

Digital Entertainment in Hong Kong

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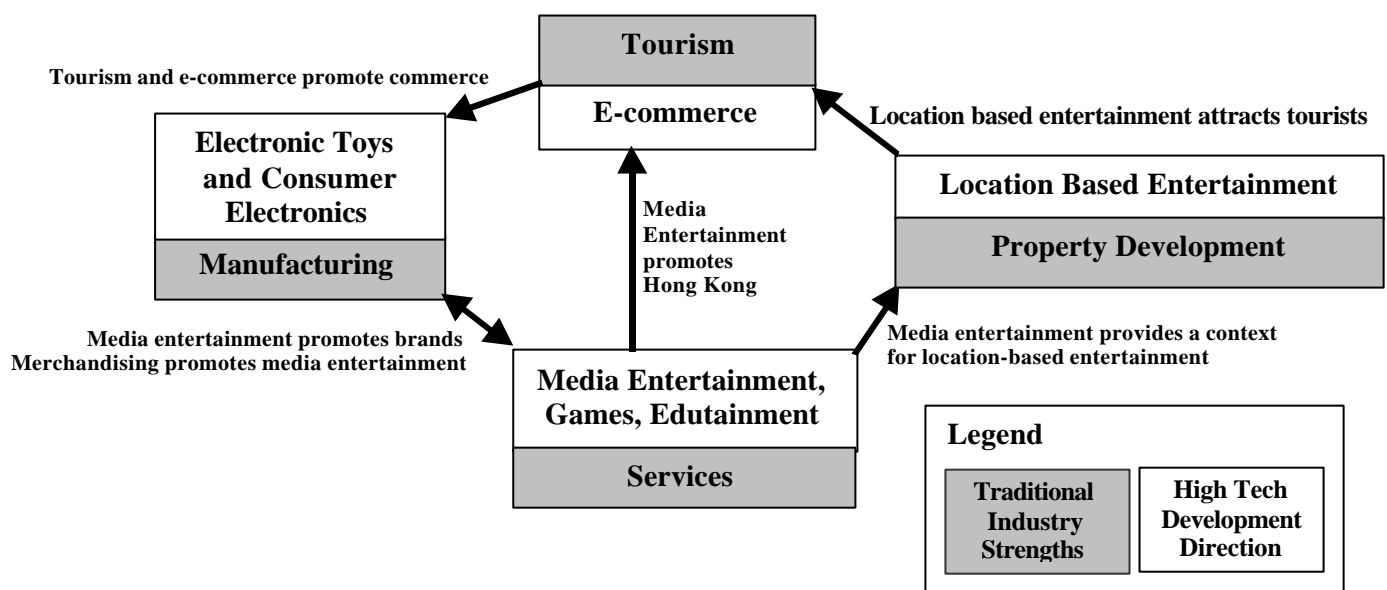
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The advent of affordable digital multimedia and computer graphics in the late 1990's marked the birth of digital entertainment products that promise to reshape how we learn, communicate, and interact with information. We are now in a new era driven by continuous revolution. Each new generation of integrated circuits reduces prices and increases performance, thereby enabling entirely new forms of digital entertainment products, as well as new and inexpensive ways to produce and distribute them. We define digital entertainment as:

- ♣ **Media Entertainment** – This includes film, television, music, and interactive online forms. High definition video cameras and nonlinear editing systems enable an entirely digital production process. Computer animation is also becoming more affordable. Content is delivered to the consumer through a variety of consumer electronic devices from watches to mobile phones to Internet appliances.
- ♣ **Video Games and Edutainment** – Internationally, revenues from video games have surpassed those from ticket sales for filmed entertainment. Educational games and distance education are revolutionizing the education experience.
- ♣ **Electronic Toys and Consumer Electronics** – The rapid evolution of integrated circuits provides tremendous opportunities for the consumer electronics and toy industries. Companies in these industries must constantly innovate, as new product genres are possible with each new generation of integrated circuits. Lower costs enable devices with multimedia capabilities, wireless communication, and connectivity to the Internet.
- ♣ **Location-based Entertainment** – Entertainment arcades, PC gaming rooms, new “malls of the future,” and theme parks such as Ocean Park and Disneyland attract tourists and provide local families with entertainment alternatives. Location-based entertainment venues can also be franchised throughout China.

As outlined in a report by the Innovation Technology Commission, the development of high tech is vital for Hong Kong's future. While many have proposed developing new areas such as integrated circuit manufacturing (e.g., Silicon Harbor), software development, and traditional Chinese medicine, developing the digital entertainment industry in Hong Kong minimizes risks and provides immediate impact by leveraging traditional Hong Kong industries such as entertainment, tourism, property development, and manufacturing.

Not only do digital entertainment products offer new development directions for local companies, they also synergistically reinforce Hong Kong's traditional industry strengths (manufacturing, services, tourism, and property development) through cross-promotion as illustrated in the figure below. Digital entertainment, now a form of mass media, is becoming increasingly effective to promote and market brands.



Hong Kong is still considered the entertainment capital of Asia. In 1999 519 films and videos were produced and 95 local films released. In addition to entertainment content, Hong Kong also manufactures a wide variety of entertainment related products for export. This includes toys (\$85B), audiovisual equipment (\$110B), IT products (\$88B), and electronics (\$435B) (all figures in HKD and for the year 1999)¹. The travel and tourism sector is one of Hong Kong's largest earners of foreign exchange (\$72B)². As a regional leader in building and construction and the second largest source of outward foreign direct investment in Asia³, Hong Kong's property developers continue to make significant investments within China, particularly in malls and housing projects.

Maintaining a leadership position in entertainment is vital for Hong Kong's future. The Internet age has made media interactive and has made broadcasting to an international audience affordable. As China opens its markets with its entry into the World Trade Organization, Hong Kong entertainment will play an important role in helping to

¹From Hong Kong Trade Development Council (<http://www.tdctrade.com/index.htm>)

²Hong Kong Government Information Center (<http://www.info.gov.hk/info/tour898.htm>)

³United Nations World Investment Report

establish brands. Entertainment properties also influence social perception. The use of media to influence a culture during wartime is well documented. Properties such as 2001 A Space Odyssey, Star Wars, Titanic, and Pokemon have influenced entire generations around the world. Hong Kong's films, although sometimes violent, promote positive messages including moral values, honor, and responsibility. Influencing the population's mindset is vital as China undergoes the difficult transformation from a developing country to an international superpower. Strength in digital entertainment will secure Hong Kong's role as the gateway between China and the West in the digital era.

Hong Kong's Environment for Developing Digital Entertainment

Despite its recent dramatic crash, the "dot-com phenomenon" has provided Hong Kong with key ingredients essential to developing a digital entertainment industry. Some of the benefits include the establishment of a world-class broadband and wireless infrastructure; the training of information technology and design workers who are now well versed in digital media production; a financial infrastructure for funding technology ventures; and, interest from industry and government in research and development.

Hong Kong's population ranks 14th worldwide in the number of Internet users per 1,000 population (212.19)⁴. Its mobile phone penetration of 44% makes it the highest in Asia. Broadband coverage reaches 75% of households⁵. The "connectedness" of its local population provides Hong Kong with a unique and international competitive advantage to develop and deploy new digital entertainment applications. Using Hong Kong as a test market, successful new applications can be exported as technology prices drop and other countries become more "wired" or "unwired" for wireless applications. A recent illustration of this model of local development and demonstration leading to international export is the success of NTT DoCoMo's I-mode service in Japan. NTT developed and demonstrated a new wireless services (2G mobile Internet) that included a profitable model for bringing the services to customers (gaining over 14.7M customers in 18 months) using Japan as a market. Leveraging this success, NTT was able to quickly set up international partnerships with top international companies that include Hutchison, AOL, AT&T, and KPN Mobile⁶. Hong Kong's dynamic and entrepreneurial culture makes it well suited to developing digital entertainment products whose underlying technology is in a continuous state of innovation.

With regional competition to develop high technology stemming from South Korea, Taiwan, and Singapore, Hong Kong's existing strength in media entertainment provides it with a unique and strategic advantage. It is becoming increasingly apparent that the adoption of digital culture by a society is driven by entertainment applications. Adoption of home videogame consoles preceded home computers. The Nintendo Gameboy preceded the Palm Pilot by almost five years. From MP3 players to next generation game

⁴ Internet Industry Almanac (<http://www.cs.columbia.edu/~hgs/internet/population.html>)

⁵ Hong Kong, A Regional Telecommunications and Internet Hub, KC Kwong (<http://www.connect-world.com/docs/articles/cwasia2q99/kwonghongkongcwasia2q99.asp>)

⁶ Time Asia, Nov. 27, 2000 (<http://www.time.com/time/asia/magazine/2000/1127/telecom.docomo.html>)

consoles to interactive television set-top boxes to mobile PDAs, new products require compelling content to gain acceptance in the market. More advanced developers of technology products such as Taiwan, Korea, and Japan must partner with content producers such as Hong Kong. Furthermore, today's complex graphics and media processors illustrate how new entertainment applications are now driving technology innovation.

Market Opportunities

Traditional media entertainment products successfully export to other Asian markets such as Korea, Taiwan, and South East Asia. Hong Kong music, "Canto-pop," and television shows also penetrate Japan and China. Riding on local icons such as Jacky Chan, Jet Li, Michelle Yeoh, Chow Yun Fat, and John Woo, Hong Kong entertainment products are also breaking into European and American markets. Asian-themed films are also growing in popularity, with the recent *Crouching Tiger, Hidden Dragon* receiving four Academy Awards including Best Foreign Language Film. Computer-animated films are labor intensive, do not require "brand" actors, and have international appeal, making them ideal for production in Hong Kong. More and more Hong Kong toy companies are manufacturing products based upon US film licenses. Electronic toy manufacturers are also finding markets for their products in regions such as South America and the Middle East.

China represents a vast market for digital entertainment products. Just like other modern countries, China's transition to a digital culture will be driven by entertainment. Hong Kong, the "Hollywood" of China and "toy capital of the world," is in a position to lead this transformation. Edutainment (including educational toys) and location-based entertainment also represent tremendous opportunities for Hong Kong. Edutainment and online education products promise to strengthen China's education infrastructure and provide opportunities to more individuals. China's recent adoption of a five-day workweek provides its population with more time for leisure. Each new generation of digital technology also serves to reduce costs to the consumer. This ensures that prototype products that are too expensive today will eventually find their way to market.

The World is currently undergoing a fundamental shift in the distribution of digital media content. With increasing capacity in broadband networks and the popularity of peer-to-peer computing, distribution is moving toward electronic models as well as being subscription-based. Music, software, and games are already available over the Internet. Wireless video for 3G handsets has already been demonstrated. Trials for electronic film distribution have also been undertaken. This change in the distribution model provides an opportunity for Hong Kong digital entertainment products seeking an international audience.

Evolution of Hong Kong's Industry

The development of traditional manufacturing and the service industry in Hong Kong has resulted from their access to low-cost labor and proximity to China. Without channels to western markets, manufacturing companies established relationships with American brands to become original equipment manufacturers (OEM). Due to continued success,

these companies strengthened their relationships with channel partners to provide design services as well (ODM). Successful companies ultimately established their own channels and brands through acquisition or partnership. As land and labor costs rose, manufacturing operations have migrated to China with Hong Kong offices focusing upon management, design, and services. Traditional animation has evolved in a similar manner, leveraging low-cost labor for projects from the United States, Europe, and Japan, and migrating to China as local costs rose.

The local media entertainment industry has evolved along a different path. Early Hong Kong films and songs were developed for a local market. Hong Kong films were competitive with international products before Hollywood adopted higher production values and special effects. Hong Kong content also addressed more “Asian themed” subjects and found the regional audience that it maintains to this day. The industry has been in decline in recent years due to its inability to leverage the economy of scale that US films enjoy. The average Hong Kong film budget is less than \$5M USD, whereas the average budget for a US production is over \$50M USD. Despite this, Hong Kong cinema is enjoying a renaissance as Hong Kong filmmakers and stars migrate to Hollywood. Also, US mainstream films such as *The Matrix* are heavily influenced by Hong Kong cinema.

Property companies have recently joined the digital entertainment bandwagon with the recent popularity of both the Internet and the government’s Cyberport project. New residential estates and office complexes have integrated broadband networking capabilities. Shopping malls integrate entertainment with the shopping experience. Malls are also exploring new theme entertainment such as motion simulators or “ride-films.” In 2005, Hong Kong will open another Disneyland theme park. Many of these concepts are being seeded throughout major cities in China through joint-venture development projects.

Challenges

In order to remain competitive and achieve the vision of developing Hong Kong into a digital entertainment capital requires overcoming a number of challenges. Most of these challenges are artifacts that stem from the evolutionary legacy of traditional industries. These include:

- ♣ **Lack of product innovation** – Hong Kong companies have traditionally gained market share through low-cost manufacturing and do not invest in research and development. This includes market research. New technology opportunities are not explored unless they bring short-term financial benefits. The lack of a research and development culture limits the ability to create new and innovative products.
- ♣ **Lack of experience in designing original products for the international market** – US companies invest heavily in market research during the development of a product in order to guarantee its success. Due, in part, to their OEM background that is often subjected to tight manufacturing deadlines, local manufacturers lack the market research culture that is essential for producing internationally competitive products.

- ♣ **Lack of safeguards for intellectual property rights** – A result of lack in product innovation coupled with strength in low-cost production has resulted in complete disregard for intellectual property rights. International products and brands are reproduced. Pirated products span software, VCD videos, fashion, and product designs. In film, many of the local production houses, producers, directors, and writers do not collaborate for fear that their ideas will be stolen, altered, and capitalized on by others. This protective stance has created a lot of small independent companies that don't have the resources of larger companies for marketing and distribution.
- ♣ **Lack of coordination between related industries** – Effective promotion of entertainment products requires a coordinated effort across several industries. For example, when a Hollywood movie like *Star Wars* was released in Hong Kong, books, toys, clothes, and video games are available for purchase in local stores. Other merchandise items were distributed through fast-food restaurants. The film and related merchandise are also marketed in the media. Such cross promotion creates a synergistic effect that improves sales and also captures mind-share. Ironically, Hong Kong companies manufacture many of the products such as toys, clothes, and merchandising items. Yet, when Hong Kong movies are released, they are rarely promoted in such a broad manner.
- ♣ **Shortage of education programs in digital media** – Digital entertainment is an interdisciplinary field that requires skills that span design, computer hardware and software, media production, and mechanical engineering. These diverse skills challenge traditional tertiary education. Many existing programs focus upon training and low-level skills (e.g., usage of software). While these graduates make excellent technicians, they lack the skills to create products that can compete internationally.
- ♣ **Increasing regional competition** – Countries such as Japan, Korea, Taiwan, and Singapore are investing heavily in digital entertainment. Japan is the second largest market for video games (US is first). Video games such as *Final Fantasy* (developed by Square in Japan) are becoming blockbuster movies, with accompanying collectible animation figures, and trading cards. In Korea, where the government has committed \$500M USD to developing the game industry, the game *Starcraft* has become a cultural phenomenon that includes televised competitions and heavy merchandising including *Starcraft* potato chips.
- ♣ **Triad involvement in entertainment** – Because of entertainment's speculative nature, and high-public exposure, triads have been historically linked to the entertainment industry. Their involvement attaches a negative stigma to the industry.

Hong Kong Directions

Digital entertainment presents Hong Kong with tremendous opportunities that build upon existing strengths. To capitalize upon these opportunities and to address the challenges, we propose the following:

Applied Development and Rapid Prototyping Focus

Although Hong Kong currently lacks the talent and infrastructure to support the development of new technologies, Hong Kong has the potential to excel in applied development and rapid prototyping. From their OEM experience, Hong Kong manufacturers can quickly translate a design, and a sample, into a complete production. Although new technologies such as *Bluetooth* and “embedded systems-on-a-chip” are not local inventions, local manufacturers are able to apply these technologies to create new products. In a similar way, local film production companies are beginning to apply new production tools and computer animation software in their productions. Adopting an “embrace and extend” strategy in which new technologies are applied or “embraced” and then further refined, localized, or “extended” is a method for jump-starting Hong Kong’s research and development activities. The ability to create products from new technologies as quickly as possible is essential in this digital era where new generations of integrated circuits become available every two years. The following measures would address Hong Kong’s current shortcomings and cultivate applied development and rapid prototyping:

1. **Develop an infrastructure to promote awareness and provide training for new technologies as they emerge** – Digital circuits and IT products are in a constant state of innovation. Tracking new products, software tools, and particularly electronic IC components is a full-time job that very few Small and Medium-sized Enterprises (SMEs) can afford. Current channels of dissemination and training (e.g., HKPC, Universities, industry trade organizations) are more reactionary. This infrastructure should be enhanced to be more proactive and complemented with online methods of dissemination and training. Programs such as the New Technology Training Scheme (NTTS) are a step in the right direction. However, strict requirements must be met in order to qualify, and availability is limited.
2. **Funding specifically for research in rapid prototyping for digital entertainment products** – Initial research and development efforts should focus upon technologies that accelerate the design and development of digital entertainment products. In many cases, the development combines hardware, software, and media assets concurrently. New processes and techniques such as Extreme Programming⁷ are being developed to cope with rapidly changing requirements and short development cycles. The Internet can also play a vital role in linking different development teams on collaborative design projects. Tools for the pre-production and development of media entertainment and video games are nearly nonexistent. The Innovation Technology Commission currently solicits projects by “theme” which may appropriately address this. However, sustained support is necessary.

⁷ Extreme Programming Installed, R. Jeffries, C. Hendrickson, A. Anderson, J. Kohnke, Addison-Wesley, ISBN 0201708426

3. **Stimulate development and innovation** – The government needs to stimulate the lack of a development and product innovation culture in Hong Kong. The government has established several channels for funding including the Applied Research Fund, Innovation Technology Fund, a separate film fund, and research funding through UGC. However, several short-comings limit their effectiveness:

- ♣ **The current vetting process requires proposals to be submitted a year in advance of receiving funds** - This is too long for digital entertainment technologies that have short market windows to meet.
- ♣ **Funding is structured by industry** – Proposals are considered on a per-industry basis. Digital entertainment projects may span several industries and are difficult to assess within the current framework. Many projects fall between the gaps because they cannot be classified.

Development and innovation can be stimulated through Hong Kong's tertiary institutions, particularly those that already work closely with local industry. Universities serve in the vital role as technology incubators that have the facilities and expertise to assist local companies in development and innovation. The PolyU has even established a matching fund, IGARD, to support applied research projects that involve local industry. The local industry partner ensures that there is a market, while the University ensures that the goals are achievable. The government should consider further supporting such mechanisms to evaluate proposals. Programs such as NIST's Advanced Technology Program (ATP) require two or more organizations to both work together and put up 50% of the capital⁸.

Leverage Low-cost Labor for Digital Production in China

Digital entertainment production including video games and computer animation are extremely labor intensive. Digital media assets are, by definition, in a digital form and easily transferred over broadband networks. This makes it easy to establish production facilities in China that are supervised remotely from a Hong Kong base with assets transferred electronically. Hong Kong can leverage its experience in establishing and managing manufacturing facilities throughout China. Access to labor in China will strengthen the economy in the Pearl River Delta and provide a competitive advantage for local productions competing in an international market. This could be facilitated by:

1. **Development of remote project management and collaboration tools** – Tools for remote project management and collaborative design are still in their early stages. Commercial packages are limited to version control of media assets and relationship management. New tools could help track production status, and automate tedious processes such as the generation of computer animated “dailies” (rough footage of the day's production progress).
2. **Collaboration with local territories to provide training and to develop production facilities** – The quality of Hong Kong's products depend upon the skill of workers in the Pearl River Delta. Training employees in digital media production is important not only in Hong Kong, but throughout the Delta. China has a tremendous shortage of media and entertainment professionals and educators. The government should encourage Hong Kong universities to establish training bases throughout the region. Already, Chinese academic institutions including Zhong Shan, Hairbin, and

⁸ National Institute of Standards and Technology ATP (http://www.atp.nist.gov/atp/gen_info.htm)

Tsing Hua have established universities in Zhuhai. The SAR government should also work with regional governments to create incentives that attract local and international investment to establish production facilities. Dedicated high-speed networks between Hong Kong and science parks in the region coupled with attractive leasing rates and access to production equipment would attract international media companies. Australia has been successful in attracting film production through incentives. Working together with Hong Kong on location-based entertainment, Macau could develop into the “Las Vegas of the East.”

Digital Entertainment for an International Marketplace

With production operations situated in China, Hong Kong should focus upon the creative development of properties by leveraging its existing talent base in entertainment and design and by training new talent. Professional procedures and processes are necessary to both ensure quality and to protect intellectual property rights. The following would help to make developed properties more suitable for export markets:

1. **Channels to international markets** – Hong Kong’s international market research infrastructure must be strengthened. Hong Kong must also develop an infrastructure for conducting and gathering market research from major markets such as the US, Europe, and Japan. Local digital entertainment companies could benefit from an international network that local developers can utilize to conduct product surveys and market tests to improve their stories and ideas. Currently in Hollywood, films are often screened for different demographics of audiences and edited based upon the results of those demographics. In some cases, entire endings are changed to broaden a film’s appeal. While the government invests in promoting products internationally through the sponsorship of trade shows such as the Hong Kong Toy Fair and Filmart, spending effort to verify that market demand for products exists before/as they are developed will improve export opportunities.
2. **Intellectual property development center** – From their traditional OEM background (manufacturers) and local perspective (entertainment media), developers are not experienced at developing original designs and stories that have global appeal. Scripts and designs are a form of intellectual property that translate into a wide variety of products including TV, film, toys, and video games. The government’s Applied Science and Technology Research Institute (ASTRI) program is established to “strengthen Hong Kong’s mid-stream research and development capability to develop concepts and innovative ideas into pre-competitive and generic technologies for eventual commercialization by the private sector.” Hong Kong would benefit from a “intellectual property development center” patterned after ASTRI that develops creative intellectual properties such as characters and stories that can be licensed and commercialized by the private sector.
3. **Content Control** – As new forms of digital entertainment evolve and influence society, it is important to monitor the materials that are produced. Video games such as *Half-life* by Valve Software have been banned in countries because of excessive violence. Increasing realism in 3D graphics will also influence the darker side of entertainment, particularly pornography and gambling. A certification or rating system would help to protect the image of Hong Kong products.

Coordinated Production Across Industries

To leverage economy of scale, greater coordination is needed between the diverse industries that contribute to digital entertainment including film, television, music, toys, merchandising, textiles, consumer electronics, and tourism. With coordinated production and promotion across industries, Hong Kong companies will benefit from the synergistic effect that current US productions enjoy. Projects developed and executed from Hong Kong enjoy even higher profit margins since they are closer to the manufacturing base.

Coordinated production could be cultivated through:

1. **Developing an infrastructure for stimulating interaction between industries** – In the US, film and video game productions are reported in trade publications such as the *Daily Variety* and *ieMagazine*. In Hong Kong, information regarding upcoming entertainment productions, well in advance of release, is scarce. A guidebook that lists all of the companies involved in digital entertainment, from production to distribution, would help improve communication between companies. A web-portal for the digital entertainment industry may serve as a trade publication, a directory, and a place to host community discussions. Training seminars, conferences, and expos are another way of bringing people from the different industries together for discussion. Facilitating collaboration will also require protection of intellectual property rights (see below in professional infrastructure).
2. **Demonstration project** - Part of the challenge in coordinating productions across industries is overcoming cultural issues. Hong Kong has yet to produce a successful demonstration of this model. In fact, most production studios in Hong Kong lack merchandising departments that make it their business to maintain manufacturer relationships, ensure the consistency and quality of licensed products, and pursue merchandising opportunities. A government-supported pilot project would highlight some of the issues and provide the catalyst to spark industry involvement, just as the Cyberport project raised the awareness of wired communities.

New Distribution Models

Although Hong Kong's piracy problem has been detrimental to the entertainment industry's growth, it has also better prepared its entertainment companies for the age of electronic distribution. Services like Napster, a peer-to-peer model for MP3 music, may be viewed on one side as a new model for distributing music, and on another side as a piracy enabler. Open standards, an increasing variety of multimedia enabled-consumer electronic devices, and higher network bandwidths (including wireless) are challenging traditional models of entertainment media distribution. Digital entertainment companies must find new models for financing the creation of content. Hong Kong can capitalize on the global transition by:

1. **Exploring revenue models for electronic distribution** – Companies are already developing tools and technologies for episodic content and subscription-based models. Online micro-payment services and new fee-based online games that offer borderline gambling are also in trial. Many games released in Hong Kong also include merchandising, which is not as easily pirated, to provide buyers with additional value. Hong Kong, a market with high data connectivity and which has already been devastated by piracy, provides a good environment for testing new models.

Professional Infrastructure

Cultivating the digital entertainment industry will require a professional infrastructure for financing and for protecting intellectual property rights. Investors, who are not very familiar with the industry, are reluctant to invest in Hong Kong films because of the high risk factor of incomplete, or poorly completed projects. Investors must be ensured that their money is spent correctly. Content producers must also have confidence that their ideas will be protected during negotiations. Workers and subcontractors must also be ensured that agreed upon fees will be paid as scheduled. Quality measures for production, marketing, and distribution services are also important.

1. **Production accounting and financing** – An intermediary to ensure transparency of production funds should be established. This would also facilitate provisions for “completion bonds,” a form of insurance to guarantee the completion of a project. A market or forum could be established for presenting projects to local and international investors.
2. **Intellectual property protection** – While Hong Kong’s patent laws, established in 1997, protect designs, they do very little to protect creative ideas such as scripts. In Hollywood, the Screenwriters Guild protects screenwriters’ interests by providing a repository for scripts and by protecting writer’s rights (including setting minimum wages for scripts). The guild provides a “check-in” system for properties and provides a fair mechanism to resolve disputes. With the success of the guild system, Hollywood’s 80-90 feature films a year employ over 200 screenwriters with over 16,000 scripts submitted to studios each year⁹. A guild structure should be established in Hong Kong to protect intellectual property and also the interests of creative talent.
3. **Local interdisciplinary education** – The digital entertainment field is highly interdisciplinary and changes as fast as the underlying technology changes. These factors make it difficult to develop education programs in digital entertainment. Very few universities have the facilities and expertise that span hardware, software, design, and media production. Furthermore, courses must be continually updated to incorporate the latest processes and technology developments. One area especially worthy of developing is computer animation. Current programs teach tools, but don’t teach animation skills. With limited equipment and expertise at the University level, education resources should be shared as much as possible with units transferable between different institutions. Re-training programs for the unemployed and low-cost “apprenticeship” training programs that combine training with real-world production projects are practical due to the “low barrier to entry” and highly applied nature of digital entertainment production. Education in creativity and innovation should start early in primary and secondary school.

⁹ Syd Field, Screenplay: The Foundations of Screenwriting, ISBN 044057674

4. **Quality Production Infrastructure** – It is of strategic importance to establish an infrastructure that ensures the quality of digital entertainment products. For filmed entertainment, Hong Kong still lacks key, quality-related, infrastructure components including quality film processing labs, and facilities for quality sound production. Some of these facilities may be built within Universities. For example, the Film School at the University of Southern California has a sound scoring stage that is used to train students and is also rented out to local industry. Quality standards should be established for products. In the United States, the Society for Motion Pictures Television Engineers (SMPTE) generates standards, engineering guidelines, and recommended practices to be followed by field professionals.

Conclusion

This paper has presented an argument for how Hong Kong can leverage its unique strengths to develop a digital entertainment industry. With increasing competition in manufacturing and the service industry within the region, it is vital that Hong Kong clearly differentiates its advantages to the world and also provides local companies with a clear vision to the way forward. It is our hope that the government will establish a committee to further pursue this initiative and conduct a more in-depth study.

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