Strategy for Promoting the Development of the Digital Entertainment Industry in Hong Kong

Office of the Government Chief Information Officer
Government of the Hong Kong Special Administrative Region
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How do we look today?

- *Number of companies: 208 in total - 80 in computer animation, 75 in game software development and 53 in digital effects*

- *Employment: about 2 800 people*

- *A young industry: 45.6% established in last 3 years*

- *Predominantly SMEs: 64.9% fewer than 10 employees*

How do we look today?

- *Educated work force: 51.5% employees with university degrees*

- *Major existing markets: Hong Kong, Mainland, Taiwan, USA, Singapore*

- *Optimistic outlook: 75% expected an increase in revenue in 2004*

What are our strengths?

- *Long history and strong foundation as entertainment hub*

- *Good supply of creative and technically proficient talents*

- *Free flow of information and strong international connections*

- *Comprehensive legal framework for intellectual property protection*

What are our challenges?

- *Strong competitors in the region (e.g. South Korea, Taiwan)*

- *Mainland companies of larger scale have access to more resources, better understanding of the market environments and wider distribution networks*

- *Difficulties in securing investments/loans*

- *Shortage of experienced producers/project managers*

What have we done to support the Industry?

What?

Infrastructure

R&D

Development of Talents

Business Facilitation & Marketing

Investment & Financing

Who?

Government

Cyberport

Industry Support Organizations

Educational Institutions

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Strategy & Initiatives

(a) Consolidating support for the industry

- **Establishing a one-stop Digital Entertainment Industry Support Centre in Cyberport + an online industry portal**

- **Helping local companies source/access available support and obtain professional services/advice**

- **Facilitating communications between industry and support organisations**

- **Promoting sharing of information, networking and collaborations among local companies**

- **Promoting cross-media and cross-industry collaborations**

Strategy & Initiatives

(b) Nurturing promising start-ups and professional talents

- To establish a **Digital Entertainment Incubation cum Training Centre** in Cyberport

- Incubating companies with innovative and viable business models

- Providing support in professional & business services as well as technical and business training

- Running an **internship** programme for local graduates

Strategy & Initiatives

(c) Facilitating entry into the Mainland –

- *Keeping industry updated on Mainland policies/initiatives*

- *Encouraging participation in Chinese Online Games Publishing Scheme*

- *Facilitating networking and organising business-matching meetings between Hong Kong and Mainland companies*

- *Building cooperative relationships between Cyberport and Mainland games and animation development bases*

- *Pursuing further liberalisation under CEPA*

Strategy & Initiatives

(d) Promoting excellence of the industry

- **Hong Kong Pavilions** *at major international trade events (e.g. E3, ChinaJoy, MIPCOM, Entertainment Expo Hong Kong) to showcasing award-winning/ outstanding Hong Kong productions*

- *Co-organising the* **Cyberport Games Marathon** *to promote high-quality, healthy locally produced games to the general public*
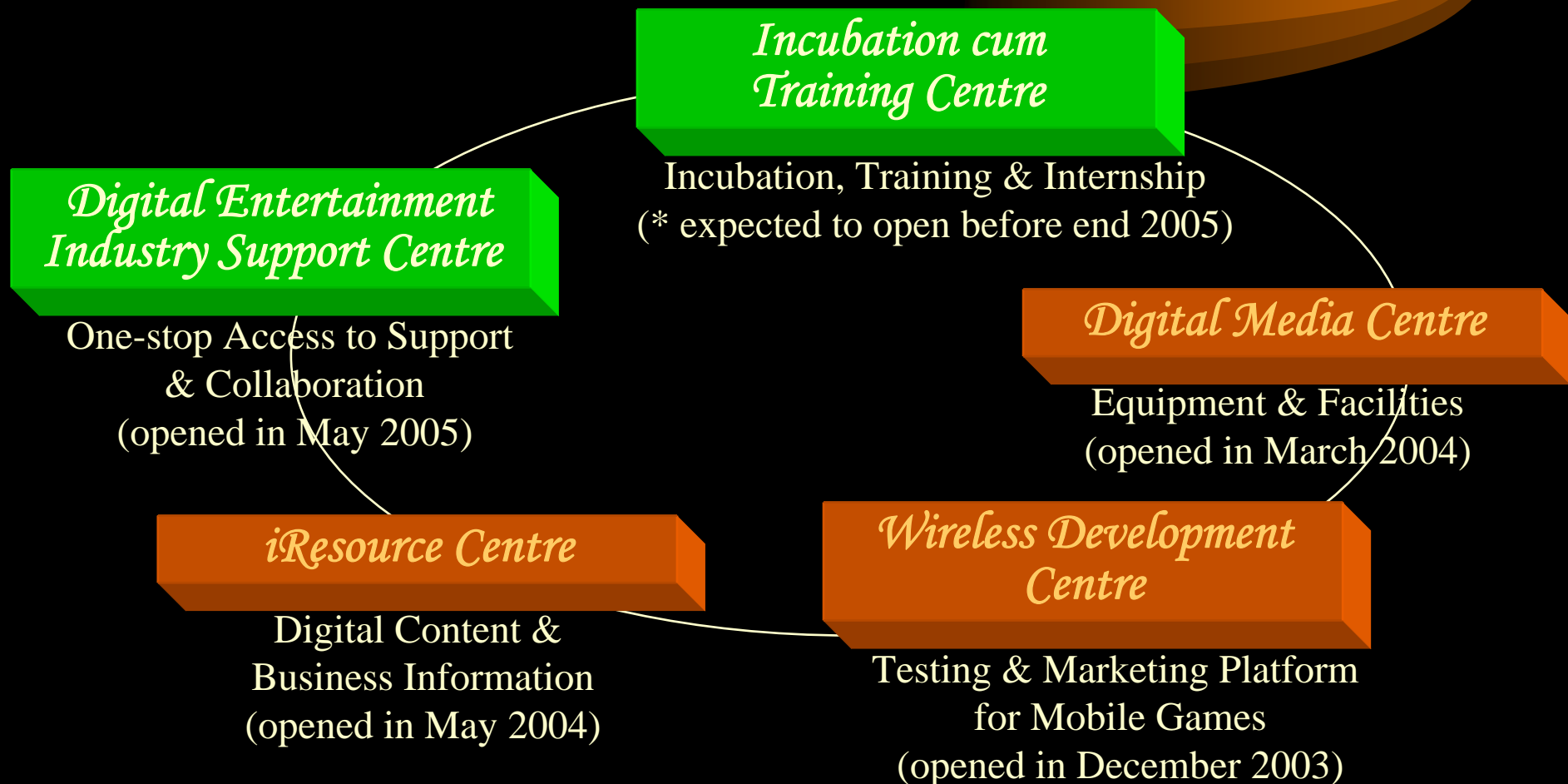
Strategy & Initiatives

(e) Attracting investment for the industry –

- *Investment promotion by InvestHK and Cyberport*

- *Co-organising the Second Cybeport Venture Capital Forum with Cyberport*

- *Promoting local animation productions at FILMART and Hong Kong-Asia Film Financing Forum 2006*

Cyberport as digital entertainment hub

Incubation cum Training Centre

Incubation, Training & Internship
(* expected to open before end 2005)

Digital Entertainment Industry Support Centre

One-stop Access to Support
& Collaboration
(opened in May 2005)

Digital Media Centre

Equipment & Facilities
(opened in March 2004)

iResource Centre

Digital Content &
Business Information
(opened in May 2004)

Wireless Development Centre

Testing & Marketing Platform
for Mobile Games
(opened in December 2003)

* Subject to the funding approval of the Finance Committee of LegCo

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