

Beijing Cultural and Creative Industries White Paper

2017

State-Owned Cultural Assets Supervision and Administration

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Culture Development Institute of Communication

University of China

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Culture carries the memory and soul of a city. The Cultural and Creative Industries(CCI) is both an important pillar industry in Beijing and a happiness industry that meets the people's longing for a better life. Facing the major national strategies of “Belt and Road” Initiative, Collaborative Development of Beijing, Tianjin and Hebei Province and other major national strategies, Beijing has enforced the layout-guided work by a series of practical initiatives to further promote the CCI developing in the first year of the "13th Five-Year Plan". The initiatives are based on the strategic positioning of the capital city, the goal of building a world-class harmonious and livable capital, and people’s new expectation for a better life.

Under the overall background of the new era, new normal, new policies, new technologies and new impetus, CIC has followed the trend of innovation and changes in 2016, enhanced the trend of “sophisticated” development, vitalized the industries constantly, optimized the spatial pattern and promoted the developing environment to give more evident economic contribution. It plays an important role in promoting the construction of the national cultural center by building a “sophisticated” economic structure in the capital and becoming an important starting point for enhancing the urban cultural quality and building a cultural city that carries forward the Chinese civilization and leads the trend of the times. The abundant cultural resources of the capital are being creatively transformed into an advantage for the development of the cultural and creative industries.

On the basis of an overall analysis of the status quo, solid data, trends and characteristics of Beijing Cultural and Creative Industries in 2016, Beijing Cultural and Creative Industries White Paper (2017) objectively reflects the overall situation of the city's annual development of cultural and creative industries. At the same time, combined with the in-depth implementation of the spirit of the 19th CPC National Congress, the new situation in the capital's development in the new era and in the light of the development goals of the "13th Five-Year Plan" period, it analyzes the future development of Beijing Cultural and Creative Industries.

A. Development Status

In 2016, the overall development of Beijing Cultural and Creative Industries continued to improve steadily as the pillar industry. The role of Beijing Cultural and Creative Industries became even more remarkable in stimulating economic growth and economic restructuring and upgrading. The proportion of added value and other indicators such as residents' cultural consumption and the capital market continued to take the leading position in the nation.

1. A Good Start for the “13th Five-Year Plan” with Leading Figures

Overall strength continues to increase. In 2016, the added value of Beijing Cultural and Creative Industries was 358.1 billion yuan, with an increase of 10.1% over the previous year, which accounted for 14.0% of the region's GDP, 0.3% higher over the previous year. In 2016, the city's Cultural and Creative Industries totaled 3.7921 trillion yuan, with a total income of 1788.58 billion yuan and 1.981 million employees. Among them 8033 are impersonal entities above the Designated Size of Cultural and Creative Industries with total assets of 2.49192 trillion yuan, a total income of 1.52248 trillion yuan and 1.257 million employees. In 2016, the local tax revenue of the city's Cultural and Creative Industries' impersonal entities reached 41.79 billion yuan, accounting for 10.7% of the city's local taxes; payed tax reached 79.19 billion yuan, accounting for 8.9% of the total amount of the city.

Investment in fixed assets increase steadily. In 2016, the investment in fixed assets by Beijing Cultural and Creative Industries (CCI) totaled 37.21 billion yuan, a year-on-year increase of 5.4% with the 109.4% accomplishment of the 34-billion-yuan annual investment plan and accounting for 4.4% of the total social investment in fixed assets. Radio, film and television, software and information technology, culture and entertainment fields have become the hot spots in investment for fixed assets, accounting for 85.0% of the total. Key projects continued to be an important support for the growth of fixed asset investment. Among them, the global theme park project completed a total investment of 15 billion yuan, far ahead of other investment in fixed assets of the city's Cultural and Creative Industries. In terms of geographical distribution, the investments in Tongzhou, Haidian, Fangshan, Changping, Daxing and Chaoyang became the major sources investing over 1 billion

yuan per with a total of 32.5 billion yuan, accounting for 87.6% of the total. Among them, Tongzhou District dominates investment driven by Global Theme Park Project.

The overall level of cultural consumption leads nationwide. In 2016, the per capita expenditure on education, culture and entertainment of the city's residents reached 3,687 yuan, a year-on-year increase of 1.4%, accounting for 10.4% of the per capita consumption expenditure. The per capita expenditure on those of rural residents increased comparably hugely by 17.2%. The overall scale of cultural consumption in Beijing has risen from 30.22 billion yuan in 2005 to 81.77 billion yuan in 2016 with the 170.5% increase in a decade. The cultural consumption environment continued to be optimized. The residents' willingness and satisfaction in cultural consumption keep increasing, and the city's cultural consumption ranked the top three in terms of Service consumption. China's Cultural Industry Development Index (2016) and China's Cultural Consumption Development Index (2016) released by Renmin University of China show that Beijing ranked first in the country in terms of the comprehensive index of cultural industries and the index of cultural consumption.

The cultural trade continues to expand. In 2016, the total volume of cultural trade in Beijing reached 4.69 billion dollars, a year-on-year increase of 9.5%. Among them are 2.75 billion dollars of imports, an increase of 1.9%; 1.94 billion dollars of exports, an increase of 22.4%. Based on more specific classification, the core cultural services import and export are 2.7 billion dollars, an increase of 17.1%, imports are 1.38 billion dollars, 18% up; exports are 1.32 billion dollars, 16.2% up; core cultural products import and export volume is 2.0 billion dollars, 0.6% up, with the import of 1.37 billion dollars, a year-on-year decrease of 10.4% and the export of 620 million dollars, 38.1% up.

Capital markets remain active. According to incomplete statistics, Beijing has occurred a total of 3131 financing events in cultural and creative industries from 2014 to 2016, accounting for 32.5% of the national amount. The inflow of funds was 409.152 billion yuan, accounting for 32.5% of the national total. Among them, the capital inflow in 2016 was 177.722 billion yuan, an increase of 11.6%; which mainly focusing on private equity financing and post-listing refinancing channels, amounting

to 164,867 million yuan and 128,688 million yuan respectively, accounting for 40.3% and 31.5% of the total. Considering the capital flows areas, cultural information transmission services are the mainly attracting deposits, with inflows of 252.458 billion yuan, accounting for 61.7%. In 2016, three cultural and creative enterprises in Beijing have been successfully listed with IPO scale of 5.8447 billion yuan, accounting for 25.1% nationwide. Beijing has added 224 new cultural and creative enterprises listed on the New Third Board, accounting for 29.1% nationwide. In 2016, a total of 67 cultural and creative industry mergers and acquisitions took place in Beijing, involving 110.813 billion yuan of funds, accounting for 79.1% of the total M & A financing scale in China. The scale of mergers and acquisitions took the lead in China.

2. Optimization of Industry Structure with the Booming of Convergence Type

In 2016, maintaining the steady growth in all sectors of the cultural and creative industries in Beijing, the industry's internal structure has been further adjusted. New fields, formats and models are closely linked to digital technologies and "Internet+", fastening the transformation and upgrading of the city's cultural and creative industries.

The evident growth of software and information technology service industry leads nationwide. Following the trend of integration of culture and technology development, the software and information technology service industries have maintained a rapid growth and more dominance of the scale of mass production. In 2016, the added value of software and information technology service industry was 210.94 billion yuan, a year-on-year increase of 11.0%, accounting for 58.9% of the city's totality. In 2016, the industry's above the Designated Size assets amount 1,141.83 billion yuan with a total income of 613.17 billion yuan and a staff of 0.67 million, accounting for 45.8%, 40.3% and 53.3% of the city's cultural and creative industries above the designated size respectively. According to the comparable figures from January to December in 2016, the revenue growth of above the Designated Size industry reached 11.1%, topped among all industries; the employees expanding with the rate of 1.3% was the only one in the nine industries existing employees' growth. The continuous growth of mass and growth rate of CCI shows clearer development

trend of science and technology in Beijing's cultural and creative industries and the integration of science and technology.

Culture and Arts, Press and Publication, Production and Sales of Arts and Design Services are four major industries showing good momentum of growth. In 2016, the four types of industries have effectively responded to the market adjustment and the impacts of new media with the growth. The added value of Cultural and Art Services Industry has reached 16.12 billion yuan with 16.1% growth. The added value of News Publishing and Distribution Industry has reached 32.28 billion yuan with 14.5% growth. The added value of Production and Sales of Arts has reached 6.56 billion yuan with 2.0% growth. The added value of the Design and Service Industry has reached 16.35 billion yuan with 21.2% growth. According to the comparable figures from January to December in 2016, revenue growth of four major industries as Culture and Arts, Press and Publication, Production and Sales of Arts and Design Services are 4.3%, 0.1%, 9.0% and 11.0% respectively. Compared with 2015's year-on-year decrease as 2.2%, 0.8%, 6.9% and 4.1% respectively, in 2016 the adjustment has showed the effects with picking up stably. In particular, the design and service industry actively adapts to the trend of "cultural creativity+" integration and effectively reduces the impact of factors such as the decline in real estate investment. The growth rate of revenue above the scale is only next to that of software and information technology services, and the development has achieved remarkable effects.

Radio and Television Films, Advertising and Exhibition, Cultural and Entertainment, Production and Sales of Stationery Equipment and Other Auxiliary Industries witness steady but decelerating growth. In 2016, the Broadcasting, TV and Movie Service Industry in Beijing maintained a steady growth with the added value of 23.15 billion yuan as a year-on-year growth of 2.9%. According to the comparable figures from January to December in 2016, the revenue of broadcasters and movie and TV service sectors above the Designated Sized has increased by 3.6%, which shows a deceleration of growth compared to 5.4% in 2015. In 2016, the added value of advertising and exhibition services in Beijing reached 22.18 billion yuan, an increase of 2.0%. The added value of cultural and leisure

entertainment services was 11.91 billion yuan with a year-on-year growth of 10.6%. According to the figures from January to December in 2016, the revenue above the Designated Size shows the growth of Advertising and Exhibition, Cultural and Entertainment as 9.5% and 1.0% respectively. Compared with 19.2% and 15.1% in 2015, the growth rate is clearly slowed down. In all industries, the slowdown in the Production and Sales of Stationery Equipment and Other Auxiliary Industries is most noticeable. In 2016, the added value of this type of industry has reached 18.62 billion yuan, an increase of 1.5%. According to the comparable figures from January to December 2016, the revenue of above the Designated Size industries has reached 0.2664 trillion yuan, an increase of 0.3%. Compared with the growth rate of 24.1% in 2015, the growth rate dropped sharply from the first place in the industry in 2015 to the bottom in 2016.

After sustaining rapid development in recent years, the scale of Beijing's cultural and creative industries has been continuously expanded with continuously optimized structure. It has become an important growth impetus for the capital's economic development. With the ongoing remediation improvement, Beijing's cultural and creative industries will strengthen the trend of sophisticated industrial products and speed up the modern cultural and creative industries' building.

B. Quality and Effects of the Industries

The Cultural and Creative Industries plays the supportive role in constructing the sophisticated economy structure and a world-class harmonious and livable city as a green, intellectual-intensive and capital-intensive industry. In 2016, targeting on the capital city strategy and the development trend of "Internet+" and "cultural creativity+", Beijing will speed up the development of high-edge cultural and creative industries, be integrated and innovative, actively cultivate new-type cultural formats and pay more attention to the quality of development Connotation, striving to build Beijing cultural and creative industries upgrade.

1. Promoting Transformation under Macro-Guidance

In the first year of the "13th Five-Year Plan", Beijing pays attention to the future

development trend and strengthens the planning of layouts and the top-level design, promulgates a series of planning measures, and makes "subtraction" to ease non-capitals functions and "add" to promote cultural and creative industries for better quality and efficiency, with sophisticated development.

Clarifying the direction of industrial development. In June 2016, the Beijing Municipal People's Government issued the "Plan for Strengthening Beijing's Construction of the National Cultural Center during the 13th Five-Year Plan Period", explicitly putting forward the principle of "promoting the development of the industrial chain and its value chain by focusing on promoting permeability and strong interdependencies" for speeding up the construction of "creative Beijing", accelerating the development of new-type cultural forms and focusing on enhancing the connotation of industrialized culture. At the meantime it aims at promoting the optimization of industrial structure and formatting, closely focus on the "Internet+" and "culture+" to build Beijing as the fashionable and creative capital where the traditional cultural elements and modern fashion symbols converging. The Plan promulgated in July 2016 put forward that by 2020, the added value of cultural and creative industries will account for about 15% of the GDP in the region, and the position of the industry pillar will be further consolidated. The system could be more complete with a more rational layout, a more competitive market, a driving force for innovation and a stronger cultural influence. It will have become an important engine supporting the capital's economic innovation and development and building a "sophisticated" economic structure.

Strengthening classification guidance support. In May 2016, Beijing Municipal People's Government promulgated the Catalog for the Guidance of Cultural and Creative Industries Development in Beijing (2016 Edition), which focuses on Beijing' non-capital city function and speeds up the construction of the National Cultural Center. It divides the industries of cultural and creative industries into three categories as encouraging, restricted and prohibited ones. Among them are 44 encouragement types, mainly covering the key steps such as production of cultural contents, communication channels and production services, the types of integration and development of culture and technology and types of creative-intensive and high-end

service-oriented formats and also types of public cultural activities that satisfy the spiritual and cultural needs of the masses ; the 58 restricted types mainly include the culture wholesale and retail forms and partially culture producing forms; the forbidden category accounts for 20 types, mainly for manufacturing culture formats which cause the great environmental impacts, and partly labor-intensive cultural products. The encouraging types tend to inspire the development of the industry and experience preferential treatment related to cultural and creative industries; restricted types are limited by areas and conditions which would not fit the cultural and creative industries related to preferential policies; the forbidden types do not match preferential policies related to cultural and creative industries.

2. "Cultural Creativity+" for Integration and Innovation

Promoting "cultural creativity+" is to infuse cultural connotation and cultural spirits into other industries and enhance the added value of the industry, which is the essential step to develop an innovative economy of the capital and promote economic structural adjustment. In recent years, Beijing's industries of culture, science, technology, finance, tourism and others have become more closely integrated and kept playing an important role in promoting the transformation and upgrading of relevant industries. In *Beijing's Plan for the Integration and Development of Cultural Creativity and Design Services and Related Industries (2015-2020)*, it proposes that by 2020, the convergence of high-level, deep-seated and wide-ranging cultural and creative services and related industries will form the basic pattern.

Digital creativity has become the main front for development. Conforming to the trend of integration of science and technology and making full use of modern digital technologies such as big data, Internet of Things, virtual reality, augmented reality and artificial intelligence are key paths to promote the improvement of cultural and creative industries. In November 2016, the State Council printed and distributed the "Plan for the Development of China's Strategic Emerging Industries for the 13th Five-Year Plan", explicitly setting forth five new pillar industries including digital creativity with a production value of 10 trillion yuan by 2020; establish the development pattern for the digital creative industries which is culture-leading, technology-advanced, chain-completed. In January 2016, the "Implementation

Opinions of Beijing Municipal People's Government on Promoting 'Internet+' 'Action' put "Internet+ Culture" as one of the key areas for development. It clearly proposed the development of digital content industry, encourage Internet companies to take mergers and acquisitions, equity cooperation and other forms into the field of traditional culture and media, create a national digital content cultural industry cluster with digital products, networked communication and personalized service as the core, and to foster a group of Internet cultural enterprises with international competitiveness.

In 2016, the outstanding performance of Beijing's digital creative industry makes it an important growth pole for the development of cultural and creative industries. This year, the output value of the animation game industry in Beijing reached 52.1 billion yuan, an increase of 15% over the same period of last year and the output value accounted for one third of the national total. The online game business output value was about 505.63 billion yuan, accounting for 30.5% of the national game market revenue, an increase of 13.4%. The output value of mobile games was about 35.5 billion yuan, accounting for 70.2% of the total online games output. The number of mobile game users reached 4.206 million, an increase of 11.6% over the same period of last year, making it the fastest-growing segment of the game for users. Game companies showed great potential for overseas investment. The original mobile games became the new force in the export of games in Beijing. The animation industry output value was about 1.537 billion yuan. Comic as an important source of cultural IP industry, continued its pan-entertainment development and made the Internet comic platform as a new format of rapid development. In addition, some cultural units make active use of new technological means to promote the creative transformation and innovative development of outstanding cultural resources. The National Palace Museum relies on the Internet and digital technologies to create a digital Forbidden City community and vigorously develops cultural and creative products with elements of the Forbidden City culture which have reached one-billion-yuan sales volume.

Emerging integration industry becomes the investment target. In 2016, among the top 10 investment-oriented industries in Beijing, four integrated cultural and tourism industries include amusement parks, scenic spot management, park management,

conference and exhibition services have reached a total investment of 20.36 billion yuan, accounting for 54.7% of the total investment. The integration of culture and science and technology industry included software development, internet information service and information system integrating service, with a total investment of 7.64 billion yuan, accounting for 20.5% of the total investment. The traditional culture industries include the production of television programs, films and television programs and intellectual property services which have reached a total investment of 3.68 billion yuan, accounting for only 9.9% of the total investment.

Two types of integration are the main forces in functional zones. In 2016's development of cultural and creative industries in Beijing, the leading role of the integration of cultural science and technology and the integration of culture and finance called as "two main lines" drove the development of functional zones further. The operating income of the "two main lines" of the functional zone was 735.539 billion yuan, accounting for 66.2% of the total business income of the city's functional zones; the number of legal person units was 2837, accounting for 53.4% of the total number of legal person units in the functional zone; employing 623,400 people as 67.2% of the total number of staff.

The activities for integrating culture and technology work well. In 2016, Beijing has hosted a number of large-scale exhibition exchange activities focusing on the integration of culture, science and technology, and provided a platform for the display of various new types of industries and projects such as culture and technology. In May 2016, the 2016 Capital Culture and Technology Integration Development Achievement Exhibition in CTPE was held in May 2016, focusing on key technologies and typical applications such as virtual reality and big data. The project covered many topics such as creative design, animation, games, mobile internet and digital content Culture and technology integration industries. From September to October, Zhongguancun Digital Culture Festival held the Digital Culture Conference, Digital Technology Carnival and Digital Heroes which received a great response. In last October, the signing amount of the 3rd Beijing Cultural Integration Development Project Cooperation Promotion Conference exceeded 4.5 billion yuan. Compared with the contract amount of 57 million yuan in 2014 and 1,125 million yuan in 2015, the

effect was significant.

3. Strengthening the Leading Value for Quality of Cultural Supply

The higher quality of literary and artistic creations and cultural supplies is a necessity to meet the people's growing needs for a better life. It also be acquired for advancing the structural reform of the supply side of cultural and creative industries. In 2016, based on people-oriented spirit and the socialist core values, Beijing has successively introduced various policies and measures. Through the effective combination of government guidance and market operation, Beijing has actively established a long-term mechanism to encourage the creation of high-quality products and vigorously promoted literary and artistic innovation. Beijing has promoted the supply of cultural products from the homogenization of competition to quality, specialization, transformation of the original.

Policy support efforts has been further strengthened. *The Opinions of CPC Beijing Municipal Committee on Prospering and Developing Capitalist Socialist Literature and Art* putting forward in April 2016 pointed that every year we shall launch 5-10 masterpieces of excellent works in major art categories and reform the methods for providing funds to support the establishment of Beijing Publicity and Culture Guidance Fund, major theme creation projects, major theme publicity, key cultural activities. *The Measures for the Administration of Funds for the Support of Physical Bookstores in Beijing (Trial Implementation)* put forward the principle of supporting the development of new industries, building cultural landmarks, upgrading public cultural services and upgrading and restructuring the industry. It also made spreading the core values of socialism and promoting the great traditional Chinese culture and other six kinds as key support. *Beijing Municipality's Measures for Promoting Special Funds for the Promotion and Publicity of Broadcasting in Beijing (Trial Implementation)* has mobilized the enthusiasm of enterprises to "go globally". *The Beijing Opinions on Supporting the Inheritance and Development of Traditional Chinese Opera* were put forward to provide specific measures to strengthen the inheritance and protection of traditional Chinese opera, support the creation of opera scripts and performances, improve the production conditions of opera, the cultivation and safeguard mechanism of opera talents.

Qualified creation continues to flourish. Driven by a series of policies, the quality of the stage art in Beijing was further enhanced in 2016 with the further enhancement of the creative level. On the themes of the 80th anniversary of the victory of the Long March and the 95th anniversary of the founding of the Party, "Dazu Luding Bridge", "Long March" and "Party's Daughter" were created as a number of major revolutionary works of history. In terms of book publishing, in 2016 Beijing has issued 11,134 books' numbers in one year, with 9,265 book titles, 4633 audio and video titles, and 5,824 electronic publication titles. The "Illustrated Science in Teenager Science" was selected as one of the national outstanding children's newspapers and magazines in 2016 "October" magazine was selected as top four literary periodicals nationally; "Long March" and other three books were selected by the Publicity Department of the Communist Party of China and the State Administration of Press, Publication, Radio, Film and Television of the People's Republic of China(SAPPRFT) as 2016 key publication directory; "Sinology Merchants" and other three projects were selected in 2016 national ancient books funded projects; "Beijing Urban Development Historical Research Library" and other four projects were selected for national publication funded projects. In the field of film and television, the annual film recording volume accounts for 40% of the national total, 30% of television dramas and 60% of the online dramas; the TV series "The 38th Parallel", "Aside the Gold Water Bridge", the movie "Big Fish & Begonia" and "Operation Mekong" are high-quality works showing positive effects; "Ordinary World" and other 3 TV series, "Qi Jiguang" and another animation, "The Galaxy On Earth" and other three works of music, "Seeing Sunset with You" and another radio dramas were selected by the final of the 8th Beijing Art and Literature Award, "Hundred Group Battle" and other 13 Beijing films won the 16th Huabiao Film Awards, "Ten Red Army" and other three TV dramas won the 28th China Television Golden Eagle Awards.

C. The Optimized Spatial Development Pattern

In 2016, focusing on serving the coordinated development of Beijing, Tianjin and Hebei, as well as making sure the practical actions on rectification, the spatial distribution of Beijing's cultural and creative industries has been further optimized

and the influence of the industrial functional zones continued to be strengthened. Each region has combined its resource advantages with actively constructed, echelon-processed and ordered development pattern in order to build the complementary, independent, distinctive and high-end cultural and creative industries cluster, pushing forward Beijing-Tianjin-Hebei cultural industry to be further promoted.

1. Effective Functional Zones and Further Industries' Integration

In 2016, Beijing's Cultural and Creative Industries Functional Zone following the overall development trend of the city to constantly optimize the industrial system driven by "Two Main Lines" and supported by the "Seven Major Plates". It actively nurtured new formats and new models, steadily expanded the scale of industries, further extruded its model, cluster and proficiency as the front of the city's cultural and creative industries.

The scale and efficiency of functional zones are maintaining a high level. In 2016 were 5,308 legal entities of cultural and creative industries in 20 functional zones of the city, an increase of 22.0% over the same period of the previous year, accounting for 66.1% of the total in the city in the same period. The total number of employed persons was 927,300, an increase of 15.0%, accounting for 73.8% of the total employees in above the Designated Sized cultural and creative industries in the same period of the whole city. Total operating income reached 1.114404 trillion yuan, an increase of 22.8% over 2015, accounting for 73.0% of the total revenue of cultural and creative industries above the designated size in the city during the same period. The total revenue was 84.806 billion yuan, a total contribution of 44.981 billion yuan of taxes, both accounting over 75% in the city above the Designated Size cultural and creative industries. The total assets reached 1.93 trillion yuan.

National Cultural Industry Innovation Experimental Zone speeds up its pace of pilot. Up to the end of 2016 were 34,848 cultural enterprises (units) registered in the experimental zone, 274 cultural and creative enterprises newly registered with a registered capital of 50 million or more, and 99 cultural and creative enterprises with a registered capital of over 100 million yuan. In the experimental area the Creative

Industries Precinct has reached 54. The experimental area took the lead in pushing ahead with the trial of various cultural industry policies in the country and gradually established a system of reform and innovation policy as well as the organizational structure that fitted its own characteristics. In 2016, the experimental zone established the first Cultural Enterprise Credit Association nationwide to establish a public service platform and integrate the related resources such as policies, finance, guarantees and services, and further provide a credit-based financial support model for the development of the cultural industry. Fifteen Policy Articles was put forward with 15 aspects such as brand promotion, credit system construction, boutique parks and risk rewards. The Hummingbird Project was launched for cultivating leading enterprises and innovative brand enterprises, which further bringing together 180 high-quality creative enterprises into Hummingbird Plan list.

Some characteristic functional zones and towns perform well. Beijing's Time-Honored Brand Culture Promotion Function Zone has implemented the strategy of "One City and Three Districts" to accelerate the renovation and protection of cultural relics projects and historical and cultural blocks, to vacate breached low-end management projects, and eventually to build a Beijing-style cultural characteristic functional zone. In 2016, its revenue increased by 17.9%, with legal entities density of 36.68 per square kilometers, which is only less than that of Cultural and Financial Integration Functional Zones. China (Huairou) Film and Television Industry Demonstration Zone has successfully held movie and cultural brand activities such as Beijing International Film Festival, China Film Awards, Beijing TV Show and other video and cultural brand activities, and keep the record as producing nearly half of the films with over 100 million domestic box office. In 2016, the Ministry of Housing and Urban-Rural Development announced the first list of 127 distinctive townships. Changgou Town of Fangshan District in Beijing, Xiaotangshan Town of Changping District and Gubeikou Town of Miyun District were in the list.

Functional zone's construction drives regional development, transformation and upgrade. The construction of functional zones has been actively incorporated into the development of the surrounding areas through exploiting urban resource, urban renewal, and the renovation of old factories. 798 Trendy Creative Functional Zone's

Promotion towards partial art functions spread to the surrounding such as Caochangdi Arts, Grand Wangjing Park, Central Academy of Fine Arts and other places with radiation towards the artistic development of the surrounding areas. The Publishing and Distribution Function Zone mainly supports the publishing and issuing of enterprises and the related industrial chain in the surrounding areas and motivates the construction of supporting service facilities such as transportation system, catering accommodation, culture, entertainment and leisure. Olympic Park culture and sports integration function zone actively promote the heritage of the Olympic heritage protection and tourism combined to create a cultural tourism consumer demonstration area. The historical, cultural and ecotourism functional zones should be strengthened with the overall protection of the key areas such as "Three Mountains and Five Parks". While demonstrating the overall value of Beijing's history and culture, they will also promote regional environment improvement and landscape enhancement.

2. Major Projects Progress Smoothly and The Industrial Development Continues to Improve

In 2016, focusing on the strategic positioning of the capital city, Beijing has implemented in-depth measures of major project-led strategies and accelerated the construction of major cultural and creative industries. With major projects as the starting point, the city boosted the development of the cultural and creative industries.

Major projects are promoted steadily. A number of major projects such as Creative Industries Precinct and Songzhuang Art Town were listed in the Key Construction Projects of Beijing in 2016 and Key Projects for Promoting in the Preliminary Items, which was guaranteed ordered construction pushing forward. The Creative Industries Precinct Fund Project has completed the interior decoration, greening and other finishing work. Film and Video Projection Zone Project has completed the first construction phase, and put forward the second phase of the project to negotiate and transfer. The construction of the second phase of international cultural products exhibition, warehousing and logistics center of the cultural and trade base has been announced to start, and so have the earthwork construction of foundation pit been progressing at the Zone A's Film and Television Production Center. Zone B has completed the discussion of the construction plan. Beijing Cultural Property Rights

Exchange Center Project has completed excavation and related work and stepped into the construction phase of earthwork. Songzhuang Art Town Project has completed the pre-program and feasibility studies, and entered the major projects in Tongzhou District approval of the green channel. Global Theme Park Project targets on building "a world-class theme park to show the new highlights of Beijing tourism as a new engine" for the development goals, and promote the project construction smoothly. The 1st phase project is scheduled to open in 2020.

Project library construction is further improved. In 2016, based on big data platform, Beijing strengthened the construction of cultural and creative industries project library, further improved the management level and make the project information more completely. In February 2016, State-owned Cultural Assets Supervision and Administration Office of the People's Government of Beijing Municipality released the *Measures for the Administrations of Yearly Valuations for Major Cultural and Creative Industries Project Repository in Beijing (Trial Implementation)*, which clarified the project solicitation, assessment and management measures and will be in line with the integrated development project of functional development of the capital, cultural "going out" projects which are included in the overall nine cooperation projects of Beijing-Tianjin-Hebei as the key support directions. At the same time, it solicited major cultural and creative industries projects in 16 districts of the city and enrolled them into 90 major projects with a total size of more than 26 billion yuan, which has played a positive role in guiding and promoting the investment in fixed assets and the development of cultural and creative industries in the cultural and creative industries in the city.

3. Regional Linkage Is Strengthened and the Cooperation Development of Beijing-Tianjin-Hebei Achieves Effective Results

In February 2016, the *Plan for The Economic and Social Development of Beijing, Tianjin and Hebei Province During The 13th Five-Year Plan* was promulgated and implemented, and the "Three Regions as One Game of Chess" were put in place to promote the coordinated development of Beijing, Tianjin and Hebei into a substantive stage. Beijing has given full play to the radiation-led role as the core. Through multi-level and multi-field promotion, the three places have witnessed a more

coordinated development of their cultural industries and the breadth and depth of development have been continuously expanded.

Strategic cooperation of Beijing, Tianjin and Hebei is fully promoted. In 2016, the three has jointly established the Beijing-Tianjin-Hebei Performing Arts Alliance to deepen exchanges and cooperation in the field of performing arts. The alliance of Beijing-Tianjin-Hebei Cultural Industry Parks (Enterprises) was established to broaden the channels of cooperation among parks, enterprises and projects so as to establish a synergistic development of the three industries systems. The three jointly signed the "Beijing-Tianjin-Hebei Cultural and Talents Exchange and Cooperation Framework Agreement among Beijing-Tianjin-Hebei", "Beijing-Tianjin-Hebei Animation Game industry Belt and Road International Cooperation Platform Framework Agreement", "Beijing-Tianjin-Hebei Cultural and Cultural Heritage Units Cultural and Creative Product Development Cooperation Framework Agreement" to strengthen personnel exchange, international cooperation, product development for a top-level design. In October 2016, the Fourth Beijing-Tianjin-Hebei Cultural and Creative Industries Cooperation and Project Promotion Meeting was held. More than 100 cultural and creative industries (enterprises) representatives and financial investment institutions representatives from three places attended the event. For the 2022 Winter Olympics and other major international events, signed the " Cultural Cooperation Framework Agreement Among Beijing Municipal Bureau of Culture, Hebei Provincial Department of Culture, Zhangjiakou City People's Government ", to work together and provide stronger cultural support activities.

Key cooperation projects have achieved remarkable results. In 2016, Beijing, Tianjin and Hebei have further deepened cooperation in such key areas as performing arts, cultural industries, non-heritage conservation and public culture. The first Beijing-Tianjin-Hebei Folk Photography Contest, Beijing-Tianjin-Hebei Opera (Sketch), Comic Outstanding Performances, Beijing-Tianjin-Hebei High-quality Repertoire Show, "The Stars and the Bliss", the Beijing-Tianjin-Hebei fine arts performances and other activities have achieved remarkable results. The second Beijing-Tianjin-Hebei Intangible Cultural Heritage Exhibition focuses on non-heritage and modern life and brings together more than 110 representative

projects of intangible cultural heritage. The 11th Beijing International Cultural Fair will set up Beijing-Tianjin-Hebei Cultural Collaborative Development Zone to showcase the cooperation results of the three places. Gu'an Branch of Capital Library officially was listed, which shows steady development of regional cultural resources sharing and coordination.

The coordinated development of urban areas is evident. While cooperation at the provincial and municipal levels continued to strengthen, in 2016 all districts in Beijing have relied on their own advantages and conducted various forms of cultural cooperation with Tianjin and Hebei. Chaoyang District programmed the first Beijing-Tianjin-Hebei Region Folk Flower Show; Haidian District held the Beijing-Tianjin-Hebei Non-Legacy Campus Exchange; Tongzhou District organized "Cultural Synergies Development" - Beijing-Tianjin-Hebei Canal Along the City Cultural Exchange Season; all have achieved good results. Daxing District participated in the signing of a series of cooperation agreements such as building green design corridors and started establishing the comprehensive strategic cooperation in the field of green design industry.

D. The Growing Market Vitality

In 2016, Beijing will focus its efforts on strengthening state-owned cultural enterprises and supporting the development of non-public ownership and small and medium-sized cultural enterprises. The overall size, strength and level of development of key cultural enterprises will be further enhanced. The market competitiveness and profitability will continue to grow. The pattern of diversified development of market subject has been initially formed which has led a good momentum of culture and creative industries developing.

1. Leading Enterprises Motivate Diversified Subjects Developing

As the national culture center, Beijing has gathered a large number of large-scale cultural enterprise groups and innovative cultural enterprises with strong capabilities. Among the Top 30 National Cultural Enterprises in 2016, seven Beijing enterprises including China Publishing Group and Poly Culture Group Co., Ltd. were in the list as the enterprises in Beijing area. The number of the listed entries continued to lead in

the nation. Beijing Cultural Investment Development Group Co., Ltd., Beijing Enlight Media Co., Ltd. and many other companies were nominated. Among the key national and cultural export enterprises and key projects listed in 2015-2016, there are 70 enterprises in Beijing with 37 projects selected, accounting for 19.9% and 26.6% of the national total respectively, ranking the first in the country.

In December 2016, Beijing released the list of the second “Top 30 and the Best 30 of Cultural Companies in Beijing”. The overall size and level of development of the finalists were further enhanced, and their market competitiveness and profitability were significantly enhanced. The main income of "Top 30 and Best 30" enterprises totaled 93.224-billion-yuan revenue, net profit 10.838 billion yuan, net assets 96.988 billion yuan and total tax paid 7.070 billion yuan, which increased 15%, 16%, 18% and 7% respectively over the previous year. Among the "Top 30" listed companies, the development trend shows more obvious internationalization, integration and collectivization. China Arts and Entertainment Group, China Film Co., Ltd., China International Television Corporation, Beijing Stars Times Software Technology Co., Ltd. are all large-scale cultural enterprise groups with strong international reputation and competitiveness. At the same time, a group of small and medium-sized cultural enterprises such as Mahua FunAge have been developing rapidly and are among the "Top 30" in the second Capital Cultural Enterprise List. Among the finalists, the state-owned and private-owned cultural enterprises all show their advantages. Among them are 19 of the state-owned and state-controlled enterprises (including 12 central government-owned enterprises in Beijing), accounting for 63% of the "Top 30" enterprises, mainly in the areas of radio, film and television, art auction, and book publishing; among "Best 30" are more than 70% of private enterprises in the enterprise, as 22 mainly in radio, film, culture, science and technology and other fields, showing a good capability of independent innovation and profitability.

2. Adhering to Developing and Vitalizing State-Owned Cultural Enterprises

State-owned cultural enterprises are an important force for developing cultural industries and building an advanced socialist culture. According to the data from Beijing Municipal Bureau of Statistics, in 2016, there were 611 state-owned cultural and creative enterprises above the designated size in Beijing with total assets of

291.85 billion yuan, total revenue of 136.67 billion yuan, total profit of 13.78 billion yuan and employing 90,000 people. Among them, there are 178 state-owned cultural and creative enterprises above the designated size with a total asset of 65.24 billion yuan, a total revenue of 18.53 billion yuan, a profit of 840 million yuan and employing 25,000 people. There are 433 central government-owned cultural enterprises in Beijing, mainly in the field of press, publishing and distribution services, with a total number of 276, accounting for 63.7%. The local state-owned cultural and creative enterprises are mainly concentrated in news publishing and distribution, cultural and leisure entertainment services, which are 45 and 61 separately, accounting for 59.6%.

Asset supervision is strengthened. In 2016, Beijing further deepened the reform of state-owned cultural enterprises and improved the system of supervision over state-owned cultural assets. Beijing formulated and promulgated *the Opinions on Enforcement of Classified Regulation to Promote the Healthy Development of Municipal-owned, State-owned Cultural Enterprises* and carried out the classification of municipal state-owned cultural enterprises. It also promulgated *the Interim Measures for the Supervision and Administration of State-owned Assets of Cultural Enterprises in Beijing* to make comprehensive provisions on the supervision of state-owned assets of municipal cultural enterprises. It promulgated *the Interim Measures for the Administration of Major Events of State-owned Cultural Enterprises in Beijing*, specifying the scope, content and procedures for the management of major issues, studying and formulating the standards for identifying key enterprises and standardizing major investment and business activities. Beijing formulated and implemented supporting systems and operating guidelines for registration of property rights, asset valuation, asset trading and agency selection. *The Interim Measures for the Performance Appraisal of Municipal-owned Cultural Enterprises* and *the Provisional Measures for the Management of Remuneration of Municipal-owned Cultural Enterprises* are issued the appraisal standards of social benefits going first, and unifying social benefits and economic benefits.

Capital layout is optimized and upgraded. As of the end of 2016, the total assets of Beijing Culture Investment & Development Group Co., Ltd. reached 32.378 billion

yuan. The total investment of this class and its subsidiaries in 2016 was 25.555 billion yuan, of which 24.539 billion yuan was invested in cultural projects, accounting for 96.0%. In April 2016, it was formally reorganized and changed its name as Cultural Creation Investment Co., Ltd., opening a new phase of capital market development for Cultural Creation Investment Co., Ltd. In April 2016, Beijing New Media Group was established and made important new progress in media integration and development. Beijing International Advertising Media Group and CITIC Guoan Group signed a strategic cooperation agreement to jointly digital transformation. Beijing Publishing Group relies on cutting-edge technologies such as "Internet+", cloud computing and big data to create "O2O multi-service cultural ecosystem" named as Beixin Cloud Net, driving the development of the entire industrial chain and value enhancement.

3. Allocating New Industries Actively and Improving Non-Public Economic Contribution Rate

With the continuous promotion of Beijing's service industry expansion and opening up, the non-public economic vitality has been continuously stimulated and contributed significantly to the growth of cultural and creative industries. From January to December in 2016, non-public ownership and mixed-ownership economic corporate legal entities in the cultural and creative industries above the designated size in the city achieved a revenue of 930.74 billion yuan, an increase of 7.3%, contributing 72.2% of the revenue growth of cultural and creative industries, accounting for 66.7% of the culture The proportion of creative industry revenue; total profit of 70.66 billion yuan, an increase of 7.0%, an increase of 3.7% higher than the average level of cultural and creative industries, accounting for 68.5% of the total profit of cultural and creative industries.

Non-public and mixed-ownership cultural and creative enterprises mainly in the Internet, design services, cultural recreation and other fields. In 2016 was 2253 software and IT services cooperates, accounting for 38.8% of the total number of non-public and mixed-ownership cultural and creative enterprises. There were 555,000 employees, accounting for 66.2% of the total number of non-public and mixed-ownership cultural and creative enterprises; total profit was 52.1 billion yuan,

accounting for more than 70% of the total profits of non-public and mixed-ownership cultural and creative enterprises. The overall level of development and the scale and the strength of non-public and mixed-ownership enterprises in the film and television production, animation games, interactive online games and other emerging formats are continuously improving and injecting new vitality in the cultural and creative industries in Beijing. iReader Technology Co., Ltd., Beijing Kunlun Tech Co., Ltd, the Beijing Pony Media Culture Development Co., Ltd. and other private enterprises have been actively changing the development concepts, innovation management modes, enhancing research and development efforts to expand overseas business. They are playing positive role in improving the original cultural products market share.

E. The Effect of Expanding and Guiding Cultural Consumption Is Remarkable

In recent years, the contribution of consumption to economic growth has been increasing, which has become the primary driving force for economic growth. Cultural consumption contributes to industry, market, factors and ideology. Expanding cultural consumption is propitious to stimulate domestic demand, transform the economic development pattern, meet people's spiritual and cultural needs, enhance the overall quality of our nationals and shape cultural soft power. In 2016, Beijing adhered to both cultural industry-the supply and cultural consumption-the demand, and proactively innovated the ideas and measures to promote the transformation and upgrading of cultural consumption, and strengthen the basic role of cultural consumption in the development of cultural and creative industries.

1. Centering on Balancing Supply and Demand and Promoting the Influence of Brand Activities

In terms of the new features of consumption, such as the transformation from functional demand to spiritual demand, from offline to online-offline combination, from commodity-based to commodity-service equal-based, and from homogeneity consumption to personalized consumption, Beijing has actively integrated the city's resources, built the supply and demand platform for cultural consumption, and started from the brand activities like “Culture in Beijing” season to further stimulate the vitality of the cultural consumption market in Beijing.

The 4th “Culture in Beijing” season is held successfully. As an important platform and brand activity to promote the cultural consumption of Beijing, the 4th “Culture in Beijing” season was held from August to November in 2016. With the theme as “Beneficial Culture, Wise Life”, more than 190 corporations participated and organized over 21,000 activities, and the cumulative consumption of 77.762 million people reached 16.08 billion yuan, a year-on-year increase of 60.1% and 43.4% respectively. By means of discount, instant rebate and gift-with-purchase, a total discount of 1.74 billion yuan was provided to consumers, achieving the double promotion in social and economic benefits. Since the beginning of 2013, “Culture in Beijing” season was held for four consecutive years, realizing 42.7 billion yuan’s direct consumption with 191million customers, and achieved good results in improving the cultural supply capacity, releasing the consumption.

We carefully build the cultural consumption brands for Beijing. In order to enhance the cultural consumption supply quality, and strengthen the brand construction of cultural consumption in Beijing, the 4th “Culture in Beijing” season first launched the List of Beijing’s Top Cultural Consumption Brand activity to introduce a total of 50 and 5 types of competitive and socially influential cultural consumption brands in Beijing, featuring the capital’s cultural connotation and the cultural consumption quality, which include the Top 10 Cultural and Creative Products, Top 10 Cultural Travelling Route, Top 10 Cultural Consumption Landmarks, Top 10 Cultural Sports Matches and Top 10 Cultural Exhibitions. In addition, a series of large-scale brand activities are hosted throughout the year, and drives the cultural consumption successfully. Centered on the six parts of Song in Beijing, Dance in Beijing, Opera in Beijing, Art in Beijing, Video in Beijing and Read in Beijing, cultural brand activities are covered areas in Beijing from city to districts, streets (towns) and communities (villages). During the Beijing Reading Festival 2016, activities are held throughout the year in urban and rural areas of Beijing. Thematic reading has been promoted one month by month. Nearly 20,000 activities such as Children's Reading Festival, Children's Book Expo, and World Reading Day have been organized, attracting tens of millions of people to visit.

We energetically expand the space of cultural consumption. In 2016, Beijing actively guides the upgrade of Cultural and Creative Industrial Park from traditional business services to composite park that can balance production and consumption. Beijing Dongcheng Cultural Talents Innovation Park, and Beijing Film Academy Cultural and Creative Park are listed as the first batch of Beijing Top Ten Cultural Consumption Park. During the consumption season, Beijing Wanhe Art Cultural and Creative Park and its enterprises hold an art festival with the theme of "Slow Life, Comic Art"; more than 48 plays are performed over 200 times by performing art groups from 15 provinces on Star Theatre; Riverside Art Avenue organizes hundreds of exhibitions such as the international art exhibition Picasso in China. In addition, during the consumption season, the sixteen districts of Beijing are well-coordinated and inter-connected to jointly carry out various cultural activities, such as "Dongcheng Story" Original Drama activities, 798 Art Festival, Zhongguancun Performing Season, Xiaotangshan Hot Spring Cultural Festival, and Fangshan Drama Festival, and the cultural consumption supported by urban collaboration and parks promote the form of pattern.

We actively guide the consumption of digital culture. During the fourth consumption season, based on the new media and Internet, we guide the citizens to participate in the experiential, original and derivative new consumptions. We organize 58 thematic activities such as glassless 3D, VR animation, and 3D paper carves art. We launch the Dark Ride in Fun Capital, the musical Kunlun Myth, the fantasy show Monkey King in Huaguoshan and other projects to guide the exploitation and development of the original IP. In terms of the convenient, diverse and trans-regional online consumption, we increase the number of Internet culture enterprises and the types of online activities. Twenty-six online cultural enterprises have reached 4.275 billion page views with 49.9412 million visitors. The 7.334 billion yuan consumption amount accounts for 46% of the total consumption amount. The consumption of digital culture has become an important channel to expand cultural consumption and promote people-beneficial enterprises.

2. Innovating the Way of Financial Support and Enhancing the Effect of Culture Benefiting the People

With the steady growth of netizens, the continuous development of Internet technology and the increasingly mature profit model of online entertainment in China, the scale of online culture consumption has been enlarged rapidly, the consumption content has been enriched, and the number of active customers has greatly increased. Based on the advantage of "Internet+", Beijing actively innovates way of financial support, and has made some achievements in promoting people-beneficial cultural projects.

The “Culture in Beijing” Season E-Coupon is launched innovatively. As a major government work to promote people’s livelihood level, 10 million yuan e-coupons have been dispensed to the consumption pilots in Beijing during the 4th “Culture in Beijing” season. Consumers could apply the e-coupon on line for free and use them at 59 cultural business units in the four fields of culture and art, press and publication, radio and television and cultural e-commerce. During the three-month pilot period, the number of consumers has reached 59.74 million, directly resulting in cultural consumption of 6754.55 million yuan. The financial leverage ratio has reached 1:6.75, exceeding the target of 1.75 percentage points and driving the related social consumption to more than 600 million yuan. Through the superposition additional discount from the cooperative businesses, the actual discount has been accumulated to more than 20 million yuan. With the “Culture in Beijing” season e-coupon the cooperative businesses have attracted more consumers and increased sales. The Incremental sales of Yongle Ticket, Damai Ticket, Beijing Books Building and other pilot cooperation units have achieved more than 10 million yuan. The “Culture in Beijing” season e-coupon, which is an innovation of the financial supporting means and channels, have realized the transition of government subsidies from the businesses to the consumers.

We add subsidy for performance with low-cost tickets. In 2016, in addition to large scale activities like “Culture in Beijing” season, Beijing improved the policies and measures to low-cost performance subsidies, covering all the commercial theatres in Beijing, and added the quota of over 50% of the tickets should be sold for the evaluation of the declare performance projects to improve the quality and effect of the subsidy projects. Fifty-eight theaters launched a total of 2400 people-beneficial

performances with low-cost tickets, within which 229,000 low price tickets were subsidies, a year-on-year increase of 22.55%. The subsidy was 26.02 million yuan, a year-on-year increase of 18.3%, with more than 500,000 beneficiaries. In the 5th Minorities Art Festival of China, the organizing committee launched the online channel to snap up the tickets, with 4,300 tickets sold and 99% attendance rate.

In recent years, Beijing has adhered to the “Culture, Consumption, and Benefiting people”. We continuously explore and innovate to promote the inter-sectorial collaboration, rural-urban linkage, resources interflow, and brands construction. The consumption network of various fields and multi-format integration has been established, and the cultural consumption promotion mechanism of Great Organization, Great Platform, Great Culture, and Being Greatly People-beneficial has formed, and has effectively expanded and guided Beijing’s cultural consumption, stimulated the cultural and creative industries sustainable development in Beijing. As the national cultural center and the first batch of cultural consumption pilot city in China, Beijing’s leading role has been highlighted.

F. The Progress of Culture “Going-out” Strategy Is Positive

In 2016, Beijing has actively promoted the international cultural communication and cooperation, held the international cultural exhibitions, and further expanded the international cultural trade. The export-oriented cultural enterprises developed well. With the content and patterns of the culture “going-out” strategy innovated constantly, a number of internationally influential cultural brands were formed and made a great effect on showing the capital’s image of China and enhancing the soft power of culture.

1. The Role of International Exhibition Platform Is Highlighted and the Cultural Trade Is Fruitful

As the national center for cultural and international communication, Beijing has attracted a great number of international cultural exhibitions and activities, and become an important window for them, which have promoted the development of the cultural and creative industry in Beijing. In 2016, large-scale international cultural

activities, such as the 6th Beijing International Film Festival, Beijing Design Week, the 11th Beijing International Cultural & Creative Industry Expo, the 23rd Beijing International Book Fair, continued to be held. Among those activities, more than 340 were held during the 6th Beijing International Film Festival, and the total amount for contract signing in Film Market achieved 16.331 billion yuan. The 11th Beijing International Cultural & Creative Industry Expo launched more than 1,000 high-quality projects with a total value of 958.33 billion yuan. In the 23rd Beijing International Book Fair, 5,018 sino-foreign copyright trade agreements were signed, a year-on-year increase of 6.3%. The 5th "Animation in Beijing" activity attracted nearly 600 animation game enterprises and relevant organizations and associations to participant, and the sales revenue of the games and various derivatives was 30 million yuan. "Performing Arts in Beijing" attracted 125 institutions from home and abroad, and more than 1,000 units participated in the transaction, launching more than 2,000 plays. In "Art in Beijing" activity, 166 institutions from 18 countries and regions were invited, and 94% of the exhibitors closed the deal.

2. Implementing the "Belt and Road" Initiative and Improving the Quality of Culture "Going Out"

The cultural communication between the countries participating in the "Belt and Road" initiative has been further advanced. The "Belt and Road" initiative is an active exploration of international cooperation and the new model of global governance. It is a major strategy for China's opening-up in the new era. As the national political center, cultural center, international communication center, and science and technology innovation center, Beijing is a unique area of bearing traditional culture, modern culture and international culture, which has a specific status in the "Belt and Road " initiative. In 2016, under the guidance of the "Belt and Road" initiative, Beijing continued to strengthen cultural exchanges with countries along the route of "Belt and Road" Initiative, actively organized the cultural institutions and cultural and creative enterprises to participate in relevant activities to further the exchanges and cooperation. Theme activities, such as the Media Cooperation Forum on the " Belt and Road" Initiative, 2016 Sino-South Korean

Cultural Exchange exhibition on “Belt and Road” Initiative and 2016 the “Belt and Road” Initiative Economic Trade and Culture Forum, were held successfully. In addition, the cooperation was deepened effectively between Beijing and the countries along the route of “Belt and Road” Initiative. Important parts of the brand activities like China-Latin America and Caribbean Year of Culture Exchange, China-Egypt Culture Year and China-Qatar Culture Year were held successfully in Beijing.

The quality and efficiency of the culture "going out" are constantly improved. In 2016, Beijing actively promoted the "going out" of cultural products, and innovated the overseas promotion mode of cultural services, with a series of cultural products receiving good response overseas. The English edition of the book *The Xi Jinping Era*, published by China Media Time Publishing Co. Ltd., has received wide attention and has become the best-selling Chinese copyright book published in the United States in recent years. Beijing Film and TV Series African Exhibition Season was continuously held. 17 films and 400 episodes of TV series were showed on the African TV platforms of StarTimes. Activities of Beijing Film and Television Programs Enter Russia achieved good results. Beijing International Film Festival held a "Beijing Night" market program at Cannes Film Festival and Toronto Film Festival. The market program of “Beijing Day” was presented at Sheffield International Documentary Festival. On the "Beijing - Animation Dream" theme salon, which was held by BTV KAKU Children Channel on Festival International du Film d'Animation d'Annecy, many overseas companies expressed their willingness to cooperate. Enterprises were organized to participate in the NAB Show for the first time, where many radio and television technology enterprises from Beijing made their public appearances in the form of exhibition groups, and achieved remarkable economic benefits. Participating in the Games Com (Germany) and holding the activity of Game in Beijing- European Day, the annual foreign exchange revenue of the Beijing's game companies reached about 2 billion U.S. dollars. Through holding activities like Beijing-Tianjin-Hebei Intangible Cultural Heritage Exhibition for the diplomatic envoys and tour perform of Kunqu opera *Peony Pavilion* in the Czech Republic and Hungary, Beijing actively promoted the "going out" strategy of Chinese traditional culture. The 20th Beijing Hong Kong Economic Cooperation Symposium was held to deepen the exchange and cooperation between the cultural and creative industries in

Beijing and Hong Kong, and to foster new growth of trade between the two cities. The 2016 Spring Festival Beijing Ditan Park Cultural Temple Fair-Trip to Taipei and 2016 Beijing Cultural and Creative Industry Exhibition (Taipei), promoted the connection of industrial projects as well as the development of cultural heritage. In the United States, Chinese Culture Enter the United States & 2016 Muscatine China Cultural Week attracted wide attention from the international community. Framestore, the world's fourth and the Europe's first largest special effects company, who won the Oscar special effects of film and television award twice, Beijing Cultural Investment Conglomerate acquired 75% stake of it, co-established the studio "Allegory" with the famous Hollywood directors, and continued to expand the new mode of capital-linked culture "going out" strategy.

G. The Development Environment Is Continuously Improving

In recent years, based on the position of national cultural center, combined with the new situation, the challenges and difficulties appeared in the development of cultural and creative industries, Beijing constantly innovates policies and measures to improve the policy system of the industry, and build a series of service platforms. The macro environment for the development of cultural and creative industry in Beijing has continuously improved.

1. Centered on Key Areas and Enhancing the Policy Support

In 2016, with the new situation, new trend, and new tasks, Beijing launched a number of policies and measures from the perspectives of the development content, development patterns, main body of the industry, market development, and financial support to provide assistance, protection and standard for the industry. In order to inherit the traditional culture and meet the spiritual and cultural needs of the citizens, we issued *Opinions on Supporting the Inheriting and Development of Traditional Opera*, *Measures on the Management of the Supporting Funds to Physical Bookstores in Beijing (Trial)*, *Measures on the Management of the Supporting Projects of the Physical Bookstores in Beijing (Trial)*, *Evaluation Rules on the Supporting Projects of the Physical Bookstores in Beijing (Trial)*, and other policies and measures. On promoting the integrated development, we issued *Opinions on Actively Promoting the "Internet+" Action Plan*, *Opinions on Promoting the Reform and Development of the*

Tourism Industry and other relevant policies. On deepening the reform of state-owned cultural enterprises, we issued *Opinions on Strengthening the Classified Supervision for Promoting the Healthy Development of the State-owned Cultural Enterprises in Beijing*, *Interim Measures on the Assets Supervision and Management of the State-owned Cultural Enterprises in Beijing* and other relevant policies and measures. On the promotion of cultural consumption, we issued *Measures on the Management of the “Culture in Beijing” Season Activities (Trial)*, *Measures on the Assets Management of “Culture in Beijing” Season (Trial)*, *Measures on the Management of “Culture in Beijing” Season E-Coupons (Trial)*, and *Measures on the Management of Beijing Low-cost Tickets Performance Subsidy*. On promoting the international cultural trade, we issued *Opinions on Accelerating the Development of International Cultural Trade*, *Measures on the Management of the Special Fund for Enhancing the Dissemination of Publishing Industry in Beijing*, and other policies; On solving the difficulties in enterprise financing, we issued the *Measures on the Management of the Recruitment and Evaluation of the Special Fund for the Development of Cultural and Creative Enterprises in Beijing (Trial)* and related regulations. A series of supportive policies adopted in key areas further improved the cultural and economic policy system, providing a more comprehensive institutional support for the development of cultural and creative industries.

2. Focusing on Financing Problems and Continuous Innovation of Cultural Investment and Financing Services

In recent years, in order to effectively solve the problems of financing difficulties, expensive financing and slow financing of cultural and creative enterprises, Beijing has been continuously innovating policies, measures and mechanisms, enhancing the efficiency of financial funds, improving the cultural investment and financing service system, and promoting the deep integration of culture and capital.

The demonstration zone of national cultural and financial cooperation has set up in an orderly way. The plan was further improved, and four systems, including cultural credit risk compensation, cultural venture investment support, cultural enterprises credit rating and copyright trading and circulation, were put forward to promote the overall idea of "Double Innovations" of cultural financial system,

products and services. Further improvement was made in working mechanism for the implementation of cultural and financial innovation policies.

Financial support has been further strengthened. In 2016, Beijing organized a special fund of 500 million yuan for cultural and creative industries to support 327 projects, stimulating the social investment of 7.5 billion yuan. In March 2016, Beijing Culture and Arts Fund started, and supported a total of 83.61 million yuan for 97 projects in a year. On October, Beijing Publishing and Creation Fund for Films and TV Dramas started, with which 34 projects from 22 organizations was supported by the newspaper publishing fund, 56 topics gained the publishing supporting fund, 20 topics was supported by the best long novels fund, 14 online novels and 105 projects gained the online electronic audio-visual publications fund, 66 works was awarded the outstanding online audio-visual programs, and 85 projects was supported by the special fund for public service advertisements.

The balance of loans of the cultural and creative industries have maintained a fast growth. In 2016, State-owned Cultural Assets Supervision and Administration Office of the People's Government of Beijing Municipality continued to promote the cooperation between the cultural organizations, government, banks and enterprises, signing a strategic cooperation agreement with 15 banks such as Bank of Beijing, and providing more than 150-billion-yuan line of credit support for cultural and creative enterprises. By the end of December 2016, the loan balance of cultural and creative industries of Chinese banks in Beijing (excluding notes financing) was 131.67 billion yuan, a year-on-year increase of 38.8%. A total of 140.11 billion yuan was issued from January to December, an increase of 38.1% to the last year, among which, the balance loans in industries like art trading, tourism and entertainment, software network and computer services increased rapidly, with the increase of 96%, 83.7% and 68.1% respectively.

The construction of cultural investment and financing service system has achieved remarkable results. In 2016, Beijing continuously played the role of a platform of the cultural investment groups, improved the operating mode of investment and financing, and supported the further release of service efficiency.

Sixteen baby funds of cultural and creative industries, a total of 16 billion yuan, were collected, enlarging the financial leverage over 20 times. Beijing Cultural Center Fund accomplished the investment in Air Media, Wboll, Huaijao TV and other projects, a total of 2.38 billion yuan. The feature of CUL&TECHFLCO was highlighted, and its equity was further optimized with a total of 11.29-billion-yuan investment for 169 projects. CUL&TECHFLCO focused on investment and guarantee, and made 403 loans, a total of 4.18 billion yuan. Beijing Cultural Industry MicroCredit Co., Ltd. focused on the service for small and medium - sized cultural and creative enterprises, and made a loan of 290 million yuan throughout the year. Based on the position of "one park, multi bases", Beijing Cultural Innovation Park distributed 9 parks in different region in Beijing. Beijing Culture Equity Exchange issued a series of development strategies, covering CCEE, WTH Art, Wenfex, China Cultural Investment Alliance, Research Institute, Design Institute, Art Bank, and credit management enterprises. By the end of 2016, the total market value of 63 brands listed on Beijing Culture Equity Exchange reached over 3 billion yuan, and with more than 500,000 members, the total trading volume reached 38.957 billion yuan.

The system of "subsidy, loan, and investment" is firstly started. In December 2016, Beijing took the national lead in starting the system of "subsidy, loan, and investment" in cultural and creative industries. A total of 327 enterprises were supported by financial funds. As the first pilot financial institution for this system, Beijing Cultural Technology Financial Lease Co., Ltd. is to provide more than 1 billion yuan per year for at least 100 cultural and creative enterprises. The system is to include 10 enterprises and 3000 financial institutions in 3 years, and form a cultural financial ecosystem, covering cultural and creative enterprises, financial institutions and intermediary service institutions.

The promotion service for project roadshows is continuously strengthened. State-owned Cultural Assets Supervision and Administration Office of the People's Government of Beijing Municipality actively promoted the investment projects of cultural and creative industries, held the Investment Summit of Cultural and Creative Industry in Beijing, with 3 roadshows of VR/AR industry, animated games and

audio-visual industry, and cultural and creative industry, and 12 financing salons. With more than 3000 participants, the summit covered the majority of the cultural and creative enterprises in Beijing, including the venture capital institutions, the listed companies, and NEEQ-listed companies. Statistics showed that more than 20 financing projects made contribution to over 418 million yuan.

3. With a Comprehensive Support, Series of Service Platforms Are Playing Effective Roles

In 2016, Beijing strengthened the government's guidance, mobilized the public to participate, and actively promoted all kinds of service platforms to play important roles in elements gathering, resource linking and professional services, so as to provide comprehensive and effective support and guarantee for the development of cultural and creative industries.

The service for cultural and economic policies has been improved. In 2016, Beijing cultural and economic policies library was constantly updated and perfected. With 58 new policies added, the online-offline integrated service network of the library was more sound. Through activities of "Go to the districts, to the industry parks and enterprises" and "Send policies and services", the service was expanded, from which 18 cultural and creative industry parks and nearly 50 enterprises gained benefits throughout the year. More special policy salons were held for more than 300 enterprises, with themes like intellectual property protection, New OTC Market listing, project financing and so on.

The service function of the industry association is further enhanced. Capital Cultural Industry Association improved the organizational system, started the establishment of two functional committees for industrial park and investment and financing respectively, expanded the external cooperation, and exchanged cooperation ideas with Beijing Private Equity Association on business connection, platform construction, personnel training and other aspects. By the end of 2016, the association had more than 320 members. The Beijing Internet Association aimed to create an innovative Internet social organization to guide the communication of positive energy

online and improve the self-regulation mechanism of the industry. In December 2016, the association's members signed the *Beijing Convention on Internet Industry Self-regulation* to promote the healthy and orderly development of the industry.

The development of personnel training and service platform is effectively promoted. The construction of Beijing Cultural and Creative Industry Talents Training Base was enhanced. Various high-level and multi-fields training courses for cultural and creative talents were held, which played an important role in cultivating high-end talents for the cultural and creative industry in Beijing. Beijing G&G Human Resource Development Center aimed to create an exclusive window to provide service to the capital's cultural and creative talents, so as to play an active role in recruitment, introduction, headhunting, evaluation and other aspects. In March 2016, with 82 well-known cultural and creative enterprises and more than 600 jobs, Beijing Cultural and Creative Enterprises Career Fair attracted thousands of college students and social personnel to attend.

The achievement of entrepreneurial innovation service is remarkable. Complying with the trend of "mass entrepreneurship and innovation", the cultural and creative industries in Beijing developed rapidly, a number of service platforms, such as Beijing Cultural Innovation Park, and UCOMMUNE, made positive progress in deepening service connotation, expanding service areas, optimizing community cultivation, and innovating business model. The online virtual service platforms were continuously built, and the city's cultural and creative industries were in healthy and orderly development. Huaxia Bank Cup 1st Beijing Cultural and Creative Innovation and Entrepreneurship Competition was held from May to August in 2016, aimed at finding potential innovative talents and projects, and the the "future unicorn" with the best investment value, and stimulated the innovation and entrepreneurial dynamism in cultural and creative industry. The competition attracted more than 500 innovation and entrepreneurship projects, including animated games, radio, film and television, creative design, advertising media, copyright trading, culture and sports, VR experience and many other hot issues in the industry.

H. New Situations and Development Ideas

1. New Situations and Challenges

In 2016, the Beijing cultural and creative industry development has achieved good results and laid a solid foundation for the realization of the goal of steady development in “the 13th Five-Year Plan” period. Socialism with Chinese characteristics has entered a new era. In the new historical position, Beijing's cultural and creative industries also enter into the new strategic opportunity period and the key period of high quality development.

The key strategies of the Central Committee indicate the new direction of industrial development. The 19th CPC National Congress made the major conclusion that “what we now face is the contradiction between unbalanced and inadequate development and the people’s ever-growing needs for a better life”, and made important deployment in promoting the development of cultural industries. The strategic requirements, such as improving the industry system and market system of modern culture, innovating the production and management mechanism, improving the cultural and economic policies and cultivating new cultural formats, indicated a new development direction for the cultural and creative industries in Beijing. The major strategies, such as Supply-side Structural Reform, “Belt and Road” Initiative, Collaborative Development of Beijing, Tianjin, Hebei Province, stepped into the stage of substantive advancement. The introduction of *Guideline on Emerging Sectors of Strategic Importance During the Period of the 13th Five-Year Plan*, *Opinions on Implementation of Chinese Traditional Culture Inheritance and Development Projects* and other relevant policies, broaden the ways for the development of cultural and creative industries, and also put forward some new missions and requirements.

The transformation of Beijing puts forward some new tasks to industrial development. As China's economy has entered the new normal, Beijing's economic development has also changed from double-digit high speed growth to medium and high speed growth. The economic structure has changed from the quantitative change of three industrial adjustments into the qualitative change stage of internal structure adjustment. At present, based on the “four centers” city strategic positioning, Beijing further promotes the regulation and improvement, focuses on solving the major

problems, and accelerates to build the sophisticated economic structure. The dominant position of third industry in Beijing will continue to be strengthened. As an emerging industry and an important component of sophisticated economic structure, cultural and creative industry should comply with the new situation of the economic structure adjustment, and meet the new requirements of the transformation of Beijing. We should continue to promote the concept innovation, content innovation, business innovation, and model innovation, and focus on building a sophisticated cultural and creative industry structure to form an integrated development pattern related to science and technology, finance, tourism and other industries with high-level, profound, and wide-range characteristics, which can become an important support in accelerating the transformation of the city, improving the cultural quality, and constructing the international first-class livable city.

The development of industrial innovation needs a new lead. After more than ten years of rapid development, the pillar status of Beijing's cultural and creative industry is more stable, and the quality and efficiency is constantly improved. In terms of Beijing's historical and cultural resources, science and technology, personnel and other resources, as well as the position of national cultural center, the resource advantages of Beijing have not been fully activated, the core industrial competencies and vitality are far from satisfactory, and the leading and radiating role in the whole country still need to be enhanced. In recent years, the support of cultural industry has been strengthened with a strong momentum of development. From an international perspective, in the construction of Beijing-Tianjin-Hebei Urban Agglomeration, as the center, Beijing is directly facing the competition with New York, London and Tokyo. Beijing's cultural and creative industries need to accelerate the pace of innovation and development urgently, strengthen its radiation power and influence as the national cultural center, enhance the pace of international development, and highlight Beijing's cultural soft power in the increasingly fierce global competition.

2. Future Development Ideas

In the future, the development of cultural and creative industries in Beijing will further implement the spirit of the 19th CPC National Congress, take Xi Jinping's Thought on Socialism with Chinese Characteristic for a New Era as the guidance, and

actively promote the regulation and improvement, based on the strategic positioning of Beijing, in accordance with the overall framework of "one center, one city, three zones, and two districts" to promoting the high quality development. Focusing on creating sophisticated industrial structure, we will accelerate the establishment of the modern cultural and creative industrial system and market system, improve cultural and economic policies, foster the development of new cultural formats, and promote high-end, integrated, intensive and international industrial development for constructing the leading cultural and creative industries zones with strong market competitiveness, innovation drive, and extensive cultural influence.

2.1 With High-end Leading and Innovation Drive, Focusing on the Construction of High-grade Industrial Structure

We should focus on the main direction of the development. Conform to the development trend of cultural and creative industries, such as content, technology, capital and cross-border integration, we should clarify the main direction of industrial development from two levels, which are technological innovation support and content value guidance. We will implement the Guideline on Emerging Sectors of Strategic Importance during the 13th Five-Year Plan Period, spare on efforts on the integration of culture and science and technology, and create the main position of digital creation. We should promote the connection between the digital technological innovative chains and the cultural and creative industrial chains, and enhance the application of big data, artificial intelligence, virtual reality, and holographic imaging technology. We should accelerate the research and development of new cultural products and equipment. We should develop the new Internet-based business models and industrial formats. Relying on the advantages of Beijing's cultural resources, we should first layout in the transformation of content copyright, and become the original start of cultural innovation. We should increase the support for excellent works, establish original content center, resource gathering center and copyright operation center, protect the copyrights in the industry, and build a complete copyright economic chain.

We should focus on the key areas. Focusing on the sophisticated economic structure, based on the history, culture, science and technology, personnel and other resources, combined with the function of cultural and creative industries, and led by science and

technology innovation and content value, we will vigorously promote the development of creative design, publishing and distribution, radio and television, entertainment, media convergence, animated games, art trade, intangible cultural heritage, think tank and other key industries. In terms of the comprehensive industry, we will focus on the research and development of content, the application of new technology, and the digital transformation of cultural resources in the industrial chain. We will upgrade the traditional industry by scientific and technological innovation, promote the creative transformation and development of traditional cultural resources, enhance the connotation development of the industry with content value, and bear the function of a national cultural center to promoting the content optimization, structure optimization, chain optimization and hierarchical optimization in the cultural and creative industry.

We should promote the integrated development. We will enhance the added value of relevant industries with "cultural creativity+" to build a sophisticated economic structure in Beijing. We will expand the integration of culture and tourism, enrich the variety of "Beijing gifts", industrial experience tour, folk custom tour, ice snow tour and other special products, encourage the enterprises with time-honored brand to expand the marketing channels by using the Internet, and give support to the commercial places to introduce cultural resources. We will promote the organic integration of culture and physical education, accelerate the development of sports media, sports animation, sports exhibition and other emerging formats, develop and make use of the Internet multimedia teaching resources, and create lots of products and activities of cultural education. We will promote the deep integration of culture and the construction of livable cities to show the cultural connotation of "the style of the capital, the charm of the ancient and the style of the times". We will promote the integration of cultural industry and other industries, improve creative and design capability in the fields of manufacturing and agriculture, and improve the general profit of the industry.

2.2 Optimizing the Layout and Expanding the Space to Form the New Advantages of Industrial Agglomeration

We should speed up the construction of the functional regions of the industry.

According to "Beijing City Master Plan (2016 - 2035)", we should strengthen the overall management of the leading industry, enhance the implementation of professional services, further promote the construction of the functional regions of cultural and creative industry, promote the layout of cultural and creative industries and facilities to key areas, the special regions, form the agglomeration advantages, and achieve dislocation development. For culture and art, film and television media, digital publishing, design services and other fields, we should establish professional service platforms for digital stage design, the application of cloud computing technology in online videos, and cross platform game engine. We should promote the construction of the first 4 demonstration zones, such as Beijing Publishing and Creative Industry Park, and strive to build Huairou Film& Television Industry Park (Beijing), National New Media, as well as animated online games, digital content, creative design services and other functional regions or key parks.

We should promote the combination of industry and city. We should make comprehensive regulation and management for the industries are upgraded with the improvement of urban space, and the advance of urban function is supported by the industrial development. We should standardize the existing space carriers, and build a space-based structure mainly including the functional region, demonstration park, town, district and space of cultural and creative industry. We should make good use of the existing space, start from the functional circulation and creative transformation of old buildings to construct the new urban cultural space. We should find the resources of public cultural facilities, encourage and support libraries, art galleries and museums to innovative institutional mechanisms, carry out industrial operation to promote the inheritance and development of traditional cultural resources in the premise of guaranteeing the public welfare services. We should create new spatial pattern, create "Cultural Sanlitun", Taihu Performing Arts Town and other cultural and creative districts and towns with gathering industrial elements and strong cultural atmosphere.

We should strengthen the regional linkage development. We should focus on the construction of "Three Cultural Belts", adhere to the origin of culture, promote the coordinated development of the cultural industry as a strategy for protecting the historical heritage and strengthening the ecological management, and spare on efforts

to enhance the cross-regional cooperation. We should further cooperation in planning, enterprises, projects and services to promote the coordination and development in cultural relics, cultural tourism, entertainment, design services and other areas. We will promote the coordinated development of cultural industries in Beijing-Tianjin-Hebei province, support the cross-regional layout of Beijing enterprises, and participate in the project cooperation through the output of investment, brand and management. We should implement of the reform of tax-sharing system policy of value-added tax, enterprise income tax and business tax in Beijing-Tianjin-Hebei regions for the joint-construction of cross-regional cultural and creative space. We should grasp the opportunity of preparing Beijing Winter Olympics in 2022 and Winter Paralympics Games to promote the cultural cooperation between Beijing and Zhang Jiakou. We should also support the development of cultural and creative industries in Xiongan New Area.

2.3 Making Full Use of the Leading Role of the Major Projects in Key Enterprises

We should promote the development of enterprises by “fanning out from a point to an area”. We should foster the main body’s growth of the industry, cultivate the enterprise training mechanism, strive to build the flagship of cultural and creative enterprises, support the development of enterprises in a fast growing pace, form the new situation of large and small enterprises competing and developing together, stimulate the endogenous dynamic of the enterprises, and promote the vitality and competitiveness of the overall cultural and creative industries. We should carry out classified guidance, make elaborative supporting plans for cultural and creative enterprises in different types, scales and fields, and effectively promote the development of them. We should advance the development of state-owned cultural enterprises, focus on the operation, reform and assets supervision of the state-owned cultural enterprises, comprehensively promote the reform of state-owned cultural enterprises in Beijing, accelerate the establishment of modern enterprise system with the characteristics of modern culture, and explore the pilot of special management. We should strengthen the strategic resources reorganization in the field of press and publishing, radio and television and so on, to create a number of leading enterprises with international competitive power and core competitive ability.

We should upgrade the industrial energy level through major projects. We should establish the investment guidance system of resources, assets and capital, which embodies the characteristics of cultural and creative industries. We should expand the exploitation of resource projects, focus on ancient capital culture, Chinese Red Culture, Beijing-characteristic culture, and innovation culture, create cultural tourism integrated projects, such as "Three Mountains and Five Gardens" historical and cultural scenic spots, Yunju Temple Buddhist cultural scenic spot, and Yunmeng Mountains cultural scenic spot, promote the environmental quality of historical and cultural districts like Shicha Lake, South Luogu Lane, and Beijing WTown, and highlight Beijing's cultural symbol with industrial development. We should efficiently promote the assets projects, and implement the construction of projects with high standards, such as Taihu Performing Arts Town, Universal Parks, and Beijing Fund Town, for creating distinctive cultural landmarks. We should implement the intensive renovation projects of Beijing National Digital Publishing Base, China Music Valley, and Beijing Tianqiao Performing Arts Center, promote the construction of Beijing Books Fair, and improve the utilization efficiency of assets. We should give strong support to capital projects, mergers and acquisitions, and listed companies, mainly in the fields of online audio and video, digital games, film investment, mobile reading, and international media, and implement some international projects with larger market scale to achieve the leading development from home and abroad.

2.4 Widening Channels, Creating Larger Markets and Expanding Cultural Consumption and Cultural Trade

We should improve the mechanism of promoting cultural consumption. We should speed up the construction of pilot cities for national cultural consumption. We should focus on the new situation and new requirements brought by the upgrading of urban and rural residents' consumption, and strengthen the macro guidance and service of the government to tap the potential of consumption and increase the vitality of market. Based on brand activities like "Culture in Beijing" season, we should enrich the content of activities, innovate the mechanism, strengthen the brand guidance, and build a more effective supply and demand platform for cultural consumption to realize the industrial upgrading and transformation by the upgrading

of cultural consumption. We should give out 50 million yuan e-coupons annually to realize the constant support for cultural consumption throughout the whole year, and further enhance the effectiveness of benefiting the people. We should promote the upgrading of Beijing Culture-Easy card, integrate the online market resources and high quality activities, and improve the regular culture consumption promotion mechanism. Based on the consumption park, we should expand the cultural consumption space, and create a cultural and commercial complex covering art performances, reading and sharing, viewing experience and creative market. We will explore the establishment of intercity cultural consumption linkage promotion mechanism, and the effective form of Beijing-Tianjin-Hebei regions jointly hosting the cultural consumption activities. Relying on big data, "Internet+" and other means of information technology, we should learn from the concept of sharing economy, and build an online service platform for the more convenient and efficient communication between electronic and digital supply and demand.

We should expand the international cultural exchange trade. Combined with the resource advantage of Beijing being as the center for international communication, we should strengthen the communication and cooperation with foreign cities, international organizations, and foreign embassies in China, and expand the channels of cultural exchanges and cooperation with B&R countries. We should adhere to the combination of "Inviting in" and "Going out", continue to host international exhibition activities, such as Beijing Design Week, Beijing International Film Festival, and Beijing International Cultural & Creative Industry Expo, to attract overseas cultural and creative corporate headquarters to locate in Beijing, and promote the international exhibitions, brand release conferences, and trade fairs to be held in Beijing. We should guide Beijing's cultural and creative enterprises to participate in large-scale international exhibition and sales activities, and to hold independent brand exhibition promotion meetings. We should implement the projects of Chinese Culture World Tour, ten major global investment centers of cultural investment and 2017 China-UK Film & TV Conference, Beijing Cultural Temple Fair, and continue to build the "going out" cultural brand. We should encourage more outstanding cultural and creative enterprises to apply for becoming the key enterprises national cultural export (projects), support the enterprises to cooperate with international brand

enterprises in the form of share purchasing, stock-for-stock transaction and mergers and acquisitions, and innovate the mode of “Going out”. We will deepen the construction of the national base of international cultural trade (Beijing) and focus on building a comprehensive cultural bonded service center.

2.5 Accurately Implementing the Policies, Optimizing the Services, and Improving the Business Environment for Industrial Development

We should improve the policy support systems. We should focus on the structural reform of the Supply-side Structural Reform of cultural and creative industries, highlight the policies’ guidance, and optimize the systems and services of the policies. We should formulate the leading policy for promoting the development and innovation of cultural and creative industries, and make clear of the high-end direction, structural system, key tasks and safeguard measures of the industry's development. We should adhere to improve the policies on the integration of culture and science and technology, the integration of culture and finance, the protection and utilization of old plants, the reform of state-owned cultural enterprises, physical bookstores, film and television industry and other relevant industries, strengthen the supply and guarantee of land, capital and talent resources for the cultural and creative industries, and formulate the relevant district policies. Based on the policy of industrial innovation and development, we will form the "1+N+X" policy system in the city through the deepening of industrial fields and the linkage of urban areas, so as to innovate institutional mechanisms and give more support to more high-quality enterprises and leading talents to develop in Beijing. The legislative work of Beijing’s cultural and creative industries should be promoted and the effective cultural and economic policies should be legalized. We should deepen the reform of streaming administration, delegating more powers to lower-level governments and society, improving regulation and optimizing services in the field of culture, and enhance the efficiency of service guarantee for key enterprises and major projects through One Enterprise, One Policy and One Case, One Discussion.

We should improve the level of cultural and financial services. We should promote the construction of innovation pilot zone of national cultural industry and

demonstration park of cultural and financial cooperation, further explore the mechanisms, management modes, financial products, and financial innovation policies, and create a national cultural and financial innovation highland. We should establish Beijing Cultural Development Fund, and strengthen the input on key industries, key areas and major projects. We should further improve the construction of cultural investment and financing service system, actively prepare for the establishment of Cultural and Creative Bank, give support to banks and other financial units to set up professional institutions or business departments, and establish a credit evaluation system for cultural and creative enterprises. We should explore the construction of CCEE, and promote the transaction or circulation of unlisted and non-public equity of cultural copyright and culture-related matters. We will implement the policy of “Investment, Loans and Awards” to let the financial capital show its amplification effect. We should cultivate and perfect the market system of cultural and financial intermediary services, and build a cultural and financial ecological circle. We should encourage and guide private capital to participate in the investment of the construction of public cultural service system, the inheritance and protection of intangible cultural heritage, cultural exchange and trade, and creative towns, so as to explore the mode of cooperation between government and social capital (PPP) in the field of culture.

We should enhance the function of the service platform. We should build a service platform for cultural and economic policies, provide the "one-stop" political service, give feedbacks to the needs of the enterprises timely, and enhance the comprehensive efficiency of the service platform. Relying on Beijing Culture Equity Exchange and International Copyright Exchange, we should build a comprehensive IP service platform, which includes copyright incubation, registration, maintenance, development, transaction and output. We should give full play to the cultural consumption brand list, the selection of best 30 enterprises and best 30 outstanding personages of cultural and creative enterprises in Beijing, and the Cultural Creative Innovation and Entrepreneurship Competition, and vigorously cultivate Beijing's cultural brands and leading, innovative enterprises and innovative talents. We should standardize and guide the development of the industrial organizations, support the Capital Cultural Industry Association, Beijing Internet Association, and Capital

Copyright Industry Alliance, the capital copyright industry alliance and so on to play a pivotal role. We should explore the formation of Advisory Committee of Capital Cultural and Creative Industry, and recruit domestic and overseas outstanding experts, to give some suggestions for enterprise's development. We should mobilize all the social forces to form the support system and provide services, innovate and promote the high-quality development of cultural and creative industries, and open up a new prospect for the development of Beijing's cultural and creative industries in the new era.

Main Data Sources:

- a. Statistical data of cultural and creative industries of Beijing Municipal Bureau of Statistics in 2016.
- b. The statistics and media reports from Ministry of culture, the Business Administration Department of People's Bank in Beijing, the Beijing Municipal Commission of Commerce, Bureau of Culture, State-owned Cultural Assets Supervision and Administration Office of Beijing Municipality, Press and Publication Bureau and other relevant departments and media reports.
- c. Data from the units in charge of cultural and creative industries in Beijing.
- d. The industry data reports from Neowit consulting- Chinese cultural industry investment and financing data platform and other industry data reports.
- e. Other relevant media reports.

Relevant Terms:

Cultural and Creative Industries: In accordance with the Beijing Cultural and Creative Industry Classification Standard (2016), cultural and creative industries refer to the inner-linked industry cluster with creativity and innovation as a fundamental means, cultural content and creative achievements as the core value, intellectual property rights to achieve or consumption for the transaction characteristics, to provide the public with the cultural experience. The scope of cultural and creative industries in Beijing includes nine categories: (1) Culture and art services; (2) Press and publication services; (3) Radio, television and film services; (4) Software and Information Technology services; (5) Advertising and exhibition services; (6) Works of art productions and transactions services; (7) Design services; (8) Culture and entertainment services; (9) The production and sales of stationery products and other ancillary services.

Cultural and Creative Industries above the Designated Size: The statistical scope is that the cultural and creative industries with an operating revenue of RMB 10 million and above (industrial enterprises are those with an annual income of RMB 20 million and above, and RMB 5 million or above in culture, sports and entertainment), or those impersonal entities with employees of 50 and above in the service industry, and cultural and creative industries at the end of the year.

Supply-side Structural Reform: To promote structural adjustment by means of reform, to reduce inefficiency and low-end supply, to expand the effective and high-end supply, to enhance the adaptability and flexibility of supply structure to demand changes, to improve the total factor productivity, to make the supply system more good adaptation to changes in demand structure.

Collaborative Development of Beijing, Tianjin, Hebei Province: The core is the Beijing-Tianjin-Hebei as a whole co-development to ease the non-capital core functions and solve the problems of Beijing as the basic starting point, which means to adjust and optimize urban layout and spatial structure, build modern transportation network system, expand the ecological capacity of environmental capacity, promote

industrial upgrading and transfer, promote public services to build and share, speed up the process of market integration, create a modern new metropolitan area, and strive to form the win-win coordinated development new pattern with same target and measures by complementing each other with their own advantages.

The Belt and Road Initiative: The Silk Road Economic Belt and the 21st Century Maritime Silk Road. The essence is to borrow the historical symbols of the ancient Silk Road, with the theme for the times of peaceful development and win-win cooperation, to actively develop economic partnership with the countries along the line, and jointly build a political mutual trust, economic integration, cultural inclusion of the community of interests, fate and responsibility.

Sophisticated: refers to the advanced, and cutting-edge in the era of the leading technology or products. At present, Beijing's economic development is to promote non-capitalizing function in an orderly manner, and promote the transformation of the city. In the future, by constructing the "high-tech" economic structure, it will play a strong driving force of innovation and entrepreneurship focusing on the emerging industries like Information Technology, artificial intelligence, and Software and IT services.

Cultural and Creative Industry Functional Zone: Beijing proposes the strategic concept of planning and construction of cultural and creative industry functional zone. On the basis of the development of the municipal cultural and creative industry cluster area and the national industrial base and park, it is necessary to integrate resources and optimize the layout of cultural and creative industry and accelerate the promotion of factor clustering and industrial chain division of labor to guide the cultural and creative industries for characteristics, differentiation, and cluster development, and promote the city's cultural and creative atmosphere to upgrade, economic restructuring and upgrading, city function optimization and adjustment and economic and social sustainable development . In accordance with the Planning on Construction and Development of Beijing Cultural and Creative Industry Functional Zone (2014-2020), by 2020, Beijing will build 20 cultural and creative industries functional zones.

The cultural investment and financing service system for asset-lite cultural and creative industries: relying on China Cultural Development Corporation, a cultural creative industry investment and financing platform, set up a "investment, financing, small loans, guarantees, incubators, transactions of property right" fulcrum to support the comprehensive and integrated cultural investment and financing service , and to solve the problems of “financing being too difficult, too expensive, being too slow” for the cultural and creative enterprises.