

**For discussion
on 11 January 2016**

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

**Report on the Work of the Hong Kong Design Centre (HKDC) and
Provision of Funding to Enhance Support to the HKDC**

PURPOSE

This paper updates Members on the work of the Hong Kong Design Centre (HKDC) from November 2014 to October 2015. We also seek Members' support to provide \$18.6 million to the HKDC for supporting the implementation of the specific measures proposed by the Government to take forward the recommendations of the Economic Development Commission on promoting the development of fashion industry (Fashion Initiatives).

BACKGROUND

2. The HKDC was established in 2001 by five designer associations, which cover the major design disciplines of Hong Kong¹, as a non-profit making organisation to promote design in Hong Kong. The work of the HKDC mainly covers the following five key areas –

- (a) publicity efforts to promote Hong Kong design;
- (b) promotion of design leadership and continuous learning;
- (c) promotion of design excellence;
- (d) nurturing design-entrepreneurs; and
- (e) collaboration with PMQ.

3. The HKDC launches programmes targeted at stakeholders such as business leaders, entrepreneurs, brand owners, executives of

¹ The founding members of the HKDC are Hong Kong Federation of Design Associations, Hong Kong Designers Association, Hong Kong Interior Design Association, Hong Kong Fashion Designers Association, and Chartered Society of Designers.

corporate and public entities, design practitioners, professionals, design students and the public at large.

HKDC'S WORK FROM NOVEMBER 2014 TO OCTOBER 2015

4. The Government provides the HKDC with a non-recurrent allocation of \$80 million to support the latter's basic operation from July 2015 to March 2019. During the reporting period, i.e. between November 2014 and October 2015, the HKDC also obtains project funding from the Government to conduct professional education and executive programmes on design, organise signature events like Business of Design Week (BODW) and DFA Awards, and administer the Design Incubation Programme (DIP) for nurturing design start-ups. The HKDC has also secured sponsorship from the non-governmental sector to organise design-related programmes.

Publicity efforts to promote Hong Kong design

5. **SmartHK 2015** was held in Jinan, Shandong Province, from 27 to 28 May 2015 to promote Hong Kong's design services, such as architectural and interior design; design and branding; fashion design, etc., among others, to the Mainland enterprises. The HKDC, as one of the co-organisers, took the opportunity to introduce the importance of design and innovation to Mainland enterprises as well as the services and platforms available in Hong Kong to promote business exchange and upgrading.

6. The HKDC and the Hong Kong Disneyland Resort jointly launched the **Happy D Project** to inspire young talents to think creatively and connect local community with happiness through design and imagination. More than 20 multi-disciplinary young talents teamed up with practising designers as well as design and architecture masters to co-create a design work from February to July 2015. Inspirational design installations were displayed at 32 locations in various districts of Hong Kong in October 2015. The project reached out to a total of over 2.4 million participants online and offline.

7. The HKDC continues to promote exchanges between Hong Kong and other places. It received a total of 16 local and non-local

groups during the reporting period, including the delegations of the State of Victoria of Australia, the Finnish Government, the Stockholm Chamber of Commerce and various organisations from Mainland China.

8. The HKDC continued to update the online **Hong Kong Design Directory**, which provides useful reference on over 710 local designers, design consultants, design companies, etc.

Promotion of design leadership and continuous learning

9. **Knowledge of Design Week (KODW) 2015** was held on 8 June 2015 under the theme ‘Designing Service Futures’, and attracted some 640 participants, including executives, professionals, design practitioners, and design students. Functioning as a learning and networking platform dedicated to creativity and design, KODW 2015 seeks to enhance the competitiveness of Hong Kong’s service economy through programmes which comprise thematic forums, conferences and workshops.

10. BODW is Hong Kong’s design signature event annually organised by the HKDC. The week-long programme comprises conferences, forums, exhibitions, design awards presentation, outreach programmes, networking events, business matching activities, etc. It serves as a knowledge sharing and networking platform on design, brands and innovation. The partner country for **BODW 2014** was Sweden. There were altogether 11 concurrent events held under the umbrella of BODW 2014, including the Inno Design Tech Expo, deTour and Brand Asia Forum. These programmes attracted over 100 000 participants, and generated estimated public relations value of some \$178 million.

11. During the reporting period, preparatory work was in full swing for **BODW 2015**, which was held from 30 November to 5 December 2015. Barcelona was BODW’s first-ever partner city.

12. The HKDC organised four modules under the **Institute of Design Knowledge** programme. Two of them served as a new design elective under the Executive Master of Business Administration course offered by the Chinese University of Hong Kong (CUHK). These

modules were geared towards the needs of decision makers, senior business executives and design practitioners while underlining the perspective of business relevance of design thinking and management, innovation leadership and enterprising creativity. About 100 participants enrolled in the four modules.

13. The HKDC continued to be commissioned by the Civil Service Training and Development Institute of the Civil Service Bureau to organise a series of **bespoke training workshops** for middle-rank managers of the civil service. The HKDC delivered three training sessions on service innovation and implementation in January, May and October 2015. A total of 108 civil servants participated in these workshops.

Promotion of design excellence

14. The HKDC continued to honour design excellence and outstanding achievements of practising designers, design enterprises and business leaders through the DFA Awards programme. The nomination and judging processes in respect of **DFA Awards 2015**, including the **Hong Kong Young Design Talent Award (HKYDTA) 2015**, were mainly conducted during the reporting period.

15. A total of 765 entries were received under the Design for Asia Awards 2015 from 24 countries/economies. Hong Kong designers accounted for 42 of the awarded entries (including two Grand Awards and two Gold Awards) out of a total of 186. As for HKYDTA 2015, the number of applicants reached a record high of 218 in 2015. Out of the 17 award winners, 14 would receive financial support from Create Hong Kong, the Hong Kong Polytechnic University and the Hong Kong Design Institute for undertaking work attachment or furthering study overseas. The remaining three are winners of Special Mention Awards.

Nurturing design-entrepreneurs

16. The HKDC has administered the **DIP** since May 2012. Between May 2012 and October 2015, 23 international awards and 109 local awards had been attained by the DIP incubatees with the HKDC's incubation support. The incubatees had also lodged applications for one

patent, 188 trademarks and 33 registered designs. The number of job opportunities created by them amounted to 447.

17. The original target of recruiting 60 design start-ups as incubatees within three years from May 2012 was achieved in December 2014. By end October 2015, 25 incubatees are still under incubation. By redeploying existing resources and making use of savings available under the DIP, the Government has endorsed HKDC's proposal to recruit nine additional design start-ups before March 2016.

18. **Design Mart 2015** was held from 9 to 11 October 2015 under the theme 'Fashionista Hong Kong'. It attracted some 120 000 visitors and generated a total sales value over \$510,000. The event provided a platform for the 46 participating design start-ups, including seven DIP incubatees, to promote their products and facilitate business networking. Many participating companies managed to secure business opportunities in the form of order placement, consignment sales, product design/development, etc.

19. The HKDC launched the ninth intake of the **Entrepreneurship for Design and Creative Business Programme** in August 2015 in collaboration with the Centre for Entrepreneurship of CUHK. A total of 20 local designers and creative professionals, including 17 DIP incubatees, enrolled in the programme. The programme consists of seven lecture modules covering topics such as business modelling, marketing, financial management, etc. The programme also included a day trip to Shenzhen for visiting design companies, design associations and factories.

20. The HKDC has progressively expanded the print and digital book and magazine collections of the **HKDC Library** at InnoCentre, covering close to 5 000 items as at end October 2015. The HKDC organised regular book sharing sessions and introduced topical book features to encourage designers to make better use of the library resources for self-enrichment and professional development.

Collaboration with PMQ

21. The HKDC has continued to support PMQ in building up the latter's programmes in terms of design promotion and knowledge exchange. For example, the HKDC chose PMQ as a core venue of BODW 2015 alongside the Hong Kong Convention and Exhibition Centre. The HKDC has also continued to support the operation of the Taste Library and the Design Library of PMQ for collaborative synergy.

22. The HKDC is keen to leverage on PMQ's resources to nurture young design-preneurs. The HKDC will explore with PMQ potential collaboration opportunities in terms of, for example, securing studio shop tenancy for the outstanding DIP incubatees, joint entrepreneurship training and networking efforts, opportunities for DIP incubatees to run pop-up stores and/or to be allocated exhibition space at PMQ.

PROPOSED FUNDING SUPPORT FOR THE HKDC FOR THE IMPLEMENTATION OF FASHION INITIATIVES

23. We expect that the HKDC as a design promotional agency will continue to have a crucial role to play in the next three years in supporting the development of the design industry of Hong Kong, in particular the fashion design industry. The Government has accepted the recommendations of the Economic Development Commission and will launch a series of measures on a pilot basis in the next three years to promote the development of the fashion industry (i.e. Fashion Initiatives).

24. The Advisory Group on Implementation of Fashion Initiatives (AGF), which mainly comprises representatives of fashion, design, clothing and textiles sectors and academic institutions, was set up in July 2015 to advise on, guide and co-ordinate the implementation of the Fashion Initiatives. Pursuant to the deliberations made so far by the AGF, the Fashion Initiatives will mainly cover a dedicated incubation programme for up-and-coming fashion design start-ups; technical training and support for graduates and practising designers of the fashion disciplines; and strengthened promotion for local fashion designers and

brands. The AGF is deliberating on the foci, contents and implementation details of some of the Fashion Initiatives, and will make recommendations to the Government in due course.

25. The Government has tasked the HKDC to serve and support the AGF and to assist in the implementation of the Fashion Initiatives, so as to leverage on the HKDC's experience and project management expertise in curating and delivering design-related programmes as well as the HKDC's established networks with the local and international design communities. The HKDC is the AGF's secretariat and perform the following major duties –

- (a) providing secretarial, logistical and research support to the AGF ;
- (b) liaising and co-ordinating with the relevant organisations on the implementation of the Fashion Initiatives;
- (c) planning and organising programmes to promote the Fashion Initiatives; and
- (d) performing duties as assigned by the Government in relation to the planning and implementation of the Fashion Initiatives.

26. We propose to further allocate \$18.6 million to the HKDC for performing the aforementioned additional tasks in respect of the implementation of the Fashion Initiatives during the period from April 2016 to March 2019. This is in addition to the \$80 million allocated to support the basic operation of the HKDC from July 2015 to March 2019, which is not sufficient to support the expanded service scope of the HKDC in view of the workload required for supporting the Fashion Initiatives.

27. The control and review mechanism governing the Government's funding support for the basic operation of the HKDC will also apply to this latest tranche of additional funding.

28. The additional funding is time-limited by nature, and will allow the HKDC to hire additional staff, and meet additional overheads, promotional and related expenses. The indicative cashflow requirements of the additional funding support of \$18.6 million are as follows –

	2016-2017	2017-2018	2018-2019	Total
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
(a) Manpower	4,900	5,000	5,100	15,000
(b) Overheads and related expenses	800	800	800	2,400
(c) Marketing and promotion	400	400	400	1,200
Total	6,100	6,200	6,300	18,600

29. We will include and reflect the above proposed time-limited funding of \$18.6 million for the HKDC to take forward the implementation of the Fashion Initiatives in the 2016-17 Draft Estimates of the Communications and Creative Industries Branch of the Commerce and Economic Development Bureau.

ADVICE SOUGHT

30. Members are invited to note this paper and comment on the work of the HKDC and the proposal to provide additional funding to the HKDC for supporting the implementation of the Fashion Initiatives.

**Communications and Creative Industries Branch
Commerce and Economic Development Bureau
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