

# China's creative capital

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Hong Kong has been one of the world's leading financial centres for decades, its specialised services sector strengthened by the city's return to China 14 years ago and the onset of the digital age.

But there is another side to Hong Kong. Over the last decade a thriving arts and creative industries sector has married with technology, and the city is now home to a growing number of companies working in design, fashion, architecture, advertising, animation and comics, digital entertainment, publishing, art, the performing arts, broadcasting, music, and the media. There are already some 32,000 cultural and creative industry-related businesses operating in Hong Kong, with around 188,000 members of the cultural and creative classes contributing more than 4 per cent of GDP.

Think creative Hong Kong and perhaps the first thing that comes to mind is the city's film industry, led by directors such as John Woo, Andrew Lau, Alan Mak, and Wong Kar Wai, all of whom have established international careers, in turn paving the way for a new generation of independent filmmakers like Pang Ho-cheung and Wing Shya.

Hong Kong's fashion designers also have been gaining a worldwide reputation for their high quality, sensitivity to current trends, and ability to blend commercialism with innovation. Names like Vivienne Tam, LuLu Cheung, Judy Mann, Walter Ma, and William Tang are among the fashion elite demonstrating Hong Kong's fashion design capability to the world. Koyo Jeans, founded by William Cheung, is the first Hong Kong brand to be sold at the Galeries Lafayette in Paris, while others like Manix Wong and Singchin Lo with their Laclos and Plotz brands have also tapped into international markets.

Meanwhile, restaurants, hotels, shops, and offices increasingly offer a showcase for the design skills of firms such as Andre Fu's design practice AFSO.

And thanks to the efforts over the years of a diverse but important group of collectors, consultants, curators, gallerists and founders of art institutions, championing local and international contemporary art, Hong Kong has also emerged as a regional arts hub.

Testimony to this is the increasing numbers of highly respected, international galleries that have chosen to open in Hong Kong during recent years, adding to the already large number of galleries active in the city.

Perhaps the most notable of these, the Gagosian Gallery, opened at the beginning of this year. Located in the Pedder Building in Central, it showcases many of the art world's top-tier artists and is supported by many of the most important collectors in the world.

Hong Kong's growing stature as an arts venue is the Hong Kong International Art Fair. It has grown over its short four-year life to become the leading art fair in Asia and one of the most significant events on the international calendar.

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"We call them Small High-Growth companies; around 80 per cent of our clients are these kind of players," says Andrew Davis of InvestHK, the Government body set up in 2000 to attract foreign investment.

He cites London-based outfits like design consultancy Start Creative, which works on branding for Adidas and Virgin Atlantic along with Eyefix, which designs and licenses textiles to fashion houses, as joining the influx.

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David Eaton, founder of Eyefix, highlights Hong Kong's location as one of the reasons for establishing a presence in the city: "It offers foreign companies direct and easy access to far-eastern markets like China, Japan, Australia, Singapore, and even the Indian sub-continent where there is a thriving fashion and interior design business." Equally important, he says, is the creative vibe in the city, and the fact that "Hong Kong is possibly the safest city in the world, and also has wonderful infrastructure and redress to the law."

Jonathan Cummings of Start Creative cites similar advantages, noting: "Hong Kong is now a truly international city with a unique culture and history, a hotbed of creativity."

InvestHK last year met 5,500 overseas companies, hundreds of them British. And it would like to welcome more.

Not that Hong Kong is a pushover: "It's a hard market out here. What helps is when people send out the right person who can actually win business from

Opposite:

A scene from "Echoes of the Rainbow", directed by Alex Law, winner of the Crystal Bear for the Best Feature Film in the Generation section of the 60th Berlinale 2010

other European or Western companies but also can actually reach into mainland companies, other Asian companies, because that's where there's going to be the additional growth that makes it 140 people in five years rather than bumbling along with 20 or 30 like a lot of PR and communications and marketing companies," says Mr Davis.

Hong Kong's Government has become increasingly sensitive to the importance of the city's cultural and creative industries, seeing the growing consumer potential for cultural/creative industry products in the home market, as well as for the growth of exports. The emphasis now lies on creativity, innovation, small business growth, and access to global markets – all in line with the move from cheap manufacture towards high value-added products and services. At the same time, it recognises that the cultural and creative industries have become key drivers for urban regeneration and global repositioning of cities across Europe and Asia.

"Globalisation has brought about the rise of various cultural and creative industries. The markets for leisure goods, advertising, film, television, tourism, design, architecture and art are flourishing," Donald Tsang, Hong Kong's Chief Executive said in 2007. "These high value-added industries are environment-friendly and compatible with the mode of economic development for global cities."

The Hong Kong Government has made developing the creative industries a priority, along with other sectors where Hong Kong enjoys a clear advantage: "My view is that to maintain our edge, the development of our creative industries must accelerate in the next five years," Mr Tsang said in a 2009 policy address.

Given the dynamism and energy of this multi-cultural city, Hong Kong certainly has the potential to become a creative capital; but as Keith Griffiths, Asia Chairman of international architects AEDAS — a firm that was founded in Hong Kong — the financial pressures in Hong Kong, especially in the residential market, make it very difficult for architects to take risks. "The Hong Kong Government needs to create opportunities for change to happen, reducing the cost of accommodation and therefore allowing creative individuals to feel more comfortable in their choices. Hong Kong has the opportunity to make land available to develop exceptional facilities for creative purposes, using the land capital more wisely to continue encouraging the creative industries to make their home in the city," he says.

Among the institutional initiatives to further develop the sector is CreateHK, set up two years ago.

Jerry Liu, the head of CreateHK, says the body's remit is to help nurture creative talent by supporting graduates and fostering local emerging talent. "We provide

graduates with internships or training programmes that will help them find their first job," he says, adding: "Beyond that, we sponsor winners of local awards in the creative sectors to participate in competitions to expose them to international standards."

At the same time, business planning and legal support is available for start-ups: "These are two-year programmes offered to start-up companies and incubation programmes to also help." CreateHK also monitors the survival rate of incubation programmes: "The survival rate is over 80 per cent," says Mr Liu.

One area where CreateHK's work is already being felt is in the movie industry. Hong Kong produced 70 new movies last year, a third of the output during the golden days of the 1980s but more prolific than the annual output of 50 new movies in 2008 and 2009. Indeed help is at hand to boost production. "We support measures for the new generation of film makers to get financing, including partial financing from us to enable them to complete their gap financing. In a number of cases, we have supported works by first time directors and first time producers," says Mr Liu.

At the same time, a series of agreements with the mainland authorities under the Closer Economic Partnership Arrangement (CEPA) have lifted restrictions on the Hong Kong film industry's role in co-producing films in China, allowing them to be treated as domestic products and therefore qualify for nationwide distribution.

Further signs of institutional support for the creative sectors can be seen in development of the historic Central Police Station and the nearby former Police Married Quarters on Hollywood Road. Now known respectively as CPS and PMQ, the former will be a performing arts

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and exhibition centre and the latter will focus on creative industries, providing studios for retailing creative products, an indoor multi-function activity hall, outdoor open space for creative activities, a creative resources centre, and rooms for artists-in-residence.

Even more visible when work gets underway in 2015, will be the West Kowloon Cultural District (WKCD) project – the HK\$2.8 billion waterfront arts hub with a concept design by the UK's Foster+Partners.

Hong Kong's Chief Secretary for Administration, and Chairman of the WKCD Authority, Henry Tang sees the West Kowloon Cultural District as both projecting Hong Kong internationally as an arts venue, and equally importantly, as he puts it: "bringing arts to the people, and the people to the arts."

The WKCD will sit on 40 hectares of waterfront with views of downtown Hong Kong. The project includes a 19-hectare waterfront park and cultural institutions toward the north of the green space. It proposes extensive arts-education facilities scattered east to west, as well as the government's prerequisite theatres and the contemporary art museum M+. It will also include commercial areas for shops, restaurants, offices and hotels. An over-arching carbon-neutral goal includes plans for waste recycling and solar and wind power.

**Creative technology, technologically creative**

Hong Kong illustrates the way that the creative and technological industries are increasingly linked.

For example, Cyberport is a creative digital community set up and run by the Hong Kong Government with a cluster of technology and digital content tenants. "Cyberport is committed to facilitating the local economy by nurturing ICT industry start-ups and entrepreneurs, driving collaboration to pool resources and create business opportunities, and promoting a digitally inclusive society through strategic initiatives and partnerships," says the organisation's Chairman, Herbert Lam.

The Cyberport Digital Media Centre (DMC) provides a full-range of production and post-production facilities for film, music, advertising, game and animation productions. DMC also implements collaborative programmes with partners from industry and academia.

Advanced digital special effects have become more prominent in Hollywood and the same is true of Hong Kong. CJ7 and The Storm Warriors are among the better-known Hong Kong productions that have used state-of-the-art digital visual effects. Computer-animated films from Hong Kong are gaining international recognition, such as The Secret of the Magic Gourd, designed and produced for Walt Disney for the mainland market.

The communication industries will continue to play a key role in Hong Kong's rise as a major international

business centre, its world-class information and communications infrastructure combined with a technologically savvy workforce attracting multinational corporations. Players like China Telecom, which has embarked on a global expansion, will continue to provide the telecoms services Hong Kong's thriving creative and technical sectors require, says Deng Xiaofeng, Chairman and Chief Executive Officer of the company's Hong Kong subsidiary.

The Hong Kong Science and Technology Parks Corporation (HKSTPC) was set up to leverage the city's technological lead and to provide an environment where innovation and creativity can thrive. "The creative industries are an important component of Hong Kong's move towards a knowledge-based economy. As recognised by many international studies, its commercial potential lies in its ability to provide higher than average return on investment and creation of jobs," says HKSTPC's Chairman, Nicholas Brooke.

He adds that the HKSTPC's cutting-edge office, laboratories and production facilities enable scientists, technologists, entrepreneurs and enterprises to save development costs and time to market. "They can also expand their business opportunities through forging collaboration with our growing network of partners around the world, especially in the fast-growing China market."

The global economy is increasingly driven by the dynamic markets of Asia, particularly China. "Hong Kong's special relationship with both the Chinese mainland and the United Kingdom, and its status as Asia's international trade and financial hub, makes it the best platform for British companies looking to tap new business opportunities in the region," according to Margaret Fong, Deputy Executive Director of the Hong Kong Trade Development Council (HKTDC).

"The timing is especially good for high-tech investment in Hong Kong," says Ms Fong. "The mainland recently announced its 12th Five-Year Plan, which emphasises technology and sustainability. The goal is to push mainland manufacturing to the higher end of the value chain, and to ensure that future economic developments will be sustainable," she says, adding that "the mainland will have to import a lot of the technology required."

UK companies would do well to partner with Hong Kong to capitalise on the vast opportunities offered by the city's hinterland. Given Hong Kong's long experience in technology cooperation with overseas markets, its strong intellectual property protection, well-developed business support services and deep knowledge of the mainland market, Hong Kong's role as a technology transfer centre should continue to flourish.