

WELCOME TO
HOFEX BRIEFING FOR
UK DELEGATION

Programme

- 12:15-12:20: Introductions - Stephen Cartwright, UKTI
EBLEX/BPEX - J.P. Garnier
FDEA/PS8 - Sarah Briones
SDI
- 12:20-12:35: Business Opportunities, Stephen Cartwright
UKTI Hong Kong
- 12:35-12:50: HOFEX, Mr Daniel Cheung, General Manager
Hong Kong Exhibition Services Ltd
- 12:50-13:00: Hong Kong Trade Development Council,
Irene Hau
- 13:15-13:30: Q&A session

UK – Hong Kong

- Hong Kong - UK's 14th largest trading partner second largest in Asia after mainland
- UK exports of goods to Hong Kong: £5 billion+ (2012) – very small decline (<1%) on 2011
- More than to Japan, India or Australia
- 1,000+ British companies in Hong Kong
- c.300 are regional offices or HQs for Asia-Pacific

Economic

- GDP growth of 1.4% during 2012
- Unemployment - 3.6% in Q1 2013
- Inflation 3.6% in Q1 2013
- Property prices rose by an average of 23.6% in 2012
(Source: Knight Frank)
- China's 12th Five Year Plan consolidating Hong Kong's position as an international finance, trade and shipping centre, including as an RMB off-shore centre

Why Hong Kong?

- **Easiest place in the world to do business**
- Rule of law, free market, low tax, open, transparent Government, free flow of information
- Entrepreneurial; Financial services, professional and business services
- Strong IPR protection regime
- Regional; logistics and communications
- Integration with Chinese Mainland
- Closer Economic Partnership Arrangement (CEPA)
- Strong UK- Hong Kong business and cultural links

High Value Opportunities

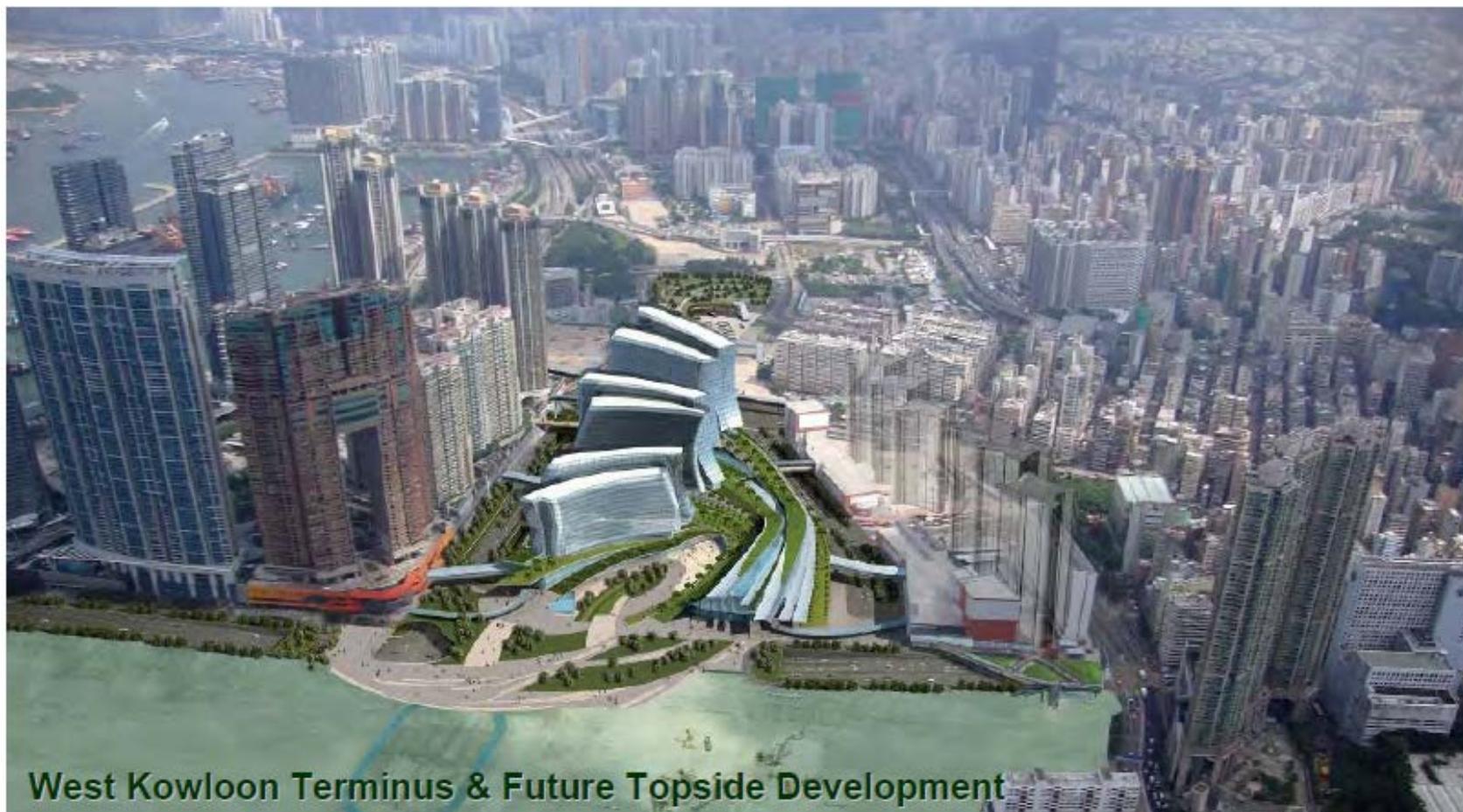
	PROJECT	VALUE
1	West Kowloon Cultural Development Area	£1.8bn to 2020
2	Kai Tak Development Area	£8.0bn to 2021
3	Rail Projects (Shatin to Central Link)	£5.6bn to 2020
4	Hong Kong-Zhuhai-Macao Bridge	£8.0bn to 2016
5	HK International Airport Third Runway	£11.0bn to 2023
6	Hospitals / Healthcare	£4.9bn to 2022+
7	Environment	£3.5bn+ to 2020
8	Macao Leisure and Tourism	£10.0bn+ to 2018
9	<i>Lok Ma Chau Loop (outside current Top 100 List)</i>	<i>Awaiting study report</i>
	<i>TOTAL</i>	<i>£52.8bn+</i>

The HKSAR Government will spend £6bn+ on infrastructure in 2013/14

Ten major Infrastructure Projects - £29bn



Guangzhou-Shenzhen-Hong Kong Express Rail Link



£11 billion (5 current rail schemes)

Kai Tak Development



West Kowloon Cultural District



Hong Kong–Zhuhai–Macao Bridge



Opportunities in Hong Kong

Key sub-sectors include:

Construction/Infrastructure

- urban regeneration
- green buildings

Creative Industries

- film and music
- product design
- advertising
- publishing

ICT

- mobile telephony
- intelligent transport
- retail technology/RFID

Financial, Legal, Business Services

- RMB internationalisation
- maritime services
- green finance / carbon trading

Opportunities in Hong Kong

Education and Training

- Special Education Needs
- Gifted and Talented Education
- Vocational Training
- Sustainable education

Transport

- Major rail projects

Medical

- Private healthcare

Life Sciences

- biotechnology
- Traditional Chinese Medicine

Environment

- air pollution
- low carbon economy
- electric transport

Food & Drink

Food & Drink in Hong Kong

- 13,910 restaurants and over 1000 bars, pubs and eating establishments in Hong Kong
- Total grocery retail sales – close to US\$10 billion in 2013
- Consumer food service establishments – reach over US\$11.5 billion in sales in 2013
- 2x supermarket chains – accounting for one third of brand value share
- 14,000 retail establishments in Hong Kong

(courtesy of NZTE, sourced from Euromonitor)

Food & Drink in Hong Kong

- 95% food imported into Hong Kong market
- Sophisticated market , international community
- Quality driven market
- Fresh food culture
- Wet market versus Supermarket
- Duopoly supermarket share
- Convenience and ready-to-cook food growth
- Food safety awareness increasing
- Space constraints, a limitation

Key opportunities in the Hong Kong market

- Beer, whisky and spirits
- Tea, coffee and soft drinks
- Fine wine
- British beef and pork
- High quality meats
- Dairy products
- High quality confectionary and biscuits
- British products unique to local market
- Organic and fair trade products

Opportunities in Macao



Opportunities in Macao

- Macao economy developing rapidly – real GDP growth of 9.9% in 2012
- Led by gaming sector. US\$38.15bn gross gaming revenue in 2012. 3x more than Las Vegas and Atlantic City combined.
- UK exports to Macao: £51m (up 37% on 2011)
- Opportunity areas: leisure, tourism, construction, retail, education and training, environmental technology.

The Pearl River Delta (PRD)

**Continuing integration of
Hong Kong into PRD
economy**



Hong Kong: Springboard into Mainland China

- Hong Kong is the largest investor into virtually every Chinese province
- c.50,000 Hong Kong-owned factories in China, employing up to 10m workers
- Hong Kong companies can be agents; distributors; JV partners to access Mainland
- Great depth of knowledge in Hong Kong of doing business in China
- Growing cross-border infrastructure links
- Particularly good route for SMEs
- 1,800 mainland companies in Hong Kong

Hong Kong: Asian Headquarters

- Hong Kong is the UK's most important business hub in Asia
- More than 40 UK companies set up in Hong Kong last year taking UK companies with their Asia Pacific HQs here to over 300
- According to the latest UN figures, Hong Kong is home to over £30bn of UK investment – around half of all British investment in Asia.

**THIS
IS**

GREAT

BRITAIN

The GREAT Britain campaign is the government's most ambitious international marketing campaign ever and showcases the very best of what Britain has to offer in order to encourage the world to visit, study and do business with the UK.

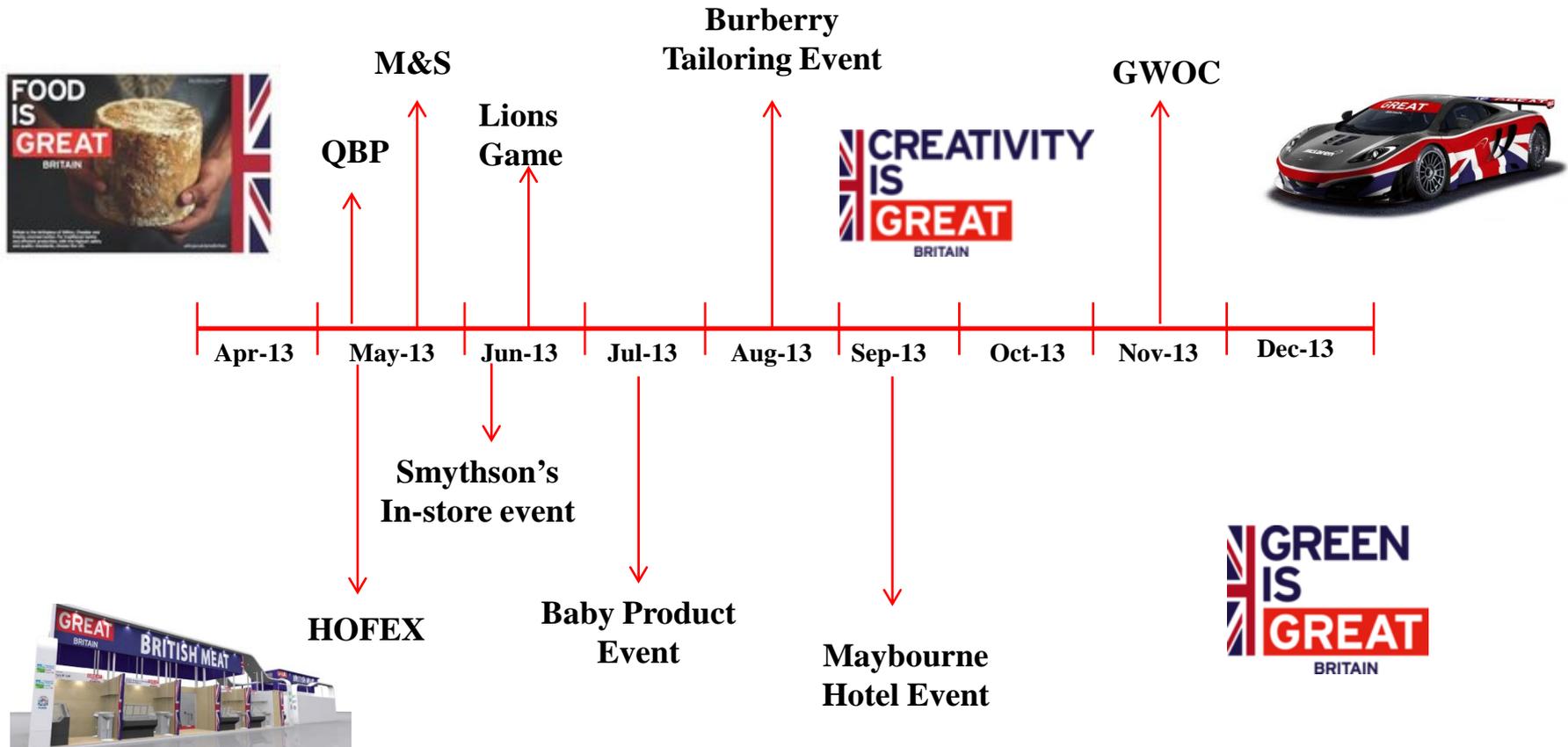
Drawing together the national promotion efforts of UK trade & investment, VisitBritain, British Council and the Foreign & Commonwealth Office, GREAT aims to deliver significant and long-term increases in trade, tourism, education and inward investment.

Over 90 British businesses have engaged with the campaign to date.

GREAT in 2012



GREAT in 2013



How can we help?

- Our staff are sectoral experts – with access to contacts/networks/business opportunities
- Bespoke services; detailed research, programme arranging - saves you time and money
- Receptions/launches/seminars – in Consulate or elsewhere
- Trade Fairs/Events
- Pearl River Delta OMIS - joined up product covering Hong Kong and Southern China

Key partners

- Other UKTI operations in China markets
<http://ukinchina.fco.gov.uk/en/doing-business>
- China Britain Business Council (CBBC) www.cbcc.org
- British Chamber of Commerce www.britcham.com
- British Council www.britishcouncil.org.hk
- Hong Kong Trade Development Council www.tdctrade.com
- Invest Hong Kong www.investhk.gov.hk
- In Macao – IPIM, www.ipim.gov.mo
- British Business Association of Macao
www.britchammao.org



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