

Executive Summary

e-Sports consists of organised video game competitions that include elements of both video game and sports. It is a popular activity among young people today. Participants may watch or take part in competitions.

According to the Global e-Sports market report, the global e-Sports audience has reached 385 million in 2017 and will reach 589 million in 2020¹. The Olympic Council of Asia has also announced that e-Sports will become a medal event in the 2022 Hangzhou Asian Games².

Because of its economic value, e-Sports has developed into a growing global leisure industry which brings about new alternatives for youth career development. The above report estimated that the e-Sports economy has grown to US\$696 million in 2017 and is expected to reach US\$1.49 billion in 2020³. The economic value includes peripheral hardware equipment, games, events and the revenue generated by live streaming and broadcasting. Therefore, e-Sports can offer opportunities for career development.

The e-Sports industry is already quite well developed regions near Hong Kong. For instance, the economic value of Korea's e-Sports market was around US\$77.5 million in 2016⁴ while that in Mainland China even reached US\$104 million in 2017⁵. In Taiwan, the market size is also gradually increasing. The governments of these three places have devised policies and measures to enhance the development of e-Sports, such as building large stadiums, passing laws to formally incorporate e-Sports into the sports industry, offering undergraduate programmes in colleges in order to train

¹ Newzoo. (2017). *2017 Global esports market report*. Retrieved 1 December, 2017 from <https://newzoo.com/>

² Olympic Council of Asia. (2017, Apr 17). "OCA, Alisports announce E-Sports partnership for Hangzhou 2022". Retrieved 19 January, 2018 from <http://www.ocasias.org/News/IndexNewsRM.aspx?WKeqervtea30hootVhTdtQ==#>

³ Newzoo. (2017). *2017 Global esports market report*. Retrieved 1 December, 2017 from <https://newzoo.com/>

⁴ GNN 新聞。2017 年 11 月 28 日。〈韓國電競選手平均年薪約新台幣 290 萬元 韓電競產業規模約達 25 億元〉，網址 <https://gnn.gamer.com.tw/8/155798.html>，2018 年 1 月 17 日下載。

⁵ Newzoo. (2017, Feb 14). "Esports revenues will reach \$696 million this year and grow to \$1.5 billion by 2020 as brand investment doubles". Retrieved 18 January, 2018 from <https://newzoo.com/insights/articles/esports-revenues-will-reach-696-million-in-2017/>

well-rounded and professional e-Sports talents, and so on.

In Hong Kong society, the narrow economic structure is always being criticised. This economic structure has also limited the choice of employment for young people. There is great market potential for e-Sports in Asia and the world, which would be helpful for the diversified development of Hong Kong's economy. But the e-Sports industry in Hong Kong is only in its beginning stage. The first e-Sports company only appeared in Hong Kong in 2013⁶. Professional training and development opportunities are rare in the industry. Additionally, the government has yet to devise concrete policies to support e-Sports. The overall development of Hong Kong's e-Sports is lagging behind that of nearby regions. Hong Kong may miss the opportunities present by e-Sports if it fails to catch up with this development trend.

How should e-Sports be developed in Hong Kong so that it could bring about a better economic future and provide more diversified opportunities for young people? This study examines the problem by looking at the development of the industry, its training and the attitudes of young people. It is hoped that concrete recommendations can be made to advance the development of e-Sports in Hong Kong and to provide diversified employment opportunities for young people.

This study uses data collected by three methods during the period from November to December 2017: an online survey of 1,407 young people aged 15-29; focus groups and case interviews with 20 young people; and interviews with 7 experts and scholars.

Main Discussion

- 1. The e-Sports industry has economic value and development potential whilst it is popular among young people. Hong Kong should seize the opportunity to enhance diversified economic development and youth employment.**

The concrete operation of the e-Sports industry includes, among other

⁶ 李澄欣。2017。〈「香港王思聰」拓電競媒體 闖東南亞〉，《信報財經月刊》，2017年8月。

things, game development, event and peripheral products, network engineering, broadcasting rights, player development, and sponsorship. These events and services create economic value and provide career development opportunities. The online survey for this study shows that 38.3% of the respondents have watched e-Sports tournaments in the 6 months before the survey while 13.4% have entered casual e-Sports competitions occasionally. Furthermore, 68.4% agreed there should be a greater development of the e-Sports industry in Hong Kong. The focus groups and case interviews also show that some young people were interested in working in e-Sports related jobs. This shows that e-Sports has economic value in addition to being a popular activity among young people. Its development is generally supported by the younger generation and it has the potential to enhance the diversity of employment opportunities for young people.

In Korea, Mainland China and Taiwan, the e-Sports industry is already quite well developed. There are policies and measures for enhancing the industry's development in these regions. For instance, the Korean government invested US\$14 million in 2015 to build an e-Sports stadium for over 1,000 spectator ⁷. In Mainland China, the General Administration of Sports issued the 13th Five-Year Plan for Sports Development, which proposed to speed up the development of the leisure industry by focusing on certain sports including e-Sports. Taiwan has just passed an amendment ordinance in 2017 to formally incorporate e-Sports into the sports industry so that it can enjoy government support. However, the development of the e-Sports industry in Hong Kong is still on its beginning stage. The Financial Secretary has, for the first time, put e-Sports on the agenda of the 2017-2018 budget, saying that the government will study the promotion of e-Sports in Hong Kong, but the strategic plan has yet to appear. Hong Kong needs to catch up with the e-Sports development trend.

- 2. e-Sports will soon become a medal event in the Asian Games. It is also considered a formal sport in various places. However, the status of e-Sports as a sport is still controversial in Hong Kong. It is apparent that this is lagging behind the world trend.**

⁷ 每日頭條。2016年12月27日。〈韓國人的電子競技實力為何能稱霸世界？〉，網址 <https://kknews.cc/zh-hk/game/p8e2vqz.html>，2018年1月15日下載。

e-Sports will become a medal event in the 2022 Hangzhou Asian Games⁸. In nearby regions such as Korea, Mainland China and Taiwan, governments have already incorporated e-Sports as a sport. They have even set up their national or regional teams. In contrast, the status of e-Sports as a sport is still controversial in Hong Kong. Results from the online survey show that the average rating of the statement “e-Sports should not be considered as a sport” is 5.72 points (0-10 scale), indicating that the respondents are rather neutral on the sport status of e-Sports. In addition, the development of e-Sports started late in Hong Kong, therefore it is still not yet a sport financially subsidised by the government. If e-Sports can be incorporated as a formal sport, or even one financially subsidised by the government, its social image and the overall standard of professional players are certain to improve.

- 3. Hong Kong needs to overcome a number of obstacles if it is to further develop e-Sports. The negative social image that restrains talent from taking part in the industry and discourages the viewing of the sport should be improved.**

The youth online survey showed that the average ratings for the items “e-Sports helps to diversify the economy of Hong Kong” and “e-Sports provides diversified employment opportunities for young people” were 6.90 and 6.62 respectively. But the average ratings for “e-Sports helps to train the body and the mind” and “e-Sports causes addiction problems easily” were 5.81 and 6.60 respectively. The figures show that although the respondents agree that e-Sports improves the economy and employment, they have quite a negative perception of e-Sports.

Findings from the focus group discussions and in-depth interviews also show that the negative image of e-Sports has brought pressure from parents and schools on the young people who are interested to work in the industry. A young interviewee said that his family members often tease him because he plays e-Sports frequently. Interviewees working in the industry said that they need to avoid talking about work with, or even ignore, family members because of the opposition of the older

⁸ Olympic Council of Asia. (2017, Apr 17). “OCA, Alisports announce E-Sports partnership for Hangzhou 2022”. Retrieved 19 January, 2018 from <http://www.ocasia.org/News/IndexNewsRM.aspx?WKegevte30hootVhTdtQ==#>

generation. However, a professional e-Sports player said that the attitude of her family member changed from worried to supportive when promotion materials appeared increasingly in society. The negative image of e-Sports restrains talent from taking part in the industry and reduces public support. Its image should be improved.

- 4. The continuous development of e-Sports requires many more favourable conditions. Hong Kong lacks venues with suitable electronic devices and fast internet networks in which to organise and hold large e-Sports tournaments. This makes it difficult for regular leagues to appear and therefore limits the development of the industry and the talent.**

Large and important e-Sports tournaments should be held in offline venues. However, the interviewed experts generally agreed that Hong Kong lacks specific large venues with suitable electronic devices and fast networks to organise regular e-Sports tournaments. This makes it difficult for regular leagues to appear and therefore limits the development of the industry. Many young interviewees agreed that the venue problem limits the number of e-Sports activities and tournaments in Hong Kong, consequently limiting the job opportunities that could arise from the industry. A young e-Sports worker said that he needed to host tournaments of different kinds of games to earn a living. Sometimes he could not earn enough money because there were insufficient jobs, not to mention the other fresh workers in the field. A professional player mentioned that she hoped to win in large tournaments but there were hopelessly few tournaments, meaning that players have insufficient opportunities. It is necessary to solve the venue problem for the continuous successful development of e-Sports.

- 5. The key to the long-term development of e-Sports is the training of talent. Hong Kong lacks a comprehensive and formal way of training e-Sports talent, which leads to insufficient support in the logistic and peripheral work. In addition to the quality of talent, this would also affect the willingness of young people to join the industry.**

The interviewed experts and scholars said that the e-Sports industry

requires talent who understand e-Sports and possess other specific commercial service knowledge. But there is no comprehensive and professional e-Sports programme to train talent in logistic and peripheral work. A young interviewee said that although he was interested in working in related jobs, no study programme is available for him to learn e-Sports systematically. A few e-Sports young workers said that they mainly learn to do their jobs by trial and error. An interviewee who started his own e-Sports company said that there was no formal talent training available for his recruitment reference. A professional player was quite worried about her retirement because she has no skills other than playing games.

In contrast, young people can study major programmes related to e-Sports in the tertiary colleges of Mainland China so that they can continue to work in different positions of the industry. In Korea, the game talent qualification exam has already been included in the national exam, where e-Sports workers are able to obtain professional qualifications⁹. In Hong Kong, young people are still unable to find a clear path for study and employment even though they are interested in working in the e-Sports industry. In addition to the quality of talent, this would also affect the willingness of young people to join the industry.

Recommendations

This study offers the following recommendations based on the above findings in order to improve the development of the e-Sports industry in Hong Kong:

- 1. The government should recognise e-Sports officially in order to enhance its status.**

The government should recognise e-Sports officially to affirm its status and value. This includes helping participants to take part in

⁹ 姜遠珍。2017年5月2日。〈傾國家之力系統性發展 南韓電競產業遠拋對手〉，網址 <https://www.msn.com/zh-tw/news/otherr/傾國家之力系統性發展-南韓電競產業遠拋對手/ar-BBACDck>，2018年1月17日下載。

recognised world level tournaments in order to improve the results and world rankings of Hong Kong players so that e-Sports could be supported by the Elite Athlete Support Scheme. It should also consider e-Sports as a sport in the area of sport and recreation development and organise activities such as training classes. These measures could enhance the status of e-Sports within a short period.

2. Set up an “e-Sports hub” to provide long-term development base.

Set up an “e-Sports hub” comprehensive development centre to create an ecosystem for the promotion of e-Sports culture and its long-term development. The centre should provide comprehensive facilities including a venue for organising mega tournaments, facilities for training professional players and areas for ordinary e-Sports activities. Since e-Sports requires a fast and stable network as well as high quality video equipment, the “e-Sports hub” can be located at Cyberport, Science Park or the new Kai Tak Sports Park.

3. The government should take the lead in organising mega e-Sports leagues and tournaments in order to enhance the overall standard of e-Sports.

The government should take the lead in organising mega e-Sports tournaments according to the needs of the industry so that more opportunities can be offered to e-Sports workers and the local e-Sports standard could be enhanced. The emphasis should be put on local mega leagues. It should also help to ask for the rights to organise the recognised world tournaments from the game development corporates. In addition, the government should support local inter-school tournaments so as to improve the status of e-Sports in the eyes of schools and parents.

4. Organise comprehensive tertiary e-Sports training programmes in order to enhance the quality of e-Sports professionals.

The Vocational Training Council should organise comprehensive tertiary e-Sports training programmes in IVE and THEi. Furthermore, the government should help enhance the recognition of existing e-

Sports training programmes and invite overseas e-Sports professionals to help with local training. These measures could enhance the quality of local e-Sports professionals and provide opportunities for people with potential.

5. Promote e-Sports culture and improve its image with ambassadors.

The Commerce and Economic Development Bureau can make reference to other sports such as boxing and snooker and invite the Hong Kong e-Sports winners of world grade tournaments to become ambassadors to promote e-Sports culture and improve its image.