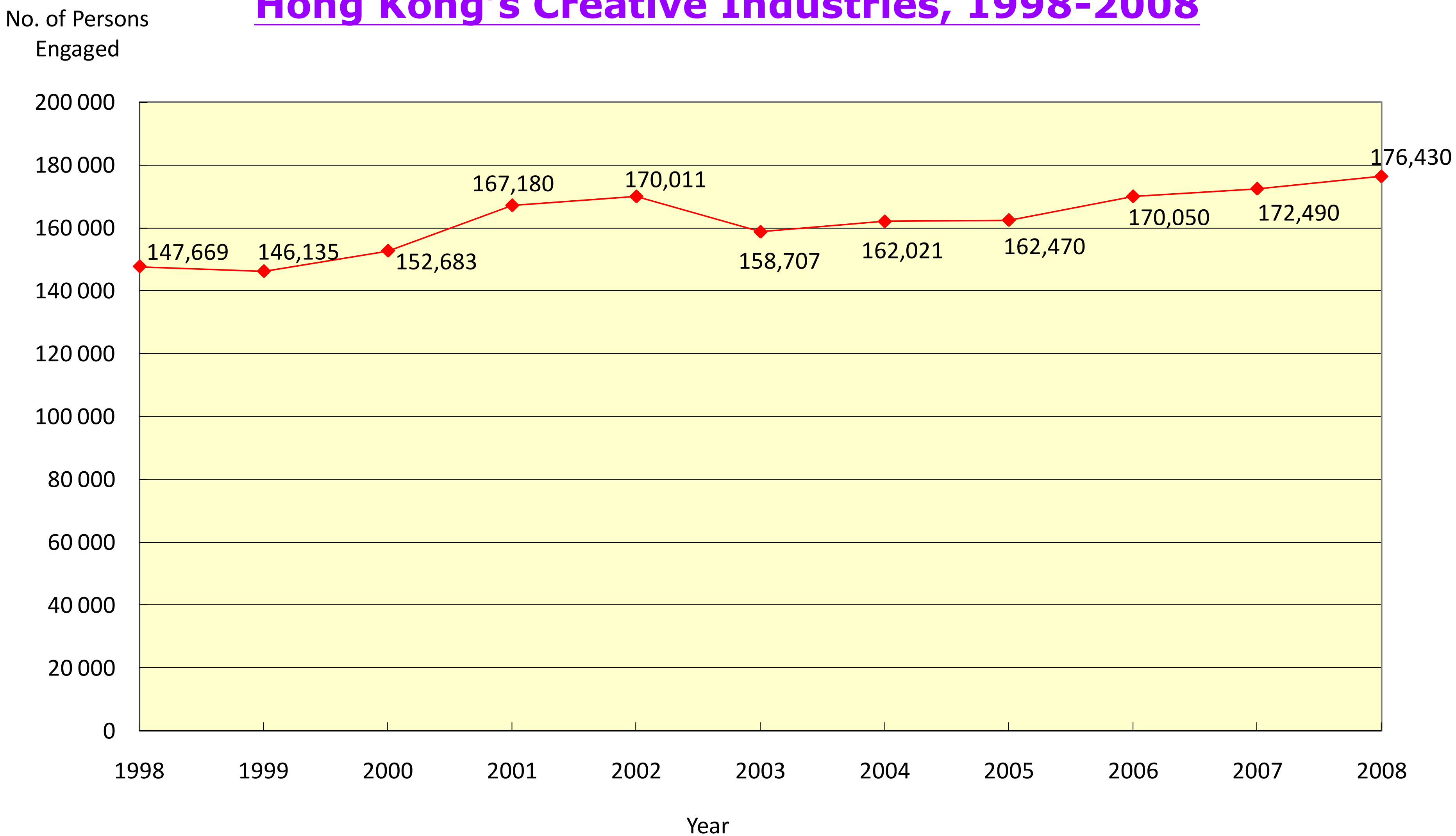
# 4.3 Breakdown by Sector,

# Value-Added of Hong Kong's Creative Industries, 2007



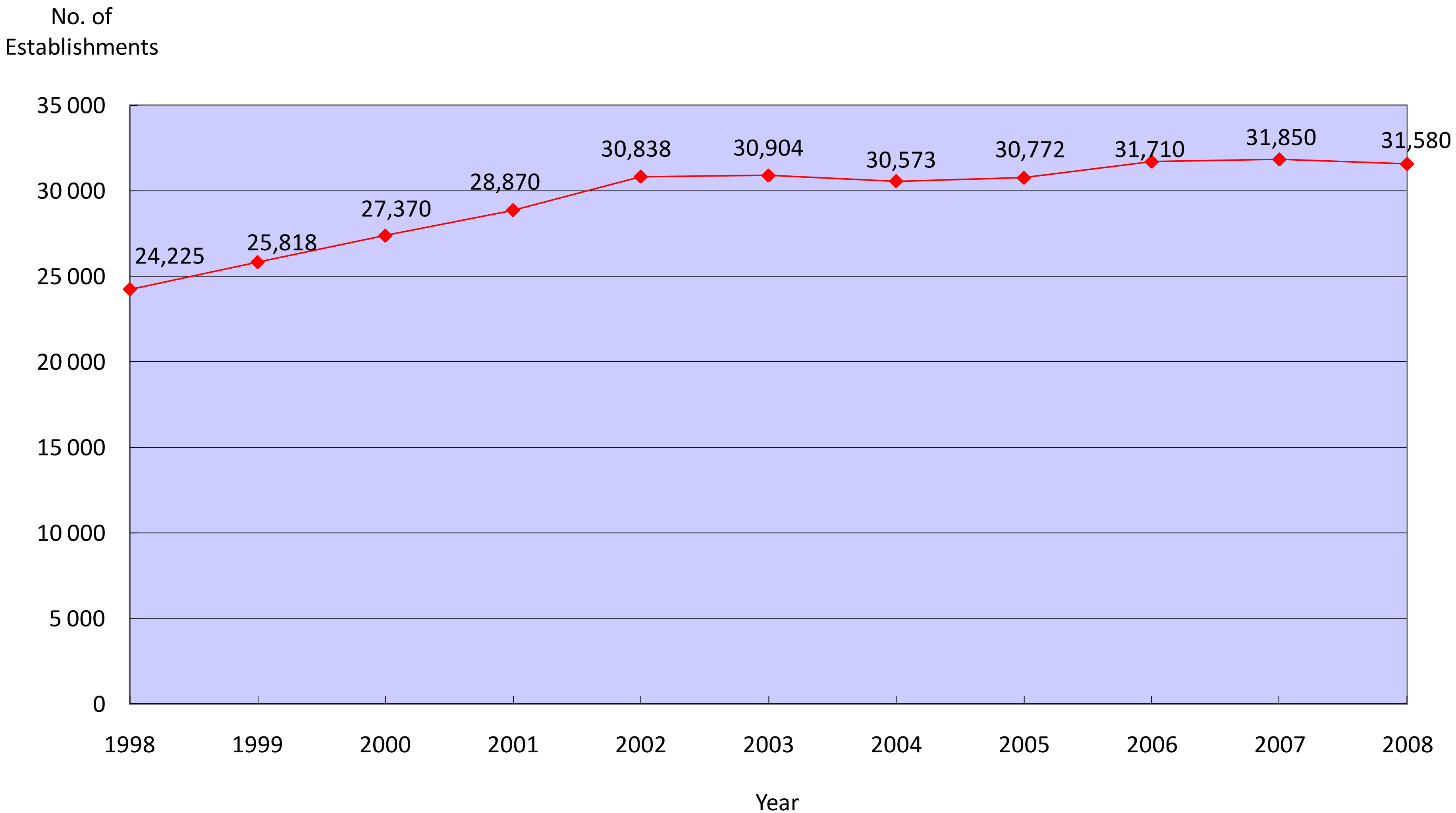

Source: Programme of Annual Economic Surveys, Census and Statistics Department.

# 4.4 Number of Persons Engaged in Hong Kong's Creative Industries, 1998-2008




Source: Quarterly Survey of Employment and Vacancies, Census and Statistics Department.

# 4.5 Number of Establishments in Hong Kong's Creative Industries, 1998-2008




Source: Quarterly Survey of Employment and Vacancies, Census and Statistics Department.

## 4.6 Hong Kong's Exports of Creative Services, 2006 and 2007

(HK$ Million)

| Service group/item | 2006 | 2007 |
|---|---|---|
| Computer services | 2,337 | 1,613 |
| Information services | 443 | 545 |
| Royalties & licence fees | 2,014 | 2,792 |
| Audio-visual production & related services | 2,006 | 1,945 |
| Other personal, cultural & recreational services | 171 | 174 |
| Architectural, engineering & other technical services | 1,191 | 1,933 |
| Advertising, market research & public opinion polling services | 4,292 | 4,770 |
| Other business and personal services | 6,467 | 7,590 |
| **Sub-total** | **18,922** | **21,363** |
| **Exports of all services** | **565,054** | **660,728** |
| **Share in exports of all services (%)** | **3.3%** | **3.2%** |

Source: Census and Statistics Department.

# Section 5

**Industry Competitiveness and**

**the Knowledge Economy**

# 5.1

Globalisation and economic development have changed the nature of industry and country competitiveness. Creative industries are becoming a key component of the knowledge economy.

# 5.2 Nature of Competitiveness between Firms in Different Sectors

| | |
|---|---|
| **Transformation-intensive sectors**<br>e.g. manufacturing | **performance gaps narrowing** |
| **Transaction-intensive sectors**<br>e.g. retail, transportation | |
| **Tacit-interactivity sectors**<br>- high communications and problem-solving elements | **wide performance gaps** |

# 5.3 The Knowledge Economy

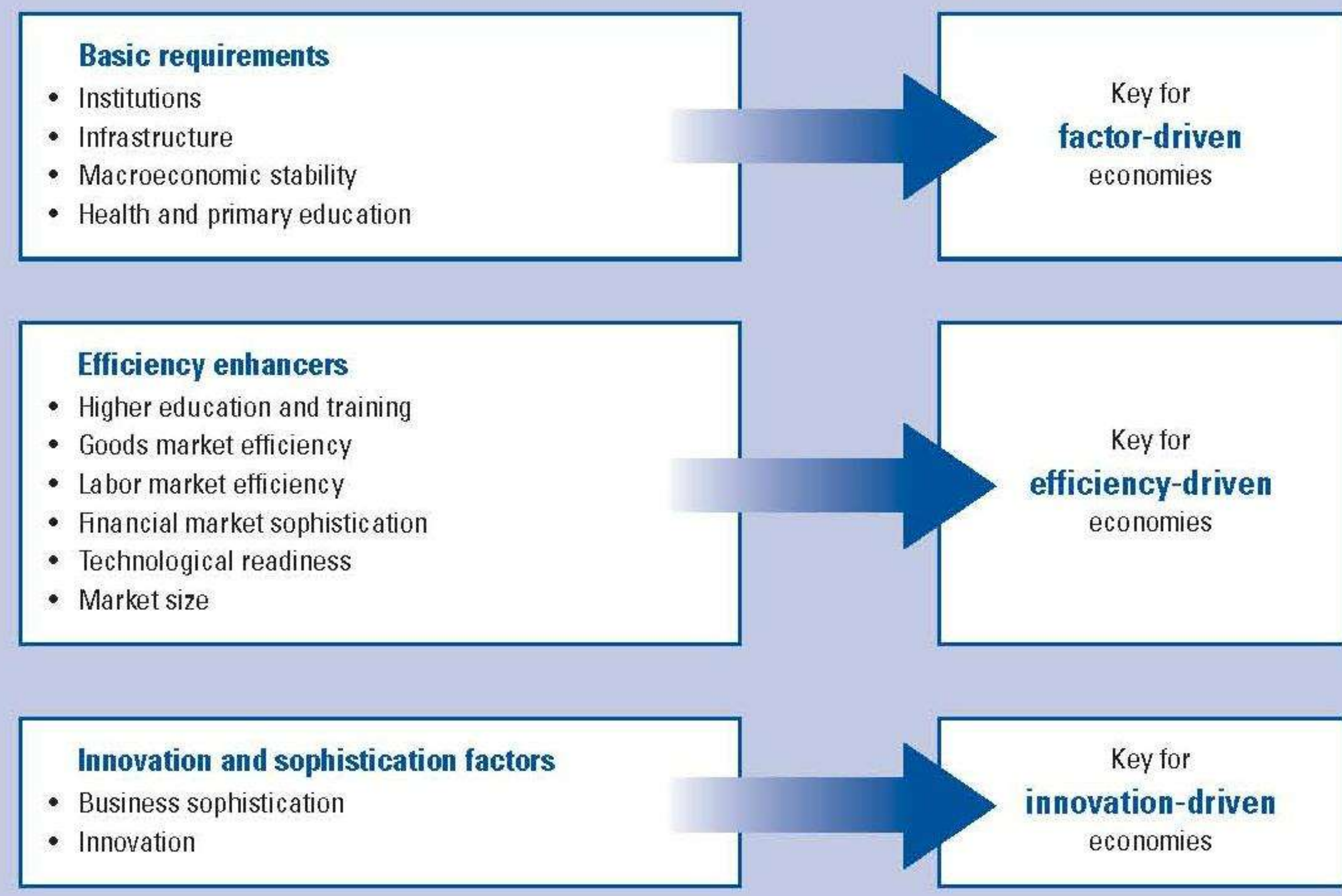
- financial services
- business services
- information and communication technologies (ICT)
- education services
- health services
- cultural/creative services
- research & development services

# 5.4 Knowledge Economy in the UK

The knowledge economy has a 41% share of national income in the UK in 2002.*

* The Work Foundation Report, June 2007.

# 5.5 Global Competitiveness Index 2008-2009: The 12 Pillars of Competitiveness




**Source: The Global Competitiveness Report 2008-2009, World Economic Forum.**

# 5.6 Global Competitiveness Index 2008-2009:

# The 12 Pillars of Competitiveness – with Hong Kong's rankings

| | | | |
|---|---|---|---|
| **Basic requirements** | | 5 | Key for **factor-driven** economies |
| • Institutions | 9 | | |
| • Infrastructure | 5 | | |
| • Macroeconomic stability | 3 | | |
| • Health and primary education | 43 | | |
| **Efficiency enhancers** | | 6 | Key for **efficiency-driven** economies |
| • Higher education and training | 28 | | |
| • Goods market efficiency | 2 | | |
| • Labor market efficiency | 4 | | |
| • Financial market sophistication | 1 | | |
| • Technological readiness | 10 | | |
| • Market size | 26 | | |
| **Innovation and sophistication factors** | | 21 | Key for **innovation-driven** economies |
| • Business sophistication | 13 | | |
| • Innovation | 24 | | |
| **Overall** | | 11 | |

**Source: The Global Competitiveness Report 2008-2009, World Economic Forum.**

## 5.7 Investment by US/UK in intangible assets surpassed that in tangible assets*

- human resources and capabilities
- fit-for-purpose software
- organisational competencies
- relationship capital (brand and reputation, customer/supplier relationship, etc)

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* The Work Foundation Report, June 2007.

# Section 6

## **Measuring Creativity**

# 6.1 The Creative Core

The **creative core** is a necessary precondition for growth of the creative industries.

# 6.2 The Euro-Creativity Index

| Euro-Creativity Index | | TALENT INDEX | | | TECHNOLOGY INDEX | | | TOLERANCE INDEX | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Rank | Score | Creative Class Index | Human Capital Index | Scientific Talent Index | Innov. Index | High Tech Innov. Index | R&D Index | Attitudes Index | Values Index | Self-Express Index |
| 1. Sweden | 0.81 | 8 | 7 | 2 | 2 | 3 | 1 | 2 | 1 | 1 |
| 2. USA | 0.73 | 1 | 1 | 3 | 1 | 1 | 3 | n.a. | 13 | 4 |
| 3. Finland | 0.72 | 4 | 6 | 1 | 4 | 2 | 2 | 3 | 5 | 10 |
| 4. Netherlands | 0.67 | 3 | 2 | 10 | 6 | 4 | 8 | 5 | 4 | 2 |
| 5. Denmark | 0.58 | 9 | 15 | 4 | 5 | 5 | 6 | 7 | 3 | 3 |
| 6. Germany | 0.57 | 11 | 4 | 7 | 3 | 6 | 4 | 12 | 2 | 9 |
| 7. Belgium | 0.53 | 2 | 8 | 6 | 7 | 9 | 7 | 13 | 8 | 8 |
| 8. UK* | 0.52 | 5 | 3 | 8 | 9 | 6 | 9 | 8 | 9 | 6 |
| 9. France | 0.46 | n.a. | 11 | 5 | 10 | 8 | 5 | 11 | 7 | 11 |
| 10. Austria | 0.42 | 12 | 14 | 11 | 8 | 10 | 0 | 9 | 10 | 5 |
| 11. Ireland | 0.37 | 6 | 10 | 9 | 11 | 12 | 1 | 5 | 15 | 7 |
| 11. Spain | 0.37 | 10 | 4 | 12 | 13 | 13 | 3 | 1 | 12 | 14 |
| 13. Italy | 0.34 | 13 | 12 | 13 | 12 | 11 | 2 | 4 | 11 | 12 |
| 14. Greece | 0.31 | 7 | 9 | 15 | 14 | 14 | 5 | 14 | 6 | 13 |
| 15. Portugal | 0.19 | 14 | 13 | 14 | 15 | 15 | 4 | 9 | 14 | 15 |

Source: Florida, Richard and Irene Tinagli (Feb. 2004) “Europe in the Creative Age”.

# 6.3 A Study on Creativity Index, Hong Kong

Building blocks of the Creativity Index – 5Cs (88 attributes)

- Outcomes of Creativity (17 attributes)
- Inputs:
  - Structural/Institutional Capital (23 attributes)
  - Human Capital (11 attributes)
  - Social Capital (21 attributes)
  - Cultural Capital (16 attributes)

Source: Centre for Cultural Policy Research, HKU and Home Affairs Bureau, 2005.

# 6.3.1 Hong Kong Creativity Index

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|---|---|---|---|---|---|---|
| Overall | 76.0 | 80.5 | 86.6 | 90.4 | 94.8 | 100 |
| Outcomes of Creativity | 69.9 | 74.3 | 86.5 | 88.2 | 89.1 | 100 |
| Structural/ Institutional Capital | 87.1 | 89.4 | 91.8 | 93.8 | 98.0 | 100 |
| Human Capital | 69.4 | 69.7 | 78.6 | 87.1 | 92.3 | 100 |
| Social Capital | 72.4 | 78.8 | 81.6 | 86.6 | 99.4 | 100 |
| Cultural Capital | 83.0 | 93.0 | 95.7 | 97.2 | 95.6 | 100 |

Source: Centre for Cultural Policy Research, HKU and Home Affairs Bureau (2005) “A Study on Creativity Index”.

# Section 7

**Characteristics of Creative Industries,**

**Recent Changes and Drivers of Success**

# 7.1 Characteristics of Creative Industries

- structured uncertainties
  - market uncertainty
  - value and quality difficult to predict
- high risks, volatile returns
- co-existence of very large and very small firms; simultaneous fragmentation and consolidation in many sectors
- complex labour market with implications for training and management
- clustering – importance of co-location
- close linkages among different sectors and with other industries
- substantial input of knowledge and skills

# 7.2 Market Phenomenon

- consumption unpredictable - quality and word of mouth important
- discretionary spending, strong dependence on income
- high fixed costs of creation, low marginal costs of production
- concentration of smaller companies
- excess of supply
- distorted distribution of income and risks
- technological development leads to globalisation and international competition

# 7.3 Changes to the Landscape of Creative Industries (1)

- impact of technology resulting in new products, new markets and new processes:
  - digital entertainment; new media
  - digitisation and the Internet are changing the business models of entertainment and knowledge industries
  - opportunities to work interactively with consumers in co-production
  - moving from a distribution-driven to consumer-driven model

# 7.3 Changes to the Landscape of Creative Industries (2)

- increasing crossover of different sectors; old sectoral boundaries partially obsolete
- globalisation of industries, markets and labour
- more creative specialists working outside creative industries; "creative economy" rather than a set of "creative industries"
- networks supplanting traditional organisational firms; harnessing and leveraging in-house and external competencies gaining importance

# 7.4 Drivers of Success for Creative Industries (1)

- **demand** – affected by level of affluence, economic activities, education, exposure to culture and government procurement
- **talent** – supply of highly-skilled workforce, education and skills
- **technology** – community ICT readiness; use of technology in production and delivery
- **nurture of creativity** – education; investment in arts and culture; public institutions
- **diversity** – atmosphere of tolerance, openness and exposure

# 7.4 Drivers of Success for Creative Industries (2)

- **infrastructure**
  - hardware (land/development policy)
  - software (business support, information exchange)
- **networks** – harnessing interdisciplinary collaboration & innovation
- **capital and business building capacity**
- **Intellectual property** – clearly defined and enforced regime
- **improved data & classification**

# Section 8

## Public Policy and

## Creative Industries Development

# 8.1

Creative industries are moving from the fringes to the mainstream of policy considerations.

## 8.2 Development of Creative Industries as a Matter of National/Development Policy (1)

- United Kingdom – Creative Industries Task Force (1997)
- Singapore – Creative Industries Development Strategy (2002)
- New Zealand – Creative Industries as one of the three industry sectors (with ICT and biotechnology) to focus government resources and raise international competitiveness in the government's Growth and Innovation Framework, Growing an Innovative New Zealand (2002)

## 8.2 Development of Creative Industries as a Matter of National/Development Policy (2)

- Taiwan – identified “Cultural Creative Industries Development” as part of the “Challenge 2008: Strategic Development Plan for the Nation” (2002)

- China – in its report to the 16th Plenary Session of the Chinese Communist Party (Nov. 2002), the government announced plans to “actively promote the development of cultural activities and cultural industries”

# 8.3 Rationale for Public Sector Involvement

- to generate economic growth, exports and employment
- market failure – public goods; imperfect competition; research and development
- beneficial externalities
- public sector in better position to assume risks, with prospect to share gains
- education and training
- cultural identity/diversity
- intellectual property
- linkages to tourism, urban and regional development

# 8.4 Instruments of Public Policy (1)

- fiscal
  - subsidies (including grants to arts/culture), tax concessions, investment allowances, business start-ups
- infrastructure
  - “affordable” space, development of creative clusters, access to ICT, cultural asset management
- trade-related
  - import quotas, incentives for FDI
- education and training
  - direct or subsidised provision of training schemes, arts education
- investment in arts, culture and heritage

# 8.4 Instruments of Public Policy (2)

- information and market intelligence
  - effective collection and analysis of universally comparable and reliable data
- international cooperation
  - cultural exchange, cultural diplomacy
- regulation
  - copyright protection, planning regulations
- government procurement

# 8.5 Potential Policy Domains Involved

- economic development
- urban/regional development
- international trade
- domestic and foreign investment
- taxation
- labour and migration
- technology and communications
- arts and culture
- tourism
- education
- social welfare
- intellectual property protection

# 8.6 Clear need for…

**long-term policy and related strategies,**

**clear objectives and sustained commitment, and**

**cross-cutting linkages beyond the industry-based approach.**

# Section 9

## Overseas and Mainland Examples

# 9.1 United Kingdom (1)

- Creative Industries Task Force set up in 1997, chaired by the Secretary of State for Culture, Media and Sport
- first mapping exercise on creative industries completed in 1998
- second mapping document produced in 2001
- annual Creative Industries Economic Estimates Statistical Bulletin thereafter
- Creative Economy Programme launched in Nov. 2005 with objectives to identify barriers and drivers of productivity and growth within the creative sectors, and develop and implement a strategy to maximise the contribution of creative industries to the economy

# 9.1 United Kingdom (2)

- publication of important Work Foundation report "Staying ahead: the economic performance of the UK's creative industries" (June 2007), which was the result of the work of seven working groups covering education and skills, infrastructure, competition and IP, access to finance and business support, diversity, technology, and evidence and analysis as well as feedback from 11 industry summits
  - the report highlights the value of public investment, the vital role of education, skills, diversity, networks, cultural investment and public institutions, access to finance, business skills, the intellectual property framework, access to market, regulation, competition and collection of evidence and data

# 9.1 United Kingdom (3)

- policy document “Creative Britain – New Talents for New Economy” published in Feb. 2008, a joint effort of three ministerial departments: Department for Culture, Media and Sport, Department for Business Enterprises and Regulatory Reform, and Department for Innovation, Universities and Skills
- vision for “a Britain in ten years’ time where the local economies in our biggest cities are driven by creativity”
- mustering the support of all relevant government departments, public agencies, regional agencies, the academic and arts/cultural institutions and industry organisations

# 9.1 United Kingdom (4)

- 26 commitments with quantifiable targets and many with dedicated funding support falling under 8 themes:
    - giving all children a creative education
    - turning talent into jobs
    - supporting research and innovation
    - helping creative businesses grow and access finance
    - fostering and protecting intellectual property
    - supporting creative clusters
    - promoting Britain as the world's creative hub
    - keeping the strategy up-to-date

# 9.1 United Kingdom (5)

- the new Creative Britain Strategy and the Creative Economy Programme managed and coordinated by:
  - Ministerial Steering Board, chaired by Minister for Culture, Creative Industries and Tourism, with two other ministers and 11 industry experts
  - Programme Board, with six officials and two industry members
  - Delivery Partners Group, chaired by DCMS, with representatives from all involved government departments and public sector organisations
  - Implementation Group consisting of operational-level officials, for day-to-day implementation of commitments

# 9.2 Singapore (1)

- "Creative Industries Development Strategy"* promulgated in 2002, spearheaded by Ministry of Information, Communications and the Arts in partnership with Ministry of Trade & Industry and Ministry of Manpower, and other parties
  - vision of developing Singapore into a vibrant New Asia Creative Hub and doubling the economic contribution of creative industries to GDP from 3% in 2000 to 6% in 2012

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* Report of the Workgroup on Creative Industries, ERC Services Subcommittee (Sep. 2002) "Creative Industries Development Strategy: Propelling Singapore's Creative Economy".

# 9.2 Singapore (2)

- the Strategy takes a three-pronged approach:
  - **Renaissance City 2.0** – the vision of a highly innovative and multi-talented global city for arts and culture
  - **Design Singapore** – positioning Singapore as Asia's leading hub for design where design excellence is a key driver of national competitiveness
  - **Media 21** – transforming Singapore into a global media city

# 9.2 Singapore (3)

- initiatives implemented under the Strategy aim to:
  - develop creative capabilities within and beyond the creative industries
  - enhance Singapore’s creative image
  - differentiate Singapore’s products and services, thus augmenting the health of the overall economy

# 9.3 South Korea (1)

- Ministry of Culture and Tourism championing the cause of promoting creativity and creative industries
- Cultural Industry Office established under Vice Minister
- a “Creative Korea” vision to educate Korean people to be cultural and creative citizens and to create a dynamic cultural nation
- cultural facilities (public libraries, performance venues and museums/galleries) increased 40% from 2002 to 2006*

* Ministry of Culture and Tourism (10 Nov. 2007) “Korea’s Cultural Policy”.

## 9.3 South Korea (2)

- education identified as a key driver of creativity and the Korea Arts & Culture Education Service (KACES) established as a statutory agency in 2005 to promote arts and culture education
- Ministry of Culture and Tourism and KACES published White Paper on Arts and Culture Education in 2006
- contribution of cultural industries to GDP increased from 4.3% in 2002 to 6.5% in 2005*

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* Ministry of Culture and Tourism (10 Nov. 2007) "Korea's Cultural Policy".

# 9.4 Taiwan (1)

- Cultural Creative Industries Development Plan promulgated in 2002 as part of the "Challenge 2008: Strategic Development Plan for the Nation"
- Committee for the Promotion of Cultural Creative Industries established in 2003 among the Ministry for Economic Affairs, Ministry for Education, News Bureau and Council for Cultural Affairs
- Council for Cultural Affairs, News Bureau and Ministry for Economic Affairs announced second stage plans (2008-2011) for the development of cultural creative industries in 2008

# 9.4 Taiwan (2)

- *United Daily* reported on 11 Feb. 2009 that the Executive Yuan would establish a new Promotion Committee for Cultural Creative Industries, to be led by Premier Liu Chao-shiuan, to consolidate efforts of various government ministries and bureaus and resources for industry development
- Executive Yuan passed draft legislation on 9 Apr. 2009 for the development of cultural and creative industries

# 9.5 China (1)

- Cultural Industry Division established under the Ministry of Culture to promote and develop cultural industries
- the government announced plans to "actively promote the development of cultural activities and cultural industries" at the $16^{th}$ Plenary Session of the Chinese Communist Party in Nov. 2002
- different municipal governments have identified the development of cultural industries as a priority, and some have set clear targets for their development

# 9.5 China (2)

- Beijing announced at the closing of the 11th General Meeting of the 9th Party Committee of Beijing in Dec. 2005 that the city would promote cultural and creative industries as a pillar of development for the future
- in the Planning Guidelines (2008-2020) for the reform and development of the Pearl River Delta region promulgated by the National Development and Reform Commission in Dec. 2008, a target was set for the cultural industries to contribute 8% of the region's GDP by the year 2020
- mushrooming of cultural and creative industry regions and parks in many cities

# Section 10

**Public Policy on Creative Industries:**

**The Situation in Hong Kong**

# 10.1 Studies on Creative Industries in Hong Kong (1)

The term “creative industries” began to be used in the late 1990s

- Hong Kong Arts Development Council research paper (May 2000)
- Hong Kong Trade Development Council reports (2002 and 2007)
- “Baseline Study on Hong Kong’s Creative Industries” (CPU commissioned, Sept. 2003)
- “A Study on Creativity Index” (HAB commissioned, Nov. 2005)

# 10.1 Studies on Creative Industries in Hong Kong (2)

- "Study on the Relationship between Hong Kong's Cultural and Creative Industries and the Pearl River Delta" (CPU commissioned, Mar. 2006)
- "Study on the Relationship between Museums and Performing Arts, and Creative Industries for the WKCD Development in Hong Kong" (HAB commissioned, Apr. 2007)
- "From Creative Industries to Creative Economy: The Role of Education" (HK Design Centre and Asia Case Research Centre, 2007)
- "Hong Kong: A Creative Metropolis – A Policy Submission Paper" (Bauhinia Foundation, Oct. 2007)

## 10.2 The Problem

Lack of general understanding and

not enough data and research

# 10.3 Government Policy on Creative Industries (1)

- first appeared in Chief Executive's Policy Address in Jan. 2003:

  "The Secretary for Home Affairs and the Secretary for Commerce, Industry and Technology, and relevant bureaus and departments will work together to devise a concrete plan and create the necessary favourable environment to promote and facilitate the development of creative industries."

- Jan. 2005 Policy Address identified cultural and creative industries as a new economic growth area.

# 10.3 Government Policy on Creative Industries (2)

- Oct.2007 Policy Address:

  "With intense competition in the creative industries, our leading position is under threat as neighbouring regions catch up. To maintain our edge, the development of our creative industries must accelerate in the next five years. The Financial Secretary and the Commerce and Economic Development Bureau will oversee our creative industries development plan … draw up overall strategic plans, complementary facilities and manpower training."

- Oct. 2008 Policy Address:

  "To promote the development of creative industries, the Commerce and Economic Development Bureau will set up a dedicated Creative Industry Office with integrated and realigned resources from related departments."

# 10.4
# Government Support for Hong Kong's Creative Industries

| | |
|---|---|
| **Arts and Culture** | support provided by LCSD & ADC, Shek Kip Mei Creative Arts Centre, APA, WKCD |
| **Design** | Hong Kong Design Centre, Innocentre, DesignSmart Initiative |
| **Digital Entertainment** | Digital Media Centre, I Resource Centre, Hong Kong Wireless Development Centre, Digital Entertainment Industry Support Centre, Digital Entertainment Incubation cum Training Centre at Cyberport |
| **IT Services/ Technology** | HKPC, Innovation & Technology Fund, HKSTP and CITB |
| **Film** | Film Guarantee Fund, Film Development Fund, Film Development Office |
| **Arts Education** | curriculum reforms |
| **IP Rights Protection** | a well-developed and enforced framework |
| **CEPA** | facilitate access to Mainland market |

## 10.5 Create Hong Kong Office

- established on 1 June 2009 in the Commerce and Economic Development Bureau as an agency dedicated to champion and promote creative industries development in Hong Kong

CREATEHK

**Vision**: To build Hong Kong into a regional creative capital.

**Mission**: To foster a conducive environment in Hong Kong to facilitate creative industries development.

**Strategic Direction**: 7 strategic areas with $300 milllion to spend in the next 3 years (on top of previous commitments)


**7 strategic areas**:

- nurturing creative human capital
- facilitating start-ups
- generating demand for innovation and creativity and expanding local market size for creative industries
- promoting Hong Kong's creative industries on the Mainland and overseas
- fostering a creative atmosphere within the community
- developing creative clusters
- promoting Hong Kong as Asia's creative capital