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First Principles: An Integrated and Coordinated Approach in Planning the West Kowloon Cultural District

Planet Time is pleased to present to the Subcommittee on West Kowloon Cultural District Development, its contribution to the Subcommittee's consideration of an integrated and coordinated approach in planning the WKCD. Our submission is titled, First Principles and is intended to serve as a conceptual plan that examines the fundamental planning principles that should guide the site's development.

Over a year has passed since ***Planet Time*** made its first submission to the Subcommittee on WKCD Development. At the time, there were three short-listed developers who responded to a very detailed Invitation for Proposals. In our previous submissions to the Subcommittee and to the Administration, we sought to show that there were better conceived and designed alternatives to the proposed development of the site.

We are working now from *first principles* – from the premise that the site can and should represent a new vision for an urban oasis and new district of the city that seamlessly integrates:

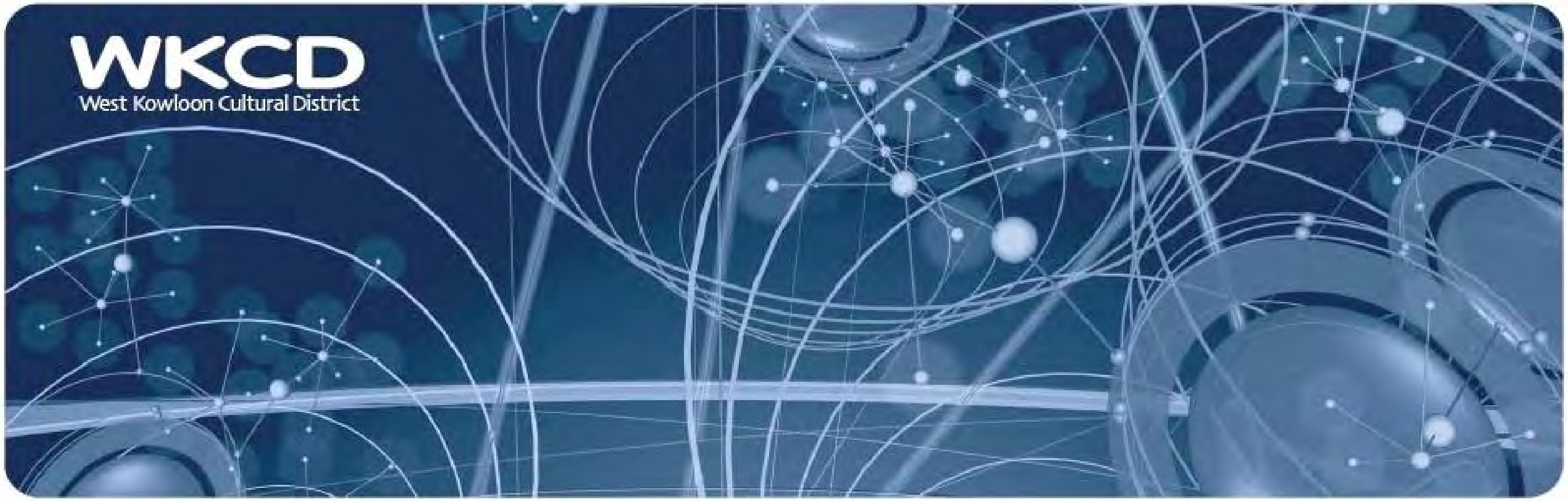
- open space with buildings;
- cultural facilities with creative industries;
- leisure and entertainment with education and employment;
- the site itself with the adjacent neighborhoods and the harbour;
- a new district of the city with the long-term needs of the people of Hong Kong.

The development of the West Kowloon Cultural District offers a unique opportunity for Hong Kong. The physical types of open space presently designed are astonishingly limited, unimaginative and out-moded. In planning for the future, the great need is for diversification so that the use and character of the space/site can be related to the desires and aspirations of the communities that it serves.

The overall objective should be to create a free cultural and radically new open-space venue that is financially sustainable and capable of organic growth and that comfortably integrates cutting-edge technology and creativity. The integration of the components mentioned above makes this goal achievable. In formulating this conceptual plan we have drawn inspiration from the site itself, the future needs of Hong Kong if it is to more firmly establish itself as Asia's "world city" and the long-demonstrated character and industriousness of the Hong Kong people.

Just as previous generations brought prosperity to Hong Kong through the organic growth of manufacturing, retail, and financial districts; the WKCD should seek to make Hong Kong known world-wide for its culture and creativity; all the while with the inherent practical and financial sensibility that the people of Hong Kong embody.

The planning and design of this new "district" of Hong Kong should transform the physical, cultural, creative, and economic vitality of Hong Kong. The ultimate goal for the WKCD should be nothing less. It is our sincere hope that the attached submission and continuing dialogue will help to continue to inspire the Subcommittee in its mission to aid in the implementation of a vision for the future of Hong Kong that we all share.



First Principles

An integrated and coordinated approach in planning

Presented to the Subcommittee on West Kowloon Cultural District Development
by the creative resource - Planet Time

September 20th 2006

Made in Hong Kong

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has been designed and produced by

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Introduction

Overview

Standing on the site of the proposed West Kowloon Cultural District, it is difficult to come to terms with the scale and possible impact of the future development. The main criterion is for the site to become a new district of the city: a new-build urban development with a high level of cultural facilities. These facilities should be numerous and should cater to a broad spectrum of cultural mediums.

The development offers a unique opportunity to create an architectural and urban design showpiece that contrasts in style to the city's norm of high density, high-rise structures. It should be a place for the people of Hong Kong, and visitors alike, to interact with the facilities provided on a number of different levels.

In a city where large open space of this scale is rare, it also offers an opportunity to bring part of the countryside into a prominent central location to form a large expanse of open parkland with a sense of purpose. Finding a balance between the two environments could drastically readdress the future of Hong Kong.

The cultural elements should be multi-functional in nature, providing extensive employment, education and residential accommodation, together with entertainment and leisure. They should not be stand-alone structures, they should be planned and designed to encourage cross-pollination; sharing resources and facilities with a view to running the complex as an independent cultural industry that is capable of attracting international attention and investment without compromising its own identity.

Proposal summary

This document has been produced to illustrate a concept design at core level. We study how buildings order space within the urban built environment. It is not intended to provide an architectural master plan for physical structures. Its purpose is to lay possible new foundations for the ongoing discussions on the nature and future of the site.

Some of the ideas expressed here may seem aspirational in content. However, one should take into consideration for whom we are designing: the coming generations of the city's cultural and creative communities. Views upon exactly whom that title encompasses are varied, so we tried to provide for everyone.

Modular in form the model has the flexibility to adapt to existing and proposed restraints on land use. It also has the flexibility to adapt to social, political and financial trends. We were previously with a list of relevant issues drawn up by the subcommittee. [see appendix one]
The majority of the these have been addressed and have been highlighted for your reference

Though summarised here, we believe our concept has the potential to create a very special addition to the city's future.

WKCD

City centre parkland

The terrain

In the introduction we mentioned the possibility of creating parkland to form a large expanse of open green space with a sense of purpose; where architectural forms are designed to complement rather than dominate their surroundings.

In order to retain the impression that most of the site remains parkland the majority of the buildings should be extensively integrated into the landscape environment to such a degree that a high percentage of the structures would not be visible at ground level.

A reasonable amount of this can be achieved by generating space at subterranean levels. Where this is not applicable the building design should be orientated towards being discrete. The buildings should manifest themselves as plains and forms which can sustain landscaping or water features; two of many elements which can be creatively applied to form a system of architectural camouflage.

The various cultural activities will attract certain cross sections of society. Those who live work or study within them will be instrumental in creating identities for the different zones. It is envisaged that each zone would have its own landscape unit responsible for almost all that grows or flows both interior and exterior. Establishing, developing and maintaining their own style of identity within the surrounding environment.

The architectural infrastructure can be located and constructed to enhance the site's topography, establishing zones at various altitudes, moving away from the idea of having one continuous level ground plain. Creating an undulating terrain dropping to sea level where the site meets the harbour.

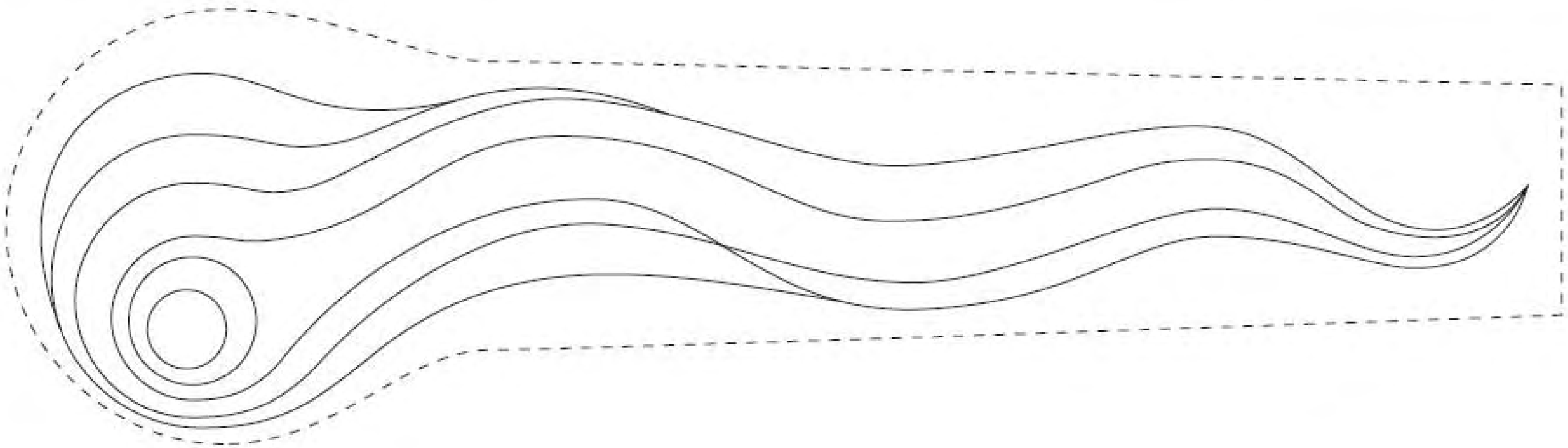
Think green

The botanical content should be widely varied, containing numerous species of plants and trees from an array of global sources. Their arrangements scale and locations will serve to sculpt the terrain; creating open and enclosed spaces interconnected by avenues, walkways, waterways and bridges.

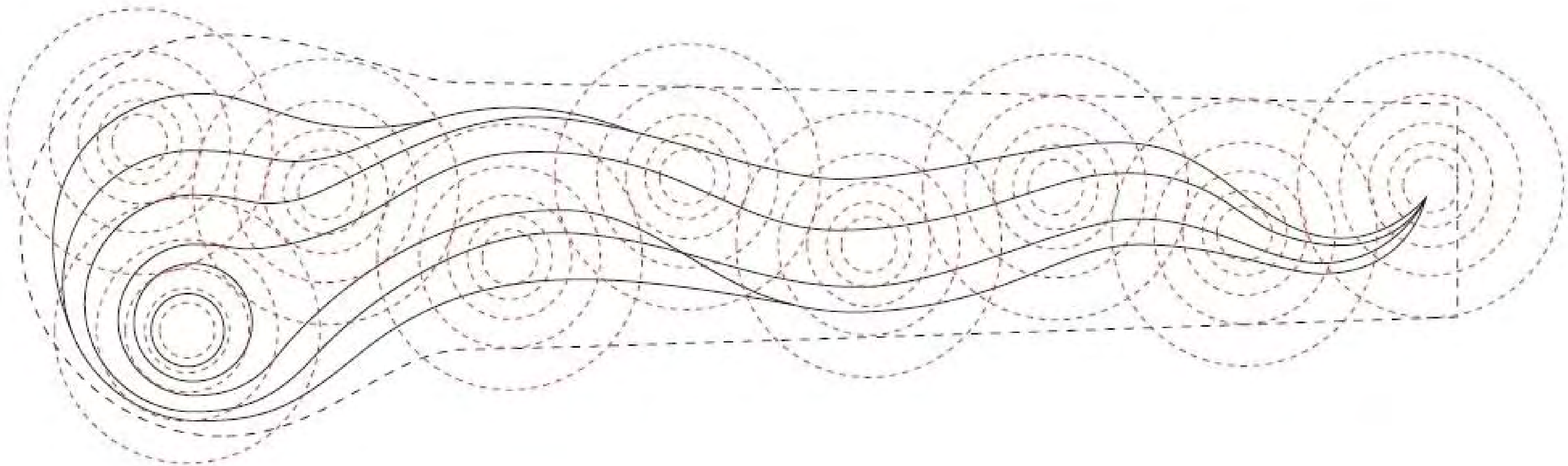
The flora and fauna should be interlaced with other materials and minerals of a sustainable nature, developing a variety of ground, wall, and structural surfaces. A prominent feature should be the use of water with waterfalls, fountains, lakes, pools, rivers and streams animating the landscape between the plant life and building forms.

As the site boundaries with the sea, it seems natural that there should be a beach. In this case it could be set back from the breakwater, separated from the sea by a system of horizon-less swimming and wading pools. A series of sandy crescents shaping the water front, intertwined with snaking promenades and cafes. To one side a beautiful park, to the other, the cross-harbour view to Hong Kong Island.

[fig 01]



[fig 02]



Circulation and interaction

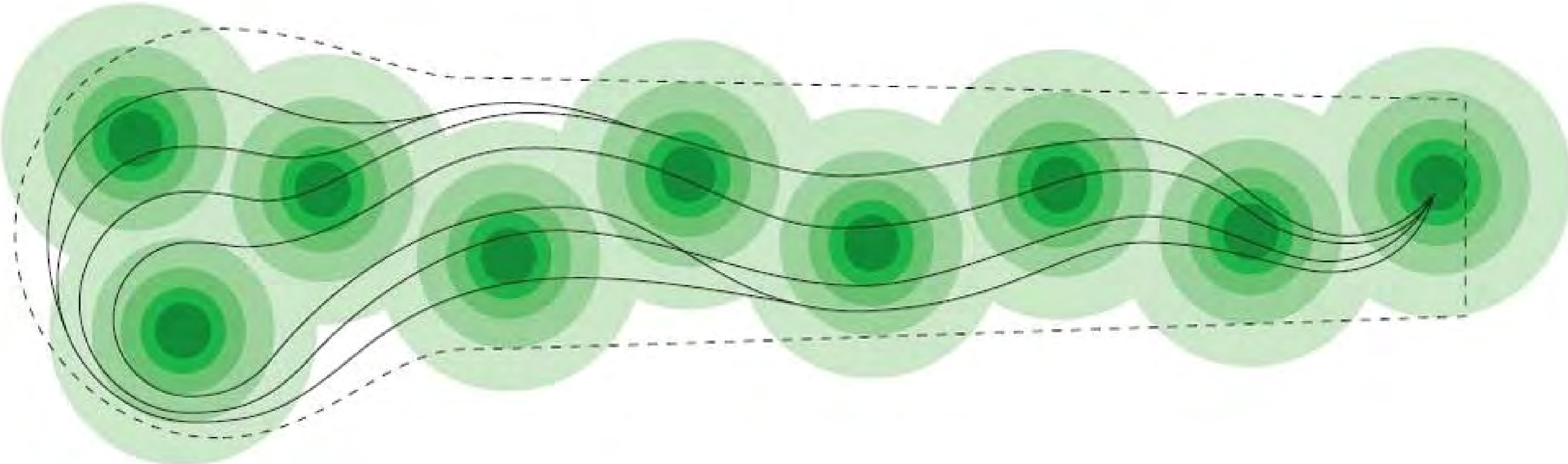
Initial studies of the existing site focused on options for primary circulation with the intention of creating a series of naturally flowing curves. The objective of which was to define the movement of pedestrians and vehicular transport across the proposed development area. [fig 01]

In addition to this, a secondary planning exercise was superimposed on the new layout. Its purpose was to illustrate the interaction of multiple events occurring in close geographical proximity. [fig 02] The events were allocated individual identities from within the broad spectrum of disciplines offered by the cultural and creative industries such as: performing arts, moving images, etc.

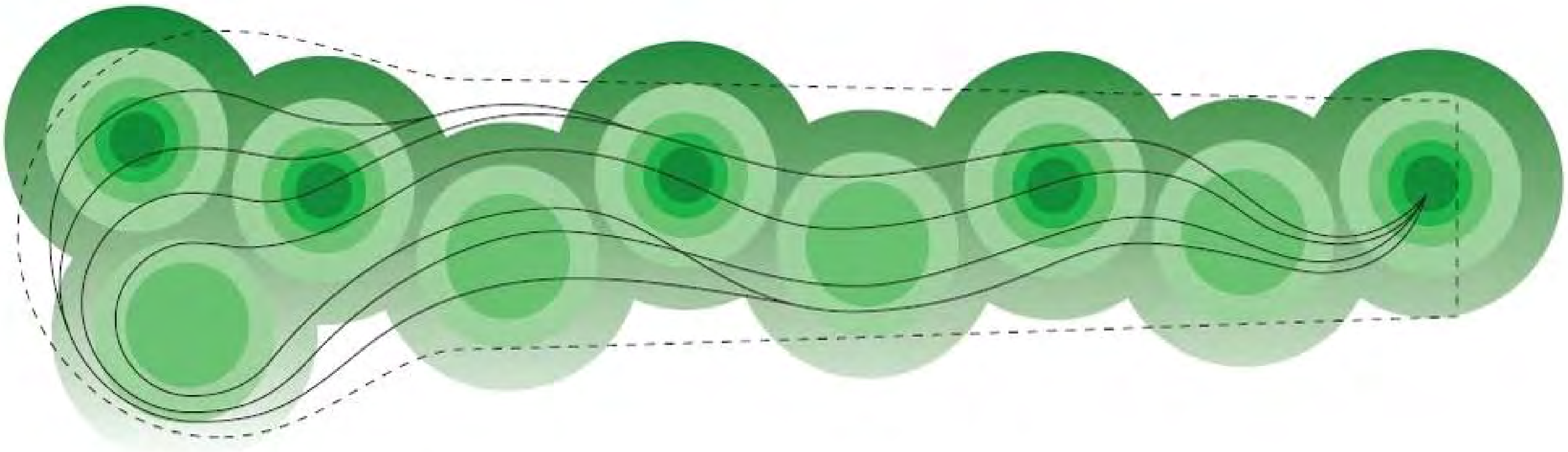
It quickly became apparent that the greater the variety and number of events; the more likely cross-pollination would tend to manifest itself. As a working title we decided to refer to the event zones as 'Hubs'. The nature of the Hubs will be illustrated in the following pages. They are fundamental elements to our proposed concept.

Previously, the brief has concerned itself with catering for a limited cross section of the cultural and creative community. Expanding on this seemed to have the potential to produce more far reaching and deep rooted results.

[fig 03]



[fig 04]



Contours and terrain forming

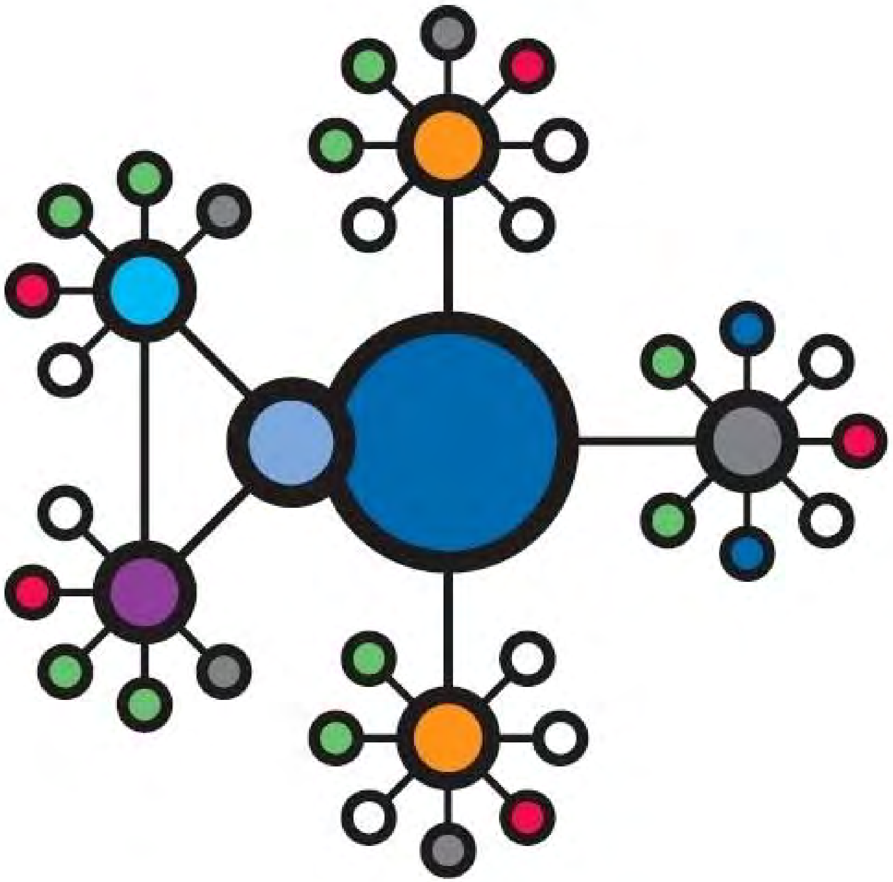
Retaining the core elements of the circulation and interaction layouts, we can apply them to other aspects of the development, in this case, to create a more diverse topography.

The first diagram illustrates a direct interpretation of the previous graphic. In which the concentric circles have been allocated a series of colour values. The darker areas representing the higher altitudes, with the tones lightening as the terrain drops to ground level. [fig 03]

In the second diagram, the higher zones have been relocated to the rear of the site. The intention is to create a visual barrier which would obscure the lower floor levels of the adjacent existing buildings. It also shows that the terrain would drop in altitude as it approaches the boundary with the harbour.[fig 04]

Although the diagram is simplified in nature, it is already possible to see the beginnings of the waterfront profile. As previously mentioned, the waterfront profile would comprise of beaches, water features and promenades.

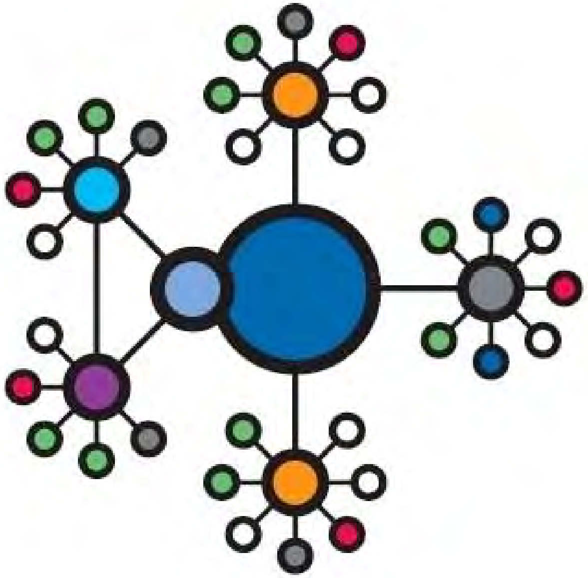
Spatial form



A typical hub unit within the complex will contain a number of various elements. Each of which will serve a particular function in the operation of the development as a whole.
The adjacent diagram shows how these can be broken down. It also illustrates their proportionality and relationship to each other together with the facilities they provide.

- Core function - employment zone
- Public interaction with core function
- Educational facilities
- Marketing, media and advertising
- Technology
- Retail outlet for core function
- Residential
- Office, retail and bar / restaurant
- Emergency services and security

Sample hub



Here we take a more detailed look at an example of a hub. In this case it would be dedicated to moving image.

- Core facilities:
  Multiple large scale internal film stages and set space
  Numerous editing and animation studios
  Broadcast studios
  Rehearsal space and workshop units

- Public interaction :
  Museum of moving image
  Tours of the studios

- Educational units which co-exist with the professional / production elements. Offering a wide range of courses in the film and television industries

- Marketing, media and advertising personnel providing a dedicated service to all functions and products of the hub

- Integrated technology department offering a wide range of services :
  Research and development
  Education
  Communications networks
  Maintenance and trouble shooting
  Security systems

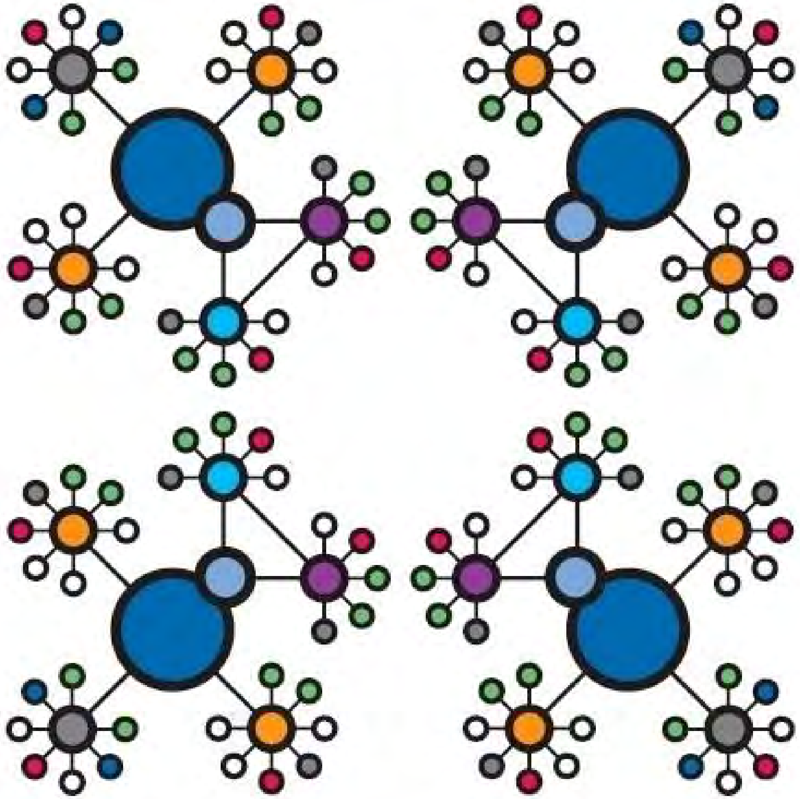
- Retail sector dedicated to the nature of the hub's functionality, inc :
  Cinemas
  Outlets for related hardware, software, dvds and merchandising

- Residential space providing for :
  Employees working in the new district
  Student campus
  Visiting personnel who may be involved in productions who have leased facilities for various periods of duration

- Office, retail, bar and restaurant outlets, servicing industry staff, students and the general public

- Emergency services and security :
  Fire, police and paramedic crews
  Private security staff monitoring building structures, transport and pedestrian traffic in and around the hub

Relationships



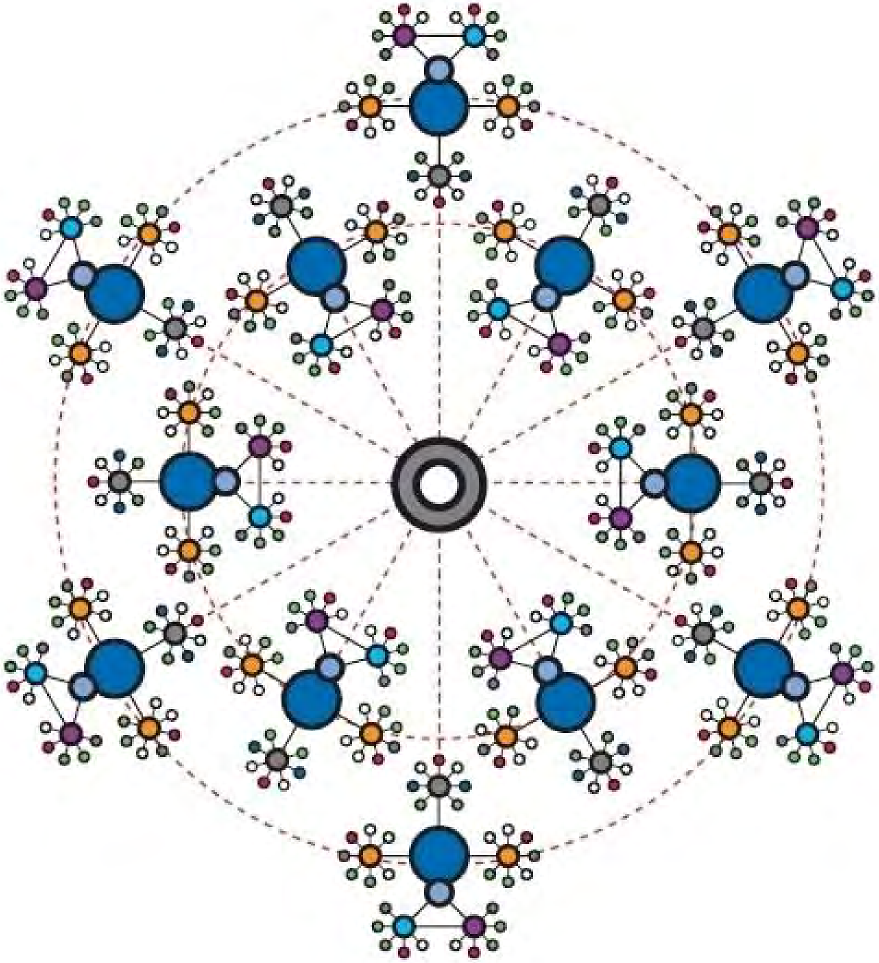
The hub concept has been designed to encourage and provide a high level of interaction between each of the units: the main element being communication. Due to nature of the development, this will tend to manifest itself at several different levels.

Communication is the core function of the creative industry; whether it is music, architecture, moving image, performing arts or any other medium. The more the community has the opportunity to converse, the more stable and productive it becomes. The most powerful catalyst in this concept is geographical proximity.

The creative communities have a long tradition of relocating to up-and-coming areas. In doing so, they have also gained a reputation for creating dynamic and aesthetically diverse urban environments. Providing them with a custom-built and affordable infrastructure could have a profound effect on the future of the district and Hong Kong in general.

The diagram shown here is to illustrate larger scale interaction. The important element in this graphic is not so much the function of the hubs. The emphasis is more on the occurrences developing between them, the social aspects. They are the most vital component of how societies work.

The bigger picture



Having established how the core elements of the concept could function. It is possible to explore the precise nature of the proposed individual hubs.

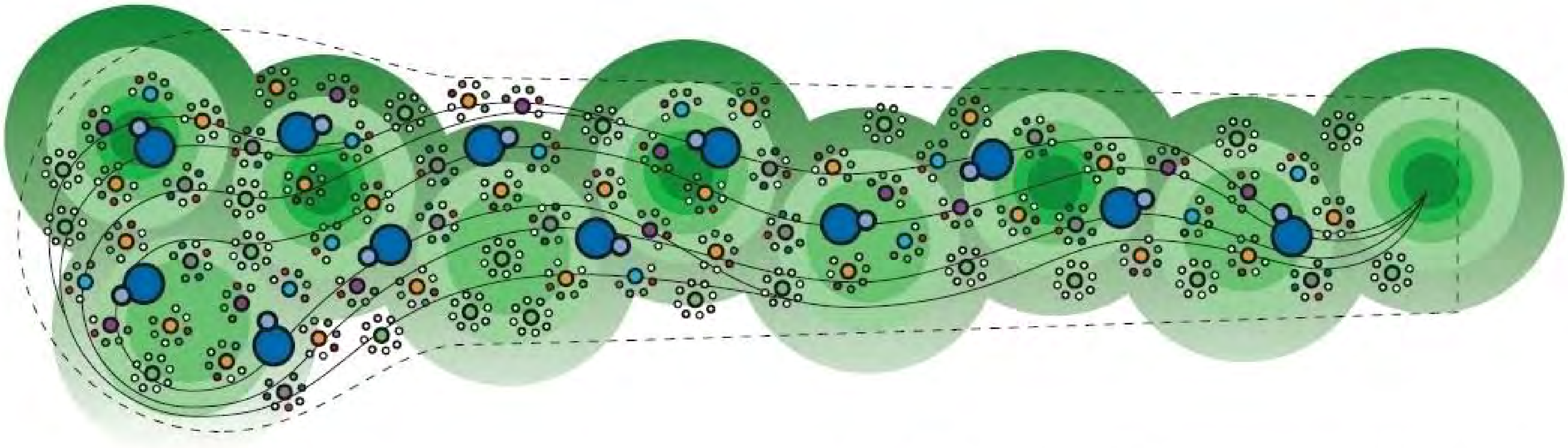
Creative industries can be defined as "industries which have their origin in indigenous skills and talent". They have the potential for generating wealth and employment through innovation and the exploitation of intellectual property. Under this definition, the major creative forces in Hong Kong include :

- Advertising
- Architecture
- Fine arts
- Ceramics
- Design
- Fashion
- Film and television
- Game software
- Music
- Performing arts
- Publishing
- Software and IT services

Expanding our model to encompass the diversity of disciplines helps us understand the massive scale of the development. Hopefully it should also serve to convince those involved in the business of cultural development that there is sufficient space for everyone involved to find their place.

The above list was drawn up by the Hong Kong Trade Development Council, and is used with their permission.
[see appendix two]

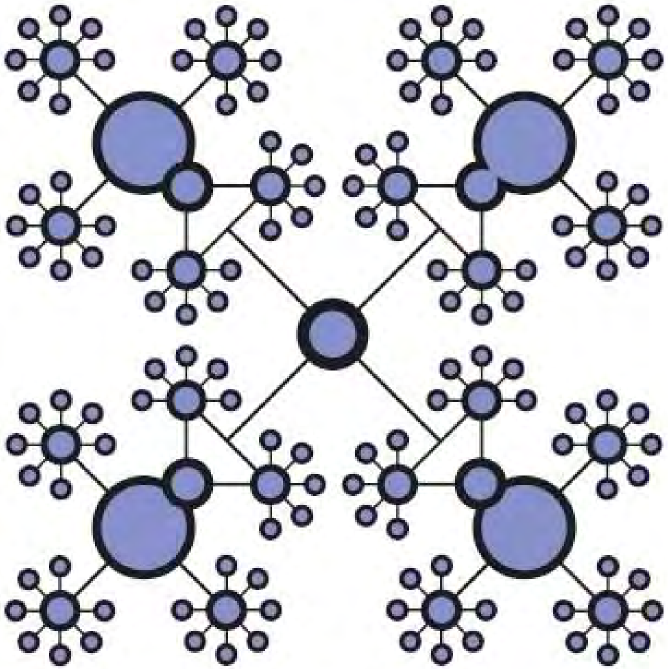
Site overview



In this illustration we take a tentative look at a general site layout using our spatial model. What becomes immediately apparent is the dispersal of the site's content. We also see the potential for interaction with the hubs peripheral activities spreading out to meet each other. In addition to the hubs there are further residential units, shown as white.
The new district would display the characteristics of a series of villages, a conurbation with underlying themes. We hope that by overlaying the model onto the topographic map, it may give a greater understanding of how the buildings have the potential to disappear into the landscape.

This image is intended to help the reader visualise the potential of our concept. In reality, plot ratios and planning controls would determine the scale and position of each hub. This does not represent a definitive layout for building types or an architectural master plan. These subjects cannot realistically be discussed until the initial planning procedure has been successfully completed.

Communications infrastructure



If we change the subject matter of the spatial diagram and what it represents, we can use it to discuss another core element of the concept. In this case: communications technology.

The site could be home to an innovative and highly advanced intranet. A fibre optic based network capable of data transfer at a speeds far exceeding those achievable on the internet that would provide bandwidth at an unprecedented level, allowing for real time interaction across the entire complex.

The network would serve to further breakdown geographical barriers created within the built environment. Users would have access to almost unlimited resources and facilities through the use of 'Grid Technology' - a system whereby the processing power of numerous computers can be redirected across a network to cope with a specific task. The ability of this technology to support computation across administrative domains sets it well apart from traditional computing.

The resulting data base would be a unique creation, pulling together the cumulative knowledge of Hong Kong's cultural and creative industries. A portal with a custom built interface specifically designed to reflect the identity and the capabilities of the new district.

It would provide a solid foundation for the broadcasting industries to develop new channels. These would be dedicated to publisising the events, activities and available facilities. Content would comprise of infomercials, documentaries and coverage of live events. As well as offering on screen interactive navigation of current and future schedules.

On a different level the network would also be used as a monitoring system for the site with intelligent software analyzing and manipulating pedestrian circulation and vehicular transport. It would also support security, emergency services, lighting and projections together with directional and mandatory signage.

The establishment of a consistent on-line and on-screen identity would help to reinforce public understanding of the district. Conveying an image through which the complex would be regarded as a whole rather than a series of separate zones and A place where the technology is so well designed that it becomes transparent and seamlessly blends with the environment.

Circulation and navigation

The scale of the development demands the implementation of an extensive new transport network and an environmentally conscious approach to public access. There are a number of solutions to this, the following are recommendations.

Mono Rail
An elevated structure in the form of a loop would form the main high speed route across the length of the complex. Using smaller vehicles on the system would lead to a scaling down of station size. Passenger demand can be satisfied through fluctuations in the frequency of traffic by varying the number of vehicles in service.

Electric vehicles
Operating as public transport in primary circulation zones such as avenues would be electric powered vehicles. There is the option that a percentage of these could be driverless Smart Cars, able to navigate preset routes using GPS. They would also act as support vehicles for emergency services, maintenance staff and security personnel.

Ferries
Ferry service would connect the site to Central, Wan Chai and Tsim Sha Tsui; leading to the construction of new pier structures on the Kowloon side of the crossings. Creating water ways within the new landscape, canal like in function to host an on-site ferry service. Following routes which complement the mono rail. They would also generate a suitable environment for internal harbour areas.

Trixis
A contemporary version of the traditional Rickshaw, the vehicle can accommodate two passengers and driver. The vehicle is essentially man powered with the driver pedaling and steering at the front. However, there is also a kinetically charged electric engine. This supplies the driver with a supplementary boost to help maintain forward motion on long inclines. Trixis are already widely used as taxis in pedestrian zones in many cities across the world.

Bicycles
Provisions should be made for dedicated routes throughout the complex. Pathways could vary in form to cater for sport and leisure based cycling.

Finance

Our conceptual vision for the site is not complete without also thinking creatively about funding and sustainable financing. If the WKCD is to be more than just a property development then alternate sources of revenue need to be identified.

In order to administer and finance the WKCD such that it becomes an urban oasis of world renown, a WKCD Development Authority first needs to be created. Such an Authority would be mandated with both raising the initial capital to fund construction [perhaps through a government-guaranteed bond issuance] and managing revenue sources to ensure the long-term sustainability of the arts, cultural, and educational facilities.

In the short term we propose the creation of a "vertical entertainment district" as one component of the WKCD. In the form of a tower at the gateway to the WKCD, this vertical entertainment district would provide spectacular views and entertainment options to both residents and tourists alike. Strong consideration should be given to the inclusion of a government owned casino, for tourists only, within this building.

It is a government standard worldwide to fund arts, culture, and educational facilities through revenues generated from casinos, lotteries, horse racing etc. Indeed, the construction of the Great Wall of China was funded in part through Keno.

A casino for bona fide tourists only, could generate in the area of HK$10 Billion annually. Even Singapore has begun to develop two casinos to promote tourism and to also help fund adjacent cultural facilities. "If gambling is one of the things [tourists] want to do, then maybe we should allow them to do that in Singapore," new Prime Minister Lee Hsien Loong said. Japan, Taiwan, Korea, and Thailand are actively pursuing the broader tourism dollar. China too is studying ways forward to integrate this high grossing and booming branch of modern day tourism.

In the long-term, the WKCD will enable Hong Kong to recreate itself as the world's premiere 'One Stop Shop' for international buyers of consumer goods and thus generate multi-billion dollar sustainable revenue streams. The central administration and branding of an umbrella entity for the creative industries in the WKCD would provide space, logistics, and resources for creative talent and students. The resulting creative output would be exported and merchandised under its own brands that will become synonymous with the WKCD and which will give new meaning throughout the world to the term, "Made in Hong Kong."

Appendix one

Adoption of an integrated and coordinated approach in planning for the West Kowloon Cultural District.

List of relevant issues for reference.

1 Holistic planning, including urban master planning, social and economic planning and environmental planning

✓ • Relationship with neighbouring districts [connectivity, integration, synergy and urban renewal etc]

✓ • Social and economic objectives to be achieved through the WKCD and relevant policies to sustain the development of the WKCD

✓ • Sustainable transport and environmental planning

2. WKCD in achieving the long term cultural vision for Hong Kong

✓ • Cultural vision and cultural policy

✓ • Formulation of plans and strategies to implement the cultural policy

3. Opportunities for cultural software development in the planning of the WKCD

✓ • Nurturing of talent

✓ • Building up of audience

✓ • Development of creative industries

✓ • Training of management professionals for arts and cultural facilities

4. Development mix within the WKCD

✓ • Allocation of site area for different land use

✓ • Integration of cultural, recreational and tourist facilities

• Plot ratio and other planning controls for commercial and residential developments

5. Coordination within the Government in implementing a holistic planning approach

• Institutional arrangements

• Planning procedures [statutory and non statutory]

• Mechanisms for public input

6. Implementation strategy

• Implementation in one go or incremental / phased implementation

Creative Industries in Hong Kong

Executive Summary

- In recent years, creative industries' contribution to sustaining the growth momentum of advanced economies is increasingly being recognised. Creative industries are a subset of knowledge-intensive industries that are particularly reliant on creativity and talent. In Hong Kong, they cover such major sectors as advertising, architecture, design, publishing, IT services, conventional and digital entertainment, and the arts.
- In terms of employment and value-added, IT services, publishing and advertising are three of the largest creative industries in Hong Kong. The vast majority of those in the IT services industry are engaged in software development and mainte nance, while the advertising industry is a significant exporter of services. Hong Kong is a regional publishing centre, backed by a highly developed printing industry.
- A creative idea can be applied in many different creative industries. Similarly, a creative idea which works well in one industry can often be licensed to or fur ther developed in other industries. It is therefore not surprising to find that several creative industries are closely inter-connected: in Hong Kong's case, cross-fertilisation of creative ideas is common among the film, television, comics and game software industries.
- Our estimates suggest that creative industries as a whole account for 3.7% of Hong Kong's total employment, 3.1% of services exports and 2% of GDP. While these imply that Hong Kong's creative industries are smaller in relation to the overall economy than in the UK, Australia and New Zealand, Hong Kong is still widely regarded as a creative centre in Asia. For example, our action films and Canto-pop have attained brand status in the region's entertainment markets. Similarly, Hong Kong's architecture, design and advertising businesses enjoy an edge over regional competitors in terms of creativity.
- Moreover, "creative" activities are not limited to the creative industries alone, as many other industries have in-house "creative" departments. For example, many Hong Kong product and fashion designers work for the manufacturers, bigger companies often have their own software development and customisation teams, and advertising and public relations functions are often performed in-house rather than being outsourced.
- From international experiences, measures to support the growth of creative indus tries in Hong Kong can be categorised under the banners of education and training, export promotion, access to finance, digital convergence, and creative culture.
- Creativity matters. It matters even more for advanced and high-cost economies such as Hong Kong in this globalised world economy. Creative industries, either as an economic force in themselves, or as providers of creative inputs to other economic activities, will play an ever increasing role in Hong Kong in years to come.

Introduction

The world is moving towards a globalised knowledge economy. All countries have to adapt to the new paradigm of creating wealth through knowledge, rather than or in addition to manual labour. In recent years, a subset of the knowledge-intensive industries that are particularly reliant on creativity and talent - creative industries - have received increasing attention in the advanced economies both in economic debates and policy considerations. The UK was the first, in 1997, to systematically promote the creative industries. Australia and New Zealand followed shortly afterwards (see Appendix).

Hong Kong is regarded as a creative centre in Asia. For example, it has a robust film and music industry, with action aesthetic and Canto-pop having attained brand status in the region's entertainment markets. Similarly, Hong Kong's architecture, design and advertising businesses enjoy an edge over regional competitors in terms of creativity.

This paper attempts to outline the "creative industries" cluster in Hong Kong, assess their contribution to the Hong Kong economy, and document their current state of development.

What are Creative Industries?

Creative industries can be defined as "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.1Under this definition, major creative industries in Hong Kong include:

- Advertising
- Architecture
- Art and antiques
- Comics
- Design
- Designer fashion
- Film
- Game software
- Music
- Performing arts
- Publishing
- Software and IT services
- Television

The Importance of Creative Industries in Hong Kong

An estimate of the contributions of creative industries to Hong Kong's employment, GDP and exports has been undertaken. Due to the scanty statistics available at the individual industry level in Hong Kong, the following observations drawn from the statistical analyses can only be partial and tentative.

Employment

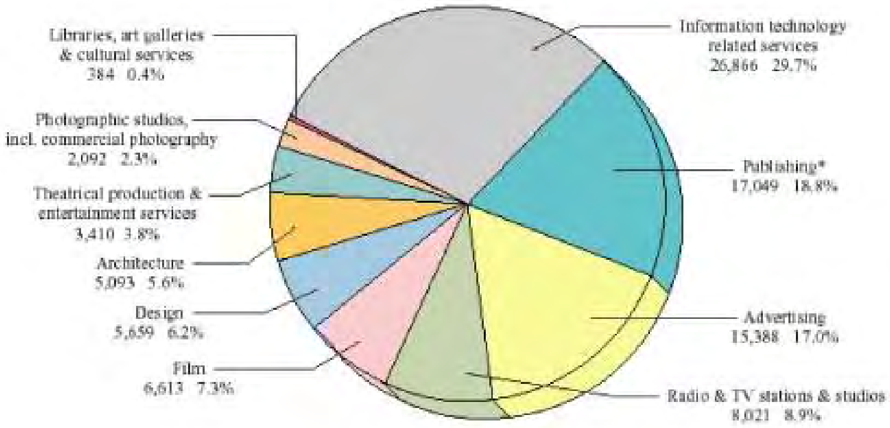
Creative industries as a whole have provided over 90,000 jobs. The "IT-related services" sector is the largest, with 95% of the employees being engaged in software development and maintenance, followed by "publishing" and "advertising". The "radio & TV stations & studios" and "film" industries had a combined employment of almost 15,000.

Creative industries accounted for 3.7% of total employment in March 2002, and 4.5% of total services employment.

Over the past five years, total employment in creative industries grew by an average of 3.7% per year, which compared favourably with total employment growth of -0.8% per year during the same period.

IT-related services employment grew by a strong 22.7% per year over the past five years.

Employment of Creative Industries March 2002 (% Share)



Total : 90,575
- **4.5% of Total Services Employment**
- **3.7% of Total Employment (incl. civil service)**

** September 2001 figure*

Exports

Statistics on exports of services are only available in broad services groups. For example, there are no separate categories for design, designer fashion and publishing. They are grouped under "other business & personal services". Similarly, art industries are grouped under "other personal, cultural and recreational services". As such, the overall estimate presented in the following table probably overstates the actual export performance of creative industries. Nevertheless, advertising appears to be by far the biggest export item. For the IT services sector, however, underestimation is more likely since IT services can also be exported through packaged physical products. In 2000, domestic exports of computer software amounted to HK$ 844 million. Hong Kong also re-exported HK$ 878 million worth of such products.
In 2000, creative industries exported a total of HK$ 10.0 billion in services, equivalent to 3.1% of total exports of services (or 0.5% of total exports of goods and services). Hong Kong is a marginal net exporter of "creative services".

Trade in Services of Creative Industries, 2000

	Exports (HK$ mn)	Imports (HK$ mn)	Net Exports (HK$ mn)
Advertising, market research & public opinion polling services	6,386	3,153	3,233
Other business & personal services	1,714	1,168	546
Royalties & licence fees	832	3,593	-2,761
Audio-visual production & related services	316	313	3
Computer services	227	894	-667
Architectural, engineering & other technical services	183	150	33
Other personal, cultural & recreational services	84	196	-112
Total	**9,742**	**9,467**	**275**
% of Total Exports of Services			**3.1**
% of Total Exports of Goods and Services			**0.5**

Value-added

Statistics on value-added by industry are the least available. Advertising, architecture, IT-related services and film together account for 1% of Hong Kong's GDP. Value-added of the publishing industry is estimated to be around HK$ 5-6 billion, or 0.4-0.5% of GDP.

Using the share of these five industries in the total employment of creative industries as a proxy, creative industries as a whole probably contribute to 2% of Hong Kong's GDP.

As in employment, the IT-related services industry has seen a strong increase in value-added over the past five years. As a result, its share of Hong Kong's GDP rose from 0.27% in 1995 to 0.44% in 2000.

Value-added of Selected Creative Industries

	2000 (HK$ mn)	% of GDP
IT-related services	5,382	0.44
Advertising and related services	3,762	0.31
Film	1,648	0.13
Architecture	1,531	0.12

Overall Importance

Based on the scanty statistics, it is conjectured that creative industries account for 3.7% of total employment, 3.1% of services exports and 2% of GDP. Of course, "creative" activities are not limited to the creative industries alone, as many other industries have in-house "creative" departments. For example, many Hong Kong product and fashion designers work for the manufacturers, bigger companies often have their own software development and customisation teams, and advertising and public relations functions are often performed in-house rather than being outsourced.

On an international comparison basis, Hong Kong's creative industries are at present smaller in relation to the overall economy than in the UK, Australia and New Zealand.

Comparative Development of the Creative Industries

	Share of GDP	Share of Employment
Hong Kong	~2%	3.7%
New Zealand	3.1%	3.6%
Australia	3.3%	3.7%
UK	7.9%	4.1%

Creative industries, in addition to being an economic force in themselves, are also important providers of creative inputs to other economic activities. They play a significant role in sustaining Hong Kong's international stature as a trading hub and financial centre, where trading (20% of GDP), logistics (8%), financial services (13%) and professional services (~5%) together account for almost half of total GDP.

Current State of Creative Industries

A creative idea can be applied in many different creative industries. Similarly, a creative idea which works well in one industry can often be licensed to or further developed in other industries. It is therefore not surprising to find that several creative industries are closely inter-connected: in Hong Kong's case, cross-fertilisation of creative ideas is common among the film, television, comics and game software industries. The commonalities among creative industries notwithstanding, each individual industry faces its own external environment and structural dynamics. The following is a brief overview of the current development of the major creative industries in Hong Kong.

Advertising

Hong Kong is the advertising capital of Asia with the highest per capita advertising expenditure (total adspend of HK$ 29.4 billion in 2001). It is where many international advertising agencies manage their regional business. In particular, many international agencies first expanded into the mainland through their Hong Kong offices. A strong advertising industry has contributed to Hong Kong's reputation as a provider of innovative marketing services to clients.
Hong Kong is a major exporter of advertising services (HK$ 6.4 billion in 2000, inclusive of market research and polling services). Major exportable services include: creative advertising, media buying, direct marketing, graphic design, marketing consultancy, customised market research and sales of research data. Other related exports include Hong Kong-based crew producing advertisements on behalf of overseas clients. The mainland is an important market for Hong Kong's exports of advertising services.

Architecture

The quality of Hong Kong's design expertise on a wide range of building types and development projects is comparable with the best in the world. Hong Kong is a leading expert in high-rise design, slope design, high-density design and designing with space constraints. There are more than 1,700 registered members of the Hong Kong Institute of Architects.
Recent years have seen exports playing an increasingly significant part in Hong Kong's architectural firms, by winning architectural design and project management jobs available in the region. Moreover, many Hong Kong companies are involved in residential development projects, hotels, commercial centres, and large scale urban planning and infrastructure projects around the region, particularly the mainland. Hong Kong architects are often assigned by these Hong Kong companies to handle their overseas investment projects.

Art and antiques

Hong Kong is a regional centre for the buying and selling of art and antiques. Hong Kong is renowned worldwide as a display window for Chinese art and the biggest marketplace for Chinese cultural relics. International auction houses have developed a tradition of holding biannual sales of Chinese art in Hong Kong.

Comics

There is a strong comics reading culture in Hong Kong. The comics industry therefore belongs to the mainstream in Hong Kong's entertainment and publishing business. A large number of titles are published each week.
Currently the comics industry is largely local-consumption oriented. Industry practitioners, however, are keen on exporting/licensing their titles (e.g. to benefit from the increasing popularity of comics reading in the mainland), and extending their expertise to other related industries such as animation, computer games, figures and merchandise licensing. Japan and Taiwan are the two major competitors.

Design

Hong Kong is recognised as a regional design centre. The 1,500-2,000 design companies in Hong Kong are predominantly small in size, although some small firms can win big billing jobs. A few internationally renowned design companies, most of them interior design consultants and identity consultants, have established their presence in Hong Kong.
Hong Kong's graphic, interior and product designers have established a rich portfolio of excellent job references in a market where their quality of work can be visualised. Some 70% of Hong Kong's design companies have exported their services. The interior design discipline is more reliant on export income while graphic design is relatively domestic-oriented. On the whole, Hong Kong's design industry is increasingly export-oriented. The mainland is the biggest export market and one with the best prospects for further expansion.

Designer fashion

To stay internationally competitive, Hong Kong garment manufacturers have been putting a stronger emphasis on original design. A number of highly original and wearable Hong Kong labels have sprung up in recent years. In addition to in-house designers employed by these garment manufacturers, many popular labels are also designed by local fashion designers.
Given this industry structure, the majority of Hong Kong's fashion designers (about 500) are in the mass production ready-to-wear market - inexpensive mass-market design, ready-to-wear branded clothing without designers' names attached. A few also produce "made-to-order" fashion.
There are about 60 independent designers, about 40 of whom have their own labels. Only a handful of these designers are involved in export trade. The remaining 20 are those who provide design services to local and overseas manufacturers.

Film

Hong Kong has one of the most dynamic film industries in the world, and is among the largest film exporters. In 2000, Hong Kong was the fourth largest film producing economy and topped the world in terms of per capita production. Hong Kong films' action aesthetic has attained brand status in the world marketplace. The film industry is still recovering from a severe local downturn caused by piracy, the global dominance of Hollywood films and structural problems within the industry. Nevertheless, Hong Kong actors, directors and Chinese-language films also have made a breakthrough in international recognition during this period. Limited by the size of the local market, Hong Kong films are highly export-oriented. Though theatre release for foreign films is highly restrictive in the mainland, the mainland is an important market for co-production and distribution via TV channels.

Game software

The game software industry is a small but fast growing sector in Hong Kong. An industry association estimates that there are up to 50 game software developers in Hong Kong, most them employing 15-20 employees. Taiwan, the mainland, Korea, Japan, Malaysia, Singapore are the major export markets.
The industry enjoys the advantage of a good supply of content (such as films, fiction and comics) which are well-received in the region. Hong Kong movie stars are well accepted in the region and can license their images in developing games. Talent is seen by the industry as a major growth constraining factor.

Music

Although the performance of the music industry has been adversely affected by weak local demand and physical and digital piracy, Canto-pop remains a trendsetter in Chinese communities all over the world. Compared to other economies with a strong music industry, Hong Kong is different in that the relationship between the film and music industries is particularly close. Crossovers by "stars" in each sector are very common.

The mainland is an export market of great potential for Hong Kong. Restrictive and cumbersome distribution channels and rampant piracy have meant that the potential has yet to be fully realised.

Performing arts

Hong Kong has a vibrant performing arts scene. Economic and social development, construction of venues for art performances, an established educational system for the arts, and government funding have resulted in professional performing arts groups springing up over the past two decades.

Publishing

Hong Kong is a regional publishing centre backed by a highly developed printing industry. There are some 50 newspapers and 700 periodicals, and with around 20,000 books and periodicals registered as being first printed, produced or published in Hong Kong in 2000.

Freedom of expression and a liberal attitude towards the press have attracted a concentration of prestigious international publishers of newspapers, magazines and books who have based their Asian headquarters here.

Hong Kong is also a major centre for Chinese-language publications. Some local Chinese newspapers and magazines are distributed in Taiwan, the mainland and overseas communities where there are significant Chinese populations. The highly restrictive mainland market is one in which local publishers have shown keen interest.

Software and IT services

Hong Kong's role as a business hub has generated strong demand for IT services. Hong Kong IT companies are good at providing customised solutions to real-world problems. Equipped with a world-class communications network, Hong Kong offers a favourable environment for the development of software relating to web-based applications, intranet solutions, multimedia, EDI, e-commerce, video-on-demand and training. The use of the Internet for network security applications and enterprise storage solutions and management is also in demand.

There are around 800 independent software vendors in Hong Kong. While 80% of their revenue comes from the domestic market, the mainland and other overseas markets each contribute around 10% of their revenue. Over 30% have set up branch offices in the mainland. There are also about 180 Internet content providers in Hong Kong.

Television

In addition to domestic (free and pay) television broadcasters, there are also 12 non-domestic television licensees who provide regional television services targeting audiences in the Asia-Pacific region.

Hong Kong's television broadcasters sell their products using the following methods: pre-packaged programming on video, licensing of programmes to foreign broadcasters and satellite distribution of programming. Television programmes are mainly sold to markets with Chinese-speaking populations. In addition, some programmes are dubbed into other languages to target the non-Chinese-speaking audience.

Growing Hong Kong's Creative Industries

Based on relevant international experiences (see Appendix), the following is a quick list of what can be done to promote the growth of creative industries.

Education and training

This provides the long-term foundation for the development of creative industries. In addition to specific academic and training courses for creative industries, the education system should be structured to encourage creative thinking among all students.

Export promotion

Most companies in creative industries are small but export-oriented (or with a strong inclination towards exporting their services). Supporting measures, such as export promotion, to assist their export activities will be a boost to their growth.

Access to finance

Small companies in creative industries tend to be long on growth prospects but short on physical assets. This makes their access to finance relatively difficult compared to companies in more "tangible" industries.

Digital convergence

Many creative industries will benefit enormously from the digitisation of their services. Policies which encourage digital convergence and wider adoption of digital technology can help the growth of creative industries.

Creative culture

From empirical evidence, creative industries thrive in cities/countries with a strong creative culture. Promoting a creative culture is not just an educational issue. A wider social policy issue is at play. The protection of intellectual property rights is essential in nurturing a creative culture.

Appendix: Creative Industries in Other Economies

The UK

In 1997, the UK government set up the cross-departmental Creative Industries Task Force to advise on supporting sustainable growth in creative industries.

The UK defines creative industries 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". According to this definition, creative industries encompass "advertising, architecture, the art and antiques market, crafts, design, designer fashion, film and video, interactive leisure software, music, the performing arts, publishing, software and computer services, television and radio".2

UK statistics show that creative industries accounted for 7.9% GDP in 2000 and grew by 9% per year during 1997-2000, compared to 2.8% for the whole economy. Export earnings from creative industries were ?.7 billion in 2000, equating to 3.3% of all goods and services exported. Exports have grown at around 13% per annum during the period from 1997 - 2000. Creative industries have a combined employment of 1.15 million, or 4.1% of total employment. Another 800,000 creative jobs existed in companies outside the creative industries.3

Design (2.8% of GDP), software (1.6%), publishing (0.9%), and advertising (0.7%) are the big four in this industry cluster. The largest industries in this cluster are predominantly London based.

Supporting the growth of creative industries is now the realm of the Ministerial Creative Industries Strategy Group. Improving access to finance, export promotion, and education and skills requirements are the three focused areas.

Reference:

* Creative Industries, Department for Culture, Media and Sport, UK
(http://www.culture.gov.uk/creative/creative_industries.html)

New Zealand

New Zealand has largely adopted the UK definition of creative industries and approach to policy deliberation. According to a report for Industry New Zealand, "the estimated GDP share [of creative industries] for New Zealand is significantly below the estimate of over 5% for the UK. The difference can partly be explained by the greater 'maturity' and thus higher relative importance of such industries in the UK, than in New Zealand. In particular the UK is a major net exporter of such services as advertising, design, software, and publishing services, whereas New Zealand is probably a net importer of creative services overall".4 Overall, the creative industries are estimated to account for 3.1% of New Zealand's GDP and 3.6% of employment.

The New Zealand government has formed a Creative Industries Working Group to support the growth of creative industries. It is targeting four industries: music, screen production (film and television), digital media and design.

Reference:

* Creative Industries, Industry New Zealand
(http://www.industrynz.govt.nz/industry/creative-industries/default.asp)

Australia

The Australian government's approach to creative industries is to emphasise more on content and clustering than specific industries. The stage one report of the creative industries cluster study examines enterprises which produce digital content and applications. They range from "consumer products and services such as publishing, broadcasting, film and video services, the visual and performing arts and collecting institutions, and extends to services such as architecture, visual and industrial design, advertising and software development. It can be conducted in, and for, industries as diverse as health and education.5

The creative industries as a whole accounted for 3.3% of GDP in 1999-2000, up from 2.2% in 1994-95, and had 345,000 employees, or 3.7% of total employment.

Reference:
* The National Office for the Information Economy, Australia
(http://www.noie.gov.au/)

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(http://www.culture.gov.uk/PDF/ci_fact_file.pdf)
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3. ibid
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5. Creative Industries Cluster Study, Stage One Report, Department of Communications, Information Technology and the Arts, and The National Office for the Information Economy, Australia, 2002
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