

# Think Business Think Hong Kong

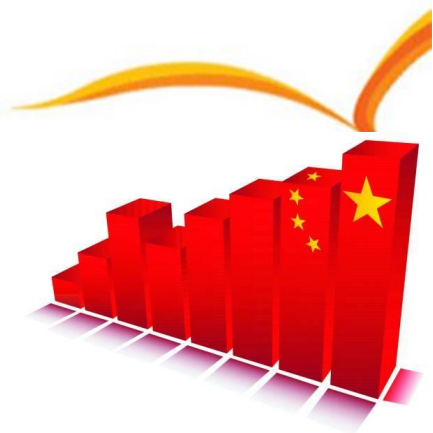
**Ralph Chow**  
**Regional Director, Americas**



**March 3, 2021**

# The Mainland China Opportunity

- **World's largest trading nation and 2<sup>nd</sup> largest economy**
- **2020 growth**
  - **GDP: +2.3%**
  - **Total trade: +1.4%**
- **Average annual growth 2007-2017:**
  - **GDP: +8.8%**
  - **Total Trade: +8.9%**
  - **Urban Per-capita disposable income (real growth): +8.1%**



# Mainland China: Growing Consumer Market

- No longer “just” a production base
- Rising consumption — consumer goods imports up **14%** a year (2010 and 2017)
- Consumer goods retail sales — up **7.9%** in 2019 (close to US\$6 trillion, comparable to that of the US)



# Mainland China: It's a "Buyers' Market"

- **1.4 billion+** mobile phone users
- **751 million** Internet users
- World's largest car market: **30 million** units sold in a year
- Wine imports: up **25%** p.a. avg 2008-2017



# Mainland China: Growing Technology & Services Demand

- **13<sup>th</sup> Five-Year Plan: Innovation as the prime driver**

- **R&D expenditure:**

- **2.5% of GDP by 2020** (2.1% in 2015)
- RMB1.4 trillion in 2015 (RMB34.9 billion in 1995)

- **Raise network speeds and expand online economy**

- Internet-fixed broadband penetration: 70% by 2020 (40% in 2015)
- Internet-mobile broadband penetration: 85% by 2020 (57% in 2015)
- Building safe, high-speed next-generation information infrastructure
- Developing wireless broadband, the IoT and big data analytics technology and application

- **15.46 million private enterprises: Tech and services needed**





# **Why Go to Asia/Mainland China via Hong Kong?**

**We understand Asian & Mainland China**

**Finding Good  
Business Partners**

**Realizing Profits**

**Coping with Bureaucracy**

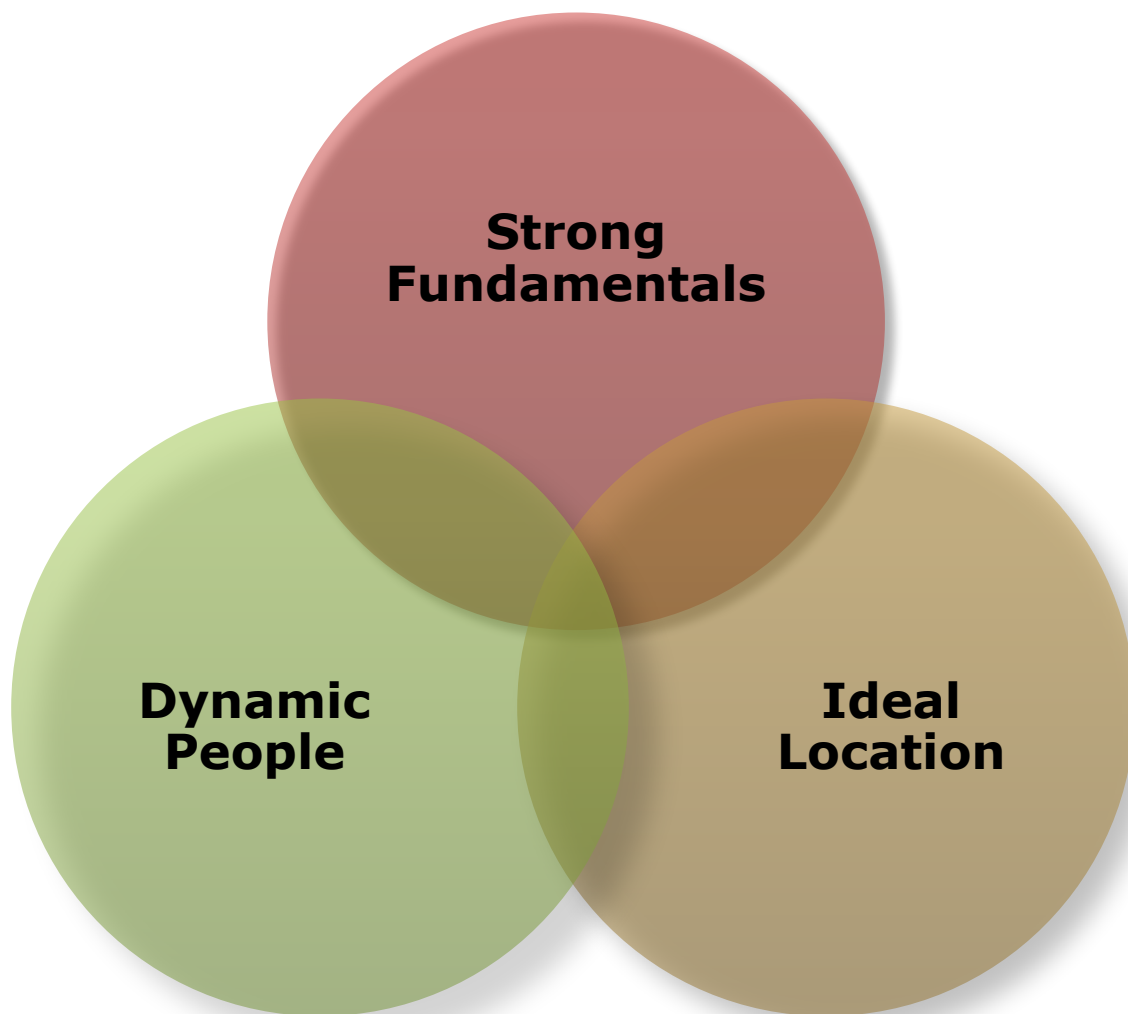
**Mitigating Risks**

**Retaining Quality Staff**



# Hong Kong: Three Main Factors

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# Hong Kong: Ideal Location Gateway to Mainland China and Asia





# Hong Kong: Strong Fundamentals

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- **Rule of law: protection of contracts & IP**
- **Free flows of information, people, goods & capital**
- **Level playing field**



# Hong Kong's Economic Vibrancy

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- World's No. 2 freest economy in 2020 (US Heritage Foundation)
- World's No.1 for economic freedom since 1996 (Canada-based Fraser Institute)
- World's No. 5 most competitive economy in 2020 (IMD, Switzerland)
- World's No. 3 in Forbes' "Best Countries for Business 2019" survey

# Low and Simple Tax System

## Ease of Paying Taxes Rankings 2020 (PwC)

Country	Ranking
Bahrain	1
Hong Kong	2
Qatar	3
Ireland	4
Singapore	7
Korea	21
UAE	30
Japan	51
Thailand	68
Malaysia	80
Indonesia	81
Mainland China	105
India	115

### Factors:

- Total tax & contribution rate
- Time taken to comply with obligations
- No. of payments
- Post-filing procedures

# Hong Kong: Dynamic People

**Hong Kong is the Chinese city that speaks your language  
... and the language of international business!**

- Generations of entrepreneurial spirit
- Unrivalled Mainland China market and international business experience
- Diverse international workforce





# Hong Kong: Global Business Hub

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## Bridge linking Asian and global companies



- Large number of overseas companies: >8,700, June 2018
- Visa-free entry for 170 countries' nationals
- 120 consulates
- > 30 overseas business chambers

# Hong Kong: International Financial Centre

- **A leading IPO centre: No. 1 in 2019**

- Many top international brands are listed in Hong Kong, e.g.: Prada, L'Occitane, Samsonite
- Largest offshore capital-raising hub for Chinese companies

- **Asia's No. 1 and World No. 3 and global financial centre (behind London & New York)**

- **Asia's No.1 fund management hub**

- **Asia's No. 2 foreign exchange market**

- **Largest offshore RMB market**

- **Islamic finance:** 3 sukuk issues, including world's 1<sup>st</sup> USD sukuk originated by an AAA-rated government (issued in Hong Kong, Sept 2014)



# Hong Kong: Platform for Mainland Chinese Outbound Investment

**About 60% of mainland's  
outward FDI goes to or via  
Hong Kong**

**China**

**Hong Kong**

**Hong Kong: Ideal channel for Chinese  
outbound infrastructure investment**

# Hong Kong: Logistics & Maritime Services Hub

## No.1 air cargo hub

- 5 million tonnes (2019)
- 120+ airlines
- 220+ destinations



## One of world's busiest container ports

- 18.3 million TEUs (2019)
- 310 container liner services weekly, 450 destinations





# Hong Kong: Regional Trading Hub

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- World's 8<sup>th</sup> largest trading economy and 8<sup>th</sup> largest exporter in merchandise trade (2019)
- 2019 trade: > US\$1 trillion
- Mainland China's most important entrepôt
- Free trade pact with Mainland China



# Hong Kong: Regional Trading Hub

## An international technology marketplace

- Tech commercialization and R&D capabilities
- Overseas tech companies' gateway to mainland market
- Asia's IP trading hub
- World-class technology fairs



HKTDC Hong Kong Electronics Fair (Autumn Edition)

# Risk Management & Dispute Resolution

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- Risk management: presence of large pool of international professionals
- More than half of Global 100 law firms have presence in Hong Kong
- Hong Kong Law Society has a Belt and Road Committee
- Hong Kong: Most preferred arbitral seat outside Europe; 3rd worldwide (Queen Mary University of London survey 2015)



# Guangdong-Hong Kong-Macao Greater Bay Area

## An overview



The most intensive cluster of ports and airports in the world



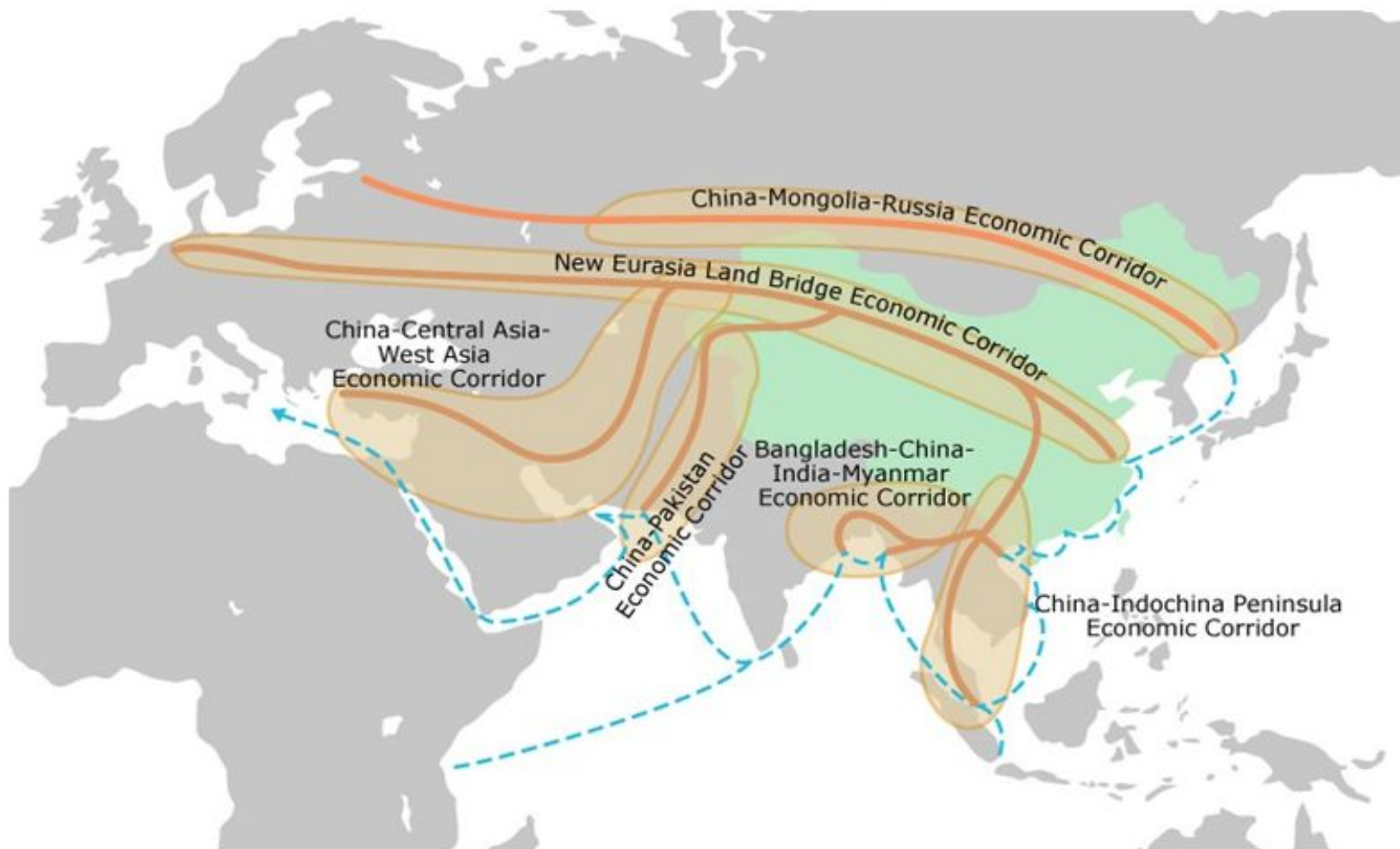
# Greater Bay Area

## A comparison with other bay areas



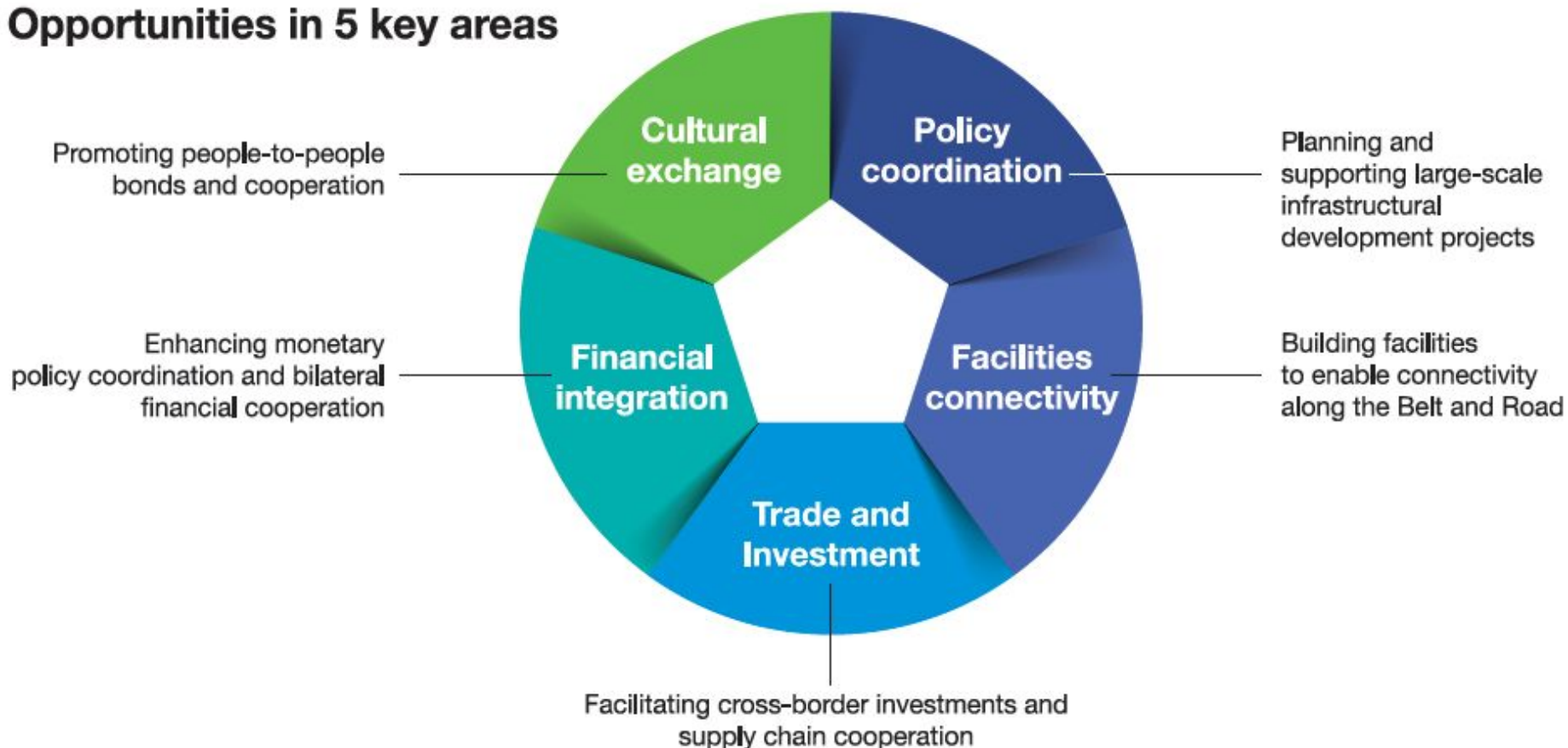
	Guangdong - Hong Kong - Macao Bay Area	Tokyo Bay Area	New York Metropolitan Area	San Francisco Bay Area
Size	56 000 km <sup>2</sup>	36 900 km <sup>2</sup>	21 500 km <sup>2</sup>	17 900 km <sup>2</sup>
Population	71.1 million	44 million	20.2 million	7.7 million
GDP	US\$1.6 Trillion	US\$1.8 Trillion	US\$1.7 Trillion	US\$0.8 Trillion
Annual Airport Freight Turnover	8 million tonnes	3.6 million tonnes	2.2 million tonnes	1.2 million tonnes
Annual Air passenger traffic	202 million	124 million	132.2 million	81.3 million
Annual Port container throughput	66.5 million TEUs	7.8 million TEUs	6.3 million TEUs	2.4 million TEUs

# The Belt and Road Initiative: Six Economic Corridors Spanning Asia, Europe and Africa



# Belt and Road: To Promote International Connectivity in Five Aspects

## Opportunities in 5 key areas



# HKTDC

- **A Hong Kong statutory body established in 1966**
- **Helps international businesses explore opportunities in and through Hong Kong**
- **Promotes Hong Kong as Asia's business platform and services hub**
- **A go-to organisation for Belt and Road and Bay Area opportunities**
- **A partner for start-ups & SMEs**
- **50 offices globally, including 13 in Mainland China**
- **Assists international companies and investors to explore and enter new markets in Mainland China and throughout Asia**
- **Facilitates Chinese outbound investment in both mature and emerging markets**
- **Connects businesses worldwide with Hong Kong partners, including product suppliers and services providers**
- **Provides market intelligence**

 [www.hktdc.com](http://www.hktdc.com)  Tel: (852) 1830 668  @hktdc

 <https://www.linkedin.com/company/hong-kong-trade-development-council>



# The HKTDC Integrated Marketing Solution

## Product Magazines

covering various Industries



## Mobile Applications

Anytime, Anywhere



Trusted  
**Online Marketplace**  
***www.hktdc.com***

World-class  
**Trade Fairs**

# HKTDC: Marketing & Sourcing Trade Fairs

- **30+ world-class trade fairs**
- **Forming 11 largest marketplaces in Asia, including 5 largest in the world**

**World's  
Largest  
Marketplaces**



Watch & Clock



Gifts & Premium



Fashion  
Fall/Winter



Electronics  
(Spring)



Toys & Games



Houseware



Electronics  
(Autumn) +  
electronicAsia



Jewellery +  
Diamond, Gem & Pearl



Lighting (Autumn)+  
Outdoor Lighting

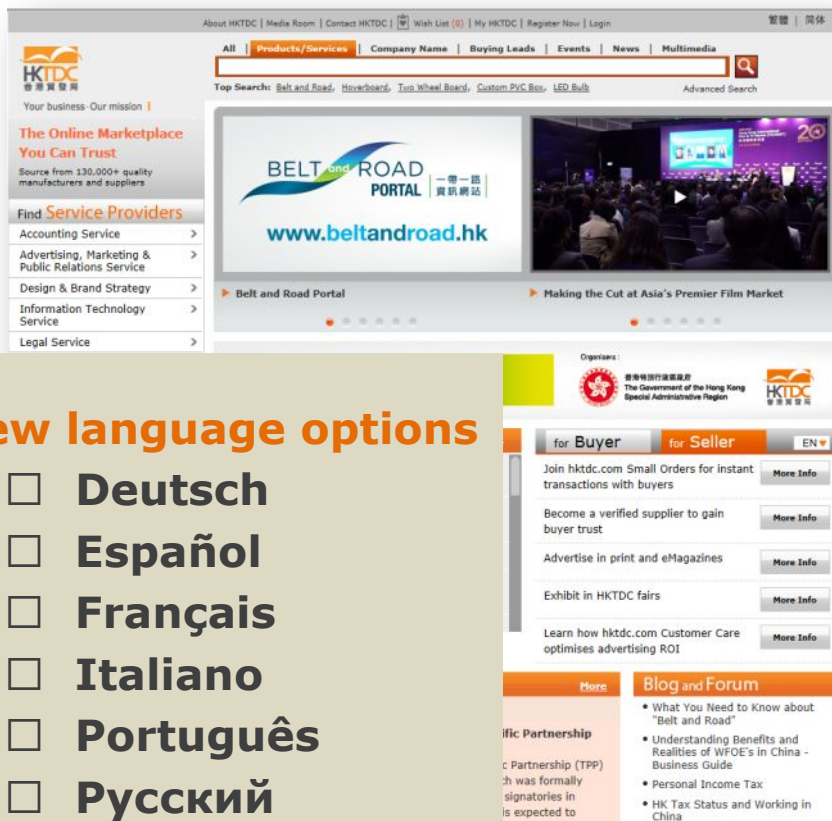


Licensing



FILMART

# HKTDC: hktdc.com Online Marketplace



- **2M+** registered buyers
- **130,000+** quality suppliers
- **5M** monthly user sessions
- **24M+** business connections generated annually

Latest awards:



# HKTDC: Global Network

**50 offices worldwide outside Hong Kong**  
**13 in Mainland China**





# Thank You

**Your business**  
**Our mission**

