

商務及經濟發展局
通訊及創意產業科

香港添馬添美道二號
政府總部西翼二十一樓



COMMUNICATIONS AND
CREATIVE INDUSTRIES BRANCH
COMMERCE AND ECONOMIC
DEVELOPMENT BUREAU

21/F, West Wing
Central Government Offices
2 Tim Mei Avenue
Tamar, Hong Kong

本函檔號 OUR REF :
來函檔號 YOUR REF :
電話 TEL. NO. : (852) 2810 2713
傳真 FAXLINE : (852) 2511 1458
電子郵件 E-mail Address : ichchang@cedb.gov.hk

5 April 2016

Mr Daniel SIN
Clerk, Panel on
Information Technology and Broadcasting
Legislative Council, Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Mr Sin,

**Progress report and funding proposal on the work of the
Hong Kong Design Centre**

At the meeting of the Legislative Council Panel on Information Technology and Broadcasting held on 11 January 2016, Members requested the Government to provide information:

- (a) whether there would be other partner cities for the Business of Design Week in future and the area(s) in which Barcelona and other partner cities would assist Hong Kong in the promotion of its design business;
- (b) contributions expected of the 108 civil servants who had participated in the training workshops of the Civil Service Training and Development Institute during the reporting period;
- (c) the number of designer tenants at the Police Married Quarters ("PMQ") on commencement of its operation and the current number of designer tenants based on updated information to be provided by the management of PMQ in mid 2016; and

- (d) the rent received by PMQ when compared to those received by shopping malls in the private sector.

The requested information is set out below –

- (a) Since its inception in 2002, Business of Design Week (“BODW”), the annual flagship programme of the Hong Kong Design Centre has grown into Asia’s leading annual event celebrating design, innovation and global brands. Since 2005, BODW has collaborated with a partner country (or partner countries) or a partner city each year. Scandinavian countries (2005), the United Kingdom (2006), Italy (2007), The Netherlands (2008), France (2009), Japan (2010), Germany (2011), Denmark (2012), Belgium (2013) and Sweden (2014) and Barcelona (2015) were the previous partners. Chicago will be the partner city for 2016.

As design impacts every facet of our city, economy, culture and living, the partner countries/cities or potential ones of BODW tend to be those which appreciate design as the core integral solution for future city vibes, business innovations and citizen well-being. BODW would have a broad theme each year which often features the design wonders of the partner of that year. The partner of the year would take up a certain part of the BODW forum programme while the rest would be enriched by previous and potential partners. For instance, when Barcelona was the partner city of BODW 2015, the latter carried the broad theme of “Design. Cities. Future” with a strong line-up of speakers from Barcelona and all around the world to inspire the participants on how good design helps create cities of the future.

BODW helps strengthen Hong Kong’s trade and economic relationships with key players in the global design and business communities. In the past few years, BODW and its concurrent events annually attracted over 100 000 participants, including the trade delegations formed by the partner countries/cities as well as design and business professionals who would like to tap the international network offered by the BODW. BODW brings to Hong Kong design masters and influential business figures who share their ideas and insight, as well as the latest products and innovations for showcasing to local design professionals, business communities and students. Hong Kong as a whole has benefitted from the resulting business development and networking opportunities as well as international limelight and publicity mileages brought by the BODW.

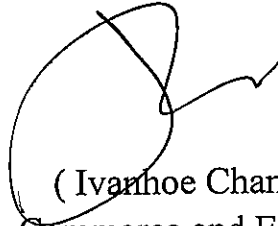
- (b) For Hong Kong to move up the value chain as a creative economy, we need to nurture a creative workforce both in the business community and within the Government. The objective of these training workshops is to broaden civil servants' perspectives in service innovation. They aim to cultivate human-centred design mindset and develop participants' understanding of design thinking. Participants' general feedback was that the training was relevant to their work, and had enriched their knowledge in design thinking and its application in public service. After attending the workshops, participants believed that they were able to apply what they have learnt in the training workshops to the workplace as appropriate to enhance service delivery.
- (c) Based on the latest information provided by the PMQ Management Company Limited ("PMQMC"), the number of tenants at PMQ on commencement of PMQ's operation in April 2014 was 106 while the number of tenants as at end March 2016 is 123. The overall occupancy rate of PMQ has risen from 84.8% to 98.4% from April 2014 to end March 2016. The first batch of studio tenancies of the PMQ will expire by the end of April 2016. PMQMC is negotiating with the tenants concerned on tenancy renewals.
- (d) PMQ is a creative industry hub for nurturing local designers. It creates a business platform for designers to connect their creativity to the market, which can be in the format of business-to-business, business-to-consumer, and online-to-offline.

In order to provide tenants with stable and affordable rental terms, PMQMC sets the base rent for studio units on 2/F or above with reference to the average monthly rental for grade B offices in Central and Sheung Wan published by the Rating and Valuation Department in the first quarter of 2012. The standard unit size of the studio units is about 400 sq. ft. with the base rent set at \$18,000 per month (management fees and water and electricity charges excluded). Green or comparatively less established designers are offered a 20% to 50% discount. The actual discount is determined on an individual basis.

PMQMC determines management fees as well as utilities charges with reference to the market practice. It also provides subsidies on the management fees (55%) and utilities charges (42%) for eligible studio units. Tenants of the studio units on G/F and 1/F

and the commercial units are required to pay the market rent, and are not entitled to concessions on management fees as well as utilities charges.

Yours sincerely,

A handwritten signature in black ink, consisting of a large, stylized loop followed by a short horizontal stroke and a small upward tick at the end.

(Ivanhoe Chang)

for Secretary for Commerce and Economic Development