

立法會
Legislative Council

LC Paper No. CB(1)990/11-12(06)

Ref. : CB1/PL/ITB

Panel on Information Technology and Broadcasting

Meeting on 13 February 2012

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

Purpose

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

Background

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

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

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

4. To further strengthen the Government's support to the creative industries, the Financial Secretary announced in the 2009-2010 Budget the setting aside of \$300 million to provide financial support to creative industries. Following the approval of Finance Committee on 22 May 2009, the CreateSmart Initiative (CSI) was established in June 2009 to provide funding support for projects conducive to the development of creative industries, particularly projects initiated by the creative industry sectors (including architecture, comics, digital entertainment, advertising, music and publication, etc), CreateHK and other government departments. Other than the CSI, CreateHK also administers the \$250 million DesignSmart Initiative (DSI)¹, and the \$320 million Film Development Fund (FDF).

5. Based on the statistics in 2011, Hong Kong had around 32 000 creative industry-related establishments, with more than 170 000 practitioners working in the industries. With the value added to the Gross Domestic Product reaching over \$60 billion each year and around 4% of Hong Kong's Gross Domestic Product, creative industries have become a strong driving force for the territory's future economic development.

Previous discussions

Panel on Information Technology and Broadcasting

6. At the meeting of the Panel on Information Technology and Broadcasting (the Panel) on 13 May 2010, the Administration briefed members on the work of CreateHK and the relevant initiatives taken by the Government to support the development of creative industries in various sectors including motion pictures, television, design, architecture, animation and comics, advertising and digital entertainment, etc. Panel members considered that creativity would flourish only in a free society where creative minds enjoyed the freedom of speech and expression. They expressed grave concern that self-censorship which pervaded the local community and the

¹ In May 2011, the Administration issued an information paper on the consolidation of DSI and CSI (CB(1)2134/10-11(01) issued on 9 May 2011). The purpose of the consolidation was to rationalize funding arrangements for the creative sector and streamline processing. The Administration advised that with the exhaustion of funding under DSI, it would seek funding for the initiatives related to design to be considered under CSI.

media alike would stifle creativity and innovation. The Administration assured members that there was no pre-censorship in the media, and it was committed to upholding freedom of speech and expression which was the cornerstone of Hong Kong's success and was also a basic human right guaranteed by law.

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

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

9. At the Panel meeting on 10 January 2011, some members opined that despite the Administration's claim to build Hong Kong into a regional creative capital and to foster a conducive environment for creative industries, the Administration had not done enough on the education front to nurture creative talents in primary and secondary schools. There was also concern about the brain drain of Hong Kong creative talents, particularly in the film and IT sectors, to the Mainland and overseas which might undermine Hong Kong's position as the regional creative hub. These members also expressed concern about the lack of land supply and suitable premises for new creative start-ups, and called for additional measures to assist these start-ups. The Administration should help retain local talents and attract overseas talents while assisting the local creative industries to gain greater access to the Mainland and overseas markets. Publicity and promotion efforts should be stepped up to showcase Hong Kong's creativity and help raise the profile of Hong Kong's creative industries. The Administration assured members that continued efforts would be made to foster a creative atmosphere, promote a culture of innovation and creativity and strengthen the support for the development of creative industries within the community.

10. At the Panel meeting on 9 May 2011, the Administration briefed members on the progress of the implementation of the FDF, and the Administration's proposal to retain the non-civil service position of Secretary-General of the Film Development Council (SG/FDC) for a further period of two years after the expiry of the current term on 16 November 2011. While the Panel generally supported the Administration's establishment proposal, some members considered that the non-civil service position of SG/FDC should be converted into a permanent post.

11. Some Panel members opined that the Administration should conduct a review on the assessment criteria of the FDF to allow more film productions to benefit from the FDF. The assessment criteria should be further relaxed as the Administration would be able to recoup money from the proceeds of the films. There should also be relaxation of the upper limit of the production budget of the film projects supported by the FDF, and applicants should be allowed to obtain financing from other funding schemes, such as the Arts Development Fund. The Administration advised that under the existing mechanism and the principle of financial prudence, a film which had obtained or applied for other financial support from the Government would not be entitled to financing by the FDF.

12. Some Panel members expressed concern about possible political censorship under the FDF which might screen out films on controversial subjects such as the underworld. The Administration advised that the theme of a film would not be a criterion for assessment under the FDF, and all applications would be assessed on the basis of the feasibility of the production budget and marketability of the film.

Finance Committee

13. At the special meeting of the Finance Committee to examine the Estimates of Expenditure 2011-2012 on 21 March 2011, Hon Tanya CHAN and Hon Samson TAM raised questions on the Administration's effort in promoting the development of creative industries in 2010-2011 and its work plan in 2011-2012. The Administration advised that in 2010-2011, funding support was provided by CreateHK to organize major events, including annual signature events such as Entertainment Expo Hong Kong and Business of Design Week, the first-ever Hong Kong Asian-Pop Music Festival, Asia Rainbow TV Awards and Hong Kong International Mobile Film Awards. In 2011-2012, the Administration would continue to work with industry players and other strategic partners to implement collaborative projects. These included Asian Online Games Awards and SIGGRAPH Asia Conference which would be held in Hong Kong for the first time.

14. At the above meeting, Hon WONG Kwok-kin and Hon WONG Ting-kwong also raised questions on the total expenditure of CreateHK since its establishment and the amount of resources allocated to it. The Administration advised that after its establishment, the actual expenditure of CreateHK in 2009-2010 and the estimated expenditure for 2010-2011 amounted to \$317 million. The estimated expenditure of CreateHK for 2011-2012 was \$239 million.

Latest position

15. The Administration will brief the Panel on 13 February 2012 on the proposal to create a Senior Principal Executive Officer post in CreateHK and the work progress of the office, including the progress of implementation of the Film Development Fund.

Relevant papers

Paper provided by the Administration for the Finance Committee meeting on 22 May 2009

<http://www.legco.gov.hk/yr08-09/english/fc/fc/papers/f09-15e.pdf>

Minutes of the Finance Committee meeting on 22 May 2009

<http://www.legco.gov.hk/yr08-09/english/fc/fc/minutes/fc20090522.pdf>

Paper provided by the Administration for the Information Technology and Broadcasting Panel meeting on 13 May 2010

<http://www.legco.gov.hk/yr09-10/english/panels/itb/papers/itb0513cb1-1843-5-e.pdf>

Background brief prepared by the Legislative Council Secretariat for the Information Technology and Broadcasting Panel meeting on 13 May 2010

<http://www.legco.gov.hk/yr09-10/english/panels/itb/papers/itb0513cb1-1843-6-e.pdf>

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

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

Paper provided by the Administration for the Information Technology and Broadcasting Panel meeting on 10 January 2011

<http://www.legco.gov.hk/yr10-11/english/panels/itb/papers/itb0110cb1-932-5-e.pdf>

Background brief prepared by the Legislative Council Secretariat for the Information Technology and Broadcasting Panel meeting on 10 January 2011

<http://www.legco.gov.hk/yr10-11/english/panels/itb/papers/itb0110cb1-932-6-e.pdf>

Minutes of Information Technology and Broadcasting Panel meeting on 10 January 2011

<http://www.legco.gov.hk/yr10-11/english/panels/itb/minutes/itb20110110.pdf>

Special meeting of the Finance Committee to examine the Estimates of Expenditure 2011-12 on 21 March 2011 — Administration's replies to Members initial written question (serial nos. 0761, 1778, 2367, 3475, 3476)

http://www.legco.gov.hk/yr10-11/english/fc/fc/w_q/cedb-ct-e.pdf

Paper provided by the Administration for the Information Technology and Broadcasting Panel meeting on 9 May 2011

<http://www.legco.gov.hk/yr10-11/english/panels/itb/papers/itb0509cb1-2065-3-e.pdf>

Background brief prepared by the Legislative Council Secretariat for the Information Technology and Broadcasting Panel meeting on 9 May 2011

<http://www.legco.gov.hk/yr10-11/english/panels/itb/papers/itb0509cb1-2065-4-e.pdf>

Minutes of Information Technology and Broadcasting Panel meeting on 9 May 2011

<http://www.legco.gov.hk/yr10-11/english/panels/itb/minutes/itb20110509.pdf>

Paper provided by the Administration for the Information Technology and Broadcasting Panel meeting on 14 November 2011

<http://www.legco.gov.hk/yr11-12/english/panels/itb/papers/itb1114cb1-274-5-e.pdf>

Background brief prepared by the Legislative Council Secretariat for the Information Technology and Broadcasting Panel meeting on 14 November 2011

<http://www.legco.gov.hk/yr11-12/english/panels/itb/papers/itb1114cb1-274-6-e.pdf>

Minutes of Information Technology and Broadcasting Panel meeting on 14 November 2011

<http://www.legco.gov.hk/yr11-12/english/panels/itb/minutes/itb20111114.pdf>

Council Business Division 1
Legislative Council Secretariat
7 February 2012

Development of creative industries

Development strategy

Strategic Direction: Seven strategic areas

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