

**For discussion  
on 14 December 2020**

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

**Work of the Create Hong Kong and the Hong Kong Design Centre  
and Proposed Injection into the CreateSmart Initiative**

**Purpose**

This paper reports to Members the work of the Create Hong Kong (CreateHK) related to the seven creative industries and the Hong Kong Design Centre (HKDC) from 1 April 2019 to 31 March 2021, and seeks Members' views on our proposal to inject \$1 billion into the CreateSmart Initiative (CSI).

**Overview of the Development of Hong Kong's Creative Industries**

2. Creative industries possess immense development potentials. They are not only Hong Kong's new economic drivers, but also contribute to making Hong Kong a more attractive international metropolis. In 2018, the nominal added value of the creative industries under the purview of the CreateHK (namely advertising, architecture, design, digital entertainment, film, music, printing and publishing, and television) reached \$61 billion, contributing to 2.2% of Hong Kong's Gross Domestic Product. From 2005 to 2018, the added value in nominal terms grew at an average annual rate of 4.6%. In 2018, the employment size of the concerned industries (136 360 persons) amounted to 3.5% of the total employment. Jobs in creative industries are also more popular with young people.

3. To promote the development of creative industries, the Government has re-launched the Film Development Fund (FDF) in 2005 and established the CSI, a dedicated fund targeting the other seven creative industries, in 2009. To date, the Government has made an injection of \$1.54 billion and \$2 billion into the FDF and the CSI respectively. Through the FDF and the CSI, the CreateHK organises, co-organises and sponsors projects and programmes initiated or organised by the trade and relevant stakeholders that are conducive to the development of creative industries in Hong Kong. The CreateHK also closely works with two

major organisations, the HKDC and the Hong Kong International Film Festival Society, in the promotion of design and film appreciation respectively.

4. Key programmes of the seven creative industries other than film organised, co-organised and funded by the CreateHK during the reporting period are at **Annex 1**. Relevant Key Performance Indicators (KPIs) and participants' satisfaction level are at **Annex 2**.

## **The Work of the CreateHK in support of the seven creative industries**

### ***(I) The CSI***

5. By end-September 2020, the CreateHK has committed \$1.787 billion under the CSI to support programmes under the three strategic foci, namely (A) nurturing talent and facilitating start-ups (\$839 million); (B) exploring markets (\$450 million); and (C) fostering a creative atmosphere (\$498 million). The number of applications received and approved, and the amount of funding committed under the CSI in the past three years are at **Annex 3**.

6. The work of the CreateHK through the CSI under the three strategic foci mentioned above during the reporting period are set out below. The number of projects and funding involved are at **Annex 4**.

#### ***(A) Nurturing Talent and Facilitating Start-ups***

7. During the reporting period, examples of initiatives under this strategic focus include -

- (a) the “Graduate Internship Programmes”, which provided opportunities of one-year full-time employment and on-the-job training with digital entertainment, digital advertising and design companies for young graduates of relevant creative disciplines.

385 interns were admitted under the “Hong Kong Digital Entertainment Industry Fresh Graduate Support Scheme” and the “Hong Kong Digital Advertising Industry Fresh Graduate Support Scheme” from their inception in 2011 to end-September 2020, including 107 interns admitted during the reporting period; whereas 38 interns were admitted under the “Design Graduates

Employment Supporting Scheme” from its inception in 2018 to end-September 2020;

- (b) the “Animation Support Programme”, which assisted start-ups or small companies in producing original creative animation works for showcasing in the “Hong Kong International Film & TV Market” and on television. 160 companies were admitted from its inception in 2012 to end-September 2020, of which 59 companies were admitted during the reporting period;
- (c) the “Microfilm Production Support Scheme (Music)”, which offered funding support and mentorship for start-ups or small advertising production companies. 174 companies were admitted from its inception in 2013 to end-September 2020, of which 63 were admitted during the reporting period;
- (d) the “Hong Kong Game Enhancement and Promotion Scheme”, first launched in 2019, supported 24 new game companies by providing them with training to upgrade their techniques in marketing campaigns and enhance profitability of their products;
- (e) the Hong Kong regional contest of the “21<sup>st</sup> DigiCon6 ASIA Awards”<sup>1</sup> and the “21<sup>st</sup> DigiCon6 ASIA Awards Presentation Ceremony” (the first time this ceremony was held outside Japan). The contest served as a valuable platform for Hong Kong talents to gain industry recognition, as well as to network and exchange with counterparts of other regions, the Asian masters and award judges; and
- (f) the “The Next Writer Publication Funding Scheme”, first launched in 2020, to sponsor nine groups of local emerging writers, who have never published or have published their works for the first time in the past three years, to publish and promote their new works.

**(B) *Exploring Markets***

8. During the reporting period, examples of initiatives under this strategic focus include the following -

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<sup>1</sup> DigiCon 6 Asia Awards is an annual prestigious digital content competition in Asia organised by the Tokyo Broadcasting System Holdings, Inc.

- (a) sponsored 24 Hong Kong creative companies of advertising, design, branding and marketing services to participate in the “Creativity in Business” seminar series in Yunnan organised by the Hong Kong Trade Development Council (HKTDC);
- (b) sponsored 279 Hong Kong publishing and printing companies to participate in major international book fairs (including the “Bologna’s Children’s Book Fair”, the “South China Book Festival”, the “Beijing International Book Fair” and the “Frankfurt Book Fair”, etc.);
- (c) sponsored 14 digital entertainment companies to set up the Hong Kong Pavilion at the “Comic Fiesta 2019” held in Malaysia, to promote Hong Kong’s original ani-com and games products, as well as visit and conduct exchanges with local digital entertainment companies;
- (d) sponsored the organisation of the “Fashion Summit” to foster cross-sectoral exchanges over the latest trends, innovation and technology, solutions and market opportunities of sustainable fashion, thereby promoting the sustainable development of the fashion industry;
- (e) subsidised the HKTDC to lead Hong Kong fashion designers to participate in a number of fashion weeks (including those held in Shanghai, Tokyo, Paris, London and New York) to explore the Mainland and overseas markets; and
- (f) subsidised the trade to organise the “Hong Kong Week 2019” in Taipei and the “Hong Kong Illustration X Original Design Brands Exhibition” at the “Festival Hong Kong 2019 - A Cultural Extravaganza” in Shanghai to showcase illustration works and design brands created by Hong Kong’s creative talents.

**(C) *Fostering a Creative Atmosphere***

9. During the reporting period, examples of initiatives under this strategic focus include -

- (a) the “Design Spectrum”, a project which took place at 7 Mallory Street, Wanchai to foster a creative atmosphere in the community by staging a series of design exhibitions, workshops, design appreciation and promotion programmes;

- (b) a cross-sectoral collaboration project for fashion design and ballet, whereby six local up-and-coming fashion designers, in collaboration with choreographers, designed tutus for the Hong Kong Ballet and dancers subsequently staged public performance in their new tutus; and
- (c) the “Ani-Com Park@HarbourFUN” Phase II established at the Golden Bauhinia Square, Wanchai to display the figurines of Hong Kong comics characters and other comics props which demonstrated local elements.

***(II) Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) Development and Belt and Road (B&R) Initiative***

10. The Greater Bay Area Development and the B&R Initiative present new opportunities for Hong Kong’s creative industries. To assist the creative sectors in seizing the opportunities, the CreateHK organised and provided support to a number of activities with a view to promoting the development of the seven creative industries in the concerned countries/regions/cities.

***(A) The Greater Bay Area Development***

11. Examples for efforts specific to the development of the Greater Bay Area market include the following -

- (a) sponsored the trade to organise the “Creative Initiatives 2019” which aimed to strengthen the development of creative industries of Hong Kong and the Greater Bay Area cities through workshops, seminars, design fairs, business matching sessions and exhibitions (e.g. the “FLOW Unfold” roving exhibitions held in Hong Kong, Macao, Shenzhen and Zhuhai from September 2019 to January 2020);
- (b) sponsored the trade to organise the “Incubation GBA 2019” to assist Hong Kong’s creative start-ups to establish presence in the creative hubs in Shenzhen as a springboard to expand business to the Greater Bay Area, with Zetta Bridge Qianhai Hong Kong Shenzhen Design Innovation Hub opened in November 2019 as the pilot;

- (c) sponsored the trade to stage the “Ear Up Tour – Mainland 2019” which allowed local music groups to organise music performances in major cities in the Greater Bay Area (including Guangzhou, Zhongshan, Shenzhen and Foshan) to promote local music; and
- (d) sponsored the trade to organise the “2019 Hong Kong Biennale of Urbanism\Architecture” to exhibit a wide range of architecture projects and urban designs concurrently in Hong Kong and Shenzhen, so as to promote Hong Kong’s architecture designs.

**(B) *The B&R Initiative***

12. Examples for efforts specific to the Initiative include the following-

- (a) organised a delegation of the design industry to Yangon and Naypyidaw of Myanmar in November 2019 to enhance their understanding of the local market, establish contact with counterparts, and explore business and co-operation opportunities;
- (b) sponsored the trade in June 2019 to organise the “Cross-Strait Architectural Design Symposium and Awards” themed on “Shape the Shapeless: Cross-Strait Architects and the Architecture of the Belt and Road and Africa”. Guest speakers and architecture students from the B&R countries and regions attended the symposium and student activities;
- (c) sponsored awardees of the “Kam Fan Awards” by the Association of Accredited Advertising Agencies of Hong Kong and young creative advertising practitioners to attend the creative advertising festivals and workshops held in Thailand and Singapore and promote Hong Kong’s advertising sector;
- (d) sponsored the trade to organise the “Ear Up Music Global 2019” for local independent singers and bands to participate in music festivals including those held in Korea to promote local music; and
- (e) sponsored the trade to organise the “DFA Awards 2020”, soliciting design works including those from the related B&R countries and regions.

#### ***(IV) Performance Pledge***

13. For programmes funded by the CSI, the CreateHK pledges to notify the applicant organisation of the application result or evaluation result within 50 clear working days after receipt of all required information for funding application or completion report respectively. Among the 91 application results sent during the reporting period, around 74% met the performance pledge. Among the 60 evaluation results sent during the same period, around 58% met the performance pledge. For cases not meeting the performance pledges, they were mainly due to the growing complexity and scale of the projects, coupled with the impact of the pandemic, leading to frequent changes in the originally planned arrangements of many applications, and thus requiring more clarifications and liaison with the project proponents and longer processing time. We will closely monitor the situation and strive to expedite as far as practicable.

#### **The Work of the HKDC**

14. Established in 2001 by five design associations<sup>2</sup>, the HKDC has been a close partner of the Government in promoting design and related creative industries. With the missions to undertake (I) publicity and promotion of Hong Kong's design works; (II) promotion of design leadership and continuous learning; (III) promotion of design excellence; (IV) nurturing of design-entrepreneurs; and (V) supporting development of Hong Kong's fashion design industry, the HKDC's programmes and activities target a wide spectrum of audience (including business leaders, entrepreneurs, brand owners, corporate executives, design professionals and students, the public, etc.) and are in line with the Government's strategic foci in promoting the development of creative industries. The work of the HKDC in these aspects are set out below.

#### ***(I) Publicity and Promotion of Hong Kong's Design Works***

15. Organised by the HKDC and sponsored by the CreateHK, the "Design Exchange Tour" (DX Tour) was held in September 2019 in San Francisco and Los Angeles. 12 emerging Hong Kong designers were selected to join a nine-day inspiration trip to conduct exchanges and study visits, with focus on how design has been responding to technology shifts

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<sup>2</sup> Namely, the Hong Kong Designers Association, the Chartered Society of Designers, Hong Kong, the Hong Kong Interior Design Association, the Hong Kong Fashion Designers Association and the Hong Kong Federation of Design Associations.

in an ever more connected society. “DX Tour” had two flagship activities, including “Co-creating Hong Kong” exhibition held at the heart of the San Francisco Theatre District and the thematic session at the “Think Asia, Think Hong Kong” conference held in Los Angeles. The tour also included study visits to design companies well known for product innovation, corporate cultures and application of new design thinking in commerce and social situations, as well as exchanges with local design leaders. After returning to Hong Kong, these designers used the “Co-creating Hong Kong” exhibition as the blueprint and infused inspiration from this tour into their works for the “DesignInspire” exhibition held in December 2019.

16. Subject to the development of the pandemic, the HKDC has planned to continue organising the “DX Tour” series of activities to provide exchange and inspiration tour for local designers in the remainder of 2020-21. The tour will comprise exchange sessions and exhibitions showcasing various projects.

## ***(II) Promotion of Design Leadership and Continuous Learning***

17. The “Business of Design Week 2019” (BODW 2019) had the United Kingdom as the partner country under the theme “DESIGN THE FUTURE, CREATE TOMORROW”. The HKDC has originally planned to organise events such as the “BODW Summit” in early December 2019, but the events were cancelled in view of the social situation at the time. Concurrent events, viz. “deTour”, “Global Design Network Symposium” and “Leadership Forum on Design Education”, were also cancelled. “BODW City Programme” (BODW CityProg), “Business of IP Asia Forum” and “DesignInspire” were held in December 2019 as planned, attracting some 110 000 participants.

18. The HKDC organised the “Knowledge of Design Week (KODW) 2019” in June 2019 under the theme “Designing Digital Futures”, which served as a knowledge-sharing and networking platform on creativity and design. More than 30 local and overseas speakers participated in sharing sessions, attracting over 960 participants.

19. Due to the pandemic, “KODW 2020” was held in end-August 2020 vide online format for the first time, featuring the theme “Designing Digital Futures for the New Normal”. Together with audience from different regions, it explored a myriad of ways in which digital technology could integrate with human-centric design to provide new opportunities

and create more possibilities for future cities, business environment and sectors such as health.

20. The HKDC has conducted a series of workshops and seminars to promote design thinking to the public, attracting more than 710 participants. The HKDC has also, in collaboration with the Civil Service Training and Development Institute and the Efficiency Office, promoted the use of creativity and design thinking as a problem-solving tool to the senior and middle management of the Civil Service across grades, with around 70 officers participated during the reporting period. The HKDC will continue its efforts in promoting design thinking to stimulate a wider and more strategic use of design for innovation in all walks of life.

21. The “BODW 2020” was held from 30 November to 5 December 2020. The major activities of the “BODW CityProg 2020” would continue to be organised with a mix of events and education programmes at anchor sites and satellite sites in various districts from November to December 2020. Besides encouraging public participation in the “BODW”, the programmes also seek to energise the community and foster collaboration with local businesses and brands.

### ***(III) Promotion of Design Excellence***

22. The HKDC has continued to promote design excellence through honouring outstanding achievements of design projects, designers, companies and business leaders with the “DFA Awards” programmes. Over 1 100 entries from 24 economies were received for the “DFA Design for Asia Awards” in 2019, with Hong Kong designers gaining 52 titles (including five Grand Awards and four Gold Awards) out of the 211 awards. Five roving exhibitions were held in Hong Kong, Seoul, Taichung and Tokyo respectively. An exhibition of the winning designs of the “DFA Awards” was also held at the “DesignInspire” in December 2019. The said exhibitions have attracted around 135 000 visits in total. Promotion of the “DFA Awards” was also held in various places such as Shenzhen, Taichung, Tokyo, Seoul and Singapore. The HKDC also opened the “Design for Asia @ kapok Pop-up Store” in Singapore from 4 June to 4 September 2019, featuring eight award-winning products from Asia. In view of the social situation at that time, the HKDC cancelled the “DFA Awards Presentation Ceremony” scheduled for December 2019.

23. The “DFA Hong Kong Young Design Talent Award 2019” (DFA HKYDTA 2019) has received near 250 applications. 13 winners were

given financial support from the CreateHK, the Hong Kong Polytechnic University School of Design and the Hong Kong Design Institute to undertake work attachments or overseas studies. Three overseas roving exhibitions for the “DFA HKYDTA” in Tokyo, Seoul and Taichung and one exhibition in Hong Kong were held alongside other programmes of the “DFA Awards”. In October 2019, the HKDC organised the “DFA HKYDTA Alumni Sharing Night”, where past winners were invited to share their overseas working experiences with fresh winners.

24. In 2019, the HKDC, in collaboration with the Urban Renewal Authority (URA), established a new design initiative called the “Design Spectrum” at 7 Mallory Street in Wan Chai, a cluster of Grade 2 historic buildings. The project site was opened on 19 July 2019, with three major thematic exhibitions held thereafter, attracting over 8 300 visits in total. The “Design Spectrum” also organised various free-of-charge activities at 7 Mallory Street for the public to enhance their awareness and understanding of design. In addition, the HKDC created a design showcase where six young Hong Kong designers were invited to display their products during the reporting period. Visitors could purchase the exhibits online by scanning the bar codes on site. Due to the pandemic, the last thematic design exhibition in 2019-20 scheduled to be held in end-February 2020 was eventually postponed to late April 2020.

25. The “DFA Design for Asia Awards 2020” was open for submission from 1 April to 17 July 2020, while the “DFA HKYDTA 2020” was open for submission from 20 April to 10 July 2020.

26. The HKDC will continue to promote the past winners and the award programmes of the “DFA HKYDTA” in Hong Kong and other cities. It is planned that the winners of the “DFA HKYDTA 2020” will undertake work attachments or studies overseas between end-2021 and early-2022.

#### ***(IV) Nurturing of Design-entrepreneurs***

27. The HKDC has been administering the Design Incubation Programme (DIP) since May 2012<sup>3</sup>, which offers financial assistance and incubation services to design start-ups over a two-year incubation period to help them build up business network, publicise products and conduct market promotions. The HKDC commenced Phase IV of the DIP in July 2020. The target is to recruit 90 incubatees. As at end-September 2020,

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<sup>3</sup> The DIP was first launched by the Hong Kong Science and Technology Parks Corporation at InnoCentre in 2006. The HKDC took over the administration of the DIP in May 2012.

the DIP has admitted 289 incubatees, including 26 under the DIP Phase IV. A total of 103 international awards/honours and 280 local awards/honours have been attained by the DIP incubatees. The incubatees have lodged applications for eight patents, 319 trademarks and 62 registered designs and created 1 345 job opportunities. According to the HKDC, over 90% of the DIP incubatees are still in operation after completing the programme for two years or more. To meet the challenges posed by the pandemic, the HKDC has provided relief (from May 2020 to October 2020), including rent concession, to current incubatees to help them continue their businesses.

***(V) Supporting Development of Hong Kong's Fashion Design Industry***

28. In view of the social situation at that time, the HKDC cancelled all events of the “Fashion Asia 2019 Hong Kong”, including a series of events such as the “Fashion Challenges Forum” and the “10 Asian Designers To Watch” exhibition.

29. The HKDC continued to administer the Fashion Incubation Programme (FIP) which admitted the last incubatee in April 2019 among the quota of 15 of Phase I. The HKDC commenced Phase II of the FIP in July 2020. The target is to recruit 15 incubatees, with five admitted as at end-September 2020. The incubatees participating in the FIP have attained eight local awards and eight international awards in total. To meet the challenges posed by the pandemic, the HKDC has provided relief (from May 2020 to October 2020), including participation fee waiver, to current incubatees to help them continue their businesses.

30. The HKDC will continue to publicise and promote Hong Kong's core position in Asian fashion design and trade development in the remainder of 2020-21. In this connection, the HKDC held the “Fashion Asia 2020 Hong Kong” online, including a virtual fashion exhibition and a digital forum, from 2 to 3 December 2020. The HKDC will continue to provide support for the development of the fashion design industry of Hong Kong.

31. The “Sham Shui Po Design and Fashion Project” (the Project) will be located in a five-storey commercial podium at an URA redevelopment project in the district, with a total usable floor area of about 3 600 m<sup>2</sup>. It will be operated by the HKDC after completion. The Project aims to nurture young designers and start-ups, to provide the local design sector with a resource and practice centre, and to boost the local economy and

local tourism through a combination of local features and trade development. Construction works for the Project has commenced and is expected to be completed in 2023-24. In the interim, the HKDC will continue to organise promotion activities in Sham Shui Po (SSP) to path the way for the launch of the Project. For example, the HKDC, in partnership with the Tourism Commission, has been taking forward the “Design District Hong Kong (#ddhk)” project in SSP. By associating with the unique SSP characteristics, tourism activities with fashion and design elements are being organised (such as the “Heart of Cyberpunk”).

### **Funding Proposal for the “CreateSmart Initiative”**

32. Since the establishment of the CSI in 2009, the Government has made four injections, totalling \$2 billion, to support the development of the seven non-film sectors of creative industries. The last injection of \$1 billion was made in 2018.

### ***Evaluation of the Effectiveness of the CSI***

33. It may not be possible to assess the immediate/direct benefits brought about by the CSI-funded projects to individual incubatees/ start-ups, participating companies or industry practitioners. It would also take time for talent and start-ups with the CSI support to grow, mature and excel. From the macro perspective nonetheless, Hong Kong has witnessed impressive growth in the creative industries since the establishment of the CSI in 2009 in terms of both the number of persons (from 123 330 in 2009 to 136 360 in 2018) and establishments (from 21 320 in 2009 to 28 370 in 2018) engaged in these industries. As at end-September 2020, the number of jobs created by the CSI was 25 140, while the number of business contacts established was 23 900. All in all, the CSI has benefited 3 940 small and medium-sized enterprises and provided more than 71 800 nurturing opportunities. Details of the effectiveness of the CSI as measured by the various KPIs over the years are set out in **Annex 2**.

34. Intangible benefits brought about by the CSI-funded projects included an enhanced international profile of Hong Kong and recognition of Hong Kong as a city of creativity and design by international media. For example, “BODW” organised by the HKDC since 2002 as well as other flagship events have become international iconic events of the design industry, enhancing Hong Kong’s status as a city of design excellence in Asia. The local and overseas publicity and media coverage attracted by

the CSI-funded projects have enhanced the local public's appreciation of the creative sectors as well as promoted Hong Kong's soft strengths abroad.

35. In addition, since July 2011, it has been the standing requirement for all the CSI-funded projects to collect feedback from participants through a standard questionnaire survey. Based on the survey findings, participants have positive feedback in general – 98% of those responded rated the programmes as “satisfactory”, “very satisfactory” or “excellent”. In terms of usefulness of the CSI-funded events they attended, more than 80% of the respondents felt that the events did help in terms of exploring new business opportunities, expanding network, and/or understanding the industry's position in the global market.

### ***Proposed New Injection***

36. The industries' responses to the \$1 billion CSI injection in 2018 have been enthusiastic. In the past two years or so, the CSI has received around 200 new applications and approved projects with an estimated total costs of over \$800 million. The Chief Executive proposed in this year's Policy Address to further inject \$1 billion into the CSI to sustain the Government's support to the creative industries and with the creative industries as a driving force of our economic development.

37. The CSI will continue to adopt a “partnership approach”, whereby the industry would initiate and implement projects with funding support from the Government. This approach harnesses the capacity, creativity, expert knowledge and networks of the various trade organisations and academic institutions. This also facilitates the various creative sectors to organise programmes which best fit their needs. The CreateHK will take the leading, coordinating and facilitating roles to initiate and foster cross-sectoral and cross-organisational collaborations with a view to promoting synergy and diversified development. The funding injection will enhance support to relevant projects according to the three strategic foci of the CSI, including nurturing talent and facilitating start-ups of creative industries, exploring markets, and promoting Hong Kong as Asia's creative capital and fostering a creative atmosphere in the community.

38. As nurturing talent and facilitating start-ups are the top priorities in the development of the creative industries of the current-term Government, the split of the funding injection to the CSI will broadly be -

- (a) nurturing talent and facilitating start-ups (approximately 50%);

- (b) exploring markets (approximately 25%); and
- (c) promoting Hong Kong as Asia’s creative capital and fostering a creative atmosphere in the community (approximately 25%).

39. We propose to continue the streamlined approach and earmark dedicated funding to the HKDC and the HKTDC in taking forward specified projects to maximise impact<sup>4</sup>. For the HKDC, we plan to earmark an amount of around \$260 million for its organising five annual flagship programmes of the design industry (i.e. “BODW”, “DFA Awards”, “KODW”, “Nurturing Programme of Hong Kong Young Design Talents” and “Fashion Asia Hong Kong”. For details, please see **Annex 5**) from 2022-23 to 2024-25; and setting up the necessary facilities and installations, as well as conducting publicity, promotional activities, etc., to prepare for the commissioning of the “Sham Shui Po Design and Fashion Project”. Regarding the HKTDC, we plan to earmark an amount of around \$7.2 million for its organising five annual projects (i.e. “Hong Kong Creativity in Business”, “SmartHK”, “In Style • Hong Kong Symposium”, “Hong Kong Animation and Digital Entertainment Pavilion” and “DesignInspire – Hong Kong Creative Force Pavilion”. For details, please see **Annex 6**) from 2021-22 to 2024-25. While giving the two bodies the necessary flexibility to deploy the resources, we will continue to ask them to submit various plans and reports regularly to ensure prudent use of public funds.

40. The Government is also acutely aware of the need to provide assistance to the trade to respond to the fundamental changes brought to the local and international trade practices and operating environments by the prolonged pandemic. We could, premised on the three strategic foci of the CSI, use the new injection to assist the design and other creative sectors in adapting to the digitisation trend and the challenges arising from the use of various virtual means to carry out exchanges and business activities online, to encourage the trade to keep pace with the times, to proactively promote physical and virtual dual platforms, and to encourage cross-media and cross-sector co-operations. We are also keen to facilitate our local trade in keeping up with international trends and changing circumstances, developing in full their competitive edge and seizing available market opportunities, e.g. those offered by the Greater Bay Area, the B&R and the ASEAN markets. In this connection, the Commerce and

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<sup>4</sup> The arrangement of providing dedicated funding to the HKDC and the HKTDC has been adopted since the CSI injection in 2018. For detailed justifications and arrangements, please refer to paragraphs 22 to 30 of Discussion Paper No. CB(4)429/17-18(05) of the Legislative Council Panel on Information Technology and Broadcasting.

Economic Development Bureau (CEDB) will soon arrange a Roundtable with participation of relevant creative sectors representatives to exchange views and explore how to build on our strengths and best use the new CSI injection to further develop our creative industries in a sustainable and multi-pronged fashion. The CreateHK will also work with the task force to be set up and led by the Home Affairs Bureau (HAB) in promoting and sponsoring the development of Art Tech with the HAB and the Innovation and Technology Bureau.

### ***Financial implications***

41. We estimate that the proposed funding injection of \$1 billion will sustain the operation of the CSI up to around 2024-25. The CEDB will continue to support the operation of the CSI within existing resources.

### ***Control Mechanism***

42. The CSI Vetting Committee (CSIVC) will continue to assess funding applications, review the progress and completion reports of projects, and make recommendations to the Permanent Secretary for Commerce and Economic Development (Communications and Creative Industries) (PSCCI). The CSIVC consists entirely of non-officials appointed by the SCED, including practitioners from the creative industries, academia and relevant professional sectors. The current membership of the CSIVC is at [Annex 7](#). The PSCCI is the Controlling Officer of the CSI and decides, having regard to the advice of the CSIVC, whether to approve the applications and disburse funds. Other than the dedicated funding support earmarked for the HKDC for implementing the designated projects, individual projects requiring funding of more than \$10 million each will need to be separately submitted to the Finance Committee of the Legislative Council (LegCo) for approval.

43. We will closely monitor and review the funding requirements of the CSI having regard to the actual operational needs and industry demands. Where justified and necessary, we will adjust as appropriate the earmarked amounts for concerned projects provided that the overall commitment of the CSI will not be exceeded.

## **Advice Sought**

44. Members are invited to note the content of this paper and give their views. Regarding the funding proposal for the CSI, subject to Members' views, we will seek the necessary funding approval from the LegCo as appropriate according to the established mechanism.

**Communication and Creative Industries Branch  
Commerce and Economic Development Bureau  
7 December 2020**

## Annex 1

### Major projects sponsored by the Create Hong Kong (1 April 2019 to 30 September 2020)

<b>Advertising</b>		
<p>(1)</p>	<p><b>The 4th Hong Kong Digital Advertising Industry Fresh Graduate Support Scheme</b></p> <p>The programme helps nurture talent for the digital advertising industry. 32 graduates were recruited in 2019 for a one-year full-time employment and on-the-job training with participating advertising companies.</p>	
<p>(2)</p>	<p><b>The 7<sup>th</sup> Microfilm Production Support Scheme (Music)</b></p> <p>31 advertising production start-ups were recruited to produce a microfilm featuring local singers/music groups. The completed microfilms were promoted through television, social media etc.</p>	
<b>Architecture</b>		
<p>(3)</p>	<p><b>2019 Hong Kong Biennale of Urbanism\Architecture</b></p> <p>The Hong Kong Exhibition themed “2 x 2: Imagine to Innovate” displayed 62 pieces of exhibits by local and overseas exhibitors. The exhibition demonstrated the similarities and contrasts between Hong Kong and Shenzhen, the relationship between two cities and references that could be made to the other, inspiring deliberation of multiple possibilities of future development.</p>	

## Design

### (4) Participation in Fashion Weeks in Mainland and Overseas

Local fashion designers participated in fashion weeks held in Shanghai, Tokyo, Paris, London and New York.



### (5) HK Illustration X Original Design Brands Exhibition

A showcase to exhibit illustration works and designer brands from Hong Kong creative talents in “Hong Kong Week 2019” in Taipei and “Festival Hong Kong 2019 - A Cultural Extravaganza@Shanghai” in Shanghai.



### (6) Design Spectrum

A series of design exhibitions, workshops, design appreciation events in 7 Mallory Street, Wan Chai to promote design and design thinking to the public.



### (7) A Cross-disciplinary Collaboration between Fashion Design and Ballet

Fashion designers and choreographers collaborated to design tutus for the Hong Kong Ballet, and dances were arranged to produce public performances.



**(8) Creative Initiatives 2019**

A series of workshops, forums, design markets, exhibitions etc., to strengthen the development of creative industries in Hong Kong and cities in the Greater Bay Area.



**Digital Entertainment**

**(9) The 3rd Hong Kong Digital Entertainment Industry Fresh Graduate Support Scheme**

The programme nurtures talent for the digital entertainment sector. In 2019, 19 graduates were recruited for a one-year full-time employment and on-the-job training with participating digital entertainment companies.



**(10) The 7<sup>th</sup> Animation Support Programme**

14 start-ups and 15 small animation enterprises were recruited to upgrade the skills of creative talent in animation technology and production through creating original animation works.



**(11) Hong Kong Game Enhancement and Promotion Scheme**

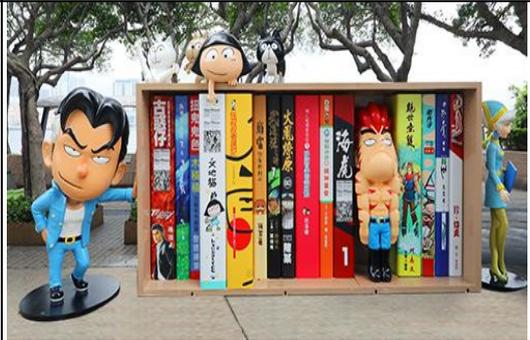
12 game start-ups were provided with comprehensive support to enhance the quality and profitability of games, and sponsorship to participate in Tokyo game show to promote local works to the international markets and explore business opportunities.



**(12) 21<sup>st</sup> DigiCon6 ASIA Awards and 21st DigiCon6 ASIA Awards Presentation Ceremony**  
 The contest served as a valuable platform for Hong Kong talents to gain industry recognition, as well as to network and exchange with counterparts of other regions, the Asian masters and award judges.



**(13) Ani-Com Park@Harbour “FUN” Phase II**  
 The Ani-Com Park@Harbour “FUN” Phase II was set up at Golden Bauhinia Square in Wanchai to display the figurines of Hong Kong comics characters and other comics props with local elements to foster a creative atmosphere in the community, promote and expand the Hong Kong comics market.



**Music**

**(14) Ear Up Tour – Mainland 2019**  
 To nurture local music talents, 12 talented singers/bands were funded to perform in tertiary institutions and live houses in the Greater Bay Area, under the guidance of paired up mentors (local singers/bands).



**(15) Ear Up Record Label Creation and Incubation Program 19/20**  
 In 2019, 18 talented singers/bands were recruited and provided with training in developing their independent/small labels through seminars, workshops and forums.



**(16) Ear Up Music Global 2018/19**  
 To broaden music talent’s exposure by performing outside Hong Kong, 11 singers/bands were paired up with mentors (local singers/bands) and funded to perform in overseas/Mainland music festivals, including “Strawberry Music Festival” in Shanghai, “Theatron Musik Sommer” in Munich and “Zandari Festa” in Seoul. Training, experience sharing sessions and visits were also held.



**Printing and Publishing**

**(17) Participation in International Book Fairs**  
 The printing and publishing sector was sponsored to set up a Hong Kong pavilion in international major book fairs in Bologna, Guangzhou, Beijing and Frankfurt. Participating exhibitors benefitted from the opportunities to increase exposure, expand business networks, and establish direct contacts with the potential clients and readers.



**(18) The Next Writer Publication Funding Scheme**  
 Firstly launched in 2020 to subsidize nine groups of local writers who have never published or have published for the first time in last three years to publish and promote their new work.



## Television

### (19) Asia Video Summit 2019

Fifty local small and medium enterprises (SMEs) were sponsored to join the community outreach programmes and other networking activities of the Summit held in Singapore for free and provided with opportunities to learn the latest industry trends and meet with industry practitioners from Asia and around the world. Forty tertiary students were also subsidised to participate for free in the Summit.



**Projects Organised or Sponsored by the Create Hong Kong (CreateHK)  
Key performance Indicators and Participants' Satisfaction Level**

(Cumulative position as of end-September 2020 since establishment of the CreateHK in June 2009)

**(A) Key Performance Indicators (KPIs)**

		(Percentage changes from the position of 31 March 2019)
(1)	Number of approved projects	567 (+18%)
(2)	Public participation <sup>(1)</sup>	about 148.9 million (Not applicable)
	<i>(2a) Number of participants</i>	about 65.9 million (+15%)
	<i>(2b) Number of viewings/hits received in respect of the websites or social media platforms</i>	about 82.8 million (Not applicable)
	<i>(2c) Number of printed promotional materials distributed</i>	167 000 (Not applicable)
(3)	Number of created job opportunities <sup>(2)</sup>	25 140 (+18%)
(4)	Number of small and medium-sized enterprise (SME) beneficiaries	3 940 (+105%)
(5)	Number of business contacts or enquiries created for SMEs	23 900 (+21%)
(6)	Number of awards attained by creative talent who have participated in international competitions with funding support from CreateHK	120 (+34%)
(7)	Number of nurturing opportunities created for creative talents and start-ups <sup>(3)</sup>	71 800 (+27%)
(8)	Number of television audience reached out by those funded awards presentation and musical programmes	about 366.1 million (+8%)
(9)	Number of media coverage <sup>(1)</sup>	7 350 (Not applicable)
(10)	Number of business deals secured <sup>(1)</sup>	1 050 (Not applicable)
(11)	Number of opportunities to showcase creations or talent <sup>(1)</sup>	13 690 (Not applicable)

Note:

(1) They refer to the four additional KPIs being adopted after the time of the \$1 billion funding injection into the CSI in 2018. The four additional KPIs are only applicable to the projects approved after April 2018. Since these projects were still underway by end-March 2019, the respective figures were not available for comparison.

(2) Comprising jobs directly created and indirectly created.

- (3) Not including those provided under the Design Incubation Programme and the Fashion Incubation Programme.
- (4) Figures may not add up to total due to rounding.

**(B) Participants’ Satisfaction Level**

(a)	Percentage of respondents who rated the activities/programmes as “Excellent”, “Very satisfactory” or “Satisfactory”	98%
(b)	Percentage of respondents who rated the duration/format/content/publicity/ participation fee of the activities/ programmes as “Excellent”, “Very satisfactory” or “Satisfactory”	93%-98%
(c)	Percentage of respondents who considered the activities/programmes helped achieve the following objectives: <i>Enhance Knowledge in the Business, Expand Contact Network, Explore New Business Opportunities, Better Understand the Industry’s Position in the Global Markets, Broaden the Scope about the Industry</i>	82%-91%
(d)	Percentage of respondents who rated the activities/programmes as “Definitely Useful”, “Very Useful” and “Useful”	92%

**Funding Position of the CreateSmart Initiative  
(2017 to 2020)**

	<b>2017</b>	<b>2018<sup>(1)</sup></b>	<b>2019<sup>(1)</sup></b>	<b>2020<sup>(1)</sup> (By end- September)</b>
Number of Applications Received	71	108	105	62
Number of Projects Approved	51	57	61	38
<b>Total Approved Amount (\$Million)</b>	<b>137.8</b>	<b>223.5</b>	<b>305.4</b>	<b>333.8</b>

Note:

(1) Including projects under dedicated funding to the Hong Kong Trade Development Council and the Hong Kong Design Centre.

**Number and Funding Amount of Approved Projects  
under the CreateSmart Initiative by Strategic Foci**

<b>Strategic Focus</b>		<b>Cumulative Total (June 2009 to 30 September 2020)</b>	<b>1 April 2019 to 30 September 2020</b>
(1)	Nurturing Talent and Facilitating Start-ups	261 (\$839 million)	45 (\$350 million)
(2)	Exploring Markets	190 (\$450 million)	29 (\$109 million)
(3)	Fostering a Creative Atmosphere	116 (\$498 million)	13 (\$115 million)
<b>Total</b>		<b>567 (\$1.787 billion)</b>	<b>87 (\$574 million)</b>

**Five Projects by the Hong Kong Design Centre (HKDC)  
Proposed for Continued Streamlined Funding Approach  
under the CreateSmart Initiative**

**(1) The “Business of Design Week” (BODW)**

The BODW is the HKDC’s annual signature event. Inaugurated in 2002, it is now the largest annual design event in Asia and one of the leading design events in the world. Dedicated to design, brand and innovation, the BODW is a week-long event with conferences, forums, awards presentation, exhibitions, outreach programme, gala dinner and other networking gatherings. The BODW, together with its concurrent events, brings together in Hong Kong world-class design masters, outstanding international designers, influential design executives and creative-minded business elites. It serves as a valuable platform for design enthusiasts, students and the public to network, exchange ideas and explore business collaborations.

Since 2005, the BODW has been collaborating with a partner country/city each year. Recent partners include Germany (2011), Denmark (2012), Belgium (2013), Sweden (2014), Barcelona (2015), Chicago (2016), Italy (2017) and Melbourne (2018). The United Kingdom is the strategic partner in 2020.

**(2) The “DFA Awards”**

The DFA Awards has been the HKDC’s annual flagship signature event since 2003 to honour design excellence and demonstrate how design can improve the quality of life in Asia. There are five categories of awards, namely, (a) the “DFA Design For Asia Lifetime Achievement Award” (for a person who has made life-long contribution to the design profession and promoted wider use and appreciation of design in the society, especially in Asia); (b) the “DFA Design Leadership Award” (for a business leader who has used design as a strategy for business success); (c) the “DFA World’s Outstanding Chinese Designer” (for a Chinese designer who has accomplished outstanding achievements in his or her design discipline, and is dedicated to promote design through educational activities and participation in professional

organisations, etc.); (d) the “DFA Design For Asia Awards” (for the best designs based on their design excellence, use of technology, commercial and societal success and impact in Asia); and (e) the “DFA Hong Kong Young Design Talent Award” (for promising Hong Kong young design practitioners and design graduates for further grooming).

**(3) The “Knowledge of Design Week” (KODW)**

First held in 2006, the KODW is one of the annual flagship events of the HKDC. With a series of conferences and workshops held in a week, the KODW is to inspire business executives with the application of design in business context and update local design professionals with the latest global design trend and knowledge.

**(4) The “Nurturing Programme of Hong Kong Young Design Talents”**

The HKDC introduced this programme in 2012 with funding support to sponsor four awardees of the 2012 “Hong Kong Young Design Talent Award” to undertake overseas work attachments. The sponsorship quota funded by the CSI has been increased since 2014 from four to over ten, to include also awardees of the “CreateSmart Young Design Talent Awards” and awardees of the “CreateSmart Young Design Talent Special Awards”.

**(5) The “Fashion Asia Hong Kong”**

Organised by the HKDC since 2016 as part of the Fashion Initiatives of the Government, the “Fashion Asia Hong Kong” revisits the state of play of the fashion industry and discuss the challenges facing the industry. It includes a two-day forum and a week-long fashion exhibition. The forum and the exhibition are held concurrently with the BODW.

**Five Projects by the Hong Kong Trade Development Council  
Proposed for Continued Streamlined Funding Approach  
under the CreateSmart Initiative**

**(1) The “Hong Kong Creativity in Business”**

Held since 2002, it promotes Hong Kong’s design, branding and marketing sectors to the Mainland market through mini-exhibitions, seminars, networking activities and business matching programmes. Markets covered in previous editions included Dongguan, Chengdu, Taipei, Shaoxing, Qingdao, Chongqing, Xiamen, Jinjiang, Dalian, Suzhou, Ningbo, Liaoning, Wuhan, Nanjing, Xi’an and Shenzhen.

**(2) The “SmartHK”**

Held since 2011, it promotes Hong Kong’s small and medium-sized enterprises (SMEs) of different creative sectors (e.g. advertising and marketing, animation, architectural and interior design, design and branding, licensing, new media, and printing and packaging services) in the Mainland market through exhibitions, seminars, conferences and business-matching and networking activities. Markets covered in previous editions included Guangzhou, Hangzhou, Nanjing, Jinan, Chengdu and Fuzhou.

**(3) The “In Style • Hong Kong Symposium”**

Held since 2015, it promotes Hong Kong’s creative industries in the Southeast Asian markets by subsidising Hong Kong’s SMEs (in the fields of fashion design, industrial and product design, interior and spatial design, animation and digital entertainment, brand strategy, licensing and new media/apps) to promote their services through thematic seminars, exhibitions and market visits. Markets covered in previous editions included Jakarta and Kuala Lumpur.

**(4) The “Hong Kong Animation and Digital Entertainment Pavilion”**

Held since 2010, it promotes Hong Kong’s digital entertainment industry in the international arena, and provides opportunities for local companies to meet with international buyers and facilitate international exchanges through conferences, etc. This project is a

complementary project tagging on the Council's annual iconic event, "FILMART".

**(5) The "DesignInspire – Hong Kong Creative Force Pavilion"**

Held since 2009, it highlights the strengths of local creative industries by providing a platform to exhibit different creative projects and success stories from sectors such as advertising, marketing, architecture, interior design, design and branding. This project is a concurrent event of the Business of Design Week.

**Membership of the CreateSmart Initiative Vetting Committee  
(August 2019 - July 2021)**

The CreateSmart Initiative Vetting Committee comprises professionals, representatives from the industry and business sectors, academics and other members of the society. Its functions are to assess applications, make recommendations to the Permanent Secretary for Commerce and Economic Development (Communications and Creative Industries), and monitor and review the quality of approved projects.

The current membership of the CreateSmart Initiative Vetting Committee is as follows –

**Chairman**

Mr WONG Ming Yam, B.B.S., J.P.

**Vice-Chairpersons**

Dr Kevin LAU Kin Wah, J.P.

Dr Elvin LEE Ka Kui, J.P.

Prof Stephen TANG Man Bun, B.B.S.

Mr Bernie TING Wai Cheung

Prof WONG Kam Fai, M.H.

**Members**

Mr Antony CHAN

Mr Benny CHAN Chak Bun

Ms Cherry CHAN

Mr Edmund CHAN Ka Yeung

Dr Toby CHAN Lap Man

Ms Miranda CHAN Mei Wun

Prof CHAN Wing Wah, J.P.

Dr Bobby CHAN Yum Kit

Ms Bonita CHEUNG

Mr Calvin CHENG Chung Pong

Mr Alan CHEUNG Yick Lun

Mr Kenny CHIEN Kwok Keung

Ms Rosanna CHOI Yi Tak

Ms Jessica FONG Kit Yin

Mr Keith HO Chun Hung

Ms Celine HO Ming Wai  
Dr HO Wai  
Mr Eddie HUI  
Mr Eddy HUI Shun  
Ms Anna KAN Mung Lai  
Ms Tristance KEE Yee Chun  
Ms Mui KINOSHITA  
Mr Francis KWOK Ching Kwong  
Ms Flora KWONG Man Wai  
Ms Teresa KWONG Pui See  
Ms Janko LAM  
Ms Elita LAM Yee Nee  
Mr Peter LAU Man Pong  
Mr Roy LAW  
Dr Vincie LEE Pui Yuen  
Dr Brian LEE Yu Hin  
Ms May LEUNG  
Mr Jackson LEUNG Siu Yin  
Mr Gerry MA Kwai Yung, J.P.  
Ms Daisy MOK Mo Kit  
Mr Derrick NGAN  
Mr William SHUM Wai Lam  
Mr Michael SZE Tak Lee  
Mr Ralph SZETO Kwong Chiu  
Mr William TO  
Ms Agatha TSANG  
Mr TSANG Kam Ching  
Mr Kent WONG  
Dr Sharon WONG Yin Yue  
Mr Karr YIP  
Mr Franklin YU  
Mr YUNG Kai Tai