

**Summary of the views expressed in
the Second Meeting of
the Committee on Economic Development and
Economic Cooperation with the Mainland
of the Commission on Strategic Development
held on 6 February 2006**

Strategic issues to be discussed at future meetings

The Committee agreed to discuss the following priority strategic issues : “promoting the development of creative industries” (discussed under Agenda Item III of this meeting), “Hong Kong as a hub for talent”, “high value-added logistics”, and “creation of employment”, within its term.

Promoting the development of creative industries

2. There was clearly a common view that “creativity” and “creative industries” would be a key driver for Hong Kong’s economic growth. Hong Kong should leverage on its major asset of human capital and maximize its potential creative content in adding value to its economy. The quality and creativity of our workforce in specific creative industries such as film, entertainment, design, etc. was widely recognized in the Mainland and overseas. Other small economies with a limited resource base like Ireland and Singapore had already been moving towards this direction. There was a lone view that due to high production costs, the scope for the development of creative industries would be limited. The thence modest contribution of creative industries to our GDP was cited as evidence.

3. Strategically, Hong Kong should position itself as the “creativity hub” to provide a platform for the Mainland and international creative industries and talent to converge and interact. Hong Kong could provide a platform to commercialize creative ideas and works from the Mainland and to market them to the rest of the world, and vice versa. Supporting services, such as packaging, branding, marketing, financing, etc., could be provided by Hong Kong. Such positioning would fit in well with our advantages of having a strong Chinese cultural heritage background, immediate access to the Mainland, and an international exposure.

4. With the continued growth in the economic strength of the Mainland, the export of Chinese culture to the international market would likely become a profitable proposition in the longer term. An example was Japan's exporting its cultural industries in 1970s when its economy took off. Another example was South Korea in recent years. To some extent, Hong Kong during its rigorous economic growth period in 1970s and 1980s, also exported its Canto-pop entertainment to the Mainland and overseas Chinese communities. From a longer term strategic point of view, Hong Kong should explore the role it could play in exporting Mainland's creative cultural industries to overseas markets.

5. It was generally agreed that the Government should be a facilitator to provide a favourable and enabling environment for the development of creative industries, including a vigorous regime to protect intellectual property rights (IPR), to help transform creativity into lucrative business, and to nurture creativity among the younger generation and the workforce through education and training. The Government should refrain from adopting a "pick the winner" approach in supporting specific industries.

6. Some Members opined that the Government should not shy from promoting specific sectors if it was good for the development of creative industries and our economy as a whole. Apart from film, innovative design and digital entertainment, fashion design, emerging new creative industries such as information technology applications and online games, and those manufacturing industries with a strong content of creativity should be promoted. Since little information was available about the market characteristics and specific needs of individual creative industries, it was suggested that a series of market studies on individual creative industries, including "strength, weakness, opportunity and threat" (SWOT) analysis, should be carried out to provide a rational basis for the Government to develop a market driven approach in promoting specific creative industries.

7. Some Members suggested that the Government should identify a lead agency or a commissioner to champion the cause of promoting creative industries. This would show the determination of the Government and be conducive to effective implementation of proposals to promote creative industries. It would also address the deficiency of the existing compartmentalized approach of different government bureaux / departments having different policies and strategies to promote and support the industries.

Countries such as the United Kingdom, Korea, Singapore, etc., that had been very successful in promoting their creative industries had adopted such an approach.

8. Members recognized that availability of a rich pool of talent creating a clustering effect would be the key to the successful development of our creative industries and continued growth of our economy. On attracting talent from different parts of the world, we should make Hong Kong a place that has cultural diversity and social tolerance, and good quality of life. Our immigration policy should encourage talent migration, e.g. introducing a priority immigration programme for talent in arts, culture, etc.

9. On education, the Government should critically examine whether the local education system could provide an environment conducive to nurturing a creative learning culture and strong international and cultural heritage perspectives for our younger generation. Creativity could not be taught just by offering courses on creative knowledge or skills. The tertiary education institutions should accept more international students and provide local students with international learning opportunities and exposure.

10. The current definition of creative industries and estimates of the contributions of creative industries to our GDP were constrained by the less than complete data produced by the Census and Statistics Department. Cultural activities and manufacturing industries that have considerable creativity elements should also be regarded as creative industries. The existing statistical data should be re-examined to provide a more accurate measurement of the economic contributions of creativity and creative industries.

11. Members urged the Government to formulate the necessary strategies promptly and take concrete actions as soon as possible. Otherwise, Hong Kong might fall further behind our neighbouring economies and fail to seize the valuable opportunities offered by the rapid developments in the Mainland.

12. Members made the following specific suggestions:

- (i) organize an expo cum trade fair in 2007, the 10th anniversary of the establishment of the HKSAR, to

showcase the achievements of our creative industries and commercialized creative ideas or works to the Mainland and the rest of the world;

- (ii) form a roundtable or committee to advise on policy and measures to promote creative industries;
- (iii) set up a fund to assist our creative industries to fight against infringement of IPR and piracy in the Mainland;
- (iv) better utilize the Growth Enterprises Market in the stock exchange as a platform for capital fund raising for creative industries;
- (v) encourage creative design in government and other public projects and services, including buildings, footbridges, roads, public announcements, etc.;
- (vi) set up a matching fund to support commercialization of creative ideas and inventions; and
- (vii) organize public seminars and conferences regularly to publicize, educate and cultivate a creative culture in our community, and encourage exchange of ideas and information among practitioners.

13. The Financial Secretary made the following comments:

- The Committee appeared to have a broad consensus on the importance of creativity and creative industries to Hong Kong's long-term economic development and on human talent being the key to the successful development of creative industries.
- Three key areas had been identified for Government action: (i) attracting talent to work and live in Hong Kong; (ii) re-visit the available statistics to see if there is room to better measure the performance of the creative industries; and (iii) continuing the current efforts to protect IPR.

- It was essential to ensure that creative ideas and inventions would not be pirated for unauthorized applications or uses. The Government would continue its rigorous efforts in protecting IPR and take effective measures to fight against piracy acts. The recent criminal conviction in a Bit Torrent point-to-point piracy case, the first ever in the world, showed the Government's determination in protecting IPR.
- The Secretariat to CSD would consolidate the views expressed by Members at this meeting and relay them to the relevant Government bureaux and departments for consideration. The performance of selected creative industries would be studied further. The Government would report back to the Committee in due course.
- For the next meeting in April, he would like the Committee to discuss the issue of "Hong Kong as a hub for talent".
- To enhance the transparency of the discussion of the Committee and stimulate public discussion, the Secretariat would upload the summary of views expressed at the meetings of the Committee to the Commission on Strategic Development's web page.

14. The attendance list is attached.

Secretariat to the Commission on Strategic Development
March 2006

策略發展委員會
經濟發展及與內地經濟合作委員會第二次會議
2006年2月6日

Second Meeting of
the Committee on Economic Development and
Economic Cooperation with the Mainland
of the Commission on Strategic Development
6 February 2006

出席人士

Attendance List

主席 :

Chairman :

The Financial Secretary

財政司司長

官方委員 :

Official Members :

Head, Central Policy Unit

中央政策組首席顧問

Director, Chief Executive's Office

行政長官辦公室主任

非官方委員 :

Non-Official Members :

Prof CHAN Ka-keung

陳家強教授

Mr CHAN Mo-po, Paul

陳茂波先生

Mr CHAN Yu-ling, Abraham

陳宇齡先生

Mr CHANG Ka-mun

張家敏先生

Prof CHEN Kwan-yiu, Edward, G.B.S., J.P.

陳坤耀教授, G.B.S., J.P.

Ms CHIANG Lai-wan, Ann

蔣麗芸女士

Mr CHOI Koon-shum, Jonathan, J.P.

蔡冠深先生, J.P.

Mr CHUI Yik-chiu, Vincent

徐亦釗先生

Prof ENRIGHT, Michael John

恩萊特教授

Mr FUNG Hau-chung, Andrew

馮孝忠先生

Mr FENG Xiaozeng

馮曉增先生

Dr HUI Cheuk-kuen, Desmond
Mr HUI Ho-ming, Herbert, J.P.
Mr LAU Siu-hong, Freeman
The Hon LEUNG Kwan-yuen, Andrew, S.B.S., J.P.
Prof LIU Pak-wai, S.B.S.
Ms LO Kai-yin
Mr LO Wing-hung, B.B.S.
Dr LUK Tei, Lewis
Prof LUNG Ping-ye, David, S.B.S., J.P.
Mr MA Fung-kwok, S.B.S., J.P.
Mr MOK, Charles P.
Mr NG Hak-kim, Eddie, J.P.
Mr NG See-yuen, B.B.S., J.P.
Prof SIT Fung-shuen, Victor
Mr TAM Wai-ho, Samson
Mr WAN Sui-lun, Raymond
Mr WONG Ho-ming, Augustine
Ms WONG Ying-kay, Ada, J.P.
Dr WOON Yi-teng, Eden, J.P.
Dr ZEMAN, Allan, G.B.S., J.P.
Mrs YUEN SO Siu-mai, Betty

許焯權博士
許浩明先生, J.P.
劉小康先生
梁君彥議員, S.B.S., J.P.
廖柏偉教授, S.B.S.
羅啟妍女士
盧永雄先生, B.B.S.
陸地博士
龍炳頤教授, S.B.S., J.P.
馬逢國先生, S.B.S., J.P.
莫乃光先生
吳克儉先生, J.P.
吳思遠先生, B.B.S., J.P.
薛鳳旋教授
譚偉豪先生
尹瑞麟先生
黃浩明先生
黃英琦女士, J.P.
翁以登博士, J.P.
盛智文博士, G.B.S., J.P.
阮蘇少湄女士

列席

In Attendance

Government Economist
Deputy Commissioner for Innovation and Technology
Commissioner for Television and Entertainment
Licensing
Acting Deputy Secretary (Home Affairs) 3, Home
Affairs Bureau
Principal Education Officer (New Secondary School),
Education and Manpower Bureau

政府經濟顧問
創新科技署副署長
影視及娛樂事務管理處處長
民政事務局署理副秘書長(三)
教育統籌局首席教育主任
(新高中)

因事未能出席

Apologies

非官方委員 :

Non-Official Members :

Dr CHAN Man-hung, J.P.

Mr CHUNG Chi-ping, Roy, J.P.

Mr LIU Changle, J.P.

Mrs NGAN NG Yu-ying, Katherine

Prof WONG Yue-chim, Richard, S.B.S., J.P.

Prof YEUNG Yue-man, S.B.S., J.P.

Prof YUEN TSANG Woon-ki, Angelina, J.P.

Dr ZHANG Junsen

陳萬雄博士, J.P.

鍾志平先生, J.P.

劉長樂先生, J.P.

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阮曾媛琪教授, J.P.

張俊森博士