

立法會

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Panel on Information Technology and Broadcasting

Meeting on 8 January 2018

Updated background brief on the CreateSmart Initiative

Purpose

This paper provides background information on the CreateSmart Initiative ("CSI"), and summarizes the views and concerns previously expressed by Members regarding the funding and operation of CSI.

Background

2. CSI was launched in June 2009 with an initial funding injection of \$300 million to provide financial support to projects initiated by the creative industry sectors¹, Create Hong Kong ("CreateHK") and other government departments, that are conducive to the development and promotion of creative industries in Hong Kong. The creative industry sectors supported by CSI include architecture, comics, digital entertainment, advertising, music and publication, etc.

3. CSI is administered by CreateHK, a dedicated agency set up under the Commerce and Economic Development Bureau on 1 June 2009 to lead, champion and drive the development of the creative economy in Hong Kong. A vetting committee comprising representatives of the industries, academics, etc., is established to support CreateHK in assessing funding applications.

¹ Creative industries are defined as 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.

4. The Administration set up the DesignSmart Initiative ("DSI") in June 2004 to strengthen support for design and innovation, and to promote the wider use of design and innovation in industries to help them move up the value chain. CSI was consolidated with DSI by phases commencing June 2011. Since then, new design-related projects, such as conferences, workshops, exhibitions, design competitions and awards, training courses, etc., that were previously funded under DSI have been considered and funded under CSI.

5. In May 2013, an amount of 300 million was injected into CSI, making up a total commitment of \$600 million. With the increase in total commitment, CSI provided funding support for the Design-Business Collaboration Scheme ("DBCS") which was originally set up under DSI to provide matching grants for design/business collaboration projects that encouraged small and medium enterprises (SMEs) to use design services. Applications for DBCS had closed after 31 December 2015. In May 2016, the commitment of CSI was further increased by \$400 million through the budget process.

The objectives of the CreateSmart Initiative

6. According to the Administration, CSI funds projects with objectives that are in line with its strategic directions to drive the development of the creative industries. These strategic directions are:

- (a) nurturing a pool of creative human capital which will form the backbone of our 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) developing creative clusters in the territory to generate synergy and facilitate exchanges;
- (f) fostering a creative atmosphere within the community; and
- (g) promoting Hong Kong as Asia's creative capital.

7. Projects approved under CSI include: supporting the participation of local creative talent in international competitions, providing paid internship opportunities in creative sectors, providing general and professional educational opportunities to nurture talents, assisting the trades in organizing activities in the Mainland and overseas to demonstrate the strength of Hong Kong's creative talents and establish platforms for promotion and facilitation of business and marketing activities, and organizing signature creative events to raise Hong Kong's profile as a creative hub in Asia. However, CSI would not apply to projects within the scope of other dedicated Government funding schemes such as the Film Development Fund, Film Guarantee Fund, Innovation and Technology Fund, Arts Development Fund (Cultural Exchange Project) and Grants of Hong Kong Arts Development Council.

Previous discussions

Panel on Information Technology and Broadcasting

8. At the meeting of the Panel on Information Technology and Broadcasting ("the Panel") held on 17 July 2015, members supported in principle the proposed injection of \$400 million into CSI to continue supporting the development and promotion of creative industries.

Contribution to creative industries

9. Panel members enquired about the support provided by the Administration on new creative projects initiated by the trade under CSI, and the measures taken to encourage local creative industries to apply for funding support. The Administration advised that a portion of projects approved under CSI focused on fostering a creative atmosphere, nurturing talents/facilitating start-ups and exploring markets respectively. The Administration also informed the Panel that CSI adopted a "partnership approach" whereby the trade initiated and implemented support programmes with funding from the Government. The market-driven and trade-championed nature of the projects allowed the trade to organize programmes which best fitted the needs of their respective creative sectors.

10. Some members suggested that the Administration should consider setting up a dedicated fund to support the sustained development of creative industries in the medium to long term. The Administration responded that it had no immediate intention to establish another dedicated funding mechanism for supporting creative industries, as CSI had fulfilled its mandate in supporting the development of Hong Kong's creative industries. The Administration would encourage or accord priority to projects which focused

on nurturing of talents, incubation for start-ups and promotion of Hong Kong designers and brands under CSI with a view to building up a nurture-based progressive ladder of CSI-funded programmes in the future.

Performance assessment

11. Members enquired about the performance indicators for projects funded by CSI, such as the number of job opportunities that could be created, the number of companies assisted and the anticipated value of the output of these companies. The Administration informed the Panel at the meeting on July 2015 that over 8 600 job opportunities had been created through the implementation of CSI-funded projects. Over the years, about 900 SMEs had made or received over 7 300 business contacts or enquiries in the business events. Upon members' request, the Administration provided supplementary information on the performance indicators for assessing the effectiveness of CSI-funded projects since the launch of the scheme in 2009 via LC Paper No. CB(4)336/15-16(01).

Promotional efforts

12. Members also enquired about the rationale for allowing CreateHK and government departments to be eligible to CSI and they asked what measures would be introduced to promote the development of creative industries in Hong Kong. The Administration advised that including CreateHK and other government departments as eligible applicants would help widening the scope of CSI and involving expertise in promoting the development of creative industries. As regards promotion efforts, the Administration informed the Panel that event organizers would promote individual events launched by the trade, while CreateHK would continue to publicize CSI through strengthening collaboration with the media and the trade and organizing outreach activities and featuring success stories.

Finance Committee

13. At the special Finance Committee ("FC") meeting to examine the Estimates of Expenditure 2016-2017 on 6 April 2016, some members enquired about the "microfilms" and animation and comics projects under CSI, justifications for increasing the commitments for CSI, specific measures to support sectors of the cultural and creative industries, number of projects approved under CSI and job opportunities created under the CSI. The Administration's replies are listed out in **Appendix**.

14. At the special FC meeting to examine the Estimates of Expenditure 2017-2018 on 6 April 2017, some members also enquired about the reasons of refusing some CSI applications, resources have been deployed for promoting Hong Kong as Asia's creative capital, specific measures to support sectors of the cultural and creative industries, number of projects approved under CSI, criteria adopt to provide funding to organise design, comic exhibitions and fashion shows, amount of injection under CSI and respective expenses on animation, comics, electronic games and their peripheral industries. Upon members' requests, the Administration provided the required information. The Administration's replies are listed out in **Appendix**.

Latest position

15. The Administration will brief the Panel on 8 January 2018 on the proposed injection of \$1 billion into CSI.

Relevant papers

16. A list of the relevant papers is set out in the **Appendix**.

Appendix

List of relevant papers

Issued by	Meeting date/ Issue date	Paper
Create Hong Kong	N/A	CreateSmart Initiative The Facts - Creative Industries
Panel on Information Technology and Broadcasting	17 July 2015	Administration's paper on funding support for the CreateSmart Initiative LC Paper No. CB(4)1212/14-15(07) Updated background brief on the establishment of the CreateSmart Initiative in supporting the development of creative industries LC Paper No. CB(4)1212/14-15(08) Minutes of meeting LC Paper No. CB(4)1481/14-15
Commerce and Economic Development Bureau	10 December 2015	Administration's letter on the performance indicators for assessing the effectiveness of CreateSmart Initiative-funded projects since the launch of the scheme in 2009 LC Paper No. CB(4)336/15-16(01)
Special Finance Committee	6 April 2016	Administration's replies to Members initial written questions (Reply Serial Nos. CEDB(CCI)010, CEDB(CCI)017, CEDB(CCI)030, CEDB(CCI)034, CEDB(CCI)035, CEDB(CCI)044, CEDB(CCI)066, CEDB(CCI)069, CEDB(CCI)070 and CEDB(CCI)078) http://www.legco.gov.hk/yr15-16/english/fc/fc/w_q/cedb-cci-e.pdf

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	6 April 2017	Administration's replies to Members initial written questions (Reply Serial Nos. CEDB(CCI)013, CEDB(CCI)022, CEDB(CCI)024, CEDB(CCI)025, CEDB(CCI)026, CEDB(CCI)028, CEDB(CCI)049 and CEDB(CCI)059) http://www.legco.gov.hk/yr16-17/english/fc/fc/w_q/cedb-cci-e.pdf