

**立法會**  
**Legislative Council**

LC Paper No. CB(4)667/12-13(05)

Ref. : CB4/PL/ITB

**Panel on Information Technology and Broadcasting**

**Meeting on 27 May 2013**

**Updated background brief on Hong Kong Design Centre**

**Purpose**

This paper provides background information on the Government's support for the operation of Hong Kong Design Centre ("HKDC") and a summary of the views and concerns expressed by Members during previous discussions on the subject matter.

**Background**

2. HKDC is a non-profit making infrastructure organization established in 2001 to further the development of design. It is a company limited by guarantee, with the Hong Kong Designers Association, Chartered Society of Designers, Hong Kong Interior Design Association Hong Kong, Hong Kong Fashion Designers Association, and the Hong Kong Federation of Design Associations as members. The objectives of HKDC are to, among other things, promote design as a value-added activity and integration of design into mainstream business processes, which are in line with the Government's policy on the promotion of design and innovation. HKDC has since its inception been the Government's main partner in promoting design. To support HKDC's initial operation, the Government provided a one-off funding of \$10 million to HKDC as seed money in 2001. The Finance Committee ("FC") approved in June 2004 a funding commitment of \$250 million for the setting up of the DesignSmart Initiative ("DSI") under which \$45 million was set aside for supporting the operation of HKDC.

3. On 11 October 2006, the Chief Executive announced in his 2006-2007 Policy Address that the Government would earmark \$100 million over five

years for HKDC to further assist the trades and industries in Hong Kong to make full use of their designs and build their brand names. Following consultation with the Panel on Commerce and Industry, the Administration submitted a funding proposal of \$100 million to support the operation of HKDC over five years to promote the importance of design and innovation. The proposal was approved by FC on 25 May 2007.

4. On 9 February 2009, the Administration presented a proposal on the setting up of a dedicated office for creative industries, Create Hong Kong ("CreateHK"), to the Panel on Information Technology and Broadcasting ("the ITB Panel"). The ITB Panel was supportive of the Administration's proposal to, amongst others, transfer the \$100 million non-recurrent commitment for HKDC under the Innovation and Technology Commission ("ITC") to CreateHK under the Communications and Technology Branch, which will in future be responsible for managing the commitment. On 1 June 2009, the Administration set up CreateHK which aims to coordinate Government policy and effort regarding creative industries, focus Government's resources catering for the promotion and speeding up of the development of creative industries in Hong Kong, and work closely with the trade to boost the development of creative industries.

### **Previous discussions**

5. At the ITB Panel meeting on 11 April 2011, members noted that through an array of programmes organized in collaboration with local, regional and international partners, HKDC aimed to maintain Hong Kong on the world map of design cities and as a centre of design excellence in Asia. ITB Panel members urged the Administration to step up efforts to raise the awareness of the young generation and their parents towards the value of design and the prospect of a career in design. Some ITB Panel members expressed concern whether the Administration had formulated a timetable for HKDC to achieve financial sustainability. The Administration advised that over the past few years, HKDC had been able to raise its income to expenditure ratio progressively. It was anticipated that the target income to expenditure ratio of 21% for 2010-2011 could be achieved.

6. At the ITB Panel meeting on 14 November 2011, the Administration briefed members on the work of HKDC and the proposal to provide \$107.5 million to HKDC with a view to further driving the development of the local design sector. The funding enabled HKDC to organize two anchor events, namely Business of Design Week ("BODW") and the HKDC Awards for three years starting from 2012. The breakdown of the proposed funding is in **Appendix I**. The ITB Panel supported in principle the funding proposal.

7. Some ITB Panel members opined that the concept of design should not be limited to product design only, but should be broadened to include innovative designs for business systems such as the supply chain management system. Some other members opined that Hong Kong should tap into the design talent of its own young generation as the grooming of talents was vital to the development of the design industry. A member expressed concern about the corporate governance of HKDC. To enhance transparency, she suggested that HKDC should make public on its website the attendance rate of its directors at Board meetings. The Administration advised that HKDC had completed internal audit exercises conducted by an outside audit firm and put in place internal control measures to improve corporate governance.

8. At the ITB Panel meeting on 13 February 2012, the Administration briefed members on the proposed allocation of non-recurrent funding of \$26.25 million to extend the Design Incubation Programme<sup>1</sup> ("DIP") to offer two-year incubation services for 60 design start-ups and for HKDC to administer the second phase of DIP. The ITB Panel supported in principle the funding proposal to extend DIP. Some ITB Panel members opined that HKDC should step up effort in helping incubatees build their brands with international renown and explore collaboration opportunities with the Mainland industries. The relevant funding proposals were subsequently approved by FC on 13 April 2012.

### **Recent developments**

9. At the ITB Panel meeting on 4 February 2013, the Administration briefed members on the work of CreateHK in 2012, including a key programme supported by HKDC, the "2012 Hong Kong Design Year", details of which are in **Appendix II**.

10. At the special FC meeting to examine the Estimates of Expenditure 2013-2014 on 10 April 2013, Hon CHUNG Kwok-pan and Dr Hon Elizabeth QUAT raised questions, among others, on the Administration's funding allocated to support HKDC and DIP. The Administration advised that as at end of February 2013, the balance of funding for supporting the operation of HKDC, BODW and HKDC Awards, and for HKDC to run DIP were \$52.32 million, \$25.49 million and \$22.82 million respectively.

---

<sup>1</sup> Launched in 2006, the Design Incubation Programme aims at nurturing design start-ups to help build up a design talent pool and design entrepreneurship in Hong Kong. It offers funding support and other support services to incubatees, with a view to helping them meet the challenges during the early and critical stages of development.

### **Latest position**

11. The Administration and HKDC representative will brief the ITB Panel on 27 May 2013 on the progress of work of HKDC and the relevant initiatives taken to promote design and innovation.

### **Relevant papers**

12. A list of the relevant papers with their hyperlinks is at:  
[http://www.legco.gov.hk/yr15-16/english/panels/itb/papers/itb\\_g.htm](http://www.legco.gov.hk/yr15-16/english/panels/itb/papers/itb_g.htm)

Council Business Division 4  
Legislative Council Secretariat  
21 May 2013

**Breakdown of proposed funding for Hong Kong Design Centre  
from July 2012 to June 2015**

	<b>July 2012 – June 2013 (\$ million)</b>	<b>July 2013 – June 2014 (\$ million)</b>	<b>July 2014 – June 2015 (\$ million)</b>
<b>Operating expenditure</b>	\$23.0	\$23.0	\$24.0
<b>Project funding (for BODW and HKDC Awards)</b>	\$12.5	\$12.5	\$12.5
<b>Total</b>	\$35.5	\$35.5	\$36.5

### **The key programme in 2012 – "2012 Hong Kong Design Year" supported by Hong Kong Design Centre**

With the strong support of the Hong Kong Design Centre ("HKDC") and the local design community, the Administration presented the "2012 Hong Kong Design Year" ("HKDY") with 63 design-related programmes to showcase Hong Kong's strength as a regional design hub, foster the community's interest in design and celebrate design excellence. Many of these programmes were held in Hong Kong for the first time, such as –

- (a) the "Ingenuity Follows Nature – A Poster Exhibition of Asian Designers & Tong Yang-Tze's Calligraphy", which brought together design talents from the Mainland, Hong Kong, Taiwan, Macau and South Korea to create new posters demonstrating both the beauty of Chinese traditional characters and modern styles;
- (b) the "Alliance Graphique Internationale (Hong Kong) Open & Congress 2012", which chose Hong Kong as the host for their annual two-day conference gathering some of the world's best communication and graphic designers in Hong Kong;
- (c) the "Colours of Asia", which featured an unprecedented research conducted by design professionals from 13 Asian countries or regions, and an exhibition, on the use of colours in different cultural contexts; and
- (d) the "World's Greatest Catwalk 2012 Hong Kong", which was a first-ever free and open-to-public catwalk show with over 340 models presenting works of fashion design masters, emerging young fashion talents from both Hong Kong and Denmark as well as local fashion design award winners. The event broke the Guinness World Record in terms of the most number of models participating in a catwalk show.

2. The HKDC also organized new programmes under the HKDY, including the "World Design Summer Camp" under which a group of 50 Hong Kong design students visited the Milan Design Week, and more than 200 students from renowned overseas design institutes and major tertiary design schools in Hong Kong participated in a 10-day summer camp in Hong Kong to share their experience in design.

3. The local design community also initiated other programmes under the HKDY. HKDY registered over 2 million participants in various programmes of the HKDY, indicating the community's interest in design activities.