

DING Wei



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THE PEOPLE'S REPUBLIC OF CHINA DELEGATIONS MEETING

DATE □ G NOVEMBER 9, 2005 (morning)

VENUE □ G CONFERENCE CENTRE, HONG KONG DISNEYLAND HOTEL

MODERATOR □ G/incent FUNG, Principal Assistant Secretary for Home Affairs,
Hong Kong Special Administrative Region

ATTENDANTS □ GING Wai, Assistant Minister, Ministry of Culture of
the People's Republic of China

Patrick HO, Secretary for Home Affairs,
Hong Kong Special Administrative Region

Cultural Officials from Provinces, Autonomous Regions,
Municipalities and Special Administrative Regions of the PRC

SPEAKERS : ZHU Fenghan, Deputy Executive Director, National Museum of China

YIM Shuiyuen, Senior Consultant, The Capital Museum

QIAN Shijin, Vice President and Artistic Director, Shanghai Grand Theatre

Grace LANG, Programme Director, Hong Kong Arts Festival Society Ltd.



China's Brands Depend on the Quality of Its Citizenry

Sometimes public-interest culture plays a pioneering role, which benefits the commercial sector; sometimes commercialized culture first creates a demand in the public, while the public-interest culture raises the economy and the humanistic implications to a higher level.

Patrick Ho, Secretary for Home Affairs, Hong Kong Special Administrative Region

MR VINCENT FUNG :

I now declare the meeting open and invite Dr Patrick Ho, Secretary for Home Affairs of the Government of the Hong Kong Special Administrative Region to deliver the welcome speech.

DR PATRICK HO :

I wish a good morning to all of you. It is a pleasure for us to meet in Hong Kong for the Asia Cultural Co-operation Forum organized by the Home Affairs Bureau of the Government of the Hong Kong SAR. Many of us here are meeting for the second time. The theme of this forum is "Brand Asia". A successful cultural brand will not only contribute to the long-term sale of products and services, it can also improve a country's overall image. In a time of sector upgrading and economic restructuring, brand creation, is of paramount importance for export and the home market.

Basis of the cultural sector

We are now gathered at Hong Kong Disneyland. This is a famous brand. Because of its unique cultural background, besides offering cultural products and travel services, Disney is able to branch out to other sectors like the hotel industry and residential areas. If America can boast such prestigious cultural brands as Disney or Hollywood, it is because it has on the one hand a free market system and on the other hand a civil society. These two form the base of the cultural sector. They are also the basis for the gradual establishment of democratic politics, development and a harmonious society. On these two foundations, it is possible to develop step by step a democratic polity suited to our country's special conditions.

A free market and a sound civil society are the keys to a well-developed cultural sector. A free market can respond to the needs and varied cultural tastes of consumers and promote product innovation. New products can be tested quickly and adjustments can be made correspondingly with great adaptability. After reorganization and deep restructuring have taken place, a successful product can guide the market and set a trend. A general culture controlled by civil society can ensure the long-term development of culture and citizens' interests, realize mass cultural democracy and cultural rights, complement the role of the commercial market, and thus create a virtuous circle. Free market and civil society are the two legs with which the cultural sector can move forward, the two are mutually interdependent without any order of succession. Sometimes public-interest culture plays a pioneering role which benefits the commercial sector; sometimes commercialized culture first creates a demand in the public while the public-interest cultural sector raises the economy and the humanistic implications to a higher level.

The Key to Hong Kong's development

The crucial difference between the cultural sector in Hong Kong and in the Mainland is that Hong Kong already has a full-fledged free market system. Cultural products are indistinguishable from other products in that they too follow the rules of the market. There is freedom to produce, freedom to export and import. Factors of production, commercial services and market information circulate freely. The government confines itself to providing the indispensable legal framework and commercial environment. On the other hand, it also invests huge sums to support public-interest services in areas such as education, environmental protection, culture and art. Travellers from the Mainland can experience first-hand the prosperity and dynamism of this city. They are also favourably impressed by the quality of its public order and the morality of its citizens.



As regards public-interest cultural services, it is noteworthy that although the Government of the Hong Kong SAR grants them substantial financial support and

A successful cultural brand can not only contribute to the long-term sale of products and services, but also improve a country's overall image.

owns all kinds of cultural facilities, civil society is deeply involved in their management. Public services in Hong Kong date back more than a century, their scale is huge and the regulatory framework is quite modern. In recent years, consultant organizations, legal organizations and corporate bodies have all contributed to the provision of cultural services, thereby ensuring that these remain in the interests of the general public, that a wide range of talented people find employment and that all kinds of creative initiatives flourish. At the level of management, there is adequate separation between government officials and agents. The business of government officials is to carry out preliminary examination and approval, to conduct subsequent controls and to refrain from undue intervention the rest of the time. Private corporate bodies are under the control of the Companies Ordinance, the public and the media, and they must observe integrity rules. If they apply for government subsidies, they have to prove that their level of management meets the norms. They need to have a board of directors, competent accountants and an annual audit. This is to avoid any misuse of public funds. Through long-standing relations based on mutual confidence, government and corporate bodies have come to a positive knowledge of each other, which has enabled the latter to develop solid management practices, enjoy great autonomy and experience a sound expansion. By supporting culture and art, public authorities hope to foster the development of civil society. To take responsibility for oneself, to observe self-restraint, not to depend on government assistance are the principles that guide today's citizenry. "The Book of Rites", this great Chinese classic on the art of governance of a country says: mutual respect between gentlemen makes them grow in strength day by day." When public authorities and common citizens respect and trust each other, treating each other like gentlemen, the latter grow in self-respect and autonomy and observe the rules of good conduct and the law, thus creating a harmonious social body. When we say, "To make the country strong, we must make the people strong", we mean nothing else than that China's image and brands ultimately depend on the quality of its citizenry as a whole. Now, to build a civil society is a sure and feasible way to attain that goal.

Dear friends, the launching of the Shenzhou 6 spaceship and the Eleventh Five-Year Plan are both evidence of the bright future of this country. History presents Hong Kong with a rare opportunity to share the glorious revival of China and its people. The key of increasing this country's competitiveness and fostering its long-term development and harmonious society is to remain united and live in concord, to dare to innovate, to have a long-term vision, to find one's own place in a spirit of pragmatism, to seize the once-in-a-century

opportunities offered by this country's lightning takeoff and to take advantage of Hong Kong's local strengths. Thank you!



Exchanges of Cultures Need to be Interactive and Win-win

Culture being a spiritual link, cultural identity is powerfully fostered by promoting cultural exchanges between the Mainland and Hong Kong. Exchanges in this area are mutually beneficial for the Mainland and Hong Kong.

DING Wei, Assistant Minister, Ministry of Culture of the People's Republic of China

MR VINCENT FUNG:

I now invite the Assistant Minister of Ministry of Culture, Mr Ding Wei, to deliver the opening address. Please Mr Ding!

MR DING WEI:

The Asia Cultural Co-operation Forum offers an opportunity for officials from China, the Hong Kong SAR, the Macau SAR to exchange ideas with international cultural leaders. I wish to offer my congratulations to this meeting.

We are becoming increasingly aware of the importance of cultural and creative industries in the development strategy of a nation. Recently, I heard the following anecdote, the figures may not be that accurate, but this has helped me to realize the importance of brands. I am referring to the Nike shoes processed in China. They are sold, as far as I know, for US \$50-90 abroad. We charge them \$5. So, what is it that makes these pairs of shoes so expensive after we have made them? The answer is: the brand. Now, if you take a pair of shoes made in China abroad and they do not have the Nike brand on them, they will certainly not fetch such a high price.

The same is true for culture. China, which is a country with huge cultural resources and an enormously varied culture, does not have any famous cultural products or a renowned services brand yet. Therefore I think it is a very good initiative to have us go into this topic here with our Asian counterparts. The choice of the theme of this forum is quite first-class.

I would like to seize this opportunity to strengthen the cultural exchanges and co-operation between the Mainland and Hong Kong and set forth a few ideas on this subject. On the whole, co-operation between the Mainland and Hong Kong has developed at a very rapid pace and played a very positive role. But



there are still so many things we can do. There are even more things that we could do better or more efficiently. Regarding co-operation and interchange with Hong Kong, my opinion is that they should be developed in accordance with the principles of “deepened co-operation, higher efficiency, and interactive, win-win, common development”. We should press ahead with our work along these lines.

Encourage the spirit of co-operation

There are several aspects to this: first, we should actively take new measures to encourage the spirit of initiative in the co-operation between the Mainland and Hong Kong. Overall relations between the Mainland and Hong Kong have now become very close. I believe that in our overall relations, cultural relations should and could play a more important role. They can foster the cultural development of the Mainland and Hong Kong. Besides, they have implications that go beyond the realm of culture. Culture being a spiritual link, cultural knowledge and co-operation are all powerfully fostered by promoting cultural exchanges between the Mainland and Hong Kong. Exchanges in this area are mutually beneficial for the Mainland and Hong Kong and it is possible to attain a win-win situation. Consequently, my opinion is that in the realm of culture we ought to coordinate our initiatives, support each other's initiatives, learn from each other and encourage each other. In doing so, we can grow together hand in hand in the areas where we can co-operate. This meeting for example is a prime platform for co-operation and exchanges. In the future, we can have more activities, performances, and exhibitions. We need large scale events organized by different regions to reduce costs and enhance our influence. We can take advantage of important festivals and anniversaries like the

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tenth anniversary of the return of Hong Kong to China in 2007 or the Olympic Games in 2008 to collaborate on cultural events that have an impact on Asia and even the world.

Furthermore, on the international front, the "France-China Cultural Year" and the "Chinese Culture Festival" in the US, has proved to be extremely successful. The "Hong Kong Culture Week" was a big hit in France and US. We have managed to display the concept of "one country, two systems" with great success. I think therefore that in the future we should launch more initiatives of this kind and reinforce our co-operation.

Raise the quality and level of exchanges

Secondly, we should give priority to raise the quality and level of our exchanges. Quantitatively, our exchanges have already reached a satisfactory level: each year we have several hundred events involving three to four thousand person-times. For a special administrative region like Hong Kong, I believe these are pretty good figures. In terms of the social impact and level of such exchanges, there is potential for further development. As I see it, there should be a gradual shift from our present scattered, spontaneous exchanges to events that focus on a particular theme, display more creativity and have a serial character. With respect to the level of our activities, there should be a shift from general to high level and we need exchanges that arouse the broad attention of the general public in Hong Kong. To attain this goal, good planning and a strong spirit of initiative are crucial. In this respect Hong Kong has a definite edge. If we on the Mainland add our active support and coordination, I think it will be possible to continuously raise the level of our exchanges.

Hong Kong's cultural potential

Thirdly, I would like to say a few words about the cultural role of Hong Kong. Hong Kong's positioning is very important. It has considerable potential. Hong Kong has a special role to play and huge prospects of development. Hong Kong's culture is an integral part of the cultural heritage of the Chinese nation, the culture of China is the mother of Hong Kong's culture, its roots. At the same time, the culture of China is a source of constant inspiration and vitality for Hong Kong's culture. This is one aspect of it. Another aspect is that Hong Kong has developed a culture of its own, with unique peculiarities rooted in unique past and experience. The culture of Hong Kong's government system, the culture of its artistic creation, the culture of its social management system, the culture of its market, the culture of its trade sector, all these things, when compared with what exists on the Mainland, give Hong Kong an edge, a

strength and a unique character. Now it is these particular features and advantages that give Hong Kong's culture its particular value, I mean the value of Hong Kong's culture in itself and the value deriving from its special contributions to the culture of the Chinese nation as a whole. Therefore, in my opinion, these are two very important points to remember.

If we look to the future, Hong Kong should become a cultural hub for the whole Asia, or a big city in the world. You have a slogan here which says "Asia's World City, right?" I think it's very powerful and certainly implies that Hong Kong is the international cultural centre of Asia. Compared with other cities in Mainland, Hong Kong is in a much better position and as far as culture is concerned, the Government of the Hong Kong SAR, Secretary Ho is pushing in that direction with great intent, thanks to the efforts of Secretary Ho. The Asia Culture Co-operation Forum had been held here three years in a row. All this shows that the Hong Kong SAR Government is consciously pursuing a strategy aiming at developing Hong Kong into a cultural centre. I for my part do believe that the future holds such a promise for Hong Kong.

Building brands of Chinese culture

Fourthly, from the microcosmic point of view, Hong Kong's role in relation to the Mainland can be described as being a source of inspiration, a pioneer, a model or guide. For example, in the cultural sectors that we are going to discuss during this forum, the movie industry, the protection of intellectual prop-



erty rights, cultural initiatives, cultural management, etc. As far as integration with the rest of the world is concerned, for example, in organizing high-level specialized international events, I feel that from the way this has been thought out to the way the program is arranged, as everyone can see it, it is first-class and shows a really high level of competence.

Now from a macroscopic point of view I see Hong Kong as the window through which the world looks at China and as a bridge for China to reach out to the world. Because of its unique position and history, if the world wants to understand China, it can look at it through the window of Hong Kong. Now, if

Understanding China,
the world has to
look through Hong Kong
as a window.

Learning from the world,
China has to cross Hong
Kong as a bridge.

China wants to learn from the rest of the world, to open itself to the world, Hong Kong is also a very good window, a very good bridge. Therefore, the future of Hong Kong, in cultural terms, and even for Hong Kong itself, is very important for the Mainland. We are willing to co-operate with the Government of the Hong Kong SAR, to contribute through our own efforts to help Hong Kong become a cultural metropolis of Asia and international stature.

Last year, in his welcoming address, Secretary Ho said something that is still engraved in my memory: We Chinese people can use the golden chain of cultural and creative industries to bring together all the good things of this country and then link them to the regional markets of neighbouring countries, so that the world may enjoy the advanced culture of China, thereby strengthening regional peace and ensuring China's long-term interests. I believe that all of us here share Mr Ho's high expectations.

Today, after this meeting, we are going to sign with the Government of the Hong Kong SAR an Agreement on Closer Cultural Co-operation Ties between the Mainland and the Hong Kong SAR. I hope this can become a new springboard for the co-operation and exchanges in cultural matters between the Mainland and the Hong Kong SAR. Let us strive together and develop in unison, so that more brands representing the Chinese culture may arise, so that Chinese brands may have a prominent place in the world and in Asia, and that Hong Kong may become an excellent bridge for spreading Chinese culture, Chinese culture brands, to the world! Thank you!







Build up a National Museum of a Great Nation

The museum should respond to the demands made upon us by the status of our country as a great nation politically, economically and culturally, to the demands of the long history of China, to the demands of the great dynamism of China's modernization drive, and to the growing public demands for cultural products.

ZHU Fenghan, Deputy Executive Director, National Museum

MR VINCENT FUNG:

For the first part we have four experts. They will discuss with us the brands they are developing in the field of art. Our first speaker is Mr Zhu Fenghan, Executive Deputy Director at the National Museum of China. The subject of his address is "The Future and Features of the National Museum of China". Please Mr Zhu.

MR ZHU FENGHAN:

Okay. First of all, I would like to talk about the state of affairs at the National Museum of China. To develop the National Museum is the task we as proprietors of the National Museum of China are currently engaged in, but it should also be a major matter of concern for the people of China, including members of the profession in Hong Kong, a common concern for all of us. Today I will give a report on the latest developments and on some possible scenarios for the future.

Background: a series of important national cultural projects

I have divided my topic into seven subtopics in all. I would like to say a few words on the background of the development of the National Museum. First of all, let me say that there is a link between the development of the National Museum and the deepening of the policy of opening and reform. Since the reform process started in this country, our national leaders, as well as many ordinary citizens, have had a feeling that we too should have a modern, large-scale museum of our own, that it is crucial to the cultural image of the Nation. It is not only crucial to the national image. It is also of vital interest to the promotion of the national spirit. Both our leaders and we average citizens

have come to feel very deeply that our capital city must possess such a large-scale museum. Especially in the context of economic and cultural globalization, to build a large-scale museum can contribute significantly to stimulate the development of our advanced national culture and to enhance our global competitiveness.

On November 10, 1996, at the 14th plenary session of the Communist Party of China, the Central Committee passed a resolution at the sixth meeting session entitled Propositions of the Central Committee of the Communist Party of China concerning "Several Important Questions Related to the Reinforcement of the Development of Socialist Spiritual Civilization." This document mentions the planned construction of a series of important national cultural projects such as the National Museum of China and the National Theatre of China.

Then, in September 1999, the Ministry of Culture submitted a report to the State Planning Commission applying for approval of the National Museum of China construction project. The report concluded by saying that on their completion at the beginning of the 21st century these two key cultural projects, the National Museum of China and the National Theatre of China, would form a glorious ensemble with the Great Hall of the People, the Palace Museum, the Working People's Cultural Palace and Zhongshan Park, thereby creating a cultural zone centred in the Heavenly Peace Gate at the heart of the capital. Having such a public cultural activity area with typical Chinese features must bring substantial benefits to our citizens, impress the world at large, enhance the self-confidence and sense of pride of the Chinese people, and stimulate the development of the socialist spiritual civilization. It must in addition attract the attention and praise of the world.

In March 2003, the State Development and Planning Commission received the green light from the State Council, the project was approved. Since then, two and a half years has elapsed.

Basis:tentative blueprint for the 10th Five-year Plan Period

Let me now turn to my second topic: the feasibility of building a first-class national museum of international dimension. In other words, what are the means at our disposal? Is it really possible to build such a national museum? There are four points to be considered:

Such a public cultural activity area with typical Chinese features must bring substantial benefits to our citizens, impress the world at large, enhance the self-confidence and sense of pride of the Chinese people.

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The first one is that we have an excellent basis. As you all know, the present museums were established on the basis of the National Museum of Chinese History and the National Museum of the Chinese Revolution. The predecessor of the National Museum of Chinese History was the National History Museum founded in 1912. The decision to build the National Museum of the Chinese Revolution was taken in 1952. In 1958, the two museums were located in the present building, namely the large building in front of the Great Hall of the People everyone here is familiar with. For the last several decades, the two museums have in fact played the role of a national museum. They contain a large collection of artefacts, more than 600,000 till now, which is quite huge quantity in domestic terms, but there is still a long way from other large museums in the world. Since 2005, things have changed: the personnel system and specially the management system have been reformed. This has given a new impetus to the long-term development of the museum.

The second point. After the implementation of the policy of opening and reform, as material conditions improved, the demand for high-quality spiritual culture is growing. The appeal for museums, especially in the capital, has been steadily increasing in recent years. The interest of the public has been growing, so that the number of visitors has been on a steady upward trend.

The third point is that the State has paid more and more attention to cultural projects and allocated more money in this area. There had been a substantial increase under the 9th Five-Year Plan and the figures have been even more substantial if we consider the 10th Five-Year Plan.

The fourth point is the fact that Chinese museums have been making great strides forward in recent years, especially with regards to their own management. There has been changes in the way museums are run. What I mean is that the reforms we have been implementing go beyond staff reorganization. In the mainland, some advanced museums like the Shanghai History Museum, the Nanjing History Museum or the Sha'anxi History Museum, are no longer different from their foreign counterparts with respect to the way they organize and present their exhibitions, the way they interact with the public. Therefore we now have a basis, enough experience to contemplate creating a museum of international stature. With such assets, our project has in my view become perfectly feasible. Let me mention the fact that the amount of money we were allocated under the 10th Five-Year Plan by the Ministry of Finance stands at almost 500 million Yuan after the merger of the National Museum of History, which has now become the National Museum of China. There have

been some slight modifications to the initial 494,760,000 Yuan package earmarked by the Ministry of Finance for the National Museum of China during the 10th Five-Year Plan, but most of the funds have been forthcoming. We have established a tentative blueprint for the 10th Five-year Plan Period comprising ten projects. Most of them have been carried out, so that the National Museum of China now has a very solid base to rely on.

Goal:musem fit for a great nation

Let me now turn to the third topic. The third topic is how to deal with the future status of the National Museum of China. In accordance with the directives of the Central Committee, in February 2003, the National Museum of History and the National Museum of the Chinese Revolution were merged to become the National Museum of China. But to be frank, the real National Museum of China has not yet been born. Efforts will be needed for years. The International Council of Museums has a rule concerning the nature and purpose of affiliate museums. Museums, being public interest institutions, are supposed to have a specific mission. I think the National Museum of China should follow this basic principle. Concerning the objectives of the National Museum of China, what I have written is in fact a summary of Mr Sun's views, which we all found quite to the point. Our future goal can be described as "four responses" or "adjustments": we should respond to the demands made upon us by the status of our country as a great nation politically, economically and culturally, to the demands of the long history of China, to the demands of the great dynamism of China's modernization drive, and to the growing public demands for cultural products. This is what Mr Sun stated on the occasion of the creation of the National Museum of China.

Concerning the present collections of the National Museum of China, as you all know, there are many kinds of museums in China. In addition to general museums, there are specialized ones and this is a very encouraging trend. Given such situation, the National Museum of China has remained specialized



in art and history, but it is possible that in the future our collections will display much varieties. This is at any rate a view held by the Ministry of Culture, the National Development and Reform Commission and the Ministry of Finance:

Being an international research center and having a group of high-level scholars are absolutely essential for the future National Museum.

they advocate a larger scope.

As far as the functions are concerned, we sum it all up under the formula "one window and four centres" what I want to emphasize here is the academic one. If we want a national museum that is different from local, it should play the role of an international research centre. It should have a group of high-level scholars who make great contribution to the advancement of academic research. This is to say that academic research is absolutely essential for the National Museum of China. Besides, as you all know, in the area of academic research, including field archaeology, aerial archaeology and marine archaeology, the National Museum of China has already obtained a rich harvest of results. This is the most important asset for the future of the National Museum of China.

Scale:170,000 square meters

Then I would like to talk about the fourth topic, namely the scale of our development after renovation and extension. In March 2003, when it approved the project report of the National Museum of China, the State Planning Commission laid down a rule concerning the scale of our buildings. The Beijing Municipal Commission of Urban Planning also had a set of rules concerning project planning that stipulates the surface of the future museum. From February to June 2004, we held a tender conference for building designs in accordance with the directives of the National Development and Reform Commission. During the meeting we initially selected three plans. Afterwards, we collected suggestions from the public and from the competent authorities, so that we finally picked out one proposal by vote: a joint project presented by a German building design company, the China Academy of Building Research and the China Architecture Design Research Group. At the end of 2004, an international project consulting firm appointed by the National Development and Reform Commission had a group of experts examine the projects. They came up with some guiding principles concerning the economic techniques to be applied to the increased scale of the buildings. Now return to the plans I have just mentioned, the three plans you can see, the three plans we selected during the tender conference, one (remember initially there were ten proposals and we picked three of them). Project number four is the proposal that finally carried the day after the tender conference had consulted the public in Beijing and asked the competent authorities for advice.

This plan does a very good job in preserving the original aspect of the front part of the present building. It also practically keeps the south and north side in their present state, as well as most of the inside of the east side. This is

because of a rule set by the Municipal Commission for Urban Planning which says that the appearance of the National Museum of History and of the National Museum of the Chinese Revolution, as part of the ten great buildings, should be kept intact as much as possible on account of their being familiar to the public, and to the whole Chinese people. It is one of the landmark buildings of the square. Therefore the project I am talking about is mainly about rearranging and extending the original buildings. There is very little change with regard to the aspect. What was added is a new storey on top of it, as well as eaves in the shape of spread wings. So, this proposal preserves the original style of the building while adding new developments. The total surface of the building has been fixed at 170,000 square meters, in fact a little bit more than 170,000. The total cost stands at approximately two billion Yuan. This is only an estimate arrived at by a scientific report, it is not easy to say how much exactly will be spent in the future, but we do know that the cost will not be less. In fact, the final bill may turn out to exceed that figure. The feasibility report has yet to be approved by the National Development and Reform Commission before it is sent to the State Council.

Interior:40,000 square meters

I now come to the fifth point: our preliminary plans regarding the future functional area inside the National Museum of China, as well as the question of the technical safeguards.

The functional area has been designed on the basis of the 170,000 square meters figure I mentioned previously. The future functions of the National Museum of China will include conservation and restoration, exhibition, academic research, social education, as well as some general services to the public. So, the functions of the buildings of the National Museum of China have been roughly divided into a number of large categories. A major improvement is going to take place in the artefacts storage system. The exhibition floor area will be 60,000 square meters. The functional area will be more than 40,000 square meters. As you can see, compared with other large museums in the world like the British Museum, the Louvre Museum and the Metropolitan Museum, in terms of surface area, we are close to the Louvre, probably lag slightly behind the Metropolitan Museum, but do a little better than the British Museum.

Now the future building's design takes into consideration the principle of the centrality of human beings and in this particular respect greatly improves on the old buildings, which did not allow much interaction for the public. In this

respect there will be a substantial improvement. Many thoughts have been given to making the museum into a place of sophisticated spiritual enjoyment, one also that provides high-level entertainment. We are going to put a lot of efforts in that area.

The Exhibition Hall is here below, on the lowest floor. Two new floors might be added under the present main building. The lowest part in red will be taken by the storage area. The Exhibition Hall will be on top of it, I mean the hall devoted to thematic exhibitions. The circle around here represents the old building. This part will also be used as an exhibition hall for temporary exhibitions. There is also an International Exchange Exhibition Hall. Then you have the Main Hall, the place you come to when you enter the museum. The total surface area of this hall is spectacular. There is disagreement among the experts at this point, but it seems that it should be more than 15,000 square meters, which has led some people to call it the "Ten Thousand Meters Hall". In fact, this is an understatement. Now the question is: how to make the best use of this huge place? This is something of a headache. The proprietor has consulted quite a few experts on this question. Many ideas have been put forward. Rest rooms and cultural entertainment facilities could make it into one of the most attractive parts of the museum.

Now, as the proprietor, we hope that the east side, the one that is contiguous to the building occupied by the Ministry of Public Security, will in the future be transformed into three independent units: the Academic Conference Hall, the Digital Cinema hall and the Exchange Centre for Chinese and foreign scholars on visit.

In addition, there are the technical safeguards. While designing this project, the experts took fully into account the questions of lighting, fire and earthquake prevention, and also of water saving, because Prime Minister Wen Jiabao nowadays advocates a society that emphasizes energy conservation. Therefore, our design gives full consideration to energy conservation issues. Besides, tomorrow's National Museum of China will be a digital museum. As you all know, digitalization is one of the main trends of the information era in which we live. A lot of research has gone into this aspect of the new building design. As I see it, our future museum will be an informatised one: this will include the web environment, the public display system, the computer network system and the data centre system. All this will be integrated into the building.

Planning: five exhibition zones

Finally, let me move on to our preliminary plans regarding the exhibitions. These will be the same as today and remain the most significant means by which we interact with the public. After discussion with the experts from the museum and from outside, we have decided that the surface area devoted to exhibitions, which is not less than 60,000 square meters, will be divided into five exhibition zones: the first will be devoted to permanent exhibitions and will be divided into two large sections: the Ancient Chinese History Section and the Modern China History Section. The second will be the Thematic Exhibition Hall, where mainly ancient and modern choice artefacts will be on display. There will also be thematic exhibitions illustrating the changes undergone by modern Chinese society, approximately fourteen of them. The third large zone is the International Exchange Exhibition Hall. As you all know, one of the weaknesses of Chinese museums is the lack of artefacts from foreign countries. So we have resolved to expend great efforts in the field of international exchanges. Hence the International Exchange Exhibition Hall, the area of which will not be less than 7,000 square meters. The fourth area will be devoted to donors. This will be a thematic exhibition area showing objects donated by people. This will be a way to express our gratitude to them. Finally, we have an extensive area, about more than 4,000 square meters, reserved to temporary exhibitions: as we all know, a museum must constantly put on new exhibitions. Now, if we manage to put together these five large exhibition areas, the museum will boast ten exhibition halls with a useable area of more than 40,000 square meters, which is quite a substantial figure compared with other museums around the world.

Now in order to make our project of an International Exchange Exhibition Hall a reality, we have already established contacts with many important museums. We have negotiated and signed a series of agreements, for example with the British Museum, some German national museums and art museums, with the Italian and Greek Ministries of Cultural Relics, with the Tokyo National Museum of History, with the Nara National Museum and with the Korean Central Historical Museum. We are negotiating with all these institutions and with some of them we have already signed official co-operation agreements. After renovation, we estimate that the number of visitors will at least reach 5 million person-times. The present exhibition area represents only a fourth of the total area. Last year we got close to two million person-times. Let us make a conservative estimate and put the number of visitors at five million. I think that is feasible and not far from the number of visitors in advanced museums in other parts of the world.

Difficulties:the height needs reconsideration

Finally, I would like to talk about the difficulties faced by the new museum project. First, there is the scientific research report on the project. We are still awaiting the green light from the National Development and Reform Commission. The main problem, I mentioned this before, is that work on the building of the Ministry of Public Security is now completed. Its height is 34.8 meters. If we look at it from the north to the south, from the perspective of the Eternal peace Avenue, the building looks somewhat too tall. Therefore the National Development and Reform Commission seem to have some second thoughts now. According to the plan, the apex of our building may reach a height of 34.8 meters, but since the buildings on both sides are not that tall, aesthetically speaking, there is a problem. To my knowledge, this has become the main obstacle to the progress of our project. I am afraid some modifications have to be made. The government takes the matter very seriously. The State Council takes the matter very seriously. Originally, we hoped that the project would be completed by 2008, but as maters stand, this now seems rather unlikely. Top government officials have different opinions and since the design of this great museum is a once-in-a-century affair, well, we had better expend more care on it.

The gathering today is an opportunity to give you a rough outline of the future of the National Museum of China. In the future, we will need to cooperate and exchange ideas with you as members of the same profession for the execu- tion of many of our activities such as academic activities or exhibitions. In the past, we received substantial help from members of the profession in Hong Kong, Macao and the provinces and autonomous regions of China. We hope we may get even more assistance in the future. Thank you!







An International Museum Illustrating the History and Customs in Beijing

Construction of the Capital Museum was proposed in 1953. In 1981, a sign reading “Capital Museum” was hung at the Confucius Temple. 20 years later, the Beijing Municipal Government approved it because Beijing will host the Olympic Games in 2008 and the slogan “Humanistic Games” appeared.

YIM Shui Yuen, Senior Consultant, The Capital Museum

MR VINCENT FUNG:

Our second speaker is Mr. Yim Shui Yuen. He is a senior consultant at the Capital Museum. Mr Yim is from Hong Kong. After his retirement, he went to Beijing, where he continues to serve our country. He is going to talk about the new challenges faced by the Capital Museum in its future development.

MR YIM SHUI YEUN:

The subject of today's address is the new challenges that the Capital Museum will face in the future. Thanks to four years of uninterrupted efforts, the new Capital Museum has become operational on a trial basis at the end of this year and will open to the public at the beginning of next year. To understand the purpose of the new Capital Museum and the challenges it will face in the future, I suggest that we look at the question from two perspectives. First, the long-term perspective. From the perspective of the centennial birthday of the foundation of the Nantong City Museum, how did this event inspire the Capital Museum? And in view of the opportunities created by the development of China during the last two decades for the Capital Museum, what are the responsibilities and hopes generated as a result?

The development is indeed stunning and quite unheard of in the world

This year was the 100th anniversary of the Nantong Museum. It was founded in 1905. Its founder was the Number One Scholar Chang Chien. He was both an industrialist and an educator. He set up the Dasheng Textiles factory and used his own fortune to set up no less than 370 schools. He also founded a museum. The museum he created in Nantong comprised four buildings in all,

it covered an area of 2.3 ha. and its collections contained the equivalent of an encyclopaedia. It was the first private museum in China. Before 1905, there had been other museums in China. They were set up by foreigners, but he was the first Chinese citizen to establish a private museum. His goal was mainly to educate, he believed in the power of education to save the country. He also wanted to spread Confucian education among the masses.

How did the Nantong museum influence today's Capital Museum? First, it was the first private museum created by a Chinese citizen; second, Chang Chien acted on his own initiative investing 3.5 million silver Yuan, that is to say a seventh of his capital, he spent more than 10% of his money on education and the museum. We may ask: are there still such people today? Is there someone willing to put a seventh of their money in a public interest cause with respect to management, collections and service? What breakthroughs and innovations do we observe in today's museums compared with a century ago?

The second point I want to talk about is the development experienced by museums in China during the last twenty years. As you all know, the fifties were a period of great expansion for museums in China, followed by the eighties. During the eighties, a new museum opened every ten days on average. In 1984 things got even better: there was a new foundation every 2.4 days. By 2008 and the Olympic Games 32 new museums will have opened in Beijing alone. By the time Shanghai organizes the World Expo, there will be approximately one hundred new museums. By 2020 there will be 1000 new museums in China. It's quite stunning. Does that mean China has the highest number of museums? Not at all, today the number of museums per inhabitant in China is one museum per 600,000 inhabitants whereas it stands at one for 35,000 inhabitants in the US, one for 12,000 inhabitants in Great Britain and one for 15,000 inhabitants in Germany. There is a huge gap.

Why has there been such a rapid development? There are three reasons: the first is the resounding success of China's economic reforms, which have led to the creation of a socialist market economy; the second reason is the importance the government attaches to the development of both the material and spiritual civilization; the third is the very rapid increase of the urban population, a population which has very high cultural expectations. Given this situation, the government attaches great importance to the development of museums.

The development is indeed stunning and quite unheard of in the world, but

Being a new museum, the level of management and service must improve constantly. We have to not only bring ourselves in line with the world, but also, and even more adjust importantly, to the demands of social development, go forward with our epoch, create new services constantly, be and remain an advanced social work unit with sustainability.



things have not always been smooth. The development remains uneven and backward. A survey conducted in eleven museums in Hebei Province revealed that museums are plagued by three major problems: first there is not enough funding; collections and management need to be reinforced, the inventory of all the artefacts still leaves much to be improved; there is a lack of competent personnel; besides, the spirit of service is rather weak. According to the director of China's Association of Museums, two-thirds of museums in China suffer from a shortage of funds, especially the small museums in the western part. Only a few large ones such as the Capital Museum, the Shanghai History Museum and the Terracotta Warriors Museum in Sha'anxi are lucky enough to have sufficient funding. But most in China are financially challenged.

Domestically advanced, internationally renowned

Considering the situation of museums in China, one may wonder why the Beijing Municipal Government has been willing to invest so much on this project. What was the occasion? What are the social expectations with regard to the Capital Museum?

The history of the Capital Museum began in 1953 when the vice-mayor of Beijing Wu Han talked about creating such a museum with the director of the Administration Office of Cultural Affairs Zheng Zhenduo. But because of other reasons, the project remained dormant. In 1981, a sign reading "Capital Museum" was hung at the Confucius Temple. 20 years later, the Beijing Municipal Government approved the creation of the new museum. What was the occasion? The capital is the cultural and political centre of the country. Besides, after Beijing's candidacy to host the Olympic Games was accepted, since people from around the world were to visit to the city, the slogan "Humanistic Games" was launched. That was the occasion.

Now I come to the question of the blueprint and purpose of the new Capital Museum. Today we have the slogan "domestically advanced, internationally renowned". To attain this goal there have been very significant improvements in design, equipment, management, the collections and service to the public.

The building draft was selected from more than twenty submissions and executed by the China Architecture Design Research Group and the French architecture firm AREP. It contains two buildings. The first is a cone-shaped bronze construction and the second is a square one. They are with one roof, which uses solar energy. In the middle there is a huge reception hall, outside

there is a very wide square. In all there are five floors plus two underground. The cost now stands at approximately 1,000 million, but the final bill may work out at 150,000 million. The equipment inside is state-of-the-art, everything is automatized and informatized. The Capital Museum contains many modern products. In addition to those related to the Olympic Games, we collected many artefacts related to the SARS epidemic since it had a profound impact on the city last year.

Defined as a Capital Museum and function distinctively

Besides, since this museum belongs to Beijing, illustrating its history and customs, the exhibitions are mainly connected with the history and customs of the capital, urban development in the past and in recent times. Precious artefacts include books, bronze ware, etc. The aim is mainly to illustrate the achievements of material civilization in Beijing but the museum's mission has been clearly defined to make its collections and functions different from those of the National Museum of China, the Palace Museum and the Shanghai History Museum. The museum must represent Beijing. There are also temporary exhibitions. Besides its main purpose, the museum also intends to promote the development of the cultural sector, to use its expertise to offer authentication services and to publish all relevant material for the place of origin. We also plan to set up a company, so as to avoid being too dependent on state subsidies.

Finally, let me say that, with respect to hardware and equipment, the Capital Museum is absolutely top class domestically and already as advanced as foreign ones.¹⁷ administrative proposals have been made and discussed by a panel of experts for the inauguration. At present, the most important aspect remains the "software": the level of management and service must improve constantly. Being a new museum, we have not only to bring ourselves in line with other museums around the world, but also, and this is even more important, to adjust to the demands of social development, to go forward with our epoch, to create new services constantly, to be and remain an advanced social unit with sustainable growth. Thank you.



www.capitalmuseum.org.cn





Shanghai Grand Theatre, Transforming the Theatre in a City

The Shanghai Grand Theatre Art Centre is a new art management system in Shanghai with the Shanghai Grand Theatre as its core brand. It has been establishing ties in all directions, creating a new framework for operations and management, setting up a new pattern for co-operation between theatre troupes and theatres, and promoting new competitive brands.

Qian Shijin, Vice President and Artistic Director, Shanghai Grand Theatre

MR VINCENT FUNG:

In developing brands, we need not only an excellent hardware planning, but also excellent operations and concept promotion. Our next speakers are specialists in this field. First, let me invite the Deputy Manager of the Shanghai Grand Theatre, Mr Qian Shijin. The subject of his address today is The Management and Operations of the Shanghai Grand Theatre.

Mr QIAN SHIJIN:

Thank you. Before I start discussing my topic, I would like to tell my distinguished listeners a piece of news.

At the beginning of 2005 there would be a new round of reforms in the management system of state theatre companies directly under the jurisdiction of the municipal authorities, after considering different management models for theatre troupes, on February 6, with the Shanghai Grand Theatre as its core brand, the independent Art Centre of the Shanghai Grand Theatre will be jointly created by the Shanghai Grand Theatre, originally under the trusteeship of the Shanghai Media and Entertainment Group, the Shanghai Concert Hall, the Shanghai Cultural Square, the Shanghai Symphony Orchestra, the Shanghai Ballet, the Shanghai Opera House, the Shanghai National Music Orchestra. All the assets of the participating institutions, including the Shanghai Grand Theatre, will be managed by the Art Centre of the Shanghai Grand Theatre. These assets now stand at 1,700 million Yuan and the staff numbers more than 1,300.

The Shanghai Cultural Square has been approved the creation of an opera

house for musical plays by the Municipal Government. This means that the ex-president of the Shanghai Grand Theatre, Mr Yue Shengli, has been transferred to the Shanghai Cultural Centre to help it set up a new opera house. This is because we need an opera house specialized in musical plays.

The Shanghai Grand Theatre Art Centre is a new art management system in Shanghai which has the Shanghai Grand Theatre as its core brand. Since its creation half a year ago, it has been establishing ties in all directions, creating a new framework for operations and management, setting up a new pattern for the co-operation between theatre troupes and theatres, promoting new competitive brands. It is gradually displaying its strengths.

General Situation

The work on the Shanghai Grand Theatre began on September 24, 1994. It was opened to the public on August 27, 1998. It took four years. The total cost works out at 1,200 million Yuan. It is basically a financially independent non-profit public institution. Its staff numbers 292. Its fixed number of personnel is 48, enterprise contract staff numbers 244. The total floor area of the Shanghai Grand Theatre is 63,000 square metres. It is divided into three separate theatres - a large theatre with 1,800 seats, a medium one with 600 seats, and a small one with 300 seats. Our management system has been set up according to the quality management standard ISO9002 and constitutes a complete, large-scale internal management system.

Since its opening, the Shanghai Grand Theatre has consistently offered high standard installations, high quality programmes and high level service, attracting a considerable number of domestic and foreign visitors. Till November 26, 2005, the three theatres of the Shanghai Grand Theatre had held 3,699 performances: 1,643 performances for the large theatre and 2,056 for the medium and small ones. The annual number of performances averages 230. As for the total number of spectators, it amounts to 7,300,000 person-times.

The total revenue of the Shanghai Grand Theatre during the last seven years stands at 673 million Yuan (this figure includes 105 million Yuan in the form of subsidies and purchase services from the Shanghai Media Group, these 105 million Yuan were earned through the purchase of tickets by the Shanghai Media Group and there are other forms of subsidy). Our expenses totalled 573 million Yuan. Our annual operating costs stand at 80 million Yuan on average. These costs are distributed as follows: personnel costs 20%, daily operations 30%, performance costs 50%. These figures are given leaving

The kernel of management:
performances are our
missions, the market is our
guide, good management
is our central tenet, and
administration is the basis.

aside depreciation (if we deduct depreciation, annual expenditures stand at 78 million). At the present time, the Shanghai Grand Theatre has a capital of approximately 100 million Yuan for its normal operations. In 2004, the Shanghai Grand Theatre was proclaimed "Model Cultural Sector Base in China" by the Ministry of Culture.

The main activity of the Shanghai Grand Theatre is to present theatre performances. It has a 20-word Management Mission Statement. Performances are our missions, the market is our guide, good management is our central tenet, and administration is the basis. Our programme is set up according to the principles of being "artistic, classical, and international". We prepare and organize our performances with utmost care and most of them are of a very high level. In our daily operations, thanks to the active support of the Central Committee of the Communist Party of China of the Shanghai Municipality, the Shanghai Municipal Government and the Propaganda Department of the Central Committee of the Communist Party of China of the Shanghai Municipality, and the assistance of all interested social sectors, the Shanghai Grand Theatre has consistently avoided the practice of distributing "gift tickets" and recovered its ticket earnings in full.

Since its opening on August 27, 1998, the Shanghai Grand Theatre has presented first-class domestic and international theatre troupes and performances. The top ten ballet companies of the world, including the National Ballet of China, have given performances on its stage. Before its opening, the Shanghai Grand Theatre sent an invitation to the Paris Opera Ballet, but we had to wait almost eight years before the prestigious ballet company finally came to Shanghai with a cast of 130 people on September 22 of this year. After the opening of the Shanghai Grand Theatre, a number of great classical operas such as the Italian opera "Aida", the French opera "Faust" and Wagner's "Flying Dutchman", which it had been impossible to present in China because of a lack of sufficient stage space, were premiered in Shanghai. Top world-level performers, symphony orchestras and opera singers have given performances one after another on our stage. Renowned violin player Itzhak Perlman gave a performance in 1994 in Shanghai, but because the concert hall and the stage were all substandard, when he left Shanghai, he said something which blushed the Shanghai people: "Shanghai has the best audience in the world, but also the worst concert hall". In 1996, when the Shanghai Grand Theatre was still in construction, we invited him to come again. In 2004, on the occasion of the fourth anniversary of its opening, Itzhak Perlman showed up in Shanghai and gave a passionate solo and mas-

ter team performance. He even had a hearty meal in our top-floor banquet hall. Eight years had passed since his first visit in Shanghai.

Besides, the Shanghai Grand Theatre gives enthusiastic support to all forms of traditional Chinese opera, including Beijing opera, Kunqu opera and Shaoxing opera. To give you a striking example, three years ago, the Shanghai Grand Theatre spent no less than three million Yuan to stage its own version of the Shaoxing operar "*Dream of the Red Mansion*". The decors, props, costumes and scene designs were all tailor devised according to the measurements of the Shanghai Grand Theatre stage. It was a resounding success. The public was enthusiastic and ticket sales were high. After ten performances we had recouped our expenses.

Thanks to seven years of efforts, the Shanghai Grand Theatre has already become an important window for cultural exchanges between China and the rest of the world and the place to go for all international troupes on their Asian tours. Last year, the Hong Kong Arts Development Council and the Shanghai Grand Theatre jointly organized the first Shanghai-Hong Kong Cultural Week. This event was awarded "the top ten cultural performance events of the year 2004" last July. In recent years, the China-France Culture Year, the China-France Culture Week, the Shanghai International Arts Festival, the Shanghai Spring International Music Festival, the Shanghai International Film Festival have all chosen the Shanghai Grand Theatre as their favourite platform and activity centre. The Shanghai Grand Theatre has grown into a representative cultural facility and institution of Shanghai which attracts the attention of the Chinese and international art world.

In term of the performance level, the Shanghai Grand Theatre is a palace of high art. Opera, ballet and symphonic music are the main components of its programme, each representing a third of the performance events. Regarding the performers, foreign, domestic and local performers each represent a third of the total. Regarding the performance organization, approximately half of them are organized by the Shanghai Grand Theatre itself, the other half by other art institutions and art companies. This ratio varies every year. This year, for example, the proportion of performances organized by the Shanghai Grand Theatre has already reached 60% for the first half of the year, a ten-point increase over the number of rentals. During the first half of the year, on the basis of previous trial performances of musicals, the Shanghai Grand Theatre staged a one hundred-performance show of the "Phantom of the Opera", which has become an instance of how to successfully operate an international

Insistent requirements:

We advocate efficiency and market-orientation, manage according to the rules, and strictly prevent any financial loopholes. This will ensure the proper collection of ticket proceeds in the future.

classic and has been highly profitable in both social and economic terms.

Operations and management

The key to the successful operation of a theatre in market conditions is to set up a positive pattern of management. Since the beginning of its operations, the Shanghai Grand Theatre, while not having to repay government loans and depreciation funds, has consistently refused to ask for government subsidies, thereby becoming a financially independent entity in the full sense of the word, entirely responsible for its own losses and profits. It can count on a yearly profit of 20 million Yuan, which ranks it at the first or second place in China. But I have to add a caveat here by saying that our business operation model is not reproducible elsewhere in China. I am just telling you frankly how we do business in Shanghai.

1. Programmes are our missions and lifeblood

At present, most theatres in China do business by renting their premises. We do that too, but the most important thing to note is that, from the very beginning, we have organized our market by attracting famous performers, theatre companies and plays. Today we are able to handle each item on our programme with professionalism. Experience has taught us to consider each programme a product to be marketed. At each stage of the whole process, including negotiations, signing of contracts, publicity arrangements, ticket price setting, marketing and performance organization, everything is done according to a strict procedure and a system of well-defined responsibility. Our principle here has consistently been one of "procedure takes precedence over power". Most performances were arranged according to this pattern.

2. Consistently recovering ticket earnings

Market orientation requires efficiency. Therefore we have to recover our ticket earnings. The first point is to guarantee that each and every ticket sold has a buyer. The leaders of the local Central Committee advocate and support this system and they want it to last. Then we have to apply the rules strictly. The proportion and sale of contract tickets and sponsoring tickets are governed by strict rules that cannot be changed at a whim. Even if there remain some unsold tickets, these cannot be given for free. One needs an adequate reason to sell them at a discount or as charity tickets. There is a procedure to be followed. In addition, ticket sales and ticket service management should be transparent. Ticket sales are done through a computerized network. Verification is immediate and clear. Ticket sales require filling in an operation circular. This document passes from one link of the work chain or department

to the other: the more people are involved the lesser the risk that loopholes will appear. This procedure is essentially one of verification and it has greatly enhanced the transparency of our work. I myself as an artistic chief supervisor and vice-president have to follow this procedure. I buy my tickets myself. We advocate efficiency and market-orientation, management according to the rules and strictly preventing any financial loopholes. This will ensure the proper collection of ticket proceeds in the future.

3. Broadening our views on performance operations

Besides our normal procedures, we at the Shanghai Grand Theatre have a set of different ways to organize our programmes and open up new channels. In order to translate into facts our slogan "offer a grand stage to the classical repertoire and to high level performances", we must attract first-class theatre companies and performances. Because I used to work at the Shanghai Ballet and the Shanghai Symphony Orchestra and have accumulated a lot of experience there, I am able to assess whether the expenses for a given performance are reasonable, whether the demanded conditions are appropriate. Moreover, if one is to invite top level theatre troupes or symphony orchestras, one should contact them directly and avoid any intermediaries. In this way one can control expenditure and guarantee the quality of the performance. Besides, we also collaborate with other theatres and art institutions in Beijing, Guangzhou, Hong Kong and other parts of Asia in order to share the costs of some very expensive performances and huge international travel expenses. After staging a number of events in co-operation with others, the Shanghai Grand Theatre has been able to establish a whole tour network in Asia. Naturally, the Shanghai Grand Theatre has thus become an important stop for foreign troupes and performers on their tours through Asia.

4. Using our resources to the full

While performances, market planning and marketing are the core and main components of our work, creative management, whether in a visible or invisible form, is the buttress of our long-term development and a source of additional achievements. The Shanghai Grand Theatre is the scene of many varied activities: we, for example, organize visits under the brand of the theatre. During the last six years we have received 500,000 domestic and foreign visitors and earnings have reached 20 million Yuan. We have six theatre boxes with 12-15 seats each. At the beginning of each year we sign contracts with companies that are interested in renting them. We rent out the medium and small theatre. We organize visits to our restaurant. We popularize art and hold art training classes. Since September 2002, the medium theatre has launched

an activity called "Saturday at the Shanghai Grand Theatre", as well as activities to popularize music. Since 2004, we have been organizing a course of lectures entitled "Students Love Traditional Chinese Music" and selling low-price tickets and staging quality performances to attract students, teachers and ordinary citizens. All these activities have had a positive social impact.

5. Diligently implementing an advanced management system

The Shanghai Grand Theatre has consistently tried to implement a standardized management system and has even used the hotel ranking system, the airline service system, etc. Our guiding principle has been to seek the most sophisticated systems for administration and service. During the first half of 2000, we obtained the Quality Management Standard Certification ISO9002 and set up a complete market service system. We streamlined, normalized and documented all our work procedures, thereby controlling all our activities and attaining our goal of continuous progress. Through internal and annual audits, we constantly improve our work efficiency in order to satisfy the expectations of our public as best we can. We also regularly go through standardized on-the-job training.

Overall perspective of future

Most high art theatres around the globe are non-profit institutions. Only a handful of them rely on their ticket proceeds to survive. Generally speaking, the financial resources of theatres come from three sources: public funds or subsidies, ticket sales and commercial sponsoring. The direct economic impact of a theatre is not easily seen. Theatre performances have an indirect economic impact inasmuch as they stimulate the tourism industry in neighbouring areas and increase expenses for all kinds of cultural activities and food services. Local taxes rise significantly, which are then redistributed as subsidies for theatres. On the other hand, for the last seven years, the Shanghai Grand Theatre has relied entirely on its ticket proceeds to stay afloat and develop (ticket sales represent about 80% of our earnings, this includes a 15% share coming from the annual ticket purchase services performed by the Shanghai Media Group) and the rent is just about 3%. We also have earnings from our restaurant services, parking lots, visits and advertisement sponsoring (these total about 17% of our income). I would like to emphasize here that our cultural fund has been accumulated on the basis of our not having to repay construction loans and depreciation charges. Our success is therefore inseparable from the political, economic, and publicity support of Shanghai Municipal Government, the Propaganda Department of Central Committee of the Communist Party of China of Shanghai Municipality, and Shanghai Media and Entertainment Group.

The media had the following to say about the Shanghai Grand Theatre: The Shanghai Grand Theatre has turned the page in a very long chapter in the history of Shanghai, in which the city lacked an opera house worthy of the name. It has also transformed the theatre in Shanghai as an institution, raised the level of theatre installations to a new height and opened up a new market for Shanghai shows. It has become a place where high level artistic performances are staged and stimulated the competition in the Shanghai theatre sector. In recent years, guided by an innovative business operation concept and a solid basic administration, the Shanghai Grand Theatre has brought to the Shanghai stage a range of magnificent art works whose splendour has illuminated the city. In view of the continuing reforms in the sector of art and literature and the rapid development and prosperity of the domestic cultural performance market, we are fully aware that the Shanghai Grand Theatre will have to remain on the offensive if it is to successfully take up future challenges. Our efforts will be directed toward constant innovation in the way we do business and toward closer co-operation with brother cultural institutions in Shanghai and in other cities and provinces. Thank you.



www.shgtheatre.com



The Hong Kong Arts Festival: Leading the Public

The Hong Kong Arts Festival once invited the American avant-garde quartet, the Kronos Quartet to stage, and presented the opera “Marco Polo” directed by Tan Dun . Pop star Eason Chan gave performances here when he was not so famous. All these experimental programs have broadened the view of the audience.

Grace Lang, Programme Director, Hong Kong Arts Festival Society Ltd

MR VINCENT FUNG:

Finally, let me invite Ms. Grace Lang from the Hong Kong Arts Festival Society Ltd. She will give us an overview of this brand.

MS GRACE LANG:

Today I would like to talk about the Hong Kong Arts Festival. As a matter of fact, there are plenty of cultural and arts Hong Kong festivals in Hong Kong. The Hong Kong Arts Festival takes place in February-March. When the festival is over, there is a Film Festival, followed by the Youth Arts Festival during the summer holidays. There is also the Le French May Festival and the new Music Festival. Now we have the Belgian Festival, German Culture Festival. There is an arts festival almost every month in Hong Kong. We have a very rich art scene.

Brand: in constant re-creation

The Hong Kong Arts Festival is a brand here, with its main focus on performing arts. It is one of the biggest in Asia. How did we create this brand? Does one boast oneself to become a brand? Is it a PR trick? Is it meant to be a higher form of consumption, a high class of entertainment? If we invite a very famous tenor who does not sing well, charge very high ticket fees, claim this a world event, and manage to sell lots of tickets. Is that how you create a brand? I think today everyone here should reflect on the following question: is a brand only a kind of profitable cultural business? So, the question I am going to explore is: how did the Hong Kong Arts Festival become a brand after 33 years in existence?

The avant-garde art brand today is one that is in constant re-creation. We

have been here for more than thirty years, I think we should redefine ourselves every ten years, take a new look at ourselves and wonder what kind of brand we are. For a brand the most important factor is to have a long-term development goal, to have a board of directors with great integrity, and a sound human resources framework and resources distribution system. We rely on government subsidies. We have sponsors and the box office. We need all these sources of income to stay afloat, but the most important asset is talent. You also need professionals who know how to run the arts festival.

In addition, you need to have a clear goal in terms of art, you need high level performances and you have to guide the public, instead of the other way round! In the early nineties, we invited an American quartet, the Kronos Quartet, a very avant-garde group. The tickets were the quickest to sold out. That year also, we invited a Swedish modern ballet company. They had the whole "Swan Lake" ballet danced by bareheaded men. That was also a breakthrough. At the time we thought we were making a very bold experiment, but the public was enthusiastic and after the performance everyone was wondering whether there would be more of such innovative programmes in the Hong Kong Arts Festival. Therefore we have a clear artistic standpoint for experimental, innovative and inspirational works. And we definitely want to change the market.

Art: in constant innovation

Our main goal, I think, is to raise the level of art and to popularize it. We also want to broaden the views of the public. I remember that in the nineties we premiered the opera "La Traviata", a classical opera. Afterwards, during the following ten years, we started doing experimental theatres. We hired Guo Wenjing, who is now apparently quite famous in Beijing, to create an indoor opera version of "The Night Banquet". It is an avant-garde opera. When it was completed, other major art festivals wanted their own version of it. This is very important. You need a diverse public which is open to novelty. Apparently Eason Chan whom everyone knows now, when he was not very famous, gave two concerts during the Hong Kong Arts Festival: one was a recital in a very small theatre and the other was with the ballet performance "The World of Suzie Wong".

Since 1997, we have created 12 new productions. The first was the opera "Marco Polo" by Tan Dun. The Edinburgh Festival had asked him to write the score. But there was not enough money to stage it. That year - it was the year Hong Kong returned to China - we decided to join forces with two

Art is not just a higher form of consumption and entertainment. It is not just about making money. It's about reputation and trust.



www.hk.artsfestival.org

German groups and the Holland Festival to have it performed. I should also mention a choreographer from a very famous German dance theatre, Pina Bausch. She was not very familiar with Asian audiences. That year she lived in Hong Kong for six weeks. Afterwards, she wrote a new play. Japan and Korea have tried to have her go back to Asia to write more. At the time it was called "The Window Washer" in Hong Kong. Pina Bausch had been impressed by our high-rises. All these people were climbing up skyscrapers to wash the windows. She drew inspiration from that topic. This work is now presented throughout the world. Therefore, what we are doing is not just to create the brand of the Hong Kong Arts Festival alone. We also helped other people to create theirs. What are the benefits of having such a brand? By creating the brand of the Hong Kong Arts Festival, we have a copyright. Just one year ago we created "Amber" with the China National Theatre. The director is Meng Jinghui. After its performance in China, it moved to Singapore. Our agreement with them generates income from the copyright. Therefore what we have here is a new production which is being sold both in China and abroad and which is innovative. It has a long-term market. So I think having a brand is not just about making money, it is also a question of reputation and trust. Then the quality is guaranteed.

Future: co-operation in accumulated strength

The art market in Hong Kong is well-developed and the government has invested a lot. This integrated strength is crucial. To open up the Chinese

market we need to co-operate, to prevent unhealthy competition. Prices must remain reasonable. To bring our business practices in line with the rest of the world is very important. We should avoid hyping, avoid jumping on the bandwagon. As we build the brand I believe the public is willing to buy tickets at a reasonable price. Performers also like to come to China. After coming here for the first time, they want to return. This is very important. This is what I wanted to share with you this morning.



The Brand Culture and Cultural Brand in China

The Delegates from the provinces shared experience in the development of cultural industry.

Vincent FUNG, Principal Assistant Secretary for Home Affairs, Hong Kong SAR

MR VINCENT FUNG:

Dear guests, this is a free discussion time. This morning we listened to four experts. Each of them talked about a different subject. Everybody here probably has their own opinion or maybe some of you would like to ask some questions. Who would like to speak first?

Differences between commercial brands and cultural ones

MS WANG HONGHUA (Chongqing) :

This morning I listened to what the experts said. It was all very inspiring. First of all, last year we raised the question of “Asian cultural co-operation”. I think this was a great topic because in the context of globalization we do need to co-operate more in matters of culture. This year, on basis of last year's discussion we are talking about how to reinforce such co-operation. Brand culture knowledge, brand culture creation, the impact of brand culture, all these are very important factors if we were to strengthen our co-operation.

Recognize the public benefit of culture

My second point is that when we are discussing brand culture, we need to be attentive to the similarities and differences between commercial brands and cultural ones. Since market economies dominate the world, cultural brands have acquired the features of commercial products: this is their profit-making aspect. But they also have another aspect, which is related to a nation's historical situation and future, which is linked to the needs of the public. Here government intervention is indispensable and all social sectors need to get involved to ensure their quality. I am now talking about common good products which are not directly profitable. Essentially, these products contribute to the wisdom of mankind. They have a value in educating people and raising social institutions to a higher level.

The reason I am raising this point is because we are also going to have a Grand

Theatre in Chongqing. The cost is estimated at 1.3 billion. I am already thinking about the performances we will stage in them. What will be presented every day? I think the government should give us recognition, recognize that we are making a major contribution to the public interest. We should not be regarded as a commercial product.

Chongqing is now building ten large cultural facilities. Their total cost is estimated at more than 4,000 million. In the future these will be brands. The Municipal Library, for example, will become a brand. The Grand Theatre will become a brand. The Art Museum will become a brand. The Museum is already a brand. But it is absolutely not the case that it can support itself by merely selling tickets. In setting up brands, we should be aware of what distinguishes them from commercial brands. The difference is that the community needs them. We need them if we are to protect our past history. In view of today's reality, we need to create a healthy demand for culture in our communities and we need to stay on this high ground to sustain our future development. But we cannot entirely rely on the market economics principle of the exchange of equal values.

Exchanges to break the barriers

The third point is that we have to create our own brands, appreciate other people's brands and then co-operate with each other to set up all kinds of brands that are in tune with the needs of today's development. For example, Sichuan plays performing in France is not just for economic reason. After all, we are talking about the Chinese culture, which has so many centuries behind it. We should bring such a magnificent culture to the world, not in an imperialistic drive, but to have friendly exchanges.

Just now the leaders of the Ministry of Culture stated that Hong Kong was a bridge, a window. I too appreciate such a view because Chongqing is willing to collaborate more with Hong Kong in the future. Moreover, Hubei, Hunan and Sichuan Province are all located on the Bashu, the Jingchu, and the Wuyue culture. It is my view that in setting up brands we need to break the barriers between regions and remove administrative hurdles.

Finally, I want to say that cultural brands should be rooted deeply inside people's hearts. This is what differentiates them radically from material products. Thank you.

Relying on the inner essence and cultural content

MR QIN TIANXING (Sha'anxi):

I wrote a rough outline on the spot. I would like to talk about four problems.

First, what passes for a cultural brand? My unrefined definition of it is that it is a cultural work or cultural figure having an essence and cultural content whose aura spreads far and wide. It is acknowledged by large segments of the community, it can stand the test of time and it has a fairly significant, invisible or visible, socio-economic impact.

Seven forms and five meanings

Second, the forms of cultural brands. My tentative idea is that cultural brands have seven aspects. The first is cultural cities like Athens, Rome, Beijing, Xi'an. Each of these cities is in itself a brand, a hot spot for cultural tourism. The second is cultural relics like the Weicheng, the Coliseum, the Great Wall, the Forbidden City, the Terracotta Warriors, Pompeii, etc. The third is industry. Let us take as examples Hollywood in America, the Berlin Philharmonic Orchestra, the Muscovite Bolshoi. The fourth state of cultural brands is immaterial cultural remains. To take the example of Sha'anxi, let me mention the Chang'an drum music and the symphonic music of the Tang Dynasty. The fifth is festivals like the Edinburgh International Festival, the Auckland Art Fair, the China Art Festival. And even the famous cultural figures of past and present like pop singers and film stars are all cultural brands.

The third problem is the meaning of cultural brands. First, the historical aspect. It is a witness to the historical development of a country or people. Second, the cultural aspect. A cultural brand is a cultural manifestation of mankind's spiritual culture. Third, the social aspect. I am referring to its social impact and its reputation among the public. Fourth, its influence: a cultural brand can stimulate the development of many sectors. For example, the construction of the Terracotta Warriors Museum and the discovery of the Terracotta Warriors themselves have enriched the local district. Another example is Liu Gongquan. This is a famous calligrapher who lives in Tongchuan, in Sha'anxi Province. He has had an impact on the whole place. People there all love to practice calligraphy. He also stimulated the production of brushes, ink and paper. Fifth: utility. This includes both spiritual and economic value. Utility may be tangible or intangible. There are upstream and downstream cultural products.

One grasp and two relations

The fourth question concerning the creation of a cultural brand is what I call "one

grasp and two relations". "One grasp" means we should have a thorough grasp of culture as a heritage from mankind's social and economic activities, as the home of mankind's spirit and the garden of man's soul. As regards the characteristics of culture, when we want to set up a brand, we have to grasp the free market economy. Without a free market economy there is no cultural industry. Second, for a government, its role is not to run the whole show but to give guidance. A government should never intervene directly. It can adjust the economy, supervise the market, manage the community and provide public services. The control a government exercises over the community should be indirect and global. The two relations: first is the legal framework. In a social environment with a complete regulatory apparatus, the government acts according to the law while corporate persons do business according to the law. There is freedom to do business and people are responsible for their own losses and gains. People exercise self-restraint and pursue self-development. The second is culture as a non-profit enterprise. China, which is still a developing country with enormous disparities between East and West, and between South and North, the government needs to invest more in the cultural sector in order to establish a public system of cultural services. It should also promote works of art that can guide the market, guide the creation of cultural brands. This was all I had to say. Thank you!

Aware of the brand and ensure the citizenship

MR YANG JIANXIN (Zhejiang):

Let me just say a few words. I would like to talk about the creation of cultural brands in Zhejiang: we are making efforts to become aware of the importance of this question. We are also making some experiments and we have already obtained some results. We in Zhejiang have a film production centre which is very famous in China: the Hengdian base. This base has become an important film production base at least at the national level. It is open without charge to all film and photography professionals. It has had a significant impact on socio-economic development within a radius of a dozen kilometres. Neighbouring peasants have particularly benefited from its activities. It has become a major sector in the central area of Zhejiang Province around Jinhua.

Distributing programs to the countryside and the community

Recently, the State Administration of Radio, Film and Television and the Ministry of Culture have given it two titles. One is "Experimental Base for the Production of Radio and Television Programmes" and the other is "Model Base of the Cultural Sector". There are other similar cultural brands in Zhejiang Province. For example, we are trying to revive subsidiary cultures and our traditional marketing culture

We have to create our own brands, appreciate other people's brands and then co-operate with each other to set up all kinds of brands that are in tune with the needs of today's development.

under a culture brand called "Treasure House". Among similar projects concerning salvaging rare copies of books in China, this one is quite outstanding. Another example is our important cultural tourism brand Song Cheng. Its slogan is "Give me one day and I will give you one thousand years in return". This tourist spot is now experiencing a remarkable expansion.

We are also striving to use brands to ensure people's cultural rights. For example, we have just pushed through a several million plan called "Eaglets", which will be financed with public money. The goal of this plan, which we will carry out mainly with the help of children's theatre troupes from Zhejiang Province, is to bring, during the next fourteen or fifteen years or even longer, children's plays into schools, specially in the countryside and in residential areas, so that our offspring, tomorrow's adults, may have the opportunity to see first-class performances for children.

Another example: we have created a brand called "Waves of the Qianjiang River". With public money and the support of all social sectors and by using an enterprise operation scheme, our initial plan is to present our best programmes in the countryside at the grass roots during the next fourteen or fifteen years. Our plan is to make it possible for every peasant at the township level and below to see one performance during the next five years. This is a government-sponsored initiative, we are registered as a company with a registered capital of five million Yuan. Our funds come from the government, a national holding company and a privately owned company. With respect to management, the government will play a guiding role, but still market-oriented.

Price controlled by the brand

Our concert hall did not function normally for a long period of time and went through frequent periods of complete inactivity. The main problem with the programmes was not that they were too rare, but that ticket prices were simply unaffordable for most ordinary people. Therefore, one year ago, we launched a brand called "For the Love of Music". In co-operation with other concert halls, we decided to sell tickets at a price of less than ten Yuan. For special performances staged by foreign troupes we charge from fifty to one hundred Yuan. No matter what programme we put on, we promote it under the name of our new brand. After one year, the concert hall is now basically able to assume its own gain and loss.

All these examples show that we are in the process of assimilating the concept of cultural brands and trying to use cultural brands to promote our on-stage performances and other cultural programmes to meet the demand of the market and the

majority of the public. By using cultural brands, we also hope to ensure the cultural rights of every citizen, and thus translate them into the principles of governing the interests of the people.

Public-interest culture in harmony with the cultural industry

MR JIANG CHANGZHONG (Hubei):

I just want to make two points. The development of the Mainland cultural scene is confronted with two problems. The first problem is that after Liberation there has been an emphasis on culture as ideology. Therefore, although there have been some changes, the cultural sector, the market has remained rather weak. So the first problem is: how do we develop the cultural sector and orient it toward the market? The second is people in many places think that the market can solve all the problems. They overlook the fact that culture belongs to the realm of the common welfare. As a result, the development of public interest culture has suffered a setback in some places.

Culture as a common good and a market sector, the problem is that how we can reinforce them and develop the two in harmony. Culture has a twofold aspect, namely a public interest aspect and a market-oriented aspect, the so-called cultural sector. Public-interest culture is under the guidance of the government and receives massive financial aid from the Central Budget. The cultural sector is market-oriented. Now through market orientation, culture develops amidst competition. Of course, it too has to cater to the needs of the public. On one hand, it generates economic profits. On the other hand, it has an educational purpose. So, I hope this forum will enrich our experience so that we may perform our work better in the future.

Enhance the exchanges between the provinces

My second point is that I hope that this forum will stimulate cultural exchanges between Hong Kong and the Mainland, even among provinces and municipalities. To be frank, while there have been some exchanges between Hong Kong and the Mainland, we could certainly have more of them. The fact is that many places in China boast abundant cultural resources. Hubei, for example, is the cradle of the Chu culture, which is very rich, but cultural exchanges have remained at a very low level. Now, with the approval of the State Council, on 2007 we will see the Eighth China Art Festival move to Hubei Province. I hope this event will bring the different regions and cities of the Mainland in closer contact. But I hope even more that it will enhance our exchanges with Hong Kong and the rest of the world. So, to sum up, let me say that I really hope that this Asian Cultural Co-operation Forum will

As regards the characteristics of culture, when we want to set up a brand, we have to grasp the free market economy. Without a free market economy there is no cultural industry.

help step up exchanges and communication between the provinces and cities of the Mainland. Thank you.

Local and centralized initiatives

MS LI YUYING(Jiangxi):

Let me follow in the footsteps of Mr Jiang and just make one point. My feeling is that the Asia Cultural Co-operation Forum would give us an assignment: how, in view of the demands of our time of rapid development, to create Chinese cultural brands? I think this topic is inseparable from the present state of development of Chinese culture. China is opening more and more to the outside world politically, economically and culturally. But in our present situation in which the most diverse cultures are developing with great impetus, how can the culture of China extend its influence efficiently throughout the globe? In this context, it seems a very important task.

What cultural brands does China have?

During the past few years we have often travelled to the United States and different European countries. In the U.S. we had the opportunity to meet high-level representatives of the world of culture and we found that whenever we asked them the question: "What aspect of Chinese culture impresses you most?" The governor of the State of Kentucky had to think about it for a long time before he finally said: "The Great Wall." He only knew that one. I think it means there remains a lot to be done to spread Chinese culture abroad. How are we going to make it? I think one very important means at our disposal is the creation of cultural brands. Now, what are the cultural brands of present China? I think we really ought to go into this question. At present, the forms in which Chinese culture is spreading through the world are varied: acrobatics, theatre, art works. You name it. But these do not make up a cultural brand worthy of the name. I think this is a crucial question, one which is really worth looking into. I am convinced that our greatest



potential lies in our plays and operas, like Beijing opera. In the world today, Beijing opera has many aficionados. Lots of foreigners have begun to appreciate and understand Beijing opera. I wonder if we could not have a Chinese cultural brand that encompasses local forms of opera under the umbrella of Beijing opera.

China's overall plan?

The second question is: how to create? There is one direction, namely each province, each municipal, and even our Hong Kong, should use its own resources and advantages to set up its own cultural brands. I am here thinking of Jiangsu's Shaoxing opera, of Jiangxi opera, of Shanghai opera, etc. These places all have their own opera brands, but it is my view that in proceeding to forge their own brands, they should take measures that are adapted to their specific situation. At this point, I would like make a proposal to the Ministry of Culture, namely to design an overall plan to promote the creation of cultural brands in this country, so as to make it easier for them to spread throughout the world. This is something that only the Ministry of Culture, especially its foreign relations department or its arts department, can do: to foster the creation of cultural brands throughout the country. This is a very important task which requires a high degree of centralization. We need both local and centralized initiatives.

China has a civilization of a five-thousand year history behind it. I hope that through our common efforts, we will spread more throughout the world and have a more significant impact, and that it will serve as a buttress for the political and economic development of China. I just wanted to submit this one proposal. Thank you!

Good market needs developing in the long time

MR LI ENJIE(Beijing):

We could divide cultural brands into two categories: one kind include products, the other platforms. By "products" I mean for example our theatrical repertoire. Such works manifest their features in the form of products. Then we have our festivals and theatres. This is in fact a platform. It displays cultural products, cultural information. Whether we are talking about products or platforms, the question of whether they can become cultural brands ultimately depends on our own resources, on the resources of each locality. The second factor is: do you have the ability to transform these resources into a cultural brand? Let us take an example: you build an opera house. All around the country a lot of energy and resources are being put in the construction of cultural venues, a huge amount of them. But it is my view that ultimately only a handful of Chinese theatres will have significant influence on the world. It is not enough to build a theatre, you also have to run it prop-

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erly. Besides, speaking of cultural brands, I think that what constitutes them basically on the market is reputation, impact. Without them, they cannot be regarded as cultural brands.

We Can't ask art troupes to sell low-price tickets every day

This is the reason why I am saying that many are called but few are chosen. Nowadays, we often say that art should cater to the needs of the public at large. On the other hand we say we want to develop the cultural sector. I believe there is no contradiction here. If we want to develop the cultural sector, ticket prices should be set according market rules. The problem of catering to the needs of the majority, of the weaker segments of the community, I think this is something that ought to be dealt with by the government. We cannot ask our art troupes to make sacrifices, to sell low-price tickets every day. This is another problem, one which it is not so easy to solve. Therefore, I say that fame is the key. The name should immediately remind the listener of the repertoire of the theatre troupe or opera house, be associated with the idea of the quality of its performances, their level. Vice-president Qian talked a moment ago about how they try to reduce their costs, how they share the expenses of costly invitations. What does this mean? It means that this troupe is worth that much money. The money you have to pay for a given troupe to come represents its fame: it reflects its value as a brand.

Protecting the art market from ferocious competition

Another view is that brands have different levels. There may be regional, national, international or Asian brands. Therefore when we are talking about creating brands we ought to be aware of their level.

Of course, a cultural brand needs a good market environment to develop. Brands need to be tested on the market for a relatively long period of time. We may have done something which we ourselves consider wonderful, but after a while, the market may eliminate it. Economic reforms have been on the order of the day for more than twenty years in this country, but the truth is that the reform of cultural institutions is still in its infancy. Besides, its degree of difficulty is high. On the whole, it is necessary to take into account the complexity of the tasks to be accomplished in this sector. Longer deadlines need to be set. The gap between the reforms in the economic sector and the reforms in the cultural sector has led to a very bad market environment for cultural products. Let us take as an example acrobatics. Since the opening of the country to the outside world, acrobatic shows have been the most profitable of our artistic programmes in terms of hard currency earnings. But on the domestic market, the picture is altogether a different one: acrobatic troupes have to struggle to stay in business, some sell their assets,

competition is ferocious and unfair practices abound. In fact, the fees we charge for our acrobatic performances abroad are very low. Sometimes we even perform for free. The host just pays our living expenses. The Canadian Sun Circus, when it was created, had his artists trained by the Wuhan Acrobatic Troupe. Now when they go on a tour abroad, their box office earnings amount to more than \$300 million. But all our acrobatic troupes are in this situation.

To sum up, what I wanted to say is that when we set about creating a brand, we have to rely on our assets. We have to take into account our resources, our real strength. Finally, I think we should not do things we do not really want to do. Thank you!

Mission to develop the industry and take the people to the world

I would just like to raise one point, which is that cultural brands are original, they have their own character. The specificity of cultural brands is that they influence the public mainly through their cultural meaning. This spiritual influence is both tangible and intangible. This is what makes cultural brands different. Culture is highly specific to each individual, but brands on the other hand belong to the realm of mass culture. I am thinking of McDonald's. McDonald's is a cultural brand, but it essentially remains a commercial brand. When this brand has an impact on the consumer, it does so through a mass pattern, which, seen from the angle of culture, is in a certain sense a kind of contradiction. Therefore, when we create a cultural brand, we should remind ourselves that we cannot treat a cultural brand exactly the way we treat a commercial brand. Otherwise, in view of the trend toward globalization, we will end up with a culture which has lost its originality.

In my view, cultural brands should exhibit a great diversity. They should not come out of the same mould. Diversity expresses itself in geographical terms. It can also manifest itself as diversity of purpose. There is also diversity in the targets of cultural brands. So there is diversity in many areas. Among brands, you find for example common brands beside sophisticated ones. There are commercialized cultural brands, but there are also public-interest cultural brands. There are local and national brands, and there should be international brands, world brands. There are traditional brands, but there should also be avant-garde ones, modern ones. Through the creation of brands, our hope is to take the culture of our people to the world. The creation of cultural brands should also aim at developing the cultural sector and cultural undertakings.

In fact, cultural brands should be divided into two categories: one is brands which

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have an industrial character and the other is the creation of common good brands. I am reminded here of our projects to send theatre troupes to the countryside. They are creating brands. Another goal of brand creation is to raise cultural consumption to a higher level, to the level of fine art culture. So my feeling is that the creation of brands is a very good medium, a very effective means through which we can accomplish many of our tasks.

Represent the independent innovation and the cultural strength

MR LEI MINGQIANG (Hunan):

I would like to share some of my impressions with you. When one speaks of Asian brands, the words "independent creation" come to my mind. This is a very important strategy because without innovation we cannot have a "brand effect". Substantial returns and long-term development are what characterizes a brand effect. I have made my own calculations. Processing costs for DVD players manufactured in China amount to fifteen dollars: five dollars for production costs, nine dollars for intellectual property rights. We only earn one dollar. In the world countries are classified into five categories according to their economic structure. In the first category we find countries that rely mainly on intellectual property rights to sustain themselves. In the second we find countries which rely on finance, on money to earn money. In the third we find countries which rely on industry and the production of productive equipment. In the fourth we find countries which rely on commerce and the transformation of raw materials into commercial products, with art works as a representative product. In the fifth we find countries which rely on the extraction of raw materials and labour-intensive activities. China obviously belongs to the fifth category.

Now how is it possible to rise from the fifth to the first level? One needs the power of brands, which in turn reflects the power of a given culture. This is to say that our responsibility as people who are in charge of cultural matters is quite great. To begin with, we have to change the way we think. A culture department head, or for that matter any official who deals with culture, should definitely not focus on art and literature only.

Seize two extremes

Second, I would like to talk with you about the way we deal with cultural brands in Jiangsu. Our way is to help those who are most in need of help, those who encounter the greatest difficulties and to encourage those who are the most prominent. We have summed it all up in one formula, namely: "Seize two extremes and let go of the middle". In Jiangsu Province, we are building an art museum at a

cost of 300 million Yuan. Its name is the "Contemporary Art Museum". And The Nanjing Museum is doing well. We have received 300 million for the renovation of ancient museums. We are also going to build a new library: 450 million. We also have a project for a grand theatre. The location has already been chosen and the cost is estimated at 1,400 million. But at the same time, the Provincial Committee of the Communist Party of China, the Propaganda Department, the Provincial Government are going to jointly invest several dozen million to help local authorities to create cultural stations at the level of townships. In raising talents, we also try to seize "two extremes": one is the technicians and the other is the elites. With respect to cultural activities, we also follow a two-thronged approach: we develop both grass root cultural activities and cultural brands.

Demanding three safeguards

All in all, to create a cultural brand is far from being an easy undertaking. One needs to think differently. There are three kinds of safeguards. The first is the system safeguard. We should encourage innovation in management methods and in the way we select and recruit talented people. The second is the legal safeguards. I believe that a fair market environment and protection and promotion of intellectual property rights are indispensable for the growth of cultural brands. The third kind is the safeguard related to the overall environment of cultural brands. We should create an environment which is conducive to innovation, and create a market which is conducive to cultural production, create a basis for effective marketing. If these safeguards are lacking, if mentalities do not change, if there is no innovation, the creation of cultural brands may prove to be somewhat problematic. As departments or officials in charge of culture, we should urge the community to pay more attention to culture and use culture to promote social progress. Thank you!

Balance the artistic value and cost

MR VINCENT FUNG:

I have a question to ask Mr Qian and Ms Lang. There are some performances which are very valuable, but they are not profit-making when staged. Now how do you strike a balance?

Negotiation is important

MR QIAN SHIJIN:

Of course, my first consideration is to get a good return. Let me give you as an example the solo performance which Yo-Yo Ma will give this evening. His fees are now higher. Therefore I always try to find a sponsor. Otherwise I would have to have the audience pay all, which is of course more than one can expect from the

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public. This time we found an excellent sponsor, Mercedes-Benz. This of course helps me to reduce my costs. Of course I also seek other smaller sponsors like the hotels: "Can you give me a preferential rate?"

This year the Paris Opera Ballet is coming. It costs much also. They want 30,000 euros for one performance. This represents approximately 300,000 RMB. Adding the foreign exchange tax, I will need at least 330,000 RMB to get those 30,000 euros. They are going to give four performances, which means 120,000 euros. 120,000 euros is equivalent to 1,200,000 RMB. 1,200,000 RMB plus the foreign exchange tax are 1,400,000. They are coming with 130 people. Because we are celebrating the China-France Culture Year, the plane ticket expenses will be paid by the French government. If ticket sales are brisk, I may realize something like two million RMB and this is already a very high figure for the box office. Then I have applied for a subsidy from the Shanghai Cultural Promotion Fund in the slogan of China-France Cultural Festival. I obtained one million in subsidies. So in this way I managed to get over all the obstacles.

What I wanted to make clear by mentioning these two examples is that, when you plan to organize a good performance, you need to negotiate, you have to sit down with them and bargain over fees. But no matter what, there will be costs. We have the costs of running the theatre itself. You have to pay the staff. Our operating costs are at 100,000 RMB per day. 365 days work out at 36,500,000. We are not subsidized by the government: we do not eat the emperor's grains. So first I have to find those 36 million and then I have to find the money for our performances. As I mentioned just now, seventy-five thousand, twenty-five thousand, etc. I have to find the money for that too. So this is a very laborious process.

Of course, now that we have the Shanghai Grand Theatre Art Centre, a platform. In theory, we can ask the government for money and set up a Fund for Cultural Development. From what sources will the money come? From more than one hundred million we have earned since the opening of the theatre seven years ago. I took a part of this money and put it in the fund. In China there is a rule which stipulates that profits in excess of one hundred million have to be paid to the government. So, in order to keep the money, I decided to set up a fund. Actually, the one million I referred to just now, the fund I applied for, was also taken from our past profits through another channel.

Never give up while losing money

MS. GRACE LANG:

Last year we held a performance of "Amber" at the National Theatre, costs ran in

the millions. For us it was a huge investment. What could we do? We asked the Singapore Arts Festival for help. They are close by. Their festival takes place in June. The performance would take place in Hong Kong and then in Beijing, and then in Shanghai and then move to Singapore in June. We finally received sponsorship from Morgan Stanley to put up this programme. I think it is important to organize an event, even at a loss. Look at the results now: the play has been on uninterruptedly in China and they are going to stage it outside China as well. This is a long-term undertaking.

A world-famous brand and beyond the cultural icons

MR DING WEI:

After listening to what the other speakers have said, I would like to make some remarks. I for my part would like department and office heads, when they go back, to sit down and give careful thought to the following question: "What kind of cultural brands can we Chinese create at the world level? The provincial department heads can examine their own brands when they are back home. Could we not, for example, make the Spring Festival into a world brand? The whole world would celebrate the Spring Festival with us. The Central Government, in conjunction with the provinces and municipalities, could organize Spring Festival activities throughout the world. It has historical traditions and all kinds of things. You can literally put anything in it. I raise this point today as an issue for further discussion and research when we go back home. We need to unite our efforts to find two or three things that could be promoted as international Chinese brands at the world level.

DR PATRICK HO:

Thanks everybody for your precious contributions. They were all very inspiring and encouraging. In recent years, we have been ceaselessly developing and doing research on the cultural and creative sector. But to this date we have not been able to create a national brand that is really successful. We do have plenty of cultural icons. But they have not grown into brands. None of our icons has the charm and impact of a world brand.

There are plenty of opportunities for us to create brands. Confucius, for example, the Monkey King, the Temple of Shaolin or Jingdezhen porcelain may become a Chinese brand. But at present what we have are cultural icons.

Hong Kong has some advantages: it has a free market economy with a financial system that is closely linked to the world. Therefore we could try to list a cultural brand. We hope we can have a try to make Hong Kong a platform for cultural brands. Thank you!