

Hong Kong Beckoning With



Almost 15 years since its reunification with Mainland China, Hong Kong maintains its fiercely entrepreneurial, business-minded spirit and continues to be an icon of free markets. As a main gateway to the mainland's vast and

expanding market with a long history of thriving as a paragon of capitalism in Asia, Hong Kong is uniquely positioned to offer great business and investment opportunities to anyone with necessary expertise and acumen.

Japan is Hong Kong's third largest trading partners overseas in 2011.

Growing trade between Japan and Hong Kong

Japan has been Hong Kong's major trade partner and source of foreign direct investment. Despite the jolt from the Great East Japan Earthquake, bilateral trade expanded by 4% in 2011, faster than the average growth rate of 3% for the period from 2007 to 2011. In addition, 11.4% of Japan's trade with Mainland China was routed through Hong Kong.

Trade in services such as travel and transportation services between Japan and Hong Kong is growing at an even faster pace. In 2010, Hong Kong's exports of services to Japan surged by 13.9% in value, while Japan's service exports to Hong Kong soared by 21.5%.

Japan has also been investing vigorously in Hong Kong. As of the end of 2010, Japan was the 6th largest foreign investor in Hong Kong, with its stock of direct investment in the city standing at US\$23.6 billion. One of the main

reasons for Japanese companies to invest in Hong Kong is the fact that the city is a vital drive-shaft of the global economy that transmits the raw power of China's manufacturing capability into a global system for distributing consumer goods.

China's 12th five-year plan leaves no doubt about Beijing's intention to keep Hong Kong's economy, which grew 5.0% in real terms in 2011, in fine shape. The economic policy blueprint promises Beijing's support for Hong Kong's continued prosperity as a financial and trade centre. The document makes it clear that China is bent on capitalising on the ability of the city's financial market as a "platform" for attracting investment and promoting the Chinese currency's role in the world economy.

The plan also stresses Beijing's commitment to

promoting economic cooperation between Hong Kong and Mainland China, especially Guangdong Province, the driving force of China's economic growth. The Chinese

government also pledges to support Hong Kong's development into a regional hub of inventory management and distribution. As part of the efforts to achieve this

policy goal, Mainland China will take steps to attract international logistics services providers and expand the capacity of Hong Kong's international airport.

Hong Kong as the offshore RMB market

In particular, the plan contains a set of measures designed to promote the development of the offshore Renminbi (RMB) market. More measures were announced in August last year to enhance Hong Kong's status as a premium offshore RMB business centre. The measures include steps to encourage Hong Kong firms to use RMB for direct investments in the mainland and allow investments in the mainland equity market by means of the Renminbi Qualified Foreign Institutional Investor (RQFII) scheme. These measures enhance the circulation of onshore and offshore RMB funds and facilitate the launch of more innovative RMB-denominated products, benefiting

investors, financial institutions and the financial markets as a whole.

The central government has articulated its intention to ensure long-term growth of the offshore RMB bond market. In addition to efforts to increase the number of domestic financial institutions issuing RMB-denominated bonds in Hong Kong as well as the amounts of dim sum bonds issued by them, the central government also allows domestic non-financial firms to issue RMB bonds in the city. The offshore RMB market is actually growing rapidly. As of the end of 2011, RMB deposits in Hong Kong amounted to nearly RMB 590 billion, an increase of nearly 90% from a year earlier.

Fully aware of the importance of foreign investments for the city's economic fortunes, the government in Hong Kong is rolling out a welcome mat for foreign companies wishing to capitalize on the huge business opportunities that the city offers.

Hong Kong's leader, Chief Executive Donald Tsang, stresses that Japanese companies operating in Hong Kong can "take full advantage of our deep and strong links with Mainland China and economies around the world," pointing to the city's business-friendly environment, marked by rules, systems and living conditions that are on par with international standards.

Vibrant, Pro-Business Milieu

Think Global, Think Hong Kong

To expand the important bilateral ties with Japan, the Hong Kong Trade Development Council (HKTDC) will organize special trade and investment promotion symposiums, "Think Global, Think Hong Kong," in Japan in May.

The events, to be held on May 15 in Tokyo and May 17 in Osaka, will feature a speech by Tada-shi Okamura, Chairman of the Japan Chamber of Commerce and Industry,

as well as addresses by a legion of business leaders from both Japan and Hong Kong.

The symposium will be organized with the support of 14 Hong Kong industrial associations and government departments, as well as the Japan External Trade Organization, and the Organization for Small and Medium Enterprises and Regional Innovation, Japan, and over 100 supporting organizations. It will focus on

the advantages of having operations in Hong Kong for Japanese companies seeking to tap new business opportunities in key Asian markets, especially mainland China.

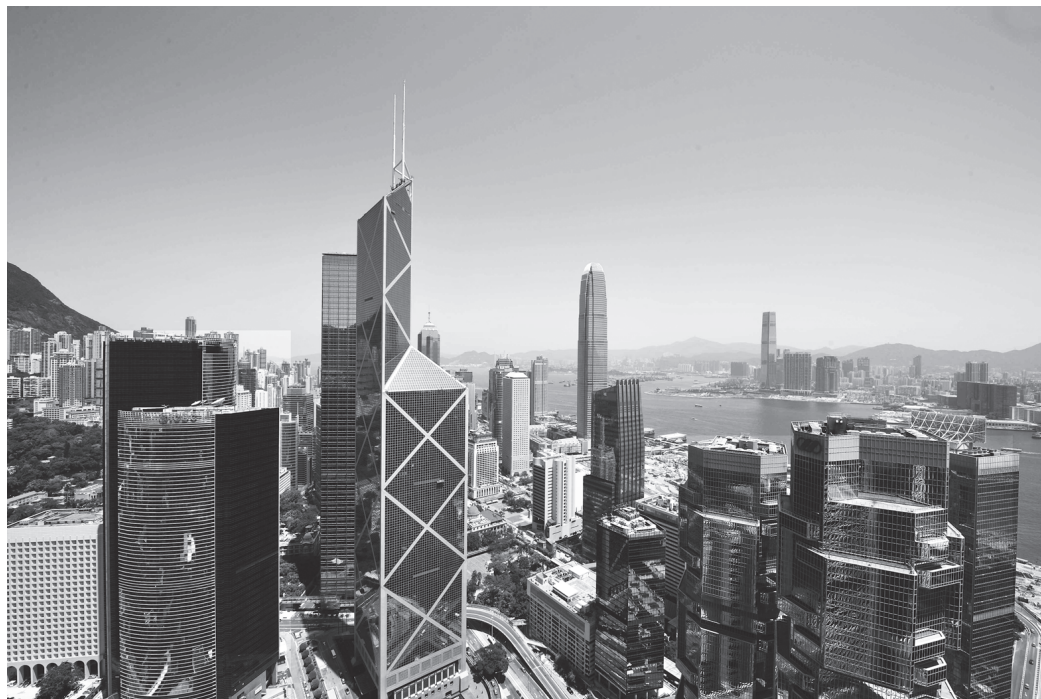
"Hong Kong's wide array of international business services make it the best partner for Japanese SMEs exploring regional and global business markets," HKTDC's Executive Director, Fred Lam says. "At our promotion in Tokyo and Osaka, over 60 high-profile Hong Kong and Japanese speakers will discuss new trends

and developments in Asia, with a particular focus on China." "Hong Kong professional service providers, as well as industry representatives from the creative content, technology and health food sectors will also be present to offer free practical business consultation to aspiring Japanese companies, and personal success-story cases will be shared," he says. "Thinking about overseas markets? Think Global, Think Hong Kong."

More than 2,000 representatives of large and

small Japanese companies, government officials, academics and opinion leaders are expected to attend the events along with about 100 senior government officials and businesspeople from Hong Kong.

The main symposiums will be followed by a broad range of thematic sessions, in which prominent speakers from Hong Kong and Japan will talk about Hong Kong's role as Asia's service center and a key gateway to abundant business opportunities in China.



HK's role as China's global financial centre

"Hong Kong + Japan — Crossing Partnership in Creativity"

In line with Chief Executive Tsang's initiative to designate 2012 as "Hong Kong Design Year," the Hong Kong Economic and Trade Office (Tokyo) launches a project entitled "Hong Kong + Japan — Crossing Partnership in Creativity" from May 15 to 20 in cooperation with Design Association NPO.

With the support of the Tokyo Metropolitan Government and artists from Hong Kong and Japan, the project aims to enhance bilateral relationships and promote exchanges among creators in Hong Kong and Japan by involving designers on both sides in creative work and display. The project also enables participation of students in both places on a common theme.

The project is composed of two events. One is an exhibition-cum-community outreach workshop. At the exhibition, to be held from May 15 to May 20 at the Marunouchi Building in Tokyo, a 5-meter tall and some 330 smaller statues named "Tian Tian Xiang Shang (TTXS)," meaning "making progress every day," and created by

designers and students from Hong Kong and Japan will be displayed. Mr. Danny Yung, the creator of the original TTXS statue, visited a school in Rikuzentakata, Iwate Prefecture in April and held an art workshop there for some 100 students to develop their creative talent by designing their own TTXS statue for display in the exhibition. Visitors at the exhibition also have a chance to attend on-site workshops to create their own designs on the basic form of the TTXS statues.

The other event, the Creative Asia Forum, will be held alongside the exhibition in the afternoon of May 15. The forum offers a platform for speakers from the creative industry of both Hong Kong and Japan and some 300 participants to have exchanges with an aim to promote dialogue and collaboration among creators in various areas in both Hong Kong and Japan. Speakers at the forum include representatives from the Ministry of Economy, Trade and Industry as well as the Tokyo Metropolitan Government.

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