

**For discussion  
on 12 May 2014**

**Legislative Council Panel on  
Information Technology and Broadcasting**

**Report on the work of the Hong Kong Design Centre  
from April 2013 to March 2014**

**Purpose**

This paper updates Members on the work of the Hong Kong Design Centre (HKDC) from April 2013 to March 2014.

**Background**

2. The design sector in Hong Kong has significant growth potential. Its value added increased by 230% from \$1 billion in 2005 to \$3.3 billion in 2012. The number of persons engaged by the design sector increased by 47% from 9 600 to 14 000 during the same period, which is the highest growth rate among all creative sectors.

3. The Government provides funding support to the design sector initially through the \$250 million DesignSmart Initiative, which was set up in 2004 and has now lapsed; and now through the \$600 million CreateSmart Initiative (CSI), which has since June 2011 accepted funding applications in respect of design projects. Over the years, design projects such as design awards programmes, programmes to promote up-and-coming local design labels to overseas buyers, overseas exchange programmes for designers, continuing education courses for designers and business executives, etc. have received Government's funding support. The Design-Business Collaboration Scheme, a matching grant scheme now under the CSI, has also been in place since 2004 to encourage local small and medium enterprises to make use of local design

services for enhancing competitiveness. The Government has also since 2006 funded the Design Incubation Programme (DIP) to nurture design start-ups.

4. To address the needs of the design sector, the Government has been working closely with various designer associations and stakeholders and counting on their expertise and familiarity with ever-changing design landscape to deliver programmes which most suit the needs of the local design community.

### **Overview of the activities of Hong Kong Design Centre**

5. The HKDC is one of the major partners of the Government in promoting design in Hong Kong. As a design promotional agency, the HKDC seeks to promote Hong Kong's design excellence and wider use of design and design thinking in the business and public sectors. It also seeks to educate the professions and the community to be resourceful champions for sustainable development through design and innovation. The operation of the HKDC is mainly supported by the time-limited funding provided by the Government while the two flagship events of the HKDC, namely the Business of Design Week (BODW) and the HKDC Awards, also receive funding support from the Government<sup>1</sup>.

6. The HKDC organises a wide variety of programmes and activities targeting at different groups, including business leaders, entrepreneurs, brand owners, executives of corporate and public entities, professionals, and members of the public. The HKDC has also been tasked by the Government to administer the DIP. In 2013-14, the HKDC continued to promote the importance of design to the targeted audience and the public at large. A series of programmes and activities including design promotional and educational programmes as well as exhibitions were organised. Paragraphs 9 to 27 below set out details of

---

<sup>1</sup> In April 2012, the Finance Committee of the Legislative Council approved vide FCR(2012-13)3 the provision of \$133.75 million to support the operation of the HKDC and additional programmes for three years.

the work of the HKDC in the past financial year in the following key programme areas –

- (a) Support for design and business sectors;
- (b) Support for design start-ups and talents;
- (c) Community and youth programmes;
- (d) Promotion of design in the public sector; and
- (e) Networking and advocacy efforts.

7. Since the current funding cycle began in July 2012, the HKDC has organised a total of 165 activities or events, which attracted some 1.3 million participants/visitors. The HKDC itself or its programmes were mentioned in 1 148 news clippings, with the public relations value<sup>2</sup> generated estimated to be some \$110 million. The growth trend of the design sector cited in paragraph 2 above helps shed light on the buoyancy of the market for the design sector in recent years and to some extent reflects that the collective efforts of various stakeholders in the public and private sectors, including the HKDC, in promoting design have borne fruits. That said, we reckon the fact that on the one hand it is not realistic to entirely attribute the growth of the design sector to the work of the HKDC, while on the other hand the impact of the programmes conducted by a design promotional agency like the HKDC is not always quantifiable and readily ascertainable. The issue of setting appropriate performance indicators for the HKDC will be closely examined when we evaluate in the coming year the performance of the HKDC and consider the way forward of the funding support, if any, for the HKDC in future (paragraph 31 below refers).

8. As for the financial situation of the HKDC, the HKDC continues to manage its finance prudently and enhance its operational efficiency by means of better project planning and execution, and human resources deployment as far as practicable. The HKDC also strives to generate additional income through various programme fees, as well as

---

<sup>2</sup> Public relations value is a marketing metric for quantifying the value of public relations efforts in monetary terms, which are known as advertising value equivalency.

sponsorship and donations from the private sector. The estimated expenditure of the HKDC from 2012-13 to 2015-16 is at **Annex**.

### **Support for design and business sectors**

#### ***BODW and HKDC Awards***

9. **BODW** is an annual premier event of the HKDC. With a focus on design, branding and innovation, the internationally renowned week-long programme is targeted at policy makers, corporate leaders, entrepreneurs, senior professionals and the design community. Through extensive media coverage and industry-wide participation, the BODW focuses local and international spotlight on Hong Kong and promotes awareness of design among members of the public and the business sectors.

10. BODW 2013 covers conferences, forums, design awards presentation, exhibitions, community programmes, networking events, business matching activities, etc. There were altogether 11 concurrent events in BODW 2013, including the Inno Design Tech (IDT) Expo<sup>3</sup>, DETOUR<sup>4</sup> and Brand Asia Forum<sup>5</sup>. BODW 2013 attracted some 100 000 participants or visitors. There were about 9 200 non-local participants for BODW Forum and IDT Expo.

11. BODW helps strengthen Hong Kong's trade and economic relationships with the key players in the global design and business communities. Belgium was the BODW partner country in 2013. The forums and conferences of BODW 2013 featured more than 50 Belgian speakers, who shared their good designs, creative mind-set and

---

<sup>3</sup> The Inno Design Tech Expo is an exhibition dedicated to innovation and technology organised by the Hong Kong Trade Development Council and co-organised by the Hong Kong Design Centre and the Hong Kong Science and Technology Parks Corporation.

<sup>4</sup> DETOUR is a community outreach programme seeking to provide an opportunity for the general public to appreciate design and creative culture. DETOUR 2013 comprised different design exhibitions and workshops, design marts and a fashion show held at different sites. It also deployed four fully-renovated trams as mobile sites under different themes. Over 66 000 visitors and tram riders were recorded.

<sup>5</sup> Brand Asia Forum seeks to provide a forum for brand owners, creators and designers to exchange views on brand building, marketing, licensing and sales.

enterprising spirit with the participants. Over 20 Belgian companies participated in the IDT Expo. A delegation comprising over 70 businessmen from Belgium visited Hong Kong to establish business relations with Hong Kong and Asian counterparts.

12. The **HKDC Awards**<sup>6</sup> honour design excellence and outstanding achievements in the design field for practicing designers, business leaders and design enterprises. The award programme also covers a series of publicity events including overseas promotion tours and exhibitions prior to and after the award judging and presentation processes. In 2013, the Design for Asia Award under the HKDC Awards presented 119 awards out of the 970 entries received from 19 countries in Asia, Europe and America. It provides a platform for participants to share experience and for local designers to benchmark their products with those of their peers in the region.

### *Executive and professional training programmes*

13. The HKDC is dedicated to developing its executive and professional training programmes to promote wider strategic use of design in business. The HKDC has established the **Institute of Design Knowledge (IDK)** as an executive training programme on design leadership and innovation management. Lecturers from well-known and well-respected education institutions around the world, such as Royal College of Art (United Kingdom), Delft University of Technology (The Netherlands), the Institute of Design of the Illinois Institute of Technology (United States), Parsons The New School for Design (United States), Kaospilot (Denmark), etc., shared their experience and insights on design practices and management issues. More than 15 modules in subject areas such as user-centric design, methodologies, design management, innovation management, etc. were offered to more than 300 design professionals and senior business executives.

---

<sup>6</sup> The HKDC Awards 2013 comprised the Design for Asia Award, Design Leadership Award, World's Outstanding Chinese Designer Award, Design for Asia Lifetime Achievement Award and Hong Kong Young Design Talent Award, of which the Design for Asia Award and Hong Kong Young Design Talent Award were open for public entries.

14. The HKDC has continued to collaborate with the Center for Entrepreneurship of the Chinese University of Hong Kong to offer a modular programme to hone the business skills and commercial knowledge of entrepreneurs in creative industries. The 2013 **Entrepreneurship for Design and Creative Business Certificate Programme** was the seventh edition. 189 participants have completed the programme over the years.

15. **Knowledge of Design Week (KODW)** is a week-long annual programme which provides continued design education and learning for design practitioners and business professionals. International design masters are invited to share their insights and experiences with participants. The conferences and forums of KODW 2013 attracted some 800 participants while the 13 design workshops attracted some 160 participants.

***Business matching activities and exhibitions showcasing Hong Kong design***

16. **Design Mart** aims to support local design by providing a platform for new designers to showcase creativity to the public. In 2013, 54 design units, which span different disciplines of fashion and accessories, participated in Design Mart held at a major shopping mall in Kowloon. The total sales turnover in the 3-day event amounted to \$450,000 and 39 of 54 participating design units obtained further business opportunities in the form of custom order, consignment with shops, collaboration with factories, exhibition opportunities, etc.

17. The HKDC participated in **Art Basel Hong Kong 2013** to showcase the diversity and creativity of Hong Kong design to the international mix of visitors of the biggest art fair in Asia. The HKDC booth featured innovative designer chairs of nine top designers from Hong Kong. Taking part in Art Basel Hong Kong allows the HKDC and the local design sector to reach out to some 60 000 visitors of Art Basel Hong Kong.

18. The HKDC led Hong Kong designers to participate in **Milan Design Week 2014** from 8 to 13 April 2014. The exhibition titled “Hong Kong: Constant Change” was held at the Triennale Design Museum, one of the major venues of the Milan Design Week. The Milan Design Week annually attracts over 200 000 visitors, of which some 90 000 visit the Triennale Design Museum. 62 designers and their design works were featured in the Hong Kong exhibition. This is an important platform for Hong Kong designers, especially young designers, to get exposure in the international market and to open up potential business networks and opportunities. The international media coverage has further built up exposure for Hong Kong design. Major international media such as Abitare, Vogue Italy, Huffington Post, La Repubblica, Domus, Corriere della Sera and Monocle Radio have covered Hong Kong’s participation in the Milan Design Week 2014.

### **Support for design start-ups and talents**

#### ***DIP***

19. Launched in 2006, the **DIP** aims at nurturing design start-ups to help build up a design talent pool and design entrepreneurship. The DIP offers funding support of up to \$500,000 over a two-year incubation period on a reimbursement basis, about half of which covers the rental for leasing office facilities at InnoCentre. The DIP also provides support services such as tailor-made training courses, on-site coaching and consultancy services. The programme also offers business matching and networking opportunities as well as access to angel investors. The HKDC took over from the Hong Kong Science and Technology Parks Corporation (HKSTPC) the management of the DIP in May 2012 with a target to recruit 60 incubatees over three years. As at end March 2014, all the incubatees previously recruited by the HKSTPC have successfully completed incubation and the 44 incubatees recruited by the HKDC are under incubation. In 2013-14, the HKDC strengthened the scope and intensity of the support services for the incubatees, particularly with regard to mentorship, business advice and problem solving.

20. Over the years, the 148 incubatees of the DIP have created 604 full-time and part-time jobs. They also filed 194 intellectual property rights (including 4 patents, 22 registered designs and 168 trademarks) for registration and attained 118 awards and public recognition, of which 29 were renowned international awards, such as iF Product Design Award and Red Dot Design Award. The survival rate, which is measured in terms of the number of graduated incubatees which are still in business two years after completion of the incubation programme, is 95%.

### *Overseas work attachment opportunities for design talents*

21. The **Hong Kong Young Design Talent Award (YDTA)** under the HKDC Awards had a record high of 125 entries in 2013. Ten design graduates and young design practitioners were awarded. Six of them were offered sponsorships capped at \$250,000 or \$500,000 for undertaking work attachment at overseas design companies. In 2013, four awardees of the 2012 YDTA commenced their work attachment in Denmark, Germany and the United Kingdom.

### **Community and youth programmes**

22. The HKDC and the Ambassadors of Design jointly presented **DETOUR** 2013 with the objectives of raising public awareness of the vibrancy of Hong Kong design. DETOUR 2013 included exhibitions and activities held at five sites, programmes on four trams, a series of workshops, a design pop-up stores for showcasing designer products, performances, fashion shows, etc. The event featured over 100 designers, both local and overseas. Together with some 80 satellite events, DETOUR 2013 attracted some 60 000 participants and raised awareness of design among members of the general public through the tram tours.

23. The HKDC organised the **World Design Summer Camp** for the second year in a row with an objective to encourage international design students to share design knowledge and promote cultural exchange, 70 local and 50 overseas students from 18 universities and design

institutes and 11 countries or regions benefited from seminars, workshops, field trips, a special study tour to the Pearl River Delta, etc.

24. **Discover Design** is an annual flagship youth education programme which aims to inspire secondary schools students and provide them with opportunities to interact with local and global design so as to broaden their horizons and appreciation of design thinking. Participants meet with designers to learn more about their daily work in an engaging and interactive manner.

### **Promotion of design in the public sector**

25. To promote the use of design thinking in delivery of public services, the HKDC was commissioned by the Civil Service Training and Development Institute of Civil Service Bureau to organise two bespoke **training workshops and one seminar for civil servants** in 2013-14. A total of some 190 experienced officers in the middle management from various government bureaux/departments participated in these programmes.

### **Networking and advocacy efforts**

26. The HKDC seeks to foster closer collaboration of the local design community with its counterparts in other cities. For example, the HKDC, the Hong Kong Federation of Design Associations (a founding organisation of the HKDC) and the Shenzhen Industrial Design Profession Association co-organised in July 2013 in Hong Kong the fourth **Hong Kong and Shenzhen Culture and Creative Forum**. The Forum served as a platform to promote creative and cultural exchanges between the two cities. Participants of the Forum exchanged views on the prospects of closer collaboration in design between Hong Kong and Shenzhen.

27. The HKDC has initiated a series of **“Designing Change” roundtables** to collect views and ideas for dissemination to key stakeholders in the private and public sectors for legacy, research and educational purposes. The third roundtable on the topic “Design, City

and Sustainability” was held on 29 June 2013. The fourth roundtable on the topic “The Role of Design in Creative Place Making” was held on 5 November 2013.

## **Major initiatives in the coming years**

### ***PMQ***

28. PMQ commenced trial operation on 14 April 2014 and will officially open in late June this year. Tenants, which are mostly small and medium enterprises engaged in creative industries, are offered studios or co-working space, with some receiving rental discounts. The management company of PMQ will offer training programmes and advisory services to help the tenants. Some graduates of the DIP have already been offered studio tenancy at PMQ. This points to potential synergies between the DIP and the PMQ in that DIP graduates with growth potential can be offered advancement to upscale themselves at the platform offered by the PMQ. As a strategic partner of the PMQ project, the HKDC will strive to synergise between DIP and the PMQ. The HKDC will also seek to leverage on HKDC’s knowledge platform, such as the IDK, the Entrepreneurship for Design and Creative Business Certificate Programme, HKDC’s design library, etc. to develop programmes which help PMQ nurture more creative professionals and design-preneurs. The HKDC will also seek to harness its established network in the design and business sectors as sources of potential business partners and mentors for the tenants of PMQ.

### ***Continued support for the design sector***

29. The HKDC will continue to promote Hong Kong designers and their designs both locally and overseas, foster closer cooperation with designer associations outside Hong Kong, and further develop the executive and professional training programmes as well as bespoke training for the executives and professionals of the public and private sectors. The HKDC will also, where appropriate, undertake

commissioned projects to promote strategic and user-centric design as a tool for enhancing value.

***Expansion of the scale of DIP and YDTA***

30. The HKDC plans to expand the scale of the DIP and YDTA so that more design start-ups and designers/design graduates may benefit from the incubation services and overseas work attachment respectively. This proposal has received the support of the Economic Development Commission. The Government will work with the HKDC on the implementation arrangements for the recommendations.

**Way forward**

31. The time-limited funding currently provided by the Government to support the operation of HKDC as well as BODW and HKDC Awards will lapse in the middle of 2015. The HKDC will submit to the Government an evaluation report on its overall performance, strategies and financial position. The Government will consider the support for the HKDC in future, having regard to the evaluation report and the Government's policies in support of the local design sector.

Communications and Technology Branch  
Commerce and Economic Development Bureau  
May 2014

**Estimated expenditure in respect of the basic operation of  
the Hong Kong Design Centre (HKDC) from 2012-13 to 2015-16**

	<b>Actual 2012-13<sup>1</sup> \$ million</b>	<b>Actual 2013-14<sup>2</sup> \$ million</b>	<b>Estimate 2014-15 \$ million</b>	<b>Estimate 2015-16<sup>3</sup> \$ million</b>	<b>Total \$ million</b>
<b>Expenditure</b>					
(a) staff	14.0	14.2	16.8	4.6	49.6
(b) overhead and administration	4.1	3.6	4.0	1.6	13.3
(c) basic programmes <sup>4</sup>	11.5 <sup>5</sup>	7.2 <sup>5</sup>	6.1	1.5	26.3
<b>Total</b>	<b>29.6</b>	<b>25.0</b>	<b>26.9</b>	<b>7.7</b>	<b>89.2</b>

Note: The estimated total expenditure will mainly be met by Government's funding support while the remaining balance will be met by sponsorship and other income. Apart from the basic programmes, HKDC also seeks other funding support (including the funding support of the CreateSmart Initiative (CSI) and private sponsorship) to organise additional design-related projects.

<sup>1</sup> The expenditure figures for 2012-13 are audited figures.

<sup>2</sup> The expenditure figures for 2013-14 are actual figures subject to auditing.

<sup>3</sup> The estimates cover the period from April 2015 to June 2015 (i.e. end of the funding period in respect of the \$70 million provided by the Government).

<sup>4</sup> Basic programmes cover website and database development; publications; networking activities on the Mainland and overseas; educational seminars; workshops and classes; designer-business networking events, etc.

<sup>5</sup> The higher expenditure of the basic programmes for 2012-13 and 2013-14 was attributable to the income-generating projects commissioned by Government departments.

**Estimated expenditure in respect of other Government-funded programmes  
of the HKDC from 2012-13 to 2015-16**

	<b>Audited 2012-13<sup>6</sup> \$ million</b>	<b>Actual 2013-14<sup>7</sup> \$ million</b>	<b>Estimate 2014-15 \$ million</b>	<b>Estimate 2015-16 \$ million</b>	<b>Total \$ million</b>
(a) Business of Design Week (BODW) and HKDC Awards	17.4	18.1	19.5	-	55.0 <sup>8</sup>
(b) Design Incubation Programme (DIP)					
- first phase <sup>9</sup>	7.5	3.5	-	-	11.0
- second phase <sup>10</sup>	2.0	8.4	12.4	14.0	36.8
(c) Other projects <sup>11</sup>	19.9	10.2	19.7	14.1	63.9
<b>Total</b>	<b>46.8</b>	<b>40.2</b>	<b>51.6</b>	<b>28.1</b>	<b>166.7</b>

<sup>6</sup> The expenditure figures for 2012-13 are audited figures.

<sup>7</sup> The expenditure figures for 2013-14 are actual figures subject to auditing.

<sup>8</sup> Of the estimated total expenditure of about \$55 million for BODW and HKDC Awards, \$37.5 million will be met by Government's funding and the remaining balance by sponsorship and other income.

<sup>9</sup> The HKDC takes care of the incubatees admitted under the first phase of the DIP, the expenditure of which is funded by the DesignSmart Initiative. Such incubatees have all completed incubation by March 2014.

<sup>10</sup> The Government has undertaken to provide the HKDC with \$42.1 million in total to cover the financial assistance package for the incubatees admitted during the second phase of the DIP and the operating expenditure of the HKDC in connection with the DIP. The estimated expenditure of the second phase of the DIP is expected to extend beyond 2015-16.

<sup>11</sup> "Other projects" cover only those approved projects for 2012-13 and 2013-14 as well as projects anticipated to be supported by the CSI and other sources of Government funding, such as the organisation of the 2012 Hong Kong Design Year (HKDY). The expenditure in respect of "Other projects" is also partially funded by sponsorship and other income. The higher audited expenditure for 2012-13 is due to the organisation of 2012 HKDY while the higher estimated expenditure for 2014-15 is due to an approved CSI project for holding an exhibition in Milan and a planned CSI project for re-staging the exhibition in Hong Kong.