



香港



Hong Kong: Your Profitable Access to China

March 2007

Stewart J. Ballard

Chief Commercial Consul
U.S. Commercial Service
American Consulate General
Hong Kong and Macau



澳門



A Great City Built on World Trade, Finance & Shipping



Hong Kong – Gateway to Asia



Hong Kong – Gateway to China



Hong Kong – Gateway to the Pearl River Delta



Hong Kong – A Trade Promotion Hub of Asia

American Real Estate and Services Exhibition and Seminar at MIPIM Asia

September 22-28, 2007, HKCEC, Hall 2

美國房地產及服務展覽研討會

明報

www.bizusa.gov/hongkong

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American Consulate General
28 Garden Road, Central, Hong Kong
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film

imaginAsian3 Hong Kong - Miami - Chicago
San Francisco - Los Angeles Film Industry Trade Mission, Oct. 21 to 27, 2007

ImaginAsian3 is a premier executive level Hong Kong leading industry in the U.S. to focus the American entertainment industry on Asian market opportunities. It can access more profitably and sustainably by working with Hong Kong business allies in film production, production, financing, education, training and distribution. Participation in the mission will be limited to the program. See U.S. Consulate General in Chicago for more information. Participants will be invited to the program. See U.S. Consulate General in Chicago for more information. Participants will be invited to the program. See U.S. Consulate General in Chicago for more information.

Topics include:

- Oct 21-24: Miami has an orientation seminar, customized one-on-one, high-level business meetings, convenient show for new ideas and participating firms, visits to selected film and TV industry facilities, and high profile networking events and receptions.
- Oct 25: Chicago's schedule is like Miami's, but with only one day of customized one-on-one, high-level meetings (Miami/Chicago) and participating firms.
- Oct 26-27: San Francisco has an orientation seminar, customized one-on-one high-level business meetings, visits to selected film and TV industry facilities and high profile networking events.
- Oct 28-30: Los Angeles's (Downtown Beach and Hollywood) schedule is like San Francisco's.

COSMOPROF

hkfilmart.com

香港影視娛樂網

HONGKONG INTERNATIONAL FILM & TV MARKET

FILMART

香港國際影視展

Asia Now

Asia Now

ASIAN AEROSPACE

INTERNATIONAL EXPO CONGRESS

3 - 6 September 2007

ITU TELECOM WORLD 2006

8 December

TELECOM

ABACE

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GUIDANCE ON THE COMMERCE DEPARTMENT'S

REEXPORT CONTROLS

U.S. DEPARTMENT OF COMMERCE
BUREAU OF INDUSTRY AND SECURITY
OFFICE OF EXPORTER SERVICES

U.S. Commercial Service

Pollution Prevention / Energy Efficiency P2E2 Trade Mission to the U.S., 2007
Washington, D.C. • Boston • Chicago • Southern California

Sign up now to join the P2E2 Trade Mission to the United States!

Leverage the U.S. Commercial Service network to meet the world's best energy-efficiency and pollution prevention technology providers! Find Partners! Boost your revenue!

To Position Your Company As a P2E2 Leader:

The U.S. Commercial Service is organizing a delegation of qualified Energy and Environment Service Companies (EESCO) and Environmental Engineering companies to the U.S. to meet with reputable technology companies, potential partners and industry leaders. In each city, we will organize customized meetings and industry networking events.

Who Act Now? Because P2E2 Technologies are in Demand:

- Joint Guangdong / Hong Kong SAR air quality management plan, with stringent emissions targets
- Voluntary cross-border emissions trading scheme
- 1,200 heavy polluters in Mainland China have been targeted by NDRC for immediate clean-up
- New financing available for P2E2 projects

Benefits:

- Access to proven sources of cost-saving technology
- High level access to U.S. industry leaders
- Find Qualified partners, vendors and suppliers
- Leverage U.S. Commercial Service Network to develop P2E2 business opportunities
- Be listed in CS Hong Kong's EESCO Data base which will be provided to end-users in the region
- Convenient Air & Lodging Arrangements (not included in participation fee)

Participation Fee:
\$550 per day of program (includes maximum of 4 pre-screened meetings, briefings and networking functions)

Expressions of interest must be received by March 20, 2007

If you wish to join our P2E2 trade mission, please complete and fax this form to: Olivia Yin, Fax: 852-2945-8000, Tel: 852-2521-1467, E-mail: Olivia.Yin@ustrade.gov.hk or visit: <http://www.bizusa.gov/hongkong>

Please select your interests:

Destination Cities: Washington, D.C. Boston Chicago Southern California

Availability: April 20-26 April 27 - May 6 May 4-13

Industry Applications: Power Gen Heavy Industry (cement, steel) Manufacturing Commercial Buildings Other (please specify): _____

Technology Interests: _____

Company: _____ Representative: _____

Email: _____ Tel: _____

EDUCATION & CAREERS

教育及職業博覽 EXPO

Hong Kong – A Rich Culture

- Population: 6.9 million
- Population Density: 6,420 people per square kilometer
- Ethnic Groups: Chinese (95%), Others (5%)
- Languages: Cantonese, Mandarin, English
- Literacy: 94.4%
- Education: 75.5% of children finish upper secondary or equivalent vocational education
- Expatriates: 54,000 American residents
- History: British colonial rule (1842-1997)
Sino-British Joint Declaration (1984)
Reversion to Chinese sovereignty
(July 1, 1997)
One Country, Two Systems
(1997-2047)

Hong Kong – A Stable Polity

- Type: Special Administrative Region of China, with its own constitution (The Basic Law)
- Chief Executive: Donald Tsang
- Branches: Executive: Chief Executive, Executive Council, Administration
Legislative: Legislative Council: 30 of 60 directly elected in September 2004 for 4-year terms
Judicial: Court of Final Appeal; other lower courts
- Subdivisions: Hong Kong, Kowloon, New Territories
- Suffrage: Permanent residents, aged 18 and over, living in Hong Kong for the past seven years are eligible to vote.

Hong Kong – A Stable Polity

- 1 Country, 2 Systems:
 - Hong Kong is a Special Administrative Region of the People's Republic of China, with a high degree of autonomy in all matters except foreign and defense affairs. Hong Kong will retain its political, economic and judicial systems for 50 years after reversion and will continue to participate in international agreements under the name of “Hong Kong, China.”
- Values:
 - Hong Kong is a free and open society, where human rights are respected; courts are independent of political influence; and there is well-established respect for the rule of law. The government is relatively small, clean (of corruption); transparent (operationally) and does not engage in censorship. Taxes tend to be low in Hong Kong.

Hong Kong – A Dynamic Economy

- GDP: \$188.8 billion (2006)
- GDP Per Capita: \$27,527 (2006)
- GDP Growth: 6.8% (2006)
- GDP% of Services: 90.6% (2005)
(cf. 73% in U.S. and 32% in PRC)
- Work Force: 3.5 million (2005)
- Retail Sales: \$28.2 billion (2006)
- PRC Tourists: 13.6 million (54% of 2006
total of 25.3 million)
- HKG Budget: \$38.6 billion (Apr 2005 - Mar 2006)
- HKG Infrastructure: \$3.3 billion (2005-2006)
- HK Industry: Textiles, clothing, electronics, plastics,
toys, watches, clocks
- HK Manufacturers: 15,004 (September 2006)

Hong Kong – A Dynamic Economy

- FDI Inbound: \$520 billion (2005)
- FDI Inbound PRC: \$163 billion (31% of 2005 total)
- **FDI Inbound U.S.:** \$26 billion (5% of 2005 total)
- PRC Firms in HK: 717 (including 31 of top 100 PRC firms)
- **US Firms in HK:** **1,280** (including 594 regional offices, 295 regional HQs and 391 local offices)
- FDI Outbound: \$468 billion (2005)
- FDI Outbound PRC: \$189 billion (40.5% of 2005 total)
- Venture Capital: \$27 billion
- Investment Funds: 1,998 (Mar 2006)
- Regional Offices: 3,476, including 1,120 regional HQs and 2,359 regional offices (2006)
- HK in PRD: 83,000 factories employing 12 million (70% FDI in PRD) (cf. 15,004 manufacturers in HK)

Hong Kong – A Dynamic Economy

- Total Exports: \$315.5 billion (2006)
- HK Exports: Clothing, electronics, textiles, watches, clocks, office machinery
- Total Imports: \$333.3 billion (2006)
- HK Imports: Consumer goods, raw materials, semi-manufactures, capital goods, foodstuffs, fuels
- Exchange Rate: \$US1.00 = \$HK7.77 (12-30-2006)
= currency peg
- Strengths:
 - Free port, no exchange controls, free flow of information, strong legal system, sound banking system, efficient capital market, rigorously enforced anti-corruption regime, accumulated public and private wealth, virtually no public debt, low taxation, developed infrastructure, educated workforce

Hong Kong – The Local Market

- Hong Kong's local market of 6.9 million people is augmented by 25.3 million tourists, including 13.6 million from mainland China. Total retail sales are \$28.2 billion per year.
- Hong Kong's local business market is augmented by its large conglomerates, which include 11 of the top 50 transnational companies in emerging markets.
- These firms include: Hutchison Whampoa, Jardine Matheson Holdings, Li & Fung, First Pacific Company, Citic Pacific, Orient Overseas International, Swire Pacific, Guangdong Investment, Shangri-La Asia, Hong Kong & Shanghai Hotels, and China Light & Power Holdings. These 11 firms have combined sales of \$24.2 billion

Hong Kong – The Local Market

- Hong Kong has 268,000 SME's, e.g., the Hong Kong General Chamber of Commerce's membership of 4,000 includes 60% or 2,400 SME's.
- A foreign-owned firm that establishes itself in Hong Kong is considered by the Hong Kong Government as a Hong Kong firm.
- U.S. firms have 38% or 46 of Hong Kong's 132 franchises (2007).
- The U.S. Consulate General in Hong Kong issued over 7,000 student visas to Hong Kong residents in 2006. The Hong Kong Census & Statistics Department estimates that 70,000 Hong Kong students study abroad and over 15,000 new Hong Kong students chose to study overseas in 2006.

Hong Kong – American Brands In the Market



Kenneth Cole, Tommy Hilfiger, See's Candies, Ben & Jerry's, Polo Jeans, Rockport, Estee Lauder, Haagen-Dazs, Anne Klein, McDonald's, California Pizza Kitchen, Theory, Starbucks, KFC, 7-11

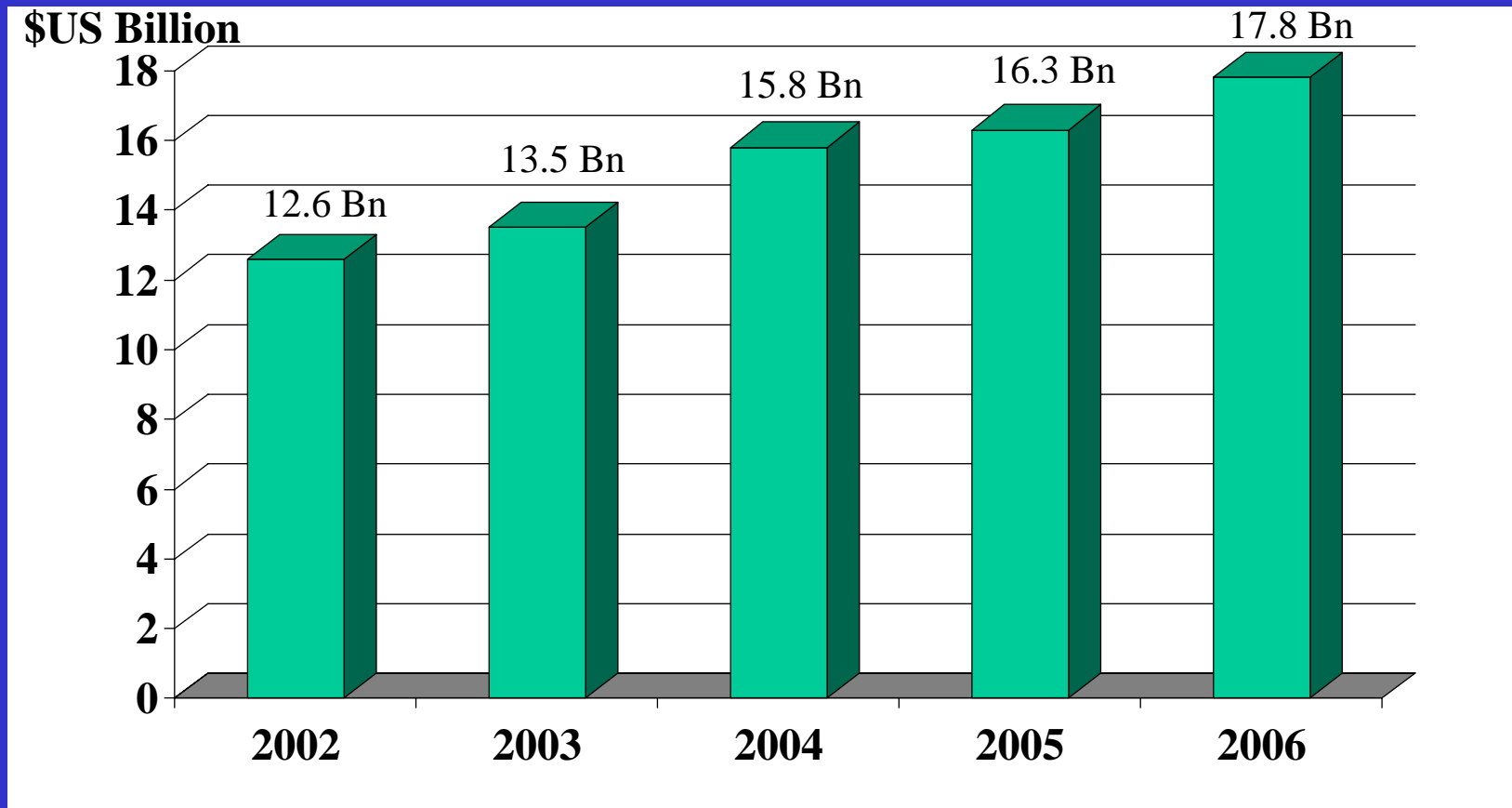
Hong Kong – Major Projects List

Expansion of HK International Airport at Chek Lap Kok:	\$582 Mn
(upgrade passenger terminal – USD200 Million airfield improvement USD388 million)	
Stadium (45,000-seat) for Kai Tak Airport site:	\$647 Mn
Cruise Terminal (2-berth) for Kai Tak Airport site:	\$1 Bn
West Kowloon Cultural Hub:	\$5 Bn
Ocean Park Revamp Plan:	\$705 Mn
Harbor Area Treatment Scheme (HATS) Stage 2	\$2.5 Bn
Waste Reduction Framework Plan (WRFP):	\$1.4 Bn
Logistics Park (USD194 million govt infrastructure work):	\$400 Mn
Hong Kong Government Headquarters:	\$513 Mn
Hong Kong – Macau - Zhuhai Bridge:	\$2.2 Bn

Macau – Major Projects List

Venetian's Cotai Strip Development:	\$12-15 Bn
> The Venetian Macau Resort Hotel:	\$2.2 Bn
> 8 Hotel, Plus Massive Retail & Casino Projects:	\$9 Bn
City of Dreams Underwater Casino:	\$2.1 Bn
Galaxy Cotai Mega Resort:	\$375 Mn
East TV/Macau Studio City:	\$2 Bn
MGM Grand:	\$1.1Bn
Other Residential Projects:	\$3 Bn

US Exports to Hong Kong



U.S. Exports to Hong Kong

- Electrical machinery and electronics parts
- Machinery and parts for nuclear power plants
- Precious metals and stones
- Medical and photographic equipment
- Plastics
- Leather
- Meat and fruit
- Toys and games
- Paper and wood items
- Aircraft parts

U.S. Merchandise Exports to Macau (in millions of U.S. dollars)

Product	2003	2004	2005	Jan-Sep 2006
Nuclear Reactor Parts	8.333	18.208	24.055	38.578
Special Classification Provisions	10.439	14.630	20.932	25.791
Toys, Games & Sport Equipment	1.297	6.661	14.570	18.740
Electrical Machinery	12.573	12.314	14.337	18.952
Aircraft and Spacecraft	5.620	14.457	11.404	10.652
Other	16.304	19.266	16.218	30.272
TOTAL	54.566	85.536	101.516	142.985

Hong Kong and The Pearl River Delta (PRD)

- 46.5 million people - 2.1% of China's population (2005)
- PRD is the “richest” region of China
 - 9.9% of China's GDP
 - Per capita GDP in Shenzhen > US\$5,127
 - 19.2% of foreign direct investment (FDI)
 - 27.8% of China's exports
- Hong Kong is the source for 70% of PRD's FDI
- US companies' growing presence -- P&G, Walmart
- Substantial and diverse business opportunities

Closer Economic Partnership Agreement (CEPA)

- Enhanced access for Hong Kong products & service providers
- Starting from January 1, 2005, most types of products made in HK can be exported to China with zero tariff
- Made in HK = 30% value-added
- Preferential access to HK service suppliers in 27 sectors
- Foreign companies can acquire majority shares of HK companies for 1 year = HK companies

Closer Economic Partnership Agreement (CEPA)

Examples of goods covered are:

- fisheries products
- food and beverages
- chemical products
- pharmaceutical products
- cosmetics
- plastic and rubber products
- leather and fur products
- textiles and clothing
- metal products
- jewelry
- mechanical, electrical and electronic products
- clocks and watches

Hong Kong – The Regional Market

- Within six hours' flying time of Hong Kong, you can sell to 2/3 of humanity!
- 94% of Hong Kong's exports are reexports of third-country goods
- Hong Kong has 3,476 foreign firms' Asian regional offices and headquarters. In 2006, U.S. had 1,280 regional and local offices, including 295 regional headquarters and 594 regional and 391 local offices.

Hong Kong – The Regional Market

- 31 of the top 100 PRC firms have Hong Kong offices
- 717 PRC firms have Hong Kong offices
- Hong Kong firms own 83,000 factories and employ 12 million people in nearby Guangdong province, PRC, the heart of the Pearl River Delta, China's richest region that is responsible for over one-third of China's exports to the world

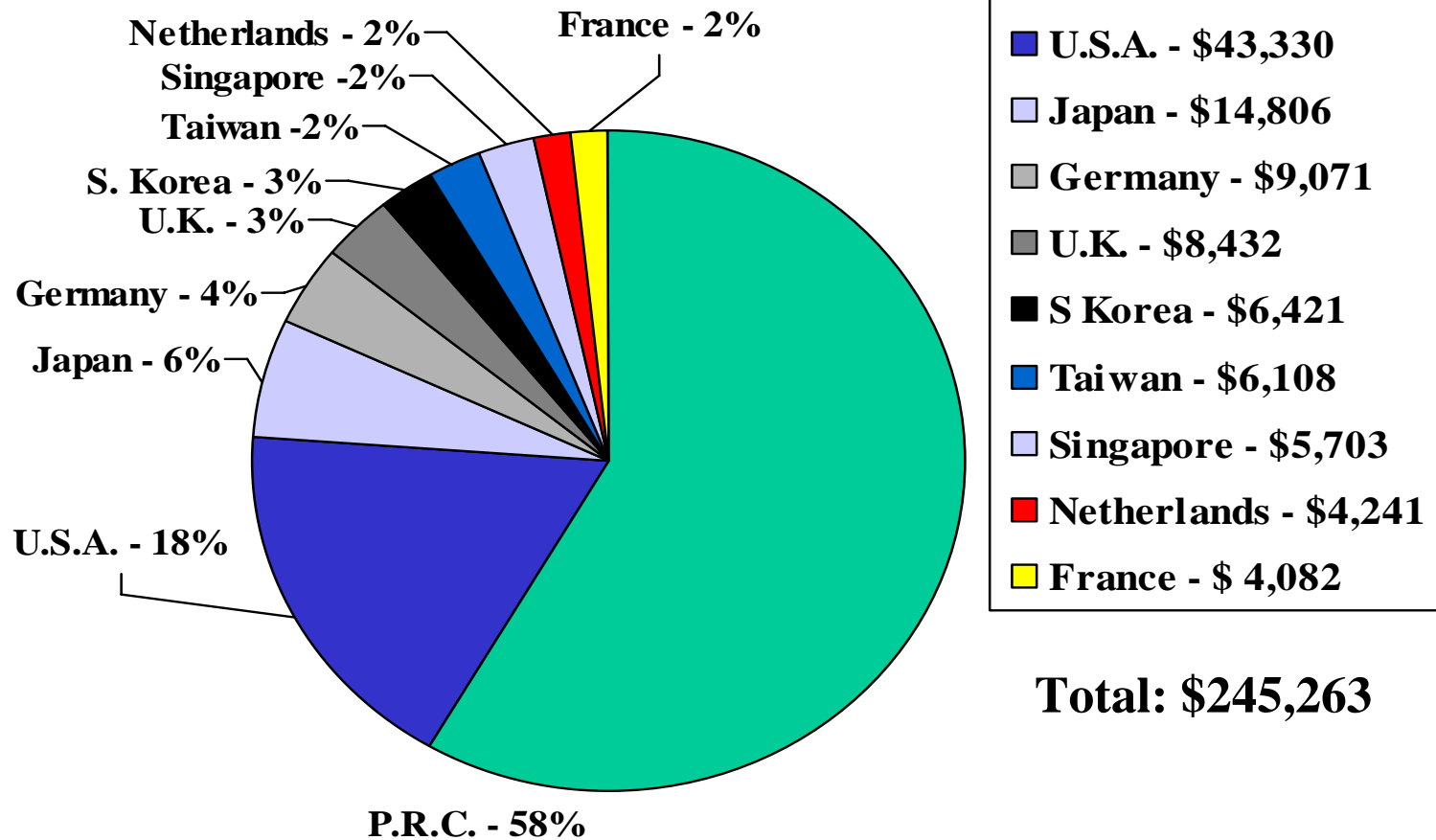
Hong Kong – The Global Financial Market

- Largest stock market in Asia in 2006 in terms of equity raised (\$US 32.7 billion); fourth largest in the world after New York, London and Luxembourg
- 137 foreign banks; more than 90 foreign insurers; 234 investment companies; 173 venture capital funds
- Hong Kong invests mostly in China and British Virgin Islands, but also small amounts in Bermuda, United Kingdom and Singapore
- Of Asia's \$100 billion in private equity, Hong Kong firms manage \$27 billion. The U.S. supplies over two-thirds of Hong Kong's private equity capital.

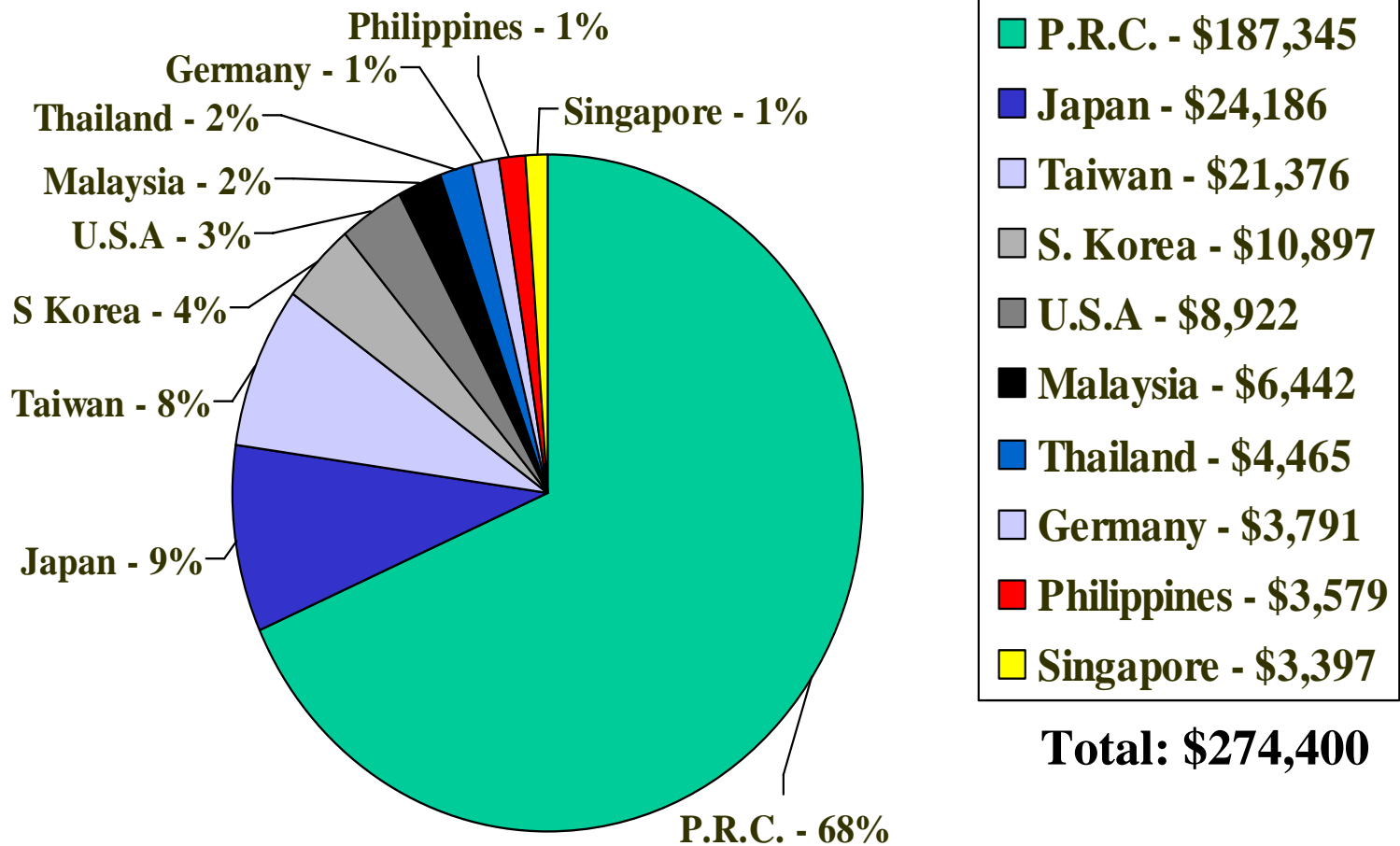
Hong Kong – The Global Financial Market

- 2nd largest stock market in Asia & 7th largest in the world
\$US 1.711 Trillion total stock market capitalization (Jan 2007). Second most important source of new share listings after the NYSE in 2004
- Hong Kong dollar is pegged to the U.S. dollar
- Strengths: Clean and sound financial regulatory framework. Free flow of information. Many professional, objective sources of financial information. Many international professional business advisory firms
- 3rd largest foreign exchange market in Asia, 6th largest in the world

Hong Kong – 2006 Reexports by Destination: Statistics (\$US Million)



Hong Kong – 2006 Reexports by Origin: Statistics (\$US Million)



Hong Kong – A Global Transportation Hub



Hong Kong – A Global Transportation Hub

- Hong Kong set a record in its container throughput in 2005 by handling 22.6 million TEUs (Twenty-foot-container Equivalent Units)
- Largest container port serving southern China and one of the busiest ports in the world
- Hong Kong's seaport is used by eight international shipping lines, including American President Lines, Maersk Sea-Land, Mitsui OSK, Nedlloyd, P&O, OOCL, etc. (2005)
- Hong Kong's seaport has over 450 container liner services per week to over 500 destinations worldwide (2005)
- Hong Kong has 2,232 international freight forwarders (2006)

Hong Kong – A Global Transportation Hub

In 2005, Hong Kong International Airport handled:

- 85 airlines, including 18 cargo airlines, serving 150 worldwide destinations
- 722 scheduled flights per day
- 111,616 passengers per day
- 9,321 tons of air cargo per day (3.4 million tons/year)

Hong Kong - Best Prospect Sectors (Imports from the U.S.)

- Electronic Parts/Components \$4.8 Bn
- Computer Peripherals \$1.9 Bn
- Laboratory and Scientific Instruments \$500 Mn
- Travel/Tourism Services \$471 Mn
- Medical Equipment \$326 Mn
- Telecommunications \$261 Mn
- Environmental Technologies \$220 Mn
- Building Products and Services \$194 Mn
- Cosmetics and Toiletries \$137 Mn
- Film and Video \$74 Mn
- Safety and Security Equipment \$70 Mn
- Scrap Metal \$17 Mn

Hong Kong Best Prospect Sector: Building Products and Services

Imports from the World (2005):
\$2.159 billion

Imports from the U.S.(2005):
\$194 million (9%)

Local market:
\$920 million

Competition: China, Japan, EU
(Germany, Italy, Spain, U.K.)



Hong Kong Best Prospect Sector: Building Products and Services

- Hong Kong reexports over 50% of its imports to China
- Opportunities in HKG major tourism and logistics projects:
 - Lantau Island logistics hub
 - Hong Kong-Macau-Zhuhai bridge
 - Tuen Mun-Chek Lap Kok link
 - Additional theme parks on Lantau Island
 - West Kowloon Cultural Hub
 - Premium hotels (7,000 room shortage projected by 2008)
- Macau casino resort opportunities
- Opportunities for:
 - Environmentally friendly building materials
 - Energy-efficient building materials
 - Construction equipment saving time/labor
 - Hotel and resort architectural services



Hong Kong Best Prospect Sector: Computer Peripherals

Imports from the World (2006):	\$34.5 billion
Imports from the U.S. (2006):	\$1.9 billion (5.7%)
Local market:	\$2.5 billion
Competition:	China, Taiwan, Japan, Singapore

- Hong Kong reexports 100% of its imports of IT equipment
- Nearly 60% of Hong Kong's IT equipment exports go to China: **\$22 billion** in 2003
- Hong Kong Government's estimated IT spending for 2006/2007 is **\$670 million**
- E-government: 90% of Hong Kong Government services are on-line



Hong Kong Best Prospect Sector: Computer Peripherals

- Hong Kong has 1.68 million broadband customers, representing 66% of the total household broadband penetration.
- There are 700,000 IPTV (Internet Protocol T.V.) subscribers.
- Opportunities exist in these areas:
 - Wireless/mobile applications of IT products and solutions
 - Digital entertainment
 - Logistics/supply chain management
 - E-commerce
 - Data storage
 - E-security



Hong Kong Best Prospect Sector: Cosmetics and Toiletries

Imports from the World (2006):	\$1.1 billion
Imports from the U.S. (2006):	\$137 million (11.7%)
Local market:	\$573 million
Competition:	China, Japan, France

- Imports satisfy 95% of Hong Kong's local demand for cosmetics
- Hong Kong is an important cosmetics reexport center, especially to China and Vietnam
- Hong Kong had 13.5 million PRC tourists in 2006 - cosmetics are still among their top three purchases in Hong Kong.



Hong Kong Best Prospect Sector: Cosmetics and Toiletries

- Hong Kong accepts U.S. product labeling. There are no mandatory labeling or registration requirements for cosmetics.
- Opportunities exist for U.S. products:
 - Facial whitening products
 - Facial skincare products containing Vitamin C and AHA
 - Hair coloring products
 - Color cosmetics for eyes, lips and face, including permanent make-up for eyes
 - Nail colors, nail-care products and artificial nails
 - Body care products
 - Skin treatments, slimming treatments, and massage products for use in spas, day spas, professional skincare salons, or dermatologists' offices



Hong Kong Best Prospect Sector: Electronic Parts/Components

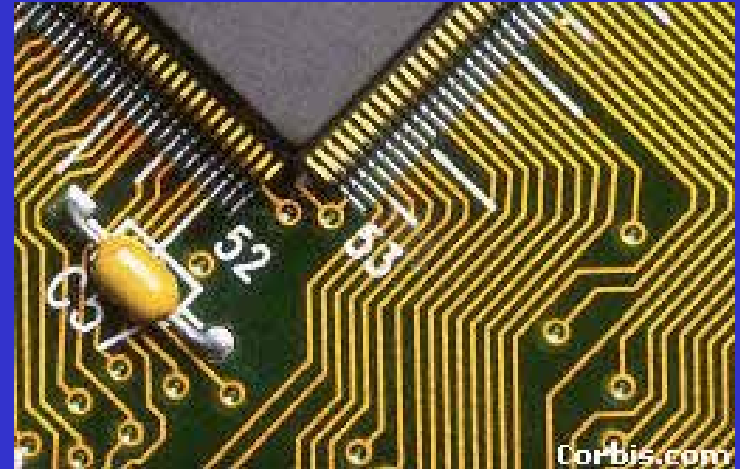
Imports from the World (2006):	\$107 billion
Imports from the U.S. (2006):	\$4.8 billion (4.4%)
Local market:	\$7.4 billion
Competition:	China, Japan, Taiwan, S Korea

- Hong Kong reexports over 90% of its imported electronic parts and components.
- In 2006, 53% of Hong Kong's exports of electronic parts and components went to mainland China, totaling \$55 billion.
- China's Five-Year Plan to develop its electronic information industry and its WTO membership will sustain demand for electronic parts and components.



Hong Kong Best Prospect Sector: Electronic Parts/Components

- Hong Kong imports electronic parts and components for use in a wide variety of products: computers, telecommunications equipment, toys, games, watches, clocks and audiovisual equipment.
- Opportunities exist for U.S. companies to supply the following:
 - High-end printed circuit boards
 - High-end chips
 - Semiconductors
 - Parts for computers
 - Parts for multimedia devices
 - Parts for telecommunications equipment



Hong Kong Best Prospect Sector: Film and Video

Imports from the World (2006):
\$83 million

Imports from the U.S. (2006):
\$74 million (89%)

Local market:
\$129 million

Competition: Japan, India, Australia,
South Korea



Hong Kong Best Prospect Sector: Film and Video

- Opportunities for:
 - Films with special effects
 - Educational and documentary videos/ VCDs/DVDs
 - Film training
 - Film financing



Hong Kong Best Prospect Sector: Environmental Technologies

Imports from the World (2005):\$500 million

Imports from the U.S. (2005): **\$150 million** (30%)

Local market: \$150 million

Competition: Japan, EU (France, Germany)

- Solid waste management solutions and technologies will absorb most of the Government's investment in the environment in the next few years
- An incinerator with the capacity of handling more than 5,000 tons of solid waste per day will likely be the core component of the ISWMF



Hong Kong Best Prospect Sector: Environmental Technologies

- Opportunities exist for:

Air:

- Analytical instruments
- Vehicle emission particulate reduction devices
- Desulphurization/denitrification technologies

Water/wastewater:

- Water filtration equipment (such as biological filtration)
- UV disinfection technologies
- Analytical instruments

Hong Kong Best Prospect Sector: Environmental Technologies

Solid waste:

- Incineration
- Mechanical-biological treatment (waste sorting & separation)
- Biological treatment (composting)
- Waste-to-energy technologies



Hong Kong Best Prospect Sector: Hotel and Restaurant Equipment

- Opportunities exist for:
 - Freezing cabinets
 - Ranges, roasters, ovens and food-warmers
 - Fryers and grills
 - Dishwashers
 - Food preparation equipment: toasters, fruit juicers, small-size bakery equipment, coffee/cappuccino machines
 - Mini-brewery equipment for bars



Hong Kong Best Prospect Sector: Laboratory and Scientific Instruments

Imports from the World (2005):	\$2.24 billion
Imports from the U.S. (2004):	\$462 million (21%)
Local market:	\$160 million
Competition:	Japan, EU (Germany)

- Hong Kong imports analytical instruments for its industrial testing and inspection industry, which is critical to its biotech, Chinese medicine, environmental technology, textile, industrial machinery, toy and consumer electronics industries.
- Hong Kong is a major center for reexport to China's testing and calibration facilities of laboratory equipment



Hong Kong Best Prospect Sector: Laboratory and Scientific Instruments

- Opportunities exist for:
 - Instruments used in physical or chemical analysis (polarimeters, refractometers, spectrometers, gas/smoke analyzers)
 - Instruments used to measure or check: viscosity, porosity, expansion, surface tension
 - Instruments used to measure or check quantities of heat, sound, or light



Hong Kong Best Prospect Sector: Mass Transit Equipment and Services

Equipment:

Imports from the World (2005):	\$113 million
Imports from the U.S. (2005):	\$23 million (20%)
Local market:	\$2 million
Competition:	EU, Japan

Services:

Imports from the World (2005)	\$320 million (35%)
Imports from the U.S. (2005)	\$113 million

- An estimated 13 billion will be spent on six additional rail lines targeted for completion between 2008 to 2016.
- Exports of railroad equipment and services should increase substantially in the next two years to coincide with the start of a new purchasing cycle for the upcoming projects planned in 2008.

Hong Kong Best Prospect Sector: Mass Transit Equipment and Services

- Opportunities exist for:
 - Railroad project management
 - Environmental impact assessment consultancy
 - Control and communications equipment
 - Railroad security equipment



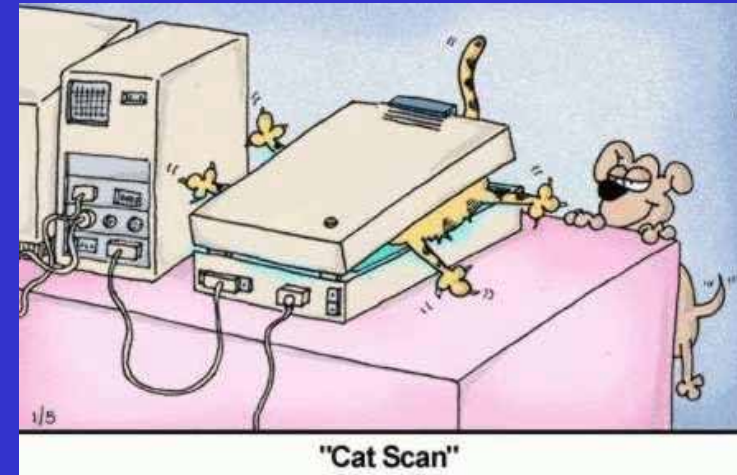
Hong Kong Best Prospect Sector: Medical Equipment

Imports from the World (2006):	\$1,121 million
Imports from the U.S. (2006):	\$326 million (29%)
Local market:	\$123 million
Competition:	Japan, EU (Germany)

- No duties, product registration, or sale regulations, except for radiation equipment
- Hong Kong reexports 89% of its imported medical equipment, mainly to China
- Hong Kong has 32,145 beds: 12 private hospitals and the Hospital Authority's 44 public hospitals and 185 clinics
- Aging population has more chronic ailments: stroke, diabetes & heart disease

Hong Kong Best Prospect Sector: Medical Equipment

- Opportunities exist for U.S. medical equipment used in these areas:
 - Diagnosis/treatment of malignant neoplasms, heart disease, cerebrovascular diseases, chronic liver disease, cirrhosis and septicaemia
 - Diagnosis/treatment of diabetes mellitus, respiratory disease and cancer; analysis of blood and virus; and X-ray equipment
 - Rehabilitation of the disabled and elderly: assessment or functional equipment and tools; therapeutic equipment for heart illness; pain reduction or exercise equipment



Hong Kong Best Prospect Sector: Safety and Security Equipment

Imports from the World (2005):	\$880 million
Imports from the U.S. (2005):	\$62 million (7%)
Local market:	\$82 million
Competition:	Japan, EU (Germany)

- Hong Kong reexports 29% (\$256 mn) of its security equipment to China
- An affluent society with an increasing crime rate, Hong Kong is spending more on security-related equipment and services
- Growth is expected in all sectors: surveillance system replacement; access control equipment; internet protocol cameras; workplace management security systems; and home safety

Hong Kong Best Prospect Sector: Safety and Security Equipment

- Opportunities exist for U.S. products such as:
 - X-ray scanners
 - Surveillance equipment
 - Chemical detection system
 - Infrared sensor
 - Rescue equipment
 - Detention equipment
 - Radio frequency wireless technologies
 - Access control: smart card systems, biometrics & fingerprint readers



Hong Kong Best Prospect Sector: Scrap Metal

Imports from the World (2006):	\$494 million
Imports from the U.S. (2006):	\$17 million (3.4%)
Local market:	\$1 billion

- In 2005 Hong Kong reexported 89% of its imported scrap metal to China
- Dramatic growth in demand in China results from booming auto and shipbuilding sectors; the 2008 Beijing Olympics; and the 2010 Shanghai World Expo.
- Opportunities exist for U.S. suppliers of these scrap metals: copper, cobalt, aluminum, steel and zinc.



Hong Kong Best Prospect Sector: Telecommunications

Imports from the World (2006):
\$12,977 million

Imports from the U.S. (2006):
\$261 million

Local market:
\$12,978 million

Competition: China, Korea, Singapore,
USA, Taiwan



Hong Kong Best Prospect Sector: Telecommunications

- Opportunities for:
 - Wireless LAN deployment
 - Broadband technology
 - System integration services
 - Network management software and services
 - Network hardware (routers, storage devices, application software)



Hong Kong Best Prospect Sector: Travel/Tourism Services

Departures from Hong Kong to the World
(2006): 25,251,000

Arrivals from Hong Kong to the U.S.
(2006): 148,500 (est.)

Imports from the U.S.
(2006): **\$471 Million**

Competition for the U.S. as a destination:

Southeast Asia: Japan, Taiwan,
Thailand, South Korea, and
Mainland China

Long-haul travel: Europe, Australia,
New Zealand, USA, Canada, Africa
and the Middle East



Hong Kong Best Prospect Sector: Travel/Tourism Services

- There are 85 direct flights from Hong Kong to the U.S. each week
- The average Hong Kong/China tourist in the U.S. spends \$150/day and stays 15 days.
- There are over 1,000 tour operators and travel agents in Hong Kong, handling over 25 million trips worldwide each year.
- Opportunities exist for new U.S. destinations, i.e., other than Los Angeles, San Francisco, Las Vegas, Hawaii, New York, Boston and Washington, D.C. and for tour operators that are sensitive to Hong Kong/China clients' needs.



Hong Kong Best Prospect Sector: Education/Training

- Total HK students studying abroad (2006): 70,000 (estimated)
- Total student visas issued by U.S. Consulate HK (2006): Over 7,000
- Total expenditures in the US by HK students (2006): US\$180 million
- No student visa issues for HK students, with 95% of visa applicants successful.



Hong Kong Best Prospect Sector: Education/Training

- Hong Kong students are inclined to study in the U.S.:
 - They perceive American institutions as having the best programs in business, engineering, computer science & information technology.
 - The Hong Kong business community prefers U.S. degrees because of the strong business relationships between U.S., Hong Kong and China.
 - U.S. has a number of the most prestigious universities in the world.

Macau Business Opportunities

- Fast-growing market: 6.7% GDP growth (2005) cf. HK's 6.8%
- Fueled by \$2.5 billion in new U.S. investments by 2006 in the gaming and increased PRC tourist arrivals (11.9 million PRC tourists in 2006)
- U.S. exports grew significantly in 2003-2005: 162%, including a 56% increase in 2003-2004; 18% in 2004-2005; and 40% in 2005-2006.



Macau Business Opportunities

- Opportunities in the gaming sector for U.S. exporters include:
 - Air conditioning systems
 - Environmentally friendly building materials
 - Carpeting for heavily trafficked or outdoor areas
 - Computer systems and financial software
 - Fire- and smoke-resistant drapes and window treatments
 - Elevators and escalators
 - Furniture
 - Gaming equipment
 - Hotel and restaurant equipment
 - Landscape architecture services
 - Energy-efficient lighting
 - Recreational and sports equipment
 - Security systems, especially surveillance equipment
 - “Smart building” systems
 - Training in hotel, restaurant and resort operations

Macau's Cotai Strip



Macau's Cotai Strip – The Venetian Parcel



Macau – Locations of Major Real Estate Projects



U.S. Commercial Service Hong Kong

Export Success Story:

“A year ago China was a dream, now we’re there for the long term.”

Paul Fuhrmann, General Manager

- In November 2001, Mr. Fuhrmann contacted CS Hong Kong, looking for aviation trading companies servicing the Hong Kong and China markets.
- CS Hong Kong Commercial Specialist Elanna Tam matched Envirovac with Hong Kong aviation trading company V-Mark
- V-Mark began promoting Envirovac’s system to Shenzhen Airlines, a mainland Chinese air carrier
- As a result, Shenzhen Airlines specified Envirovac’s system for its purchase of ten 777-900 aircraft
- V-Mark also promoted Envirovac’s system to AVIC I Commercial Aircraft Company, one of the leading Chinese aircraft manufacturers
- As a result, AVIC I specified Envirovac’s Evac system for use in all of its ARJ21 aircraft in September 2003



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