



The Gateway for Chinese Outbound Investment



China Today

- China's maturing economy: shifts from fast-paced to medium-paced growth, the new growth engine: Urbanization
- Policy reforms increasingly integrate peasant workers into urban populations, stimulate new domestic demand, especially from the service sectors
- “Being in China for China”: Foreign investments and operations in China retooling to capture domestic demand-driven business



China Today

- China's 12th Five-Year Plan: strong emphasis on GDP growth from service industries relying less on investment and exports
- China needs city planning and management expertise, global branding, worldwide distribution channels, technology and innovations
- Hong Kong is a role model – and it can help

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Slide 3





China and Hong Kong

- 96% of Hong Kong's GDP is from services; Hong Kong can play key roles in China's transition
- China needs to upgrade its service industry structure; Hong Kong's local and international firms can offer service sector expertise and know-how
- CEPA as bridge for service industry development in China: Hong Kong-based firms (including American ones) can help Chinese transition to international standards given greater access
- HK-PRD Cluster – Pearl River Delta Metropolis, Guangzhou, Shenzhen, Zhuhai, over 55 million people in 11 major cities, including Hong Kong and Macau – HK as a model city

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Hong Kong – The Gateway for Chinese Outbound Investment

- Hong Kong - From Gateway In to Gateway Out
- China's policy to encourage domestic firms to "go global" through Hong Kong
- Rapid growth in China's outbound investment; some 60% of that investment has come through Hong Kong

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Hong Kong – The Gateway for Chinese Outbound Investment

- Hong Kong's Service Infrastructure: professional service providers, including legal, finance, human capital & talent management, branding & consulting
- Hong Kong is where China Meets the World – Hong Kong as Bridge for China to the world for decades
- Hong Kong as a MNC regional headquarters base where decisions are made and resources allocated

This is where you – American firms – come in!

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Hong Kong as China's International Financial Centre

- China - From Capital Importer to Capital Exporter
- Hong Kong as Testing ground for Chinese financial institutions to go global
- Platform for Chinese companies seeking IPOs in Hong Kong Stock Exchange accessing global capital
- Hong Kong to be the standard setter and innovator

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Recent Trends

- China, world's 2nd largest economy, will be a net global investor by 2017, reaching US\$172 bn
- PRC Ministry of Commerce: China's outbound investment to total US\$150 bn in 2015; growing by an annual rate of 17% in 2011-2015 period
- 2nd Wave: privately owned businesses – not just SOE – have become increasingly active to invest overseas
- Shift in focus: from natural resources to acquiring market access, technologies and brands

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AmCham Hong Kong Annual Survey

- 45.4% of Respondents indicate their plans for expansion in the next 3 years; 44.9% Business as usual (November 2012)

