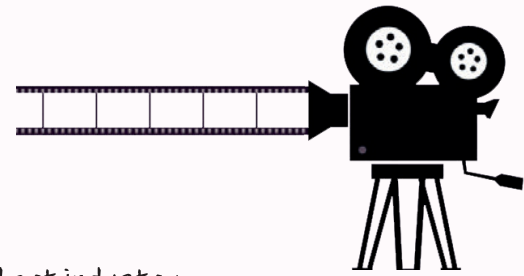


Does Hong Kong Economic Environment Suitable for Driving Growth of Local Film Industry?

Introduction of Local Film Industry

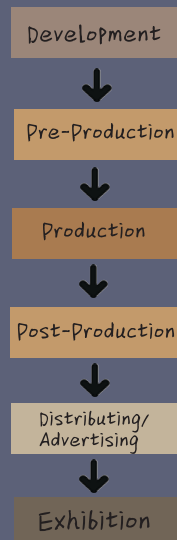
- Film is both a commodity and a cultural product, it has a decisive role in shaping the cultural life and identity of a Place
- Film industry has a rich economic output
- Film industry has contributed to film-related industry like products and art industry



Objective

- examine the suitability of Hong Kong economic environment and its production chain on the growth of local film industry
- studies the effect on job market, government expenditure and value added on film industry

Production Chain



Hong Kong's Economic Environment Background

Low Tax Rate

Private Property rights

Free flow of capital

Big Market
Small government

Regression Model Analysis

Model 1: Growth rate of Film Industry (value-added)

$$Growth_t = \beta_0 + \beta_1 Gini_t + \beta_2 GDP_t + \beta_3 Unempl_t + \beta_4 Govt_t + \beta_5 ExIm_t + \beta_6 Fore_t + \varepsilon_t$$

Model 2: Annual Employment Growth rate of Film Industry

$$empl_t = \alpha_0 + \alpha_1 Gini_t + \alpha_2 GDP_t + \alpha_3 Unempl_t + \alpha_4 Govt_t + \alpha_5 ExIm_t + \alpha_6 Fore_t + \varepsilon_t$$



Results

***: Significance at 99% confidence level
*: Significance at 95% confidence level

Model I: Growth Rate of Film Industry (value-added)

	Coefficient	Standard Error	P-value
Gini Coefficient	0.7542647	2.5839253	0.522
GDP per Capita	0.9056476	3.0745732	0.732
Unemployment Rate	-0.0083617***	0.0274426	0.001
Government Expenditure on film industry	0.0000735***	0.0000455	0.000
Export & import of audio-visual and interactive media goods Growth rate	0.0148327**	0.0247249	0.010
Foreign investment on local film industry	0.0029384***	0.0045281	0.033
Constant	-3.2741488	6.8344915	0.564
R squared within	0.7362		
F-statistic	105.29		

Model II: Annual Employment Growth Rate of Film Industry

	Coefficient	Standard Error	P-value
Gini Coefficient	0.8374882	4.8378234	0.578
GDP per Capita	0.7937823	6.3093584	0.639
Unemployment Rate	-0.5372813	5.7352133	0.605
Government Expenditure on film industry	0.0003022***	0.0027914	0.001
Export & import of audio-visual and interactive media goods Growth rate	0.0610025**	0.00473617	0.022
Foreign investment on local film industry	0.0000261***	0.0009388	0.000
Constant	-2.4127255	5.922410	0.499
R squared within	0.6862		
F-statistic	109.39		

Analysis

Gini Coefficient

- no statistical significant relationship with both model I and II

Unemployment Rate

- statistically significant negative relationship with model I
- not so much significant relationship with model II

Export & Import of audio-visual and interactive media goods growth rate

- not statistical significant with model I and II

Government Expenditure

- Positive and statistically significant with model I and II

Foreign investment of local film industry

- statistically positive relationship with model I and II



Conclusion

Hong Kong Economic Environment is

Good for Developing Local Film Industry

