

LC Paper No. CB(1)932/10-11(06)

Ref. : CB1/PL/ITB

# Panel on Information Technology and Broadcasting

# Meeting on 10 January 2011

# Updated background brief on the work of the Create Hong Kong in promoting the development of creative industries

### Purpose

This paper provides the background to the establishment of the Create Hong Kong (CreateHK) and also a summary of views and concerns expressed by Members in previous discussions on promoting the development of creative industries in Hong Kong.

### Background

2. Apart from the four traditional pillar industries, the Chief Executive announced in his 2009-2010 Policy Address the promotion of the development of creative industries, among the six major industries, to propel Hong Kong towards a knowledge-based economy.

3. Following the approval of the Finance Committee (FC) on 22 May 2009, CreateHK was set up under the Communications and Technology Branch of the Commerce and Economic Development Bureau (CEDB) in June 2009 to spearhead Government's efforts in driving the development of creative industries and to provide one-stop services for the promotion of creative industries. With the vision to build Hong Kong into a regional creative capital and the mission to foster a conducive environment to facilitate the development of creative industries in Hong Kong, the Government has drawn up a development strategy covering seven strategic directions (**Appendix**) based on the consultation with the Legislative Council and industries representatives. To enhance synergy and ensure better

coordination and cost-effective deployment of various funding resources, the existing funds and schemes, which are currently scattered among different agencies and departments for the development of creative industries, are centralized under the management of CreateHK. This is to enable CreateHK to have a better focus on the industries' needs, and develop initiatives which best suit their needs.

4. To further strengthen the Government's support to the creative industries, the Financial Secretary announced in the 2009-2010 Budget the setting aside of \$300 million to provide financial support to creative industries. Following the approval of FC on 22 May 2009, the CreateSmart Initiative was established in June 2009 to provide funding support for projects conducive to the development of creative industries, particularly projects initiated by the creative industry sectors (including architecture, comics, digital entertainment, advertising, music and publication, etc), CreateHK and other government departments. Other than the CreateSmart Initiative, CreateHK also administers the \$250 million DesignSmart Initiative (DSI), and the \$320 million Film Development Fund.

### **Previous discussions**

5. At the meeting of the Panel on Information Technology and Broadcasting on 13 May 2010, the Administration briefed members on the work of CreateHK and the relevant initiatives taken by the Government to support the development of creative industries in various sectors including motion pictures, television, design, architecture, animation and comics, advertising and digital entertainment, etc. Panel members considered that creativity would flourish only in a free society where creative minds enjoyed the freedom of speech and expression. They expressed grave concern that self-censorship which pervaded the local community and the media alike would stifle creativity and innovation. The Administration assured members that there was no pre-censorship in the media, and it was committed to upholding freedom of speech and expression which was the cornerstone of Hong Kong's success and was also a basic human right guaranteed by law.

6. Panel members noted that Hong Kong presently had 32 000 creative industry-related establishments with more than 176 000 practitioners working in the industries which made up around 5% share of Hong Kong's Gross Domestic Product. Some members urged the Administration to draw up, in the long run, benchmarking target on the economic and social benefits to be brought about by creative industries, design and innovation against which to assess and evaluate the effectiveness of the various initiatives. They also called for additional measures to assist start-ups in creative industries. In

addition to financial assistance, Government policy and legislative support should be enhanced to drive the development of creative industries.

7. Some Panel members opined that knowledge about culture, art, history and humanity subjects was important in laying a strong foundation for the development of creativity and innovation. These members urged CEDB to work closely with the Education Bureau on integrating culture and creativity in the school curriculum. The Administration advised that apart from film and animation, there was a plan to further introduce creative elements of architecture and design into secondary school curriculum so as to expose secondary students to more creative elements to enhance their creative development. Continued efforts would be made to foster a creative atmosphere and promote a culture of innovation and creativity within the community.

8. Dr Hon Samson TAM raised a question at the Council meeting on 7 July 2010 regarding DSI. He urged the Administration to put in place new measures to improve the utilization rate of the funding schemes under DSI, and to streamline the vetting and approving mechanism to encourage more applications.

# Latest position

9. The Administration will update the Panel on 10 January 2011 on the latest work of CreateHK in promoting the development of creative industries in Hong Kong.

### **Relevant papers**

Paper provided by the Administration for the Finance Committee meeting on 22 May 2009 http://www.legco.gov.hk/yr08-09/english/fc/fc/papers/f09-15e.pdf

<u>Minutes of the Finance Committee meeting on 22 May 2009</u> http://www.legco.gov.hk/yr08-09/english/fc/fc/minutes/fc20090522.pdf

Paper provided by the Administration for the Information Technology and Broadcasting Panel meeting on 13 May 2010 http://www.legco.gov.hk/yr09-10/english/panels/itb/papers/itb0513cb1-1843-5-e.pdf <u>Background brief prepared by the Legislative Council Secretariat for the</u> <u>Information Technology and Broadcasting Panel meeting on 13 May 2010</u> http://www.legco.gov.hk/yr09-10/english/panels/itb/papers/itb0513cb1-1843-6-e.pdf

Minutes of Information Technology and Broadcasting Panel meeting on 13 May 2010

http://www.legco.gov.hk/yr09-10/english/panels/itb/minutes/itb20100513.pdf

Dr Hon Samson TAM Wai-ho's question on "DesignSmart Initiative" at the Council meeting on 7 July 2010

http://www.legco.gov.hk/yr09-10/english/counmtg/hansard/cm0707-translatee.pdf

Council Business Division 1 Legislative Council Secretariat 6 January 2011

### Appendix

### **Development of creative industries**

# **Development strategy**

#### **Strategic Direction: Seven strategic areas**

- (a) nurturing a pool of creative human capital which forms the backbone of Hong Kong's creative economy;
- (b) facilitating start-ups and development of creative establishments;
- (c) generating demand for innovation and creativity and expanding local market size for creative industries;
- (d) promoting creative industries on the Mainland and overseas to help explore outside markets;
- (e) fostering a creative atmosphere within the community;
- (f) developing creative clusters in the territory to generate synergy and facilitate exchanges; and
- (g) promoting Hong Kong as Asia's creative capital.