

Doing Business in Hong Kong Springboard for GBA Opportunities

Nick Chan, MH, JP

Chairman, Legal Committee

Hong Kong General Chamber of Commerce



Speaker Bio – Nick Chan, MH, JP



- Chairman, Hong Kong General Chamber of Commerce Legal Committee
- Chairman, Hong Kong Innovation and Technology Venture Fund Advisory Committee
- Chairman, The Law Society of Hong Kong Belt and Road Conference Organizing Committee
- Honorary Legal Advisor, Federation of Hong Kong Industries
- Director, AALCO Hong Kong Regional Arbitration Centre
- Partner, Squire Patton Boggs

Doing Business post-COVID with geopolitical tension

Follow the Money?
Serve the underserved!
Market, Market, Market!

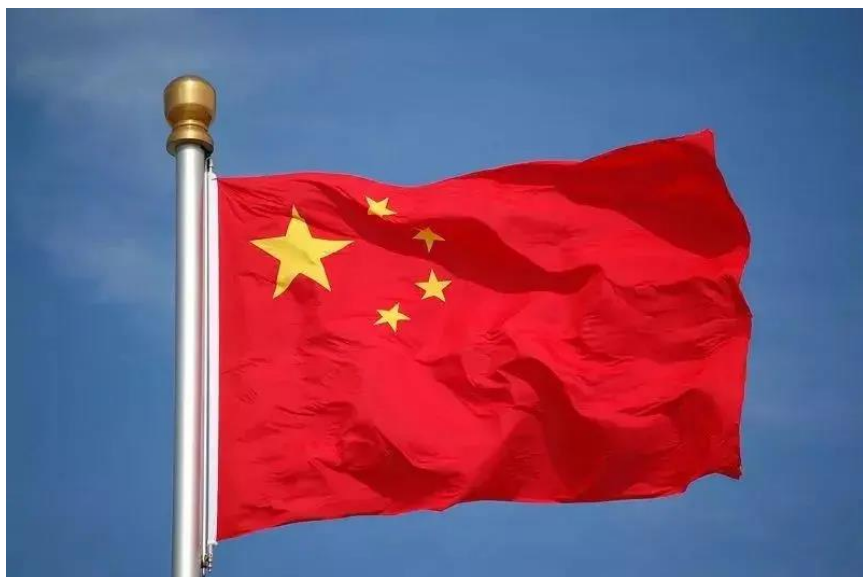
“Overtaking as you drive through a bend” 彎道超車



picture: Formula 1: Drive to Survive (Netflix)

China's Modernization

China's Modernization brings Great Opportunities for the entire World



- China is now the main trading partner of **over 140 countries and regions**
- Making **US\$320 million** in direct investment around the world **each day**
- Attracting over **3,000 foreign businesses every month**

China - Great Potential

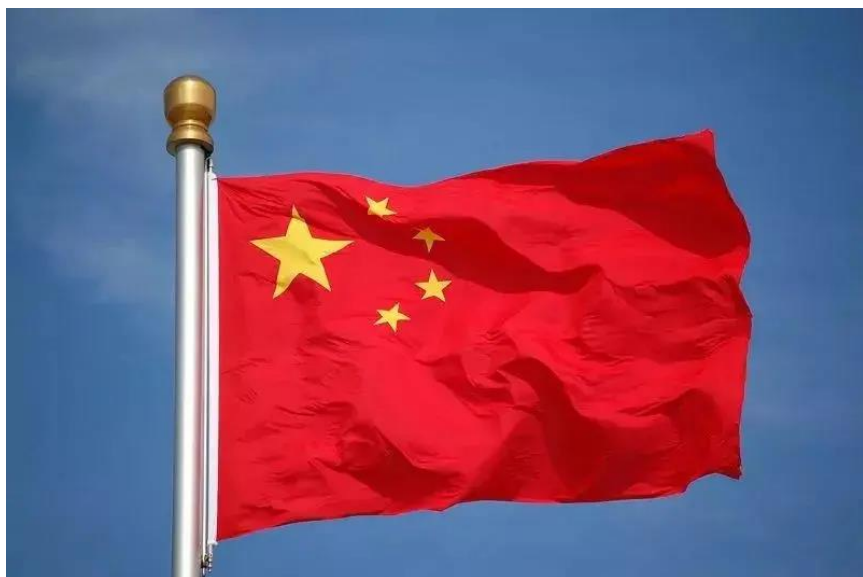
China's Modernization brings Great Opportunities for the entire World

- Nominal GDP: USD 19.373 trillion (2023)
- Total Imports: USD 1.97 trillion (2021)
- Total Exports: USD 3.34 trillion (2021)
- Sales in E-commerce: USD 2.3 trillion (2022)
- > 400M middle income earners, still growing
- Over 11M new labour force entered the market
- 1.06 billion Internet users by 2022



China

China's Modernization brings Great Opportunities for the entire World



- Modernization of a huge population
- Modernization of common prosperity for all
- Modernization of material and spiritual civilization
- Modernization of harmony between humanity and nature
- Modernization of peaceful development

China

China's Modernization brings Great Opportunities for the entire World



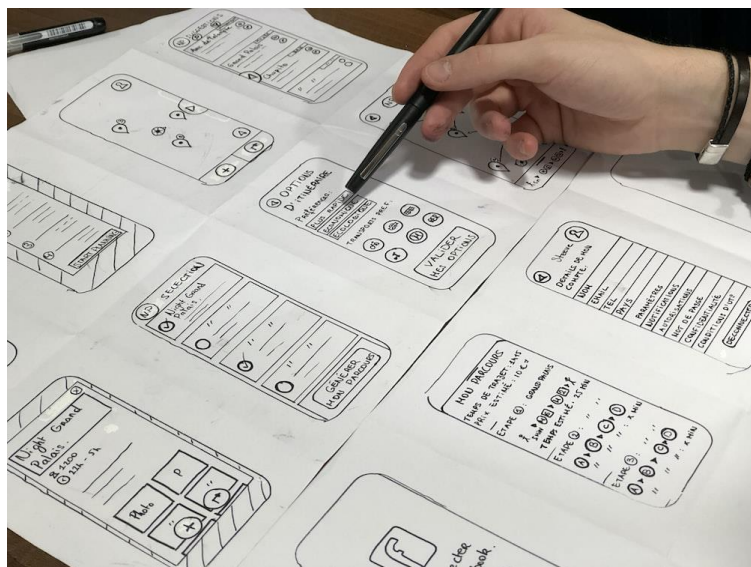
- Pursuing high-quality development
- Further advance democracy
- Enriching the people's cultural lives
- Achieving common prosperity “共同富裕” for all, promoting harmony between humanity and nature
- Building a successful shared together
- Share the fruit of the socialism with Chinese characteristics
- Creating a new form of human advancement

Technology

- Digital Economy
- Integrating 5G into economy
- Emerging as the global leader in AI
- Web 3.0 – Whitepaper, May 2023
- Big Techs thrive but must operate within legal boundaries



IP Protection



- Last year:
 - 56,803 IP-related disputes were successfully resolved
 - 1,338 disputes related to strategic emerging industries, including those involved in information technology, biomedicine, high-end equipment manufacturing and new plant varieties

Rule of Law

- Smart Court: litigants do not need to travel to courts to submit materials, file cases or attend trials
- Since the outbreak of COVID-1:
 - Nearly 30 million litigation cases have been filed via a nationwide online platform
 - litigants do not need to travel to courts to submit materials, file cases or attend trials
 - 5.04 million hearings been held via video links



Rule of Law

- Sunshine Court
- From 2018 to 2022
 - about 140 million legal documents were made public at a nationwide court document website with over 100 billion visits.
 - more than 21 million trials were live streamed.



Hong Kong SAR and other parts of the Greater Bay Area



GBA Background (cont'd)



- Area: around 56,000 km²
- Population: > 86M (2022)
- GDP: > USD 1.9 trillion (2022)

GBA Background (cont'd)

- “Outline of the 14th Five-Year Plan for the National Economic and Social Development and the Long-Range Objectives Through the Year 2035”
 - Ch.31: Proactively and progressively taking forward the development of the GBA
 - Ch.61: Maintaining the long-term prosperity and stability of Hong Kong and Macao
 - One Country, Two Systems
 - Three Legal Systems

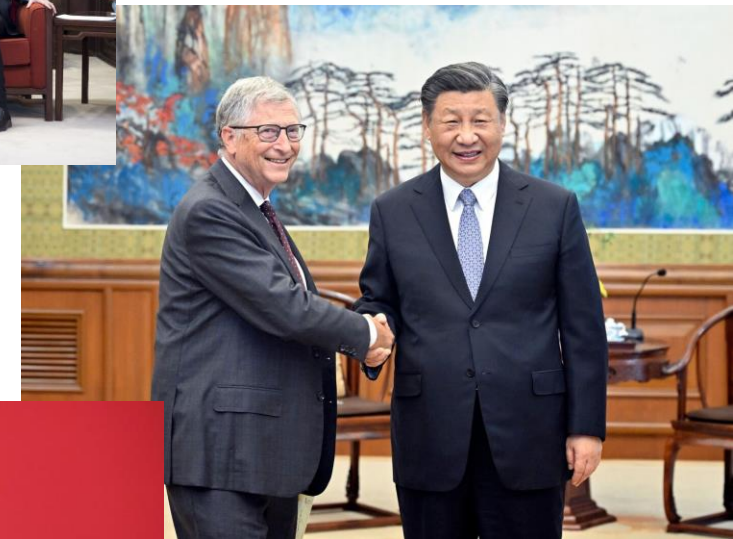
The Elephant in the Room - Geopolitics

- “越挫越勇” - The Harder the Situation, the Stronger the Response
- **Risk 危機**
 - “危” – Danger
 - “機” – Opportunity



The Trend

- Elon Musk visited China in May
 - The Shanghai plant produced over 700,000 Model Y and Model 3 vehicles last year, more than half of the company's global output.
 - Will to expand his business in China
- Bill Gates, Apple CEO Tim Cook, and Intel CEO Pat Gelsinger have also visited China in recent months.



GBA – More than a World Factory

- Synergy of 1+1



GBA – More than a World Factory

- Trade between China and Africa: USD 260 billion
- Jinzai Food Group Co Ltd: will import around USD 41 million worth of dried fish products from Kenya this year
 - Create more than 1,000 jobs for local communities
 - Products will be shipped and processed in China and will be sold in both domestic markets and overseas markets such as Russia, Japan, South Korea, Germany and the US



GBA – More than a World Factory

- Belt and Road Initiatives, South-East Asian countries in particular under RCEP



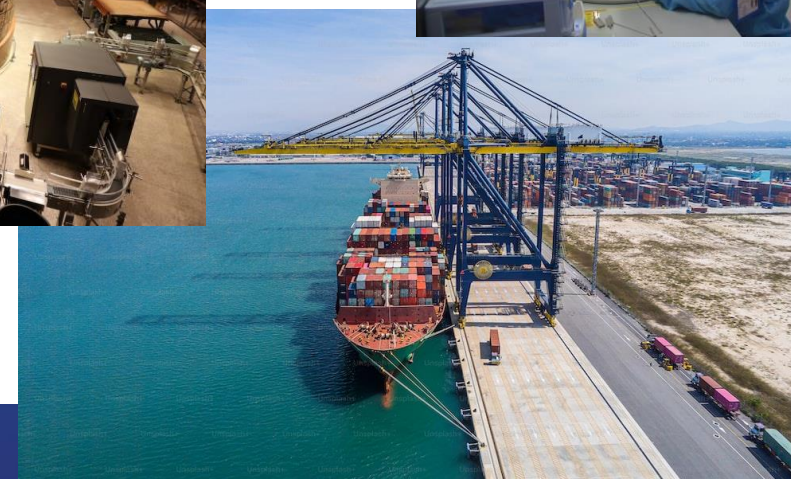
GBA – More than a World Factory

- Chief Executive's
2023 Middle East trip



Advancing Supply Chains

- China has become the only country in the world to obtain all the industrial categories listed in the United Nations industrial classification, including all:
 - 39 categories
 - 191 divisions
 - 525 sections



Advancing Supply Chains

- China's share in the global manufacturing sector is **30%** in 2021
 - Around 70% of India's APIs are imported from China
 - 80% of smartphone in India are Chinese brand, even smartphones of the western brand are manufactured and imported from China
- **Efficient**
 - Shein, the Chinese brand can turn a design into product by 10 days while Zara, the major competitor, needs 3 weeks
- **Cheap** due to the large size scale

Advancing Supply Chains

Methods of Practice

1. Keep an open mind
2. Constantly learn new distribution practices being deployed
3. Practical research → allow for rapid development of new supply chains, like DJI, Tesla
4. Implement Best Practices → Cost-effective and Efficient



Hong Kong as a Springboard

- The most open and international city in the GBA
- In 2022
 - 1,411 Regional Headquarters
 - 2,397 Regional Offices



Hong Kong as a Springboard (cont'd)

- Enjoying the dual advantages of the “one country, two systems”
 - Facilitate and support the economic development of the region, with a view to enhance the role and functions of the GBA in the country’s two-way opening up
 - Facilitate the development of industries in which Hong Kong’s strengths lie in the GBA, capitalising on Hong Kong’s strengths to serve the country’s needs



The Eight Centres under the 14th Five-Year Plan

- Four established sectors continue to be enhanced
 - International financial centre
 - International transportation centre
 - International trade centre
 - International legal, deal-making and dispute resolution hub in the Asia-Pacific
- Four emerging sectors to enhance and develop
 - International aviation hub
 - International I&T hub
 - East-meets-West centre for international cultural exchange
 - Regional intellectual property (IP) trading centre



Grow with HKGCC

- Hong Kong General Chamber of Commerce (HKGCC)
 - A platform for connecting industries
 - Facilitate communication and networking between international and Chinese industries
 - Encourage cultural understanding for business growth



HKGCC

Grow with HKGCC

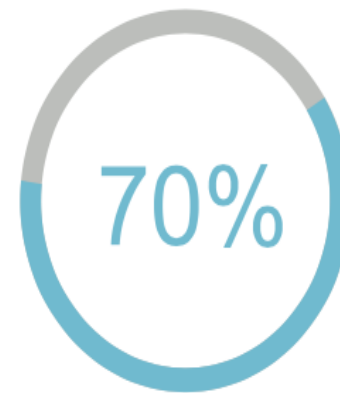
Hang Seng Index
恆生指數



Fortune 500
《財富》全球500強



SMEs and start-ups
中小企業及初創公司



Workforce
勞動人口



HKGCC 

The logo for HKGCC, featuring the letters 'HKGCC' in a serif font and a stylized red flower icon to the right.

Some Unique Advantages of Hong Kong

- CEPA
 - On trade in goods: the Mainland has fully implemented zero tariff on imported goods of HK origin
 - On trade in services: the two sides have basically achieved liberalisation. HK service suppliers can enjoy preferential access to the Mainland market in most service sectors
- Member of WTO since 1995
- Member of APEC since 1991
- Member of GATT since 1986



More Unique Advantages of Hong Kong!

- Common law
- Rule of Law
- Low tax
- Talents
- Innovation
- Culture
- 8 Centres!
- One Country, Two Systems
- National Developments





Make it in HK

Make it in GBA

Make it in Mainland China

Make it in the World



Doing Business in Hong Kong Springboard for GBA Opportunities

Nick Chan, MH, JP

Chairman, Legal Committee

Hong Kong General Chamber of Commerce

