

MEDIA AND ENTERTAINMENT



Hong Kong has a critical role to play in China's future, from the internationalisation of the RMB through to the Belt and Road initiative. The city has always found a way to stay relevant, and it's exciting to see this every day.

Parry Ravindranathan
President and Managing Director – International
Bloomberg Media Group



Hong Kong has developed a broad cluster of media and entertainment industries that use the city as their regional hub. The distinctions between traditional media and social, print and digital, pay-TV and OTT platforms, video games and sports are blurring, creating new opportunities for the media and entertainment sectors.

Ranked as the world's freest economy for 24 consecutive years by the Heritage Foundation in the "2018 Index of Economic Freedom", Hong Kong enjoys a liberal environment in Asia, with an open investment regime and unrestricted foreign ownership rules. The availability of the latest telecommunications technology and global talents have attracted many international media companies to establish regional headquarters or offices in Hong Kong.

Why Hong Kong?

- One of the world's largest suppliers of imported books and newspapers
- Major centre for Chinese language publications and broadcasting
- One of the world's largest exporters of TV and film content
- Home to one of the largest producers of Chinese language content, with dubbed programming distributed in over 30 countries
- Freedom of expression and the press; a liberal media environment that enables local and overseas publications circulate freely
- Excellent communication networks allow companies to reliably transmit and receive information at very low cost
- World class connectivity with mobile subscriber penetration rate over 248 percent (as at Feb 2018) and average peak internet connection speed of 129.5mbps (as of 2017)
- Stringent enforcement of intellectual property rights
- Highly experienced, multi-lingual local talent with regional networks and expertise

Opportunities and Recent Developments

- Hong Kong is among the world's largest film exporters. The box office on the Chinese mainland has become a vital market for Hong Kong movies. In 2016 China's box office had surpassed North America for the first time. China's box office income rose by 13 percent to RMB56 billion in 2017.
- FILMART is now the largest film and TV market event in Asia attracting over 8,700 global visitors in 2018. Hong Kong acts as the hub of buying and selling Chinese mainland films and TV dramas through FILMART.
- Under Closer Economic Partnership Agreement (CEPA), Chinese language films produced by Hong Kong companies approved by Chinese mainland authorities are not subject to the import quota set for foreign films. In addition, films co-produced by Hong Kong and the Mainland are treated as Mainland productions.
- In the 2018 Budget Speech, HK\$100 million will be allocated to Cyberport to promote the development of e-sports. The Cyberport Arcade will become a local e-sports and digital entertainment node.
- From 27 July 2018, the Communications Authority (CA) relaxes the regulation of indirect advertising in television programme services and lifts the prohibition on the broadcast of advertisements for undertaker and associated services.
- In July 2018, the CA proposed a total of 4,500 MHz of new spectrum in multiple frequency bands will be made available for use in 2019/2020 for the provision of 5G services. This makes Hong Kong the first economy in the world to release such a significant amount of spectrum to support the development of 5G services.



InvestHK 投資推廣署

The Government of the Hong Kong
Special Administrative Region



Hong Kong is a great launch pad to reach so many booming markets around Asia Pacific, especially Mainland China. ”

Mike Rich
EVP of Sales and Content Partnerships
for FOX Networks Group Asia

FOX Networks Group Aims to Redefine Advertising in Asia

FOX Networks Group Asia's advertising arm sees Hong Kong as a springboard to marketing excellence.

Being one of the world's leading media enterprises, FOX Networks Group Asia launched its first unified brand advertising studio FOX Content Labs in 2017, with central production studios in Hong Kong and Singapore, supporting local markets on content partnerships. The full-service creative production house offers brands bespoke and compelling marketing solutions across all markets in Asia.

Since its inception, FOX Content Labs has already completed some significant projects with well-known brands, including the world's top cosmetics manufacturers and hospitality giants.

Mike Rich, EVP of Sales and Content Partnerships for FOX Networks Group Asia, believes that they have selected an ideal place to launch creative advertising services. "Hong Kong is special because of its DNA of east meeting west," he said, "it was built on a multicultural foundation, and that still thrives today. We see world-class ideas arise from such a stimulating business climate."

The studio also sees Hong Kong as the ideal playground to be experimental and creative. "Hong Kong is a great launch pad to reach so many booming markets around Asia Pacific, especially Mainland China," Rich said, "we believe that Hong Kong can support our satellite teams in all of FOX Networks Group's markets with ideas, best practices and great case studies."

He added, "Hong Kong attracts unique and diverse talents from around the world because of its vibrant economic environment. Together with a strong pool of local talents, we are able to build a team with a never-ending supply of new ideas and inspiration."

The studio currently has 30 employees in Asia Pacific and Middle East with a high concentration in Hong Kong. The team executes the full scope of advertising and studio functions, from research to strategies, as well as production and distribution.

FOX Content Labs enables brands to increase their reach, deepen their engagement and deliver the most creative and compelling marketing strategies through the network's iconic brands across Entertainment, FOX Sports and National Geographic.

FOX Networks Group Asia's commitment to fostering locally relevant storytelling and talent development is reflected in the Asia arm of their global incubator programme – FOX Creative Labs. Intensive master classes and meetings with media professionals are provided to nurture participants' ability to deliver innovative and unique stories. The programme was successfully held in Los Angeles and Taiwan from May – July 2018 and will roll out to other markets in the near future.

"Through InvestHK events and publications, we are able to keep in touch with our fellow business community and of course, their consultation services about how to set up in Hong Kong, especially for businesses catering to the Mainland China market, providing companies with the confidence that they are approaching the right way," Rich concluded.

FOX Content Labs

- Sets up its Asia Pacific Regional Headquarters in Hong Kong in 2017
- Offers video content, product integration and celebrity talent access, etc
- Hires around nine employees in Hong Kong and about 30 in the region with multiple business functions

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Hong Kong is, of course, one of our core markets as it's one of the largest and most important cities in the world. ”

Christopher Lindvall
Managing Director
Burda Digital Media Hong Kong Limited

Stay Ahead of the Curve in Digital Media

With Hong Kong as one of its core markets, Hubert Burda Media lays out new digital strategies, aiming to become Asia's leader in luxury publishing.

Established in 2011, Hubert Burda Media Hong Kong is the home of *Prestige Hong Kong*, a celebrity, high society and luxury lifestyle monthly magazine. It is a subsidiary company of Burda International, a Germany-based media giant which owns close to 540 titles around the world. In addition to *Prestige* which was launched in 2005 and bought by Hubert Burda Media in 2011, the company also runs two annual publications in Hong Kong, which are *Lifestyle* and the watch magazine *Tic Talk* in addition to two digital media platforms.

Burda is now restructuring the business into three distinct units which are digital, print and services, as a result of its significant investment to expand across the region and bolstering its workforce to offer innovative luxury content solution. Christopher Lindvall, Managing Director of Burda Digital Media, said, “we are one of the few publishing houses in Asia investing heavily into our products and new verticals. I am very confident that we will be the leader in luxury publishing in Asia and have the best digital offerings in the industry.”

According to Lindvall, Burda's digital business has grown significantly in Asia over the last three years, and the company thinks this is the right time to expand and take advantage of shifting industry trends. New strategies will also be laid out in the region, such as having placing dedicated digital teams in each country that focus solely on websites and social media.

Going forward, Burda will still see Hong Kong as their priority market via which they further expand to other region. “Hong Kong is, of course, one of our core markets as it's one of the largest and most important cities in the world,” Lindvall remarked, “at the same time, we are focused on growth in markets such as Bangkok and Kuala Lumpur.”

Lindvall advised newcomers from the media field who would like to enter Hong Kong market to reach out to other people in the industry with more experienced for mentorship or guidance, as well as to attend more business events to expand network. It is also important to have a clear business plan before the launch, knowing that a business takes much longer than expected to grow. He concluded, “it's good to aim high and be aggressive, but don't be ignorant!”

InvestHK has helped alongside the company's expansion in the city by providing publicity support, resources matching and networking event opportunity. With a team of 35 in its Hong Kong office comprising sales, administrative and editorial functions, Burda is expected to hire more staff in Hong Kong as they continue to expand their activities and business scope in the region.

Burda Digital Media Hong Kong Limited

- Set up in Hong Kong in 2011
- Acquired LifestyleAsia.com in January 2017
- Comprises around 35 people in the Hong Kong office with sales, administrative and editorial functions

🌐 prestigeonline.com

Major Media Organisations with Regional Operations in Hong Kong

- Agence France-Presse
- Associated Press
- Barron's
- Bloomberg
- Dow Jones
- Fox Networks Group Asia
- Hubert Burda Media
- The New York Times
- Monocle
- Nihon Keizai Shimbun
- Nikkei
- The Financial Times
- Thomson Reuters
- Time Inc
- Turner International
- TV5 Monde

Key Statistics

- Home to over 80 international media organisations including broadcasters, TV channels and news agencies
- Around 78 newspapers and 569 periodicals (including a number of electronics newspaper) published in Hong Kong (as of Aug 2018)
- Over 800 local and overseas television channels in various languages through free-to-air terrestrial and satellite reception, or pay television services, including CNN International, BBC World, HBO, CNBC, and the Discovery Channel
- 14 non-domestic television programme service licensees providing over 200 satellite television channels for the Asia Pacific region (as of Jul 2018)
- Around 88 percent households (about 2.2 million households) receive DTT services via set-top boxes, integrated digital television sets and computers (as of Oct 2017)
- In residential market, over 92 percent of the households are using broadband service (as at Apr 2018)
- Around 2.15 million subscribers of licensed domestic pay television services as at Dec 2017
- Roughly 19,000 people are employed in around 1,500 publishing and related services companies (as of Mar 2018)
- Over 2,700 establishments employing around 16,000 people in the motion pictures and entertainment services industry (as of Mar 2018)

Useful Links

Asia Video Industry Association

www.asiavia.org

Communications Authority

www.coms-auth.hk

CreateHK

www.createhk.gov.hk

Digital TV

www.digitaltv.gov.hk

Hong Kong Cyberport

www.cyberport.hk

Hong Kong Digital Entertainment Association

www.hkdea.org

Hong Kong Film Development Council

www.fdc.gov.hk

Hong Kong Journalist Association

www.hkja.org.hk

Office for Film, Newspaper and Article Administration

www.ofnaa.gov.hk

Office of the Communications Authority

www.ofca.gov.hk

The Society of Publishers in Asia

www.sopasia.com

Invest Hong Kong is the department of the Hong Kong Special Administrative Region (HKSAR) Government responsible for attracting Foreign Direct Investment, supporting overseas and Mainland businesses to set up and expand in Hong Kong. We partner with clients on a long-term basis and are available at any stage of their business development process.

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