

**Feedback on “Public Consultation on Digital 21 Strategy”
December 16, 2006**

1. Role differentiation between Cyberport and HK Science & Technology Park (HKSTP)

The consultation paper repeatedly refers to Cyberport and HKSTP as “*hubs for innovation and technology*” (section I, p.3; section III-I, p.4; section 8.2, p.56) and makes no differentiation of roles between the two. In order to create a greater synergy of these different infra-structures, their specific roles ought to be well defined in the light of developing a new digital economy and digital culture.

2. Convergence and evolvement of digital media and entertainment industries

Given the rapid pace of the digital revolution, the Government’s previous definition of digital entertainment (section 1.4, p.11; footnote 11, p.27; section 5.4, p.29) – one that includes game, animation and special effect – becomes limited and outdated now. For example, Cyberport has been using the MEGAA acronym to describe the digital entertainment industry ie. Music, Edutainment, Game, Animation and Advertising industry. It may now be the right time to expand the inclusion of these previously separate or non-existent sectors into an expanded scope of “digital media and entertainment” (DME), as they all share some similar sets of tools and processes in their production and distribution – albeit for different medias and purposes. Once defined, it will imply that various agencies, public and privatized arms of the Government and statutory bodies will also need to re-adjust in order to pursue and realize Hong Kong’s Digital 21 future and can give a popular measurement for the economic contribution of the digital entertainment industry as a whole.

3. Digital asset bank and trading platform

Hong Kong owed much of its past success in serving as a free trade port of physical goods. In the digital world where intellectual property (IP) right ownership, authenticity, security and IP right protection are important, a digital asset bank providing authorship certification, secure storage and distribution will serve in much the same way as a custom department and clearing house do for physical goods in a physical port.

While Singapore has responded to this opportunity of growth through a national strategy of developing a digital vault, digital key and digital courier system in its Digital Assets Marketplace Programmeⁱ (cf. p.6 & p.27 of the reference), the consultation paper refers to only some fragmented and unclear references in “...*the development of an ICT-enabled common platform and a virtual marketplace...*” (section 2.4, p.13) to “...*give further impetus to the... exchange of digital content and information...*” (section 2.5, p.13), and in “...*promot(ing) Hong Kong as a technology marketplace*” (section 5.6, p.30). The lack of a high-level consolidation into pioneering projects risk the loss of a window of opportunity to place Hong Kong in the forefront of this race to digital economy.

Given the superb IT infra-structure and some pioneering projects, e.g. an open Digital Rights Management (DRM) platform, already built in Cyberport, Hong Kong has unmatched conditions to take the drive to the next level. The establishment of a digital asset bank and

clearing-house where users can deposit and certify their creative-level assets/ideas and finalized digital products, thereby securing their digital asset ownership and facilitating their trading and distribution of digital assets, will place Hong Kong at the centre of this new digital economy. Some initial beneficiaries of such pioneering efforts may include the DME users whose digital assets such as a digital film may have great commercial value. The value chain will expand exponentially if Hong Kong can serve the needs of digital asset trade for the Asia-Pacific Region including Mainland China, and will then make Hong Kong truly “...a hub for technological cooperation and trade among local, Mainland and overseas enterprises” in digital terms.

4. Digital productivity & competitiveness

The consultation has rightly addressed the shift “*from purely cost considerations to selection based on quality and usability...*” (section 2.1, p.12) in digital economy, but lacks a strategy or actions to address this change or to assist the predominantly SMEs of Hong Kong to face up to this new challenge. While multi-national corporations can set up their brand-name experience centres like the Sony Wonder Technology Labⁱⁱ and Samsung Experience at Time Warner Centerⁱⁱⁱ to promote their design, quality and usability, local companies who don’t possess the same resources and support will lose out in this digital race.

In the light of driving towards a digital economy and establishing a lead over neighboring regions through a prestigious digital culture, the government should implement or facilitate the development of various support infra-structures such as a “Digital Media Experience Laboratory” of original DME contents, quality assurance and usability improvement centres for successful user experience or brand building^{iv} to both improve Hong Kong’s competitiveness and creative edge in digital content production, and to help build the brand of Hong Kong contents holistically in the international market.

5. Next-generation network and territory-wide Wi-Fi coverage

While Hong Kong is leading the world in broadband penetration and mobile network, she risks falling behind (e.g. Taipei...) in newer areas of infra-structural development including next-generation network and territory-wide WiFi network. Cyberport being Hong Kong’s IT flagship has been contributing in the testing of IPv6 for over a year and working with the industry to form the IPv6 Forum-HK Chapter in December 2006. Cyberport has also opened up its WiFi network for new application testing and development. The Government can take the lead to promote and replicate the success of Cyberport in the IPv6 network and Open WiFi development, and help the local IT&T industry to make the transition.

6. To attract bright young talents to study ICT subject & acquiring advanced ICT specialist skills

It is enlightening that the consultation paper has addressed the pressing need of “... *ICT workforce... (to) be equipped with necessary knowledge to work with their clients...*” (section 5.7, p.30), especially as “*Creative content: with increasing media convergence and rising public demand for value-added services with multi-media content...*” is calling for “...*ICT workforce (to) be properly equipped*” (section 5.7, p.31) in previously unknown areas.

The Government should implement strategies to enlighten the integration of ICT, innovation and creativity in early stages of learning especially at secondary school education to better prepare the younger generation for the massive socio-economic changes brought by digital revolution, and to set their foundation for future creative practices^v. We need to attract the top young talents (ie. pre-universities) to select ICT related subjects or disciplines to study in universities or post secondary school education. In addition, the government can implement program to work with industry to sponsor the universities graduates to acquire advanced ICT skillsets from Overseas and Mainland China companies.

In Singapore, they implemented the Capability Development Scheme to help professionals to gain specialist skills and international experience. The Media Education Scheme to send outstanding students overseas to pursue courses in film and TV production, scriptwriting and animation. Those are the two good references of how Singapore government bootstraps the local ICT and digital entertainment.

Hopefully the suggested measures will help enhance the long-term competitiveness of Hong Kong's workforce.

Reference –

ⁱ InfoComm Development Authority of Singapore, Digital Marketplace For Global Media & Entertainment – Report by the iN2015 Digital Media & Entertainment Sub-Committee, Singapore, June 2006.

ⁱⁱ <http://wondertechlab.sony.com/>.

ⁱⁱⁱ http://www.samsung.com/PressCenter/PressRelease/PressRelease.asp?seq=20040922_0000078473.

^{iv} <http://www.brandexpericelab.org/home.html>.

^v Economic Review Committee of Singapore, Realising Our Human Potential, Singapore, November 2002.