

**For Discussion  
on 12 December 2016**

**Legislative Council Panel on  
Information Technology and Broadcasting**

**Overview of the Manpower Situation of Creative Industries**

**PURPOSE**

This paper briefs Members on the manpower situation of creative industries in Hong Kong, namely design, digital entertainment, advertising, architecture, film, television, music, publishing and printing<sup>1</sup>.

**OVERVIEW**

**Government policy and current landscape**

2. It is our vision to entrench Hong Kong's position as a trend setting creative hub where investors and buyers would look for high-value business opportunities, products, services and talents. To this end, the Commerce and Economic Development Bureau (CEDB), in conjunction with Create Hong Kong (CreateHK), an executive agency under CEDB set up for the dedicated purpose of promoting the development of Hong Kong's creative industries, have been working closely with the trade to undertake initiatives to support the manpower development of creative industries. Nurturing creative talents and supporting start-ups form an important part of our strategies to promote the development of creative industries.

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<sup>1</sup> In terms of organisation of business in the Hong Kong Special Administrative Region Government, a division of responsibility is drawn between cultural and creative industries. Creative industries are under the purview of the Commerce and Economic Development Bureau while those less commercially-oriented and art-focused sectors fall under the purview of the Home Affairs Bureau.

## **Economic contribution**

3. The contribution of creative industries to Hong Kong's economy can be measured by value added generated and employment size<sup>2</sup>. In 2014, value added of creative industries was \$57.2 billion. From 2005 to 2014, the value added of creative industries in nominal terms increased at an average annual rate of 6%, which is faster than the average annual growth rate of the GDP of Hong Kong at 5.4%. Creative industries' share of Hong Kong's GDP increased moderately from 2.4% in 2005 to 2.6% in 2014.

4. According to statistics of the Census and Statistics Department, the number of persons engaged by creative industries increased from 117 650 in 2005 to 135 320 in 2014, representing an average annual growth rate of 1.6%, which is faster than the average annual rate of increase of total employment in Hong Kong at 1.3% over the same period. Accordingly, creative industries' share of the total employment increased slightly from 3.5% in 2005 to 3.6% in 2014. During the same period, creative establishments' share of the total number of establishments in Hong Kong rose from 6.7% to 7.4%. A breakdown of the value added, number of persons engaged and number of establishments by creative sectors is at **Annex 1**.

5. In terms of development trends between 2005 and 2014, the value added of design (16.9%), architecture (14.9%), advertising (10.2%) and digital entertainment (9.4%) have significantly higher growth rates than the overall economy of Hong Kong (5.4%). In terms of employment, design (5.7%), architecture (4.5%), digital entertainment (3.9%) and film (2.7%) have higher growth rates than the overall economy of Hong Kong (1.3%).

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<sup>2</sup> The statistical framework adopted by the Census and Statistics Department for creative industries covers 11 cultural and creative sectors: (1) art, antiques and crafts; (2) cultural education and library, archive and museum services; (3) performing arts; (4) film, video and music; (5) television and radio; (6) publishing; (7) software, computer games and interactive media; (8) design; (9) architecture; (10) advertising; and (11) amusement services. Statistics pertaining to creative industries quoted in this paper represent a sub-set of the statistics of cultural and creative industries.

## MANPOWER SUPPLY

6. In terms of local education, post-secondary education institutions in Hong Kong offer a wide range of publicly-funded as well as self-financing programmes at sub-degree, undergraduate and master levels on many different subject areas under creative industries. Some of the self-financing undergraduate programmes are subsidised under the Study Subsidy Scheme for Designated Professions / Sectors (SSSDP)<sup>3</sup> to make them more affordable to local students.

7. The number of graduates of creative industries-related programmes (excluding postgraduate programmes which are mainly for further education or research-based study) increased moderately from around 6 500 in the 2011/12 academic year to 7 800 in the 2014/15 academic year. Tables showing the number of graduates of local full-time creative industries-related programmes at sub-degree and undergraduate levels in the past four academic years (i.e. 2011/12 – 2014/15) are at **Annex 2**. In 2014/2015, graduates from the design field contributed the largest proportion (38.5%) of the total number of graduates in the realm of creative industries, followed by film and television (22.2%) and digital entertainment (16.9%).

8. It is projected that students from different post-secondary programmes will be a major source of manpower supply for creative industries in the coming years. According to the Education Bureau, the total number of students enrolled in local post-secondary education institutions in the field of creative industries has risen from about 8 600 in 2012/13 to about 10 200 in 2015/16. By creative disciplines, design (35.8% – 38.6% across years); digital entertainment (16.0% – 18.9%); and film and television (17.3% – 24.3%) have contributed over 75% of student intakes of programmes under eight fields of creative industries.

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<sup>3</sup> SSSDP is an initiative of the Education Bureau to subsidise students to pursue designated programmes in selected disciplines with a view to nurturing talent in support of specific industries with keen demand for human resources and broadening the higher education opportunities for local students. Currently, there are 250 subsidised places available every year for creative industries-related programmes.

9. It should however be noted that the above analysis has not taken into account those who study in other non-creative related fields but have subsequently joined one of the creative sectors. This is not uncommon because an important element of manpower in creative industries is that creative talents are not necessarily groomed through formal education. In other words, supply of manpower in creative industries is not confined to those who graduate from say the art, design or film school or the like.

10. On the other hand, unlike, for example, accountancy, engineering or medicine which point graduates to clearly defined professions, training in creative industries equips students with a mindset of creative thinking and transferrable skills which are applicable in many industries or trades in today's multi-faceted world which emphasises innovation and creativity. It comes as no surprise that students graduating from creative industries-related programmes find employment with establishments of a field unrelated to creative industries, such as public relations firms or schools. According to CreateHK's study, the percentages of graduates of undergraduate programmes in the realm of film & television, design, and digital entertainment who are engaged in full-time employment in the respective fields range from 56% to 73% in overall terms. In other words, training in creative industries does not necessarily just benefit specific industry-related fields, but also benefits the wider community as a whole.

## **MANPOWER REQUIREMENT**

11. Short-term manpower requirement of creative industries is reflected by the number of vacancies in the past few years. The number of vacancies of creative industries is 3 190, 3 270 and 3 100 in 2013, 2014 and 2015 respectively.

12. In the medium term, CreateHK has just completed a survey in 2016 on the manpower demand of creative industries<sup>4</sup> ("Manpower Demand

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<sup>4</sup> The survey targets some 2 500 creative establishments as sampled randomly from the Central Register of Establishments and corporate members of the major creative industries-related trade associations.

Survey”). It is projected that creative industries will in the coming three years generate some 6 000 vacancies, of which about two-thirds are creative positions<sup>5</sup> and one-third are non-creative positions<sup>6</sup>. A majority of creative vacancies arise out of the need to cater for local (71%) and overseas (42%) business expansion; more than 90% of vacancies are permanent in nature; some 68% require applicants to have one to three years of experience.

<b>Creative Sectors</b>	<b>Creative Vacancies</b>	<b>Non-Creative Vacancies</b>	<b>Total</b>
Advertising	200 (5%)	460 (22%)	650 (11%)
Architecture	150 (4%)	10 (Less than 1%)	160 (3%)
Design	2 170 (55%)	720 (35%)	2 890 (48%)
Digital Entertainment	640 (16%)	310 (15%)	940 (16%)
Music	*	*	10 (less than 1%)
Printing & Publishing	380 (10%)	470 (22%)	850 (14%)
Film & Television	400 (10%)	120 (6%)	520 (9%)
<b>Total</b>	<b>3 920</b>	<b>2 090</b>	<b>6 010</b>

Note:

(1) Breakdowns may not add up to total due to rounding.

(2) \* Less than 10

(3) Figures in “( )” show the proportion of the number of vacancies of individual sectors out of the total number of vacancies of all creative sectors.

13. The table above shows that the top three creative sectors with the largest number of creative vacancies are design; digital entertainment; and

<sup>5</sup> Creative positions refer to the positions requiring creative thinking, knowledge, skills and techniques.

<sup>6</sup> Non-creative positions refer to the positions with the main duties in non-creative areas such as administration, accounting, marketing or logistics.

film and television. This is broadly in line with the manpower supply from students and graduates of post-secondary education institutions (see paragraphs 7 and 8 above).

14. Some 40% of the respondents of the Manpower Demand Survey anticipated that the lack of applicants with relevant experience and training will be a major recruitment problem. However, less than one-fifth (17%) of creative establishments offered on-the-job training in the past 12 months. Among those establishments which offered on-the-job training, on-the-job coaching (65%) was the most common form of training, followed by internal seminars/workshops (41%). About 15% of creative establishments said they would send employees to attend local courses organised by third parties. Training was mainly available on a short-term basis or without any fixed duration.

15. Longer term manpower projections are contained in the Report on Manpower Projection to 2022 (MP2022)<sup>7</sup> published by the Labour and Welfare Bureau in April 2015. The projected manpower requirements for creative industries will be 227 200 in 2022, representing an increase of 30 100 or an average annual growth of 1.3% from 2011 to 2022.

16. According to MP2022, the projected increase in the manpower requirements of the creative industries would lean towards the better-educated workers with post-graduate, first degree or sub-degree qualifications, along with an increasing demand for higher-skilled workers in such occupation groups as managers and administrators, professionals and associated professionals. It is estimated that these industries would need an additional manpower of 7 200 workers at post-graduate level, 23 000 workers at first degree level and 5 600 workers at sub-degree level during the period from 2011 to 2022 while there is a projected decrease in demand of workers at lower education levels.

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<sup>7</sup> [http://www.lwb.gov.hk/report/mp2022\\_en.pdf](http://www.lwb.gov.hk/report/mp2022_en.pdf)

17. CreateHK's Manpower Demand Survey also shows that creative establishments expect to encounter demand for the following job skills and positions in the next three years -

<b>Advertising</b>	Job Skills	Programming, art/aesthetic sense, drawing skills, user centric design capability
	Positions	On-line platform designer (social media), app developer
<b>Architecture</b>	Job Skills	Business development
	Positions	Architect, technical officer, business development director
<b>Design</b>	Job Skills	Project management skills, communication and speaking skills, 3D software
	Positions	Graphic designer, interactive designer
<b>Digital Entertainment</b>	Job Skills	Game development
	Positions	Game developer/programmer, game artist
<b>Music</b>	Job Skills	Social media and information technology skills
	Positions	Music recording technician
<b>Printing &amp; Publishing</b>	Job Skills	Folding skills, advanced printing machine operation
	Positions	Editor, printing machine operator, graphic designer
<b>Film &amp; Television</b>	Job Skills	Various post-production techniques, knowledge in augmented reality and visual reality
	Positions	Animator, motion graphic director, visual effect artist, photography assistant

18. There are limitations in the analysis of the manpower requirement above. For example, both MP2022 and CreateHK's Manpower Demand Survey do not take into account the manpower requirements of companies which are not engaged in creative industries per se but do employ creative personnel. For example, textile and garment factories which employ fashion and brand designers for Original Brand Manufacturing fall outside

the scope of the analysis above. The overall demand for talents in creative industries and the number of persons engaged in these sectors in Hong Kong as a whole may be higher than that reflected in the two studies.

## **ASSESSMENT OF MANPOWER SUPPLY AND REQUIREMENT**

19. The buoyancy of certain creative sectors over the past decade has created genuine needs for nurturing and attracting more talents and manpower to join the creative sectors as a career. While post-secondary education institutions are a major source of manpower supply for creative industries, the number of graduates or size of student intakes by no means provides a full picture of the manpower supply. The reason is that creative industries have relatively low entry barriers (except for certain professions of architecture) and greater job mobility.

20. MP2022's projection that manpower requirements of creative industries would lean towards better-educated and higher-skilled workers shows that our post-secondary education institutions are on the right track in nurturing talents which can meet the manpower requirements of creative industries in future. On the other hand, CreateHK's Manpower Demand Survey shows that creative establishments tend to look for applicants with more work experience but at the same time indicates that creative establishments tend not to offer on-the-job training to their employees.

21. Another phenomenon pertinent to creative industries is that the practitioners may be more prepared to set up their own businesses, given the low entry barrier and the individuality characteristics of creative industries. The number of establishments in creative industries has been on an upward trend over the past ten years, with the average annual growth rate at 3.4% outpacing that of the overall economy at 2.4%. Creative industries are also characterised by a large number of small and medium enterprises (SMEs), which account for 99.6% of the total number of creative establishments.



## **SUPPORT MEASURES FOR MANPOWER DEVELOPMENT OF CREATIVE INDUSTRIES**

22. The Government has since 2007 injected \$520 million into the Film Development Fund (FDF) and \$1,000 million into the CreateSmart Initiative to provide funding support to programmes which are conducive to the development of creative industries. In relation to film, the support initiatives undertaken include grooming new directors by fully subsidising the production of their first commercial films and nurturing professionals for various disciplines of film production through a programme which provides nine-month intensive and hands-on training. In the design arena, the Design Incubation Programme and more recently the Fashion Incubation programme supports designers and fashion designers to start new business. In developing the above programmes, Government works closely with the relevant industry bodies and, in most instances, the programme contents are developed by the industry. Such collaborative approach ensures that the programmes are relevant and meet the needs of the market.

23. CreateHK has also supported internship programmes, such as providing graduate trainees with one-year full-time employment and on-the-job training in certain industry-related establishments. CreateHK also funds initiatives in supporting start-ups.

## **WAY FORWARD**

24. The Government will continue to monitor the manpower situation of creative industries and formulate appropriate strategies in response to the changing needs of the trade and the evolving business landscape. CreateHK will also continue to work with the trade and academia to drive the manpower development of creative industries in concerted effort.

**ADVICE SOUGHT**

25. Members are invited to note the content of this paper.

**Communications and Creative Industries Branch  
Commerce and Economic Development Bureau  
December 2016**

**Statistics for Creative Industries in Hong Kong**

(Source: Census &amp; Statistics Department)

**Value added by the eight creative sectors under the purview of Create Hong Kong**

	(HK\$ Million)									
<b>Creative Sectors</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Advertising	3,869	4,056	5,713	6,075	5,250	6,805	7,128	7,322	8,682	9,254
Architecture	3,161	3,484	3,452	4,941	6,674	7,968	8,537	9,261	9,762	11,058
Design	1,001	1,291	1,459	2,683	2,289	2,932	3,615	3,310	3,711	4,080
Digital entertainment	4,308	4,853	6,076	4,956	5,770	6,772	8,128	8,420	9,467	9,701
Film	1,699	2,903	2,893	2,716	2,119	2,355	2,601	2,979	2,934	2,606
Music	245	229	360	149	369	400	379	503	457	393
Printing & publishing	14,145	14,908	17,445	15,716	12,329	13,655	13,329	14,066	14,112	13,894
Television	5,326	4,797	4,922	4,366	3,980	5,429	7,100	6,764	7,712	6,170
<b>Sub-total</b>	<b>33,755</b>	<b>36,521</b>	<b>42,320</b>	<b>41,600</b>	<b>38,781</b>	<b>46,316</b>	<b>50,818</b>	<b>52,625</b>	<b>56,837</b>	<b>57,157</b>
<b>Gross Domestic Product (GDP)</b>	<b>1,378,002</b>	<b>1,473,535</b>	<b>1,605,245</b>	<b>1,620,013</b>	<b>1,581,824</b>	<b>1,737,298</b>	<b>1,901,049</b>	<b>2,013,038</b>	<b>2,098,100</b>	<b>2,206,000</b>
<i>% of GDP</i>	<i>2.4%</i>	<i>2.5%</i>	<i>2.6%</i>	<i>2.6%</i>	<i>2.5%</i>	<i>2.7%</i>	<i>2.7%</i>	<i>2.6%</i>	<i>2.7%</i>	<i>2.6%</i>

Source: Annual Survey of Economic Activities (formerly the Programme of Annual Economic Surveys prior to 2009) conducted by the Census and Statistics Department

Note: Figures may not add up to total due to rounding.

## Number of persons engaged by the eight creative sectors under the purview of Create Hong Kong

Number (round to nearest ten, unless otherwise specified)

Creative Sectors	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Advertising	16 000	17 410	18 120	18 450	18 390	17 820	17 600	18 320	18 510	18 650
Architecture	10 560	10 700	11 410	12 890	12 720	13 310	14 030	14 670	15 310	15 640
Design	9 610	9 030	10 260	11 100	11 300	12 080	13 150	14 140	15 120	15 820
Digital entertainment	15 180	15 350	15 860	16 020	15 410	15 570	16 840	18 300	19 800	21 340
Film	9 760	10 030	11 430	11 040	10 990	10 770	10 920	11 750	12 100	12 410
Music	2 660	3 270	2 840	2 890	2 750	2 810	2 760	2 800	2 870	2 820
Printing & publishing	47 010	47 540	47 690	46 950	46 500	45 680	44 550	44 220	43 900	42 670
Television	6 870	6 090	5 620	6 420	5 270	4 900	4 970	5 140	5 790	5 960
<b>Sub-total</b>	<b>117 650</b>	<b>119 420</b>	<b>123 240</b>	<b>125 750</b>	<b>123 330</b>	<b>122 950</b>	<b>124 820</b>	<b>129 350</b>	<b>133 400</b>	<b>135 320</b>
<b>Total number of persons engaged*</b>	<b>3 343 000</b>	<b>3 412 100</b>	<b>3 480 500</b>	<b>3 509 800</b>	<b>3 470 300</b>	<b>3 478 600</b>	<b>3 579 500</b>	<b>3 657 100</b>	<b>3 728 500</b>	<b>3 749 800</b>
<i>% of Total Employment</i>	<i>3.5%</i>	<i>3.5%</i>	<i>3.5%</i>	<i>3.6%</i>	<i>3.6%</i>	<i>3.5%</i>	<i>3.5%</i>	<i>3.5%</i>	<i>3.6%</i>	<i>3.6%</i>

Source: Quarterly Survey of Employment and Vacancies conducted by the Census and Statistics Department

Note: (1) Figures may not add up to total due to rounding.

(2) \*Total employment is based on the Composite Employment Estimates released in the September 2014 November 2016 issue of the *Hong Kong Monthly Digest of Statistics* and the figures are rounded to nearest hundred.

## Number of establishments by the eight creative sectors under the purview of Create Hong Kong

Creative Sectors	Number (round to nearest ten)									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Advertising	3 880	4 140	4 220	3 950	4 080	4 320	4 440	4 560	4 720	4 760
Architecture	820	800	820	900	950	1 040	1 080	1 120	1 220	1 280
Design	2 790	3 070	3 210	3 460	3 870	4 450	4 970	5 220	5 750	6 040
Digital entertainment	2 660	2 700	2 750	2 750	2 780	3 140	3 390	3 750	4 090	4 460
Film	2 150	2 150	2 270	2 280	2 410	2 650	2 880	3 070	3 260	3 340
Music	790	880	830	870	930	1 010	1 100	1 160	1 220	1 270
Printing & publishing	6 720	6 790	6 640	6 440	6 270	6 240	6 230	6 030	5 890	5 710
Television	10	#	20	20	20	20	20	20	20	20
<b>Sub-total</b>	<b>19 810</b>	<b>20 550</b>	<b>20 760</b>	<b>20 670</b>	<b>21 320</b>	<b>22 880</b>	<b>24 110</b>	<b>24 930</b>	<b>26 180</b>	<b>26 870</b>
<b>Total number of Establishments<sup>^</sup></b>	<b>293 510</b>	<b>303 370</b>	<b>304 950</b>	<b>304 270</b>	<b>309 710</b>	<b>328 230</b>	<b>344 520</b>	<b>349 290</b>	<b>357 450</b>	<b>363 890</b>
<i>% of Total Number of Establishments</i>	<i>6.7%</i>	<i>6.8%</i>	<i>6.8%</i>	<i>6.8%</i>	<i>6.9%</i>	<i>7.0%</i>	<i>7.0%</i>	<i>7.1%</i>	<i>7.3%</i>	<i>7.4%</i>

Source: Quarterly Survey of Employment and Vacancies conducted by the Census and Statistics Department

Note: (1) Figures may not add up to total due to rounding.

(2) <sup>^</sup> Only the industries covered by Quarterly Survey of Employment and Vacancies are included.

# The number of the establishments is less than 10.

## Annex 2

### **Number of Graduates of Local Full-time Creative Industries-related Programmes at Sub-degree and Undergraduate Levels**

<b>Field of programme</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
Advertising	466 (7.2%)	672 (9.6%)	885 (10.1%)	788 (10.1%)
Architecture	325 (5.0%)	362 (5.2%)	502 (5.7%)	516 (6.6%)
Design	2 587 (39.9%)	2 572 (36.8%)	3 336 (37.9%)	3 003 (38.5%)
Digital Entertainment	1 239 (19.1%)	1 307 (18.7%)	1 478 (16.8%)	1 318 (16.9%)
Film & Television	1 532 (23.6%)	1 664 (23.8%)	2 043 (23.2%)	1 733 (22.2%)
Music	277 (4.3%)	333 (4.8%)	350 (4.0%)	306 (3.9%)
Printing & Publishing	63 (1.0%)	73 (1.0%)	96 (1.1%)	57 (0.7%)
Cross Sector	0 (0.0%)	0 (0.0%)	104 (1.2%)	81 (1.0%)
<b>Overall Creative Industries</b>	<b>6 489 (100%)</b>	<b>6 983 (100%)</b>	<b>8 794 (100%)</b>	<b>7 802 (100%)</b>

Source: Education Bureau

Note: Figures in “( )” show the proportion of the number of graduates of individual fields of study out of the total number of graduates of all fields of study relating to creative industries in a particular academic year.