

**A Summary of the Discussions**  
**Global Connectivity, Opportunities and Challenges:**  
**Hong Kong and ETCZs along the B&R**  
**Opening Symposium, CityU CSHK PASS Workshop Series<sup>1</sup>**  
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On January 7 (Thursday), the Research Centre for Sustainable Hong Kong (CSHK) of City University of Hong Kong (CityU) organized the debut event of its PASS (Professional Services Advancement Support Scheme) Workshop Series – the Opening Symposium entitled ‘Global Connectivity, Opportunities and Challenges: Hong Kong and ETCZs along B&R’. Aimed at sharing insights on business opportunities and challenges for Hong Kong professional services in countries along the Belt and Road (B&R), and facilitating participants’ engagements and collaborations, the Symposium was joined by 210 participants from different regions across the world online, and 16 guests and speakers at the CityU venue.

Mr Lester Huang, Council Chairman of CityU, kicked start the Symposium, followed by a Keynote Address by Dr Bernard Chan, Under Secretary for Commerce and Economic Development of the HKSAR Government. In the Insight Sharing session, five speakers from business enterprises, professional bodies and business association introduced their works related to B&R and shared their views on opportunities and challenges of Hong Kong business and professional services in B&R, followed by an interactive Q&A discussion session.

## **A. OPENING**

### **Mr. Lester Huang, Council Chairman of CityU**

Mr. Huang emphasized the importance of wide cooperation in research and what CityU,

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<sup>1</sup> For details of CSHK PASS Workshop Series, please refer to Project Brief in Appendix.

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including CSHK, have done and could do further for a sustainable Hong Kong on the basis of BRI. He pointed out that it is necessary to promote inter-disciplinary research, to expand knowledge within and beyond existing research capabilities, and to help resolving real-world problems and global critical issues.

CSHK is promoting cross disciplinary, cross border, cross sector research work, and it has received a lot of encouraging recognition and developed an extensive research network in different regions and sectors all around the world. The Center recently has completed the three-year strategic public policy project about co-revolution of BRI and Hong Kong's professional services based on its solid research initiatives, findings, and partnerships. Engaged by global research collaborations and knowledge transfer, the Center collects thoughts and put supply and demand together. Through exchanging ideas and interactive communications, the series of PASS workshops are prepared for further knowledge sharing with supports from a number of professional bodies, business chambers, and different CityU units.

These workshops are an excellent initiative to directly bring benefits to Hong Kong and beyond. With a focus on B&R countries, the workshops series will introduce Hong Kong professional services in ETCZs, and deepen the understanding of key stakeholders and different business sectors. To explore potential of development opportunities by exchanging ideas and sharing of analysis, from now until March 2022, in addition to this symposium, the series will have 6 professional workshops that cover 7 countries, including Cambodia, Sri Lanka, Vietnam, Myanmar, Malaysia, Djibouti and Belarus. Zone operators, local enterprises, professional service leaders, experts and governmental officials will be invited to contribute to the dialogue with a closing forum to consolidate what has been learned. From these 6 workshops, and analysis of findings, speakers from different industries and professional bodies will help to create knowledge and share their experience, for the benefits towards the development of a more sustainable Hong Kong and the regions.

**Dr. Bernard Chan, Under Secretary for Commerce and Economic Development of the HKSAR Government**

The symposium and the upcoming workshops are helpful in bringing together professional service practitioners and academics and other stakeholders to share insights and experience in doing businesses in overseas market, in particular in the ETCZs along the B&R. Global connectivity is the backbone for the modern world, particularly during COVID-19 with a more fragmented international trade system. As a very strong supporter for free trade, it is important for Hong Kong to further expand the trade and economic network, and to continue exploring collaboration with governments along the B&R. For example, over the past several

months, webinars have been conducted by G2G and business matching with government in more jurisdictions like Taiwan, Malaysia and Indonesia. Hong Kong stays in the key position in connecting both mainland China and also the rest of the world.

Recently, China has a new development strategy called 'dual circulation'. Hong Kong's role in the BRI could be the channel between the domestic market and international cycles neutrally. HKSAR government could help the industrialist, and also Hong Kong's professional service practitioners to seize opportunities generated by BRI. In a policy addressed several months ago, the Chief Executive stated that there will be a high-level round table, joined by state owned advisory administration committee and council to enhance the connectivity of mutual collaboration and competitiveness to go global. Also, a mainland enterprise exchanging center was launched this year to facilitate exchange networking and cooperation between Hong Kong professional service sector and mainland enterprises. Promotions come to both sides to strengthen the international work market orientation and professional standards of various projects.

Over the past year with COVID-19 and the trade war, by regional production and diversification, more Hong Kong based manufacturers and exporters were expanding new partnership with ASEAN countries. Industries in South Asia can be facilitated more for investment and trade opportunities, especially in those ETCZs established by mainland China, and they are considered as ideal entry point by many Hong Kong enterprises in relocating development plans and expanding abroad for significant market. Exploration of opportunities in these cooperation zones will also facilitate Hong Kong's professional service sector in engaging and entering the B&R market and enable them to tackle the challenge arising in international trade. CEDB will be working closely with actors in these countries to further promote the investment partnerships.

CEDB is working in conjunction with local chambers and industrial organizations to try business matching for pilot bases for some interested Hong Kong companies and a few selected industrial parks in ASEAN. When the Covid-19 situation stabilizes, CEDB will be leading trade delegations to these cooperation zones to further understand their development plans. The development of Hong Kong in the past decades demonstrates that there were often new opportunities with new crisis and every difficulty could also be the key for new future development. As the Asian major city with an international financial market, Hong Kong will only grow stronger in every crisis with multi-cultural talents through more collaborations.

## **B. INSIGHT SHARING**

## **Theme 1: Opportunities and challenges in overseas projects**

### **Mr. Anthony Lam, CEO of Golden Resources**

The Golden Resources Group (GRG) was established in 1946, and it's a 75 years rice trader, whose business is mainly in South Asian countries. It has millions of facilities, investing in agriculture with PPP, property development, ports and shipping, and also lately nationwide retail projects in Vietnam. The Group runs several circle-K convenience stores projects, which has 400 stores in 5 cities currently in Vietnam, including Hanoi, Ho Chi Minh city, and late this year in Haiphong. More insights about investment could also be shared about other ASEAN countries such as Thailand, Malaysia and Cambodia.

The Group took several actions for local integration. Not just looking for being benefited from this country only, they also tried to be beneficial to the local society, which is often called as corporate social responsibilities (CSR). Firstly, investors should recognize their role as guests for these countries. To express respect to the local culture, employees of the Group are told to be careful about traditions and habits, and more importantly the local law. Additionally, the official language of the group is always English in case any misunderstanding or non-transparency.

Secondly, the group also has delivered a good corporate culture, including an easy approach to understand and communicate among the staff. With 5,000 staff in nearly 400 stores, the group maintains regular direct communications by monthly briefing sections from the CEO directly to the store managers. In addition, management workers shift in stores every year, which means everybody from the office has to work in a store for one day each year. What is more, the group empowers the staff to make decisions and take responsibilities. Being treated as equals is the culture and working environment that retain talents. Categorizing staff into different level, or local and non-local division are not encouraged in the group. Everyone that is competent should be given the same position with same compensation. And, the group also pass the CSR idea to the staff with concepts of caring, sharing and learning, and also encouraging friendly, fast, and full ideas. With the corporate letter, and other activities like fun run, the family of the staff could also know about the company and its business. Because that modern retailing is relatively new in Vietnam, only 22% of total retail trade is modern trade and 78% is still traditional trade, the group needs to bring the expertise to overseas. But at the same time international knowledge is shared with local staff such as new retail management technology and staff enhancing program is established, including staff management training program, HRDP (HR development program), heart to heart program, for more opportunities and a clear career path could be given to all staff, from store manager to area manager, or from director to operation manager.

In the future of ASEAN countries, especially those linked to BRI, joining in the ASEAN, RCEP, CTPP will surely enhance Vietnam's important role among ASEAN countries in next decades. A lot of B&R investment from China are infrastructure based, such as roads, ports, power plant. Thus, it is more attractive for FDI to invest in the manufacturing sector of the country, which will eventually drive the whole development. China's SOEs help with the infrastructure and next stage, private enterprises and SMEs could help with further growth of the economy. It is wide acknowledged that Hong Kong is the regional and international financial center, and can also be hub for the investments in B&R projects. Hong Kong government's reindustrialization 4.0 has also strengthened the manufacturing and industry sector, and lots of Hong Kong companies are investing in GBA and ASEAN countries within a broadened scope. Such opportunities should be the key for Hong Kong professionals.

**Dr. David Wei, Division Chief, Overseas Business/International Cooperation, China Merchant Group**

CMG was established in 1872, and started its business in 1873 in Hong Kong. Originally, CMG mainly focused on shipping. After nearly one century and a half development, CMG has three main business sectors today, the integrated transportation and infrastructure construction, including ports, logistics, shipping, and roads. And secondly, real estate and special zone development, such as the apartment in Hong Kong, Shekou in Shenzhen, and 4 overseas zones. And third, various financial services, including banks, securities, and insurance.

According to the overall development of 2019, CMG's whole operation revenue reaches to 710 billion RMB, and overall profit is 126.6 billion RMB. It could be estimated that there will be more than 800 billion in 2020. CMG gradually becomes a transnational group focusing on integrated industries. The most important is that it always actively expands overseas market on the basis of advantages of Hong Kong. For CMG, the group's operation headquarter and some important second-level headquarters are all set in Hong Kong.

In recent years, the main focus of CMS's overseas business is related to B&R in mainly 3 aspects. Ports investment and operation, integrated logistics network, and overseas economic and cooperation zone in particular with the PPC (Port-Park-City) development mode. For ports, CMG has invested 68 ports in 27 countries, including Colombo port and Hambantota port in Sri Lanka, and in more important locations such as Djibouti, Australia, and Brazil. Many of them are not developed by CMG alone but through cooperation with foreign partners from France and Australia. For example, CMG achieved 10 cooperation port projects with France last year. It is important for CMG to control the overseas investment risk by collaborating with diversified partners for jointly undertaking the profit and risks.

In logistics, CMG continuously invest and implement service network along the B&R. Sino trans, as the integrated logistic subsidiary of CMG's integrated logistics network, is also one of largest logistic operators in China. Currently, in addition to the logistics service network, CMG also participated to China-Europe regular railway cargo service. By containers shipping, or transnational railways, important cities of China could be linked with European's counterparts. More than 40 cities in China have been connected with 42 cities in Europe and CMG accounts for more than 12% of the whole market.

As to overseas zones' development, CMG transfers the experience of Shekou to overseas, especially countries along the B&R, on the basis of port and PPC development mode. Shekou was a small village when CMG came as investors in 1979. Port construction was primarily finished by CMG and it soon became the foundation of trade and started to attract more investors. With further construction of roads and other necessary facilities, the industrial zone was established, and then subsequently financial sectors are equipped. Today, Shekou is well known as a global modern area and its industries was upgraded into technology and culture related.

Dr. Wei shared 2 overseas cases in the symposium. The first is industrial zone in Belarus. The zone stays in a good location for both BRI and China-Europe railway network. CMG invested the zone according to the local development situation. Take advantage of Belarus's electronic information industry, the zone mainly develops the industry of electronic, mechanic manufacturing, and fine chemicals. Another commercial and trade logistic park was established inside the zone to offer service in storage, logistics, transaction exhibition, and hotels, for better promoting the China-Belarus industrial Zone's development. Additionally, the zone is also a key node of CMG's logistic service network in Eurasia region, which is an important part of the regional development agglomeration and coordination. Currently, more than 70 companies invested in the zone and total number of investments is more than 1.2 billion USD. Also, partner from Germany was introduced as a shareholder to diversify the share structure of the zone.

The second case is Djibouti global free trade zone. It is also a zone located in key position following the mode of PPC. In 2012, the old port can no longer satisfy the demand because one third of global transportation relies on port of Djibouti. 2 plans proposed for the port upgradation, the first is reconstruction in original place and another is to build a new port. Eventually, the second plan was selected and a new port was constructed around 5 kilometers away from the old one. The old port became the new commercial center with more offices, hotels and tourism facilities. In 2016, the zone started its free trade development. It is treated

not only as a free trade zone for Djibouti, but also the trade node for Africa. This project has created huge employment opportunities for local people.

Apart from aforementioned 2 cases, there are more zones along the B&R, such as Hambantota in Sri Lanka, Vientiane in Laos, which are also trying to attract more companies including Japan's optical company and Hong Kong's companies. CMG's overseas investment network largely depends on Hong Kong owing to its strong and competent financial facilities, and less limitation in currency transfer. Hong Kong's professional service provides valuable suggestions for CMG's projects in Sri Lanka, Brazil and Australia. And the cultural environment also helps with the establishment of a global team. Thus, B&R is an opportunity not only for CMG, but also for Hong Kong's further development. Hong Kong could be the bridge for global investment and good provider of professional services.

## **Theme 2: Explorations and considerations of Hong Kong business and professional services**

### **Mr. Johnson Kong, Immediate Past President, Hong Kong Institute of Certified Public Accountants**

The Hong Kong Institute of CPA was established in January in 1973 and has a history of 48 years now. It has developed into a first-class professional accounting association globally. HKICPA is the only certified accounting body in Hong Kong and plays very important roles, licensing, examination running, certificate issuing, and standards setting. HKICPA regulates members and provides service to members if they have any problems. Until November last year, total number of members is 46,433, which means the concentration ratio is very high. HKICPA has 18,152 students, and 1,926 CPA practices. But more than 75% of these CPA practices are small and medium practices. HKICPA is also a member of IFAC (International Federation of Accountants), a global professional accounting association which has hundreds of members in 135 countries. The importance of being a member is that the HKICPA adopts the international financial reporting standards. In addition, HK's professional accounting firms have multi-language team and also international experience in advising foreign corporations.

As to Hong Kong's competitiveness. Lots of opportunities for professional accountants because Hong Kong acts as a hub for international business, and the gateway to the GBA at the same time. Additionally, Hong Kong is ranked as top performance because of skilled global workforce and their international experience. It is a home to multi-national accounting and law firms, and also the preferred place for international chambers of commerce, global organizations and companies. On the basis of common law, Hong Kong is the regional hub for legal services and dispute resolutions as well. In addition to a logistic hub, Hong Kong is also the global trade center, and the financing and assets management service center with

broaden market and diversified fund-raising channels in connecting regions along the B&R. Efficient business environment is supported by stable and valuable currency, absence of exchange control, low tax rate and simple tax regime, free flow of capital and talent.

In this background, Hong Kong is a regional management center, also offers one-stop professional services not only by accountants and lawyers, but also for logistic, shipping, telecommunications, communication and engineering, to meet the projects' needs of BRI. For practicing accountancy professional services, Hong Kong has whole range of services. And professional service firms are really critical for investors, in particular the Chinese firms, to mitigate risks and conduct projects intelligent no matter in business restructuring, contract negotiations, labor regulations and management obligation given there are lots of large infrastructure project in BRI.

Last, as to challenges, Hong Kong investors should have an open mind. And for some SMEs in Hong Kong, they are too small, and B&R is too far away from them. Usually, larger accounting firms have their network affiliations along the B&R countries. And in Hong Kong, with affiliations, only around 30 firms that are really benefited from the BRI. Another issue is how to share the profit. A platform to share the promotion process is necessary for the whole team. Other challenges are related to political, economic and cultural considerations.

Last but not least, ETCZs are set up mainly by mainland developers to expand production and embrace the market. The SMEs can leverage the ETCZ along the B&R as alternatives for production with lower cost, as well as penetration to the market. In recent policies, the Ministry of Commerce and Hong Kong government joined 5 ETCZs in Thailand, Malaysia, Cambodia, and Indonesia, and took the initiative as a choice of business expansion. But as professional advisers, more attentions should be paid to risk management in these ETCZs, including the pre-conditions and post-conditions of policy and other requirements of investment, specific industries, years of operation, land use rights, and ownership and the risk management of administration approval process.

**Ms. Melissa Pang, President, the Law Society of Hong Kong**

The "Belt and Road" Initiative and the Greater Bay Area development are two major national initiatives of China to promote exchange and cooperation amongst the international business community. The countries involved along the B&R have different legal systems, which affect all aspects of cross-border investment. Unawareness and uncertainty of local market rules and the requirements of local governments may bring unexpected legal risks to the relevant countries or enterprises involved in the cooperation. With different culture, political system, social system, it is not wise to presume everything is the same.

Hong Kong Law Society, like the HKICPA, is a professional body. In December 2020, there were 10,759 Hong Kong practicing solicitors and 940 local law firms in Hong Kong. But the local market is not huge enough to absorb so many lawyers, that's why many of them works on transnational projects. Thus, the cooperation is important. The Law Society has a connection with many law associations along the B&R, and signed 51 and 33 MOUs with law associations in Greater China Area and international organisations respectively. And also, 2 B&R conferences have been held in May 2017 and September 2018. Just 2 months ago the Society held the third conference in B&R. For the past 25 years, the Society always proposed open door policies to welcome competition, and welcome foreign lawyers to practice their own jurisdiction's law. Now, there were 1,553 foreign lawyers from 33 different overseas jurisdictions in Hong Kong and 95 foreign law firms from 22 jurisdictions. Being equipped with top quality local and international legal capability, Hong Kong lawyers are able to provide one-stop legal services to meet different clients' needs in fund raising, finance, securities, international trade, cross-border transactions, intellectual property, maritime law, trusts and charities.

As to the mature legal system, under the principle of "One Country, Two Systems", Hong Kong maintains its common law system which is familiar to the international community. And it is the only common law jurisdiction within China. Second, Hong Kong has also built well-established commercial case law that is highly regarded by the international business community and foreign investors. Hong Kong case law are well cited in UK, Singapore, Australia, and Canada. Thirdly, Hong Kong's legal system is well-known for its transparency, independence and respect for the rule of law. According to the Rule of Law Index 2020, Hong Kong ranks 5th in East Asia and Pacific, only after New Zealand, Australia, Singapore and Japan. The Department of Justice of Hong Kong SAR Government launched "Vision 2030 of Rule of Law" initiative this year to promote and reinforce the rule of law. HKD\$450 million will be earmarked to implement this 10-year Initiative. And as to the cross-border investment, Hong Kong legal professionals can provide various services to protect the rights of enterprises. Parties involved in cross-border deals could choose Hong Kong law as the governing law for business contracts or choose Hong Kong as the place to conduct arbitral proceedings. Hong Kong is a good platform for arbitration and mediation with many international institutions, and acts as a neutral dispute resolution venue. Since 2015, Hong Kong has been ranked among the top 5 preferred seats for arbitration globally according to the International Arbitration Surveys conducted by Queen Mary University of London. It has also been ranked as World's No.4 in the efficiency of legal framework in settling disputes accordingly to the World Economic Forum's Global Competitiveness Report 2018. Hong Kong's status as the dispute resolution center is further enhanced by the "Arrangement Concerning Mutual Assistance in

Court-ordered Interim Measures in Aid of Arbitral Proceedings by the Courts of the Mainland and of the HKSAR”, which came into effect on 1 October 2019. Hong Kong has become the first jurisdiction outside the Mainland China, where as a seat of arbitration, parties to arbitral proceedings administered by its arbitral institutions would be able to apply to the Mainland courts for interim measures.

When talking about new opportunities open to the legal profession in the BRI and GBA, a lot of collaborations and arrangements are initiated between the National Development & Reform Commission and the Government of the HKSAR for advancing Hong Kong’s full participation and contribution to the BRI. Under this arrangement, 26 collaboration measures were stated in the agreement to cover 6 key areas in which Hong Kong have distinctive edges, including the dispute resolution services. Also, regarding to the development, the Constitutional and Mainland Affairs Bureau also set up a Greater Bay Area Development Office and appointed a commissioner for the Development of the Greater Bay Area to implement the relevant work. Hong Kong will take a lead in the Greater Bay Area.

There are also new opportunities for the legal sector. The first is CEPA. The Mainland and Hong Kong Closer Economic Partnership Arrangement (“CEPA”) is a free trade agreement that aims at opening up Mainland markets for Hong Kong goods and services. The “Agreement on Trade in Services” of the CEPA was amended in 2019, which allows Hong Kong legal practitioners to obtain practice qualification in the nine Pearl River Delta municipalities of the GBA by passing a special examination, and to engage in matters on specific areas of Mainland law. And another initiative is about cross-border collaboration. There will be a lot of cross-boundary infrastructure development and clearance facilitation, joint development of an international I&T hub, co-operation in modern service industries, education, nurturing of talents and youth exchanges as well as joint development of a quality living circle. These will surely bring opportunities to the Hong Kong legal profession. And the regulation put forward for Qianhai is another breakthrough, allowing enterprises registered in the Qianhai cooperation zone to choose applicable laws, including Hong Kong laws, when entering into civil and commercial contracts. Now, the Department of Justice is exploring and studying the possibility of introducing an initiative to permit “Hong Kong-owned enterprises to adopt Hong Kong laws and arbitration to be seated in Hong Kong”, which encourages wholly owned Hong Kong enterprises (WOKE) in the Greater Bay Area, in the absence of any foreign-related elements, to be able to choose the law of Hong Kong as the applicable law when entering into civil and commercial contracts, and decide to choose Hong Kong as the seat of arbitration when disputes arise.

Last, the legal sector, which is a very traditional sector, are also embracing the technology.

HKSAR Government will provide HKD\$150 million to support the development and operation of the platform of eBRAM. This online dispute resolution platform aims to provide a cross-boundary, efficient, secure and cost-effective online arbitration and mediation, as well as smart contract and related services.

**Mr. Nicholas Ho, Co-Convenor of Belt and Road Working Group, Hong Kong General Chamber of Commerce**

HKGCC is a long-standing chamber in Hong Kong, and it is not only for corporates, also links many SMEs and NGOs as well. So, they actually do represent a very vast spectrum of business. In the past few years, many groups in HKGCC have been traveling extensively from mainland to B&R, from Asia to Africa, prospering new business relationship and help Hong Kong business to be prepared for global business.

Our company is based in Hong Kong doing architectural design for 40 years, within mainland for about 35 years. We have developed new business for 5 years. We always want to diversify our market and export Hong Kong professional service of design along the B&R. So, we are one of the professional services providers in design, project management and also subsequent operations as well. We have done projects in 50 cities over 10 countries for 40 years. We just go forward and the model itself is restrictive and has huge problems for sustainability and I think it's time for us to really look forward and open new market along the B&R.

When going abroad, professional services are always about the art of problem solving. Professional services providers are hired because they are very good problem solvers, whether it is people to people problem, or G2B problems or B2B problems, and able to resolve it across market and jurisdiction. So, when taking that experience and trying to explore opportunities along the B&R, professional experience is actually helping. But in this process, skills and experience sometimes is not what the local need in this period of time, which needs an adjustment period. It is important to really understand what the local market needs today, tomorrow, and for about the future 5 to 10 years. This is a good chance for Hong Kong SMEs because they are able to learn very quickly, and keep up with the local market. From the Malaysia office, market sector has been extended to 6 countries with Malaysia and Philippines as the base.

Although ASEAN itself is a huge market, but it has been separated, fragmented by religion, language, culture, legal system, political system and many other stakeholders' interests. In the past working with cities of different economies, only by diversify the market could the company mitigate risks. Because as SMEs, it is not capable of building a large team, and not capable to expect the market to protect us. Only and purely method is to diversify the market.

In Singapore, Malaysia, Thailand, and Indonesia now, most of the project have been conducted in local currency rather than other currency; it is very localized. And the most important experience is partnership. So, the business started with thousands of partners in Hong Kong, in mainland.

A project in Philippines, located right in the middle in the city of Manila, we work on it for a long time. It has received similar status of ETCZs. The responsible team is able to do public consultation with the local university about the local market, and work with local technological institute for new vision of smart city in Philippines. Working on different projects in different region enriched the experience. People are no longer just professionals, no longer just architects doing one thing very well but more to be generalist working in a changing economy. And Hong Kong is good at it because there are so many experiences and services in Hong Kong. Wide cooperation network is helpful. Partnership became a very important strategy to go forward with many supports from HKTDC and government.

For project in Thailand EEC, the key is to understand the importance of policy. How policy and business come together. And B&R is a very good campaign to generate a lot of interests and intensions for projects, and at the same time, to open up commercial opportunities for small and medium companies. B&R is a direct plan connecting Hong Kong government and mainland government, with a strong willingness and intention to work with thousands of professional. B&R projects' feasibility from financial risk operation really needs Hong Kong professional services together with strong partnership and links with more corporates and SOEs.

### **C. Q&A AND DISCUSSION**

#### **L.C. YU, Director, China Harbour Engineering Company Limited, Hong Kong Region**

From these speaker's presentation, China's BRI brings the whole issue of a networked project, involving hundreds of projects, and dozens of countries in Asia, Middle East, and ultimately in Europe. Currently, projects prove to be significant even they cost a lot of resources. There are plenty of opportunities in overseas projects but many of them did not reach to the expected scale because of the cost overrun. The difference of the scale of the project relates to planning, cost, duration, labor, supply chain, and access of funding, all impacting on the risks' analysis and planning.

This year is the first year of 14<sup>th</sup> 5-year plan. Our country's development relies on reform and innovation as fundamental force. And the development will do circulation with emphasis on the domestic market, and enable internal and external market to push each other. It will surely

speed up the economy of Hong Kong, and help Hong Kong stepping into the domestic circulation. GBA will be an important entry for Hong Kong to promote the development. GBA is about a cluster of cities focusing on innovation, technology, modernized industry, improved connectivity, and qualification of international standards. It will be an important platform for implementation of BRI. Hong Kong should continue to enhance its role in international financial services, assets management and risk management, and facilitated the countries' external circulation, leveraging on competitiveness in finance, international business, trade network, and providing professional business with high-level services and standards.

**Anthony Lam**

Question: How to develop the CSR in the foreign countries' business or projects?

HK has a special status for people in ASEAN countries. By keeping this going, the group teach people as part of the CSR in Vietnam, Thailand, and Malaysia with a lot of charity projects and society engagements. Staff should recognize that stakeholders are actually all the people. This is a concept widely acknowledged by all staff. That is why the group has good engagement from offices down to the stores with the direct communication from the CEO to the local store staff.

**Anthony Lam, George Lam and L.C. YU:**

Question: how you will advise our companies in Hong Kong and in mainland to join the competition together to explore the market, any advice of it.

Being a financial center, Hong Kong's rich experience could be applied in ASEAN countries. All these investment into ASEAN countries calls for Hong Kong professionals, like the lawyers and accountants. Hong Kong could be really flexible and regulative in investing into ASEAN countries. The point is the new tool for business, ESG. E is for environmental, how to serve the natural world; S is for social, that is to consider people and relationship; and G is for governance when running business. The emphasis is to make B&R opportunities not only successful but engaging and socially responsible.

**Anthony Lam and David Wei:**

Question: politics go in tension between the US and European countries on the one hand and China on the other hand, how B&R strategy will cooperate? Should we adjust to capture opportunity and avoid the risks.

Risks are with opportunities and there is always a tension between different countries or different systems. With less trade between China and US, China still signed the RCEP, and also

joined the CTPP. There exists hardship, but it is not wise to underestimate, or over criticize it but should see the possibility. China's production is getting higher. Chinese companies and factories and industries actually find more chances with ASEAN countries. Although with tensions, more countries are still working with Chinese companies. For example, CMG collaborated with French partners for its 10 new port projects last year. It is not a serious problem and BRI is the opportunity for all.

**Bernard Chan and Nicholas Ho:**

Question: for SMEs, in regional development in B&R area, what other resource and support are available to facilitate the development?

All enterprises are welcome to use some certain funds to explore the market including the B&R area. But it is more important to know the country, which means some market research is necessary in B&R before investing in that market. And the GFS could help to fund different NGO, and provide professional service for those who wish to enter the market. As the opening stage, it is glad to see different delegations visiting countries/regions along the B&R, and promote more dialogues. Webinars through online platform are created even in the COVID-19 period.

Official organizations and academic institutions could provide information. It is important to gather more information because B&R is huge, even ASEAN are very diverse. Taking business in this economy depends on a lot of considerations including research, wide collaboration, and direct local communications.

**Johnson Kong:**

Question: With one accountant in over 100 residents in Hong Kong, and the salary' level is lower than that in USA, and housing is much more expensive, how the CPA industry could do to solve this long-term issue.

Salaries paid to the graduates are just part of what they received. Lots of other incentives are offered such as study leave, examination weeks, examination payments, and training courses. All of these are supplementary, which is double for salary they could save. Compared with accountants in US, they usually started with a high salary. But taking into account of taxes, social securities, the salary is in fact lower than graduates in HK. Thus, the key is to understand the make-up of package, not just comparing the sum of salary.

Question: what is the advantage of accounting and auditing firm in HK?

First of all, Hong Kong has a very good qualification examination system. As a result, the quality of our graduates is high according to accounting bodies. US accountants only need one year experience in order to be qualified as US CPA, but in Hong Kong, the requirement is 3 years' experience before qualified as CPA. Obviously, the opportunity in Hong Kong is quite vary, no matter in mainland China enterprises, or in multinational corporations' branches. And accounting firms in Hong Kong are familiar not just to language but also other aspects such as the Chinese culture. Also, rich experience is another advantage with international standards adopted including auditing, accounting, and financial reporting.

**Anthony Lam, George Lam, Johnson Kong and LC Yu:**

Question: how do we make values of Hong Kong to mobilize more private capital, international capital into our B&R projects, to work together?

There are a lot of opportunities for Hong Kong to raise funding, no matter it is public or private. The key is good projects, the valuable, engageable projects in important countries, in ASEAN countries. Then It will not be that difficult for these projects to raise funds because Hong Kong government, the expertise and professionals in Hong Kong are all available. Hong Kong can benefit investors as a regional investment hub in B&R. in addition, for Chinese companies, they are backed by Chinese policy, including China Development Bank, Bank of China, also the silk road funds. Asian Infrastructure Development Bank also provides B&R related opportunities. Also, New Development Bank is established in 2014. There are a lot of funds in Hong Kong as well for supporting projects along the B&R.

People in ASEAN countries have positive impression on Hong Kong, which is very important for Hong Kong to leverage and to help in local market and the stakeholders along the B&R as well. B&R is really a people-to-people connection and Hong Kong can play a role. Second, Hong Kong is a digital economy hub for the region. It has been professional in financial services plus information technology with 600 e-tech companies. For all these digital technological start-ups, SMEs, going out in traditional way is difficult but they could do it digitally. So, it is not wise to overlook the digital economy edge that Hong Kong can help the regional projects, SMEs, and start-ups.

## Appendix

**Research Centre for Sustainable Hong Kong (CSHK),  
City University of Hong Kong  
“Professional Services Advancement Support Scheme” (PASS)**

**Advancing Professional Development  
on Economic and Trade Cooperation Zones  
Along Belt and Road**

Project Brief

The Research Centre for Sustainable Hong Kong (CSHK) of City University of Hong Kong is funded by the ‘Professional Services Advancement Support Scheme’ (PASS)<sup>3</sup> of the Commerce and Economic Development Bureau, HKSAR Government to conduct a Project entitled ‘Advancing Professional Development on Economic and Trade Cooperation Zones Along Belt and Road’, with the objectives to enhance the understanding of Hong Kong professional services on Economic and Trade Cooperation Zones (ETCZs) along the Belt and Road countries, deepen the understanding of key stakeholders of ETCZs on the competitive edges of Hong Kong professional services and business sectors; and explore potential development opportunities via exchange of ideas and sharing of analyses.

From January 2021 to March 2022, the Project will organize 6 professional workshops and 2 symposia (opening and closing), inviting zone operators, local enterprises, professional service leaders, expert scholars and government officials as speakers to conduct comprehensive and in-depth sharing on opportunities, challenges and experiences of overseas development in 7 countries (Cambodia, Sri Lanka, Vietnam, Myanmar, Malaysia, Djibouti and Belarus) and their respective ETCZs. A tentative schedule is as follows:

Date (tentative)	Programme
January 2021	Opening Symposium
February 2021	Professional Training Workshop 1 – Cambodia
April 2021	Professional Training Workshop 2 – Sri Lanka
June 2021	Professional Training Workshop 3 – Vietnam
August 2021	Professional Training Workshop 4 – Myanmar
October 2021	Professional Training Workshop 5 – Malaysia
December 2021	Professional Training Workshop 6 – Belarus & Djibouti
March 2022	Closing Forum

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<sup>3</sup> Professional Services Advancement Support Scheme (“PASS”) is set up to support Hong Kong’s professional services sector to carry out worthwhile projects to spearhead pro-active outreaching promotion efforts and to improve service offerings. For more information about PASS, please refer to PASS website at: <https://www.pass.gov.hk/en/home/index.html>

The activities are all free-of-charge, and they will mainly be conducted in English<sup>4</sup> to project a global orientation and facilitate participation of overseas stakeholders. Each participant will get a training pack containing country information and analysis for each professional training workshop. Investment / enterprises representatives, representatives from professional service sector, scholars and students who are interested in understanding more about ETCZs are welcome to participate and interact to discover more opportunities for collaboration.

The Project is supported and collaborated by a number of professional bodies and business chambers in Hong Kong, including Certified Management Accountants, Australia (Hong Kong Branch), Hong Kong Chinese General Chamber of Commerce (CGCC), Hong Kong General Chamber of Commerce (HKGCC), Hong Kong Institute of Certified Public Accountants (HKICPA), Law Society of Hong Kong and The Society of Chinese Accountants and Auditors (SCAA) (names listed in alphabetical order). We thank Golden Resources Group and Red Circle Company Limited for sponsoring the Project generously.

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