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2019/20 ANNUAL PLAN



Hong Kong Trade Development Council

Annual Plan 2019/20

CONTENTS

	<u>Page</u>
I. Introduction	<u>1</u>
II. Global Outlook and Implications for Hong Kong	
Global economic scene	<u>3</u>
Taking advantage of the mainland China’s economic initiatives	<u>9</u>
Strengthening Hong Kong as a business and financial hub	<u>12</u>
III. Strategies and Major New Initiatives for 2019/20	
<u>Objective I</u>	
Help Hong Kong companies capture opportunities amid uncertain export environment	
Strategy 1: Leverage opportunities in the new economy and digital era.	<u>16</u>
Strategy 2: Fortify our penetration in mature markets and make inroads into the Belt and Road countries amid the changing export environment	<u>19</u>
<u>Objective II</u>	
Position Hong Kong as the commercial platform for Belt and Road to reinforce our central role as a two-way investment and business hub of Asia	
Strategy 1: Strengthen Hong Kong as the commercial hub of Belt and Road	<u>27</u>
Strategy 2: Establish Hong Kong as Asia’s lifestyle, creative and innovation hub	<u>31</u>
Strategy 3: Promote Hong Kong as a “two-way” platform for capturing opportunities arising from the Guangdong-Hong Kong-Macao Greater Bay Area Development	<u>37</u>
<u>Objective III</u>	
Equip start-ups and a new generation of Hong Kong businesses to become future ready	
Strategy 1: Establish HKTDC as the go-to organisation for start-ups and young entrepreneurs	<u>43</u>
Strategy 2: Equip HKTDC to assist Hong Kong companies to remain competitive in the digital era	<u>48</u>
IV. Budgetary Allocation for 2019/20	
Programme area	<u>56</u>
Budgetary planning and financial objectives	<u>56</u>
Overall expenditure and income	<u>57</u>
Key financial indicators	<u>59</u>
Annex – Medium-Term Performance Targets for 2017/18 to 2019/20	<u>61</u>

I. Introduction

1. This Annual Plan is the third and final plan in our current three-year planning cycle. Three medium-term objectives were set to guide our work up to 2019/20. These are to:
 - i. Help Hong Kong companies capture opportunities amid uncertain export environment;
 - ii. Position Hong Kong as the commercial platform for Belt and Road to reinforce our central role as a two-way investment and business hub of Asia; and
 - iii. Equip start-ups and a new generation of Hong Kong businesses to become future ready.

We have made good progress to-date and are well on the way to achieve our three-year performance targets.

2. While export markets have been recovering, we are seeing increasing uncertainty in the global economic environment caused by the Sino-US trade war. A clear priority for HKTDC in the coming year is to help Hong Kong companies identify new export and sourcing markets, new sectors with clear growth potential, and new formats to access markets.
3. The Belt and Road Initiative and Guangdong-Hong Kong-Macao Greater Bay Area Development create enormous business opportunities for both merchandise and service providers locally and worldwide. In 2019/20, we will highlight Hong Kong's deep capital pool, extensive mainland and international network and world class services in promoting Hong Kong as a two-way platform for mainland and overseas companies to take advantage of the related investment and trading opportunities. We will also position Hong Kong as the ideal location for regional set-ups to conduct such activities.
4. To promote Hong Kong as the premier commercial hub for Belt and Road, we will launch a new "*Belt and Road Week*", incorporating

more cultural and networking elements to complement the business-focused *Belt and Road Summit and Global Forum* roundtable meeting. We will also enhance the Belt and Road Portal by enriching the investment project and Hong Kong service providers databases to better connect project owners with potential investors and service providers.

5. To capture new business opportunities arising from the Greater Bay Area development, we will stress Hong Kong's role in advancing and facilitating the Greater Bay Area's integration with the global market. We will incorporate a Greater Bay Area element in our international flagship promotions - *Think Asia, Think Hong Kong* and *In Style•Hong Kong*, highlighting not only Hong Kong's role but also the huge potential of the Greater Bay Area as a consumer market and opportunities in the technology area. Locally, we will feature opportunities in the Greater Bay Area at anchor conferences and organise a series of missions to the mainland Greater Bay Area cities to help Hong Kong companies and service providers fully explore the many opportunities in the region.
6. The digital era brings with it challenges and opportunities. We will continue to adopt the mobile-first policy for all our customer interface to ensure our core services could be accessed anytime and anywhere. We will also devote more efforts to support SMEs transition into the e-commerce and online-to-offline environment.
7. To maintain Hong Kong's competitiveness in the global market, HKTDC will further enhance our work to support and promote start-ups and nurture a new generation of entrepreneurs. We will continue to work closely with the government and our partners locally and overseas to help our SMEs navigate the uncertain waters of 2019.

II. Global Outlook and implications to Hong Kong

Global Economic Scene

Developed economies: continued growth with rising uncertainty

8. The world economy continued to pick up in 2018, but dented by increasing market volatility and policy uncertainty. The IMF has recently adjusted slightly downward its forecast for 2018 by 0.2 percentage points to 3.7% and GDP growth is projected to remain steady at the same rate in 2019. While expansionary fiscal measures are expected to provide extra stimulus in the US, rising protectionism and sustained monetary normalisation in the US and Europe as well as higher energy prices are likely to curb long-term growth momentum of the industrial economies.
9. In the US, consumer spending is expected to stay strong, buoyed by tax cuts and a tight labour market. Lower corporate tax rates and a temporary allowance for full expensing of investment will support continued growth in domestic private investment. Increased government spending is expected to further stimulate growth. That said, there is concern that a yawning budget deficit could trigger an upsurge of inflation which may quicken the pace of monetary tightening. Also, growing protectionism and unilateralism is causing increasing disruption to trade and investment flows, undermining long-term growth prospects of the US.
10. In the EU, growth is set to remain strong in the near term and ease only slightly in the year, as supported by high levels of confidence, still-low financing costs and brightened labour market conditions. In Germany, the ending of a political stalemate may support continuing German-French co-operation on eurozone reforms. The French economy has been responding positively to a mix of labour law reforms and tax and spending cuts. However, the gradual unwinding of monetary accommodation and higher oil prices may weigh on consumption and economic growth for the region.

11. In Japan, while monetary policy is expected to remain loose for some time, economic growth is projected to be slower in the years to come partly due to slower consumption growth following the scheduled VAT hike in 2019. Nonetheless, private investment may be supported by investment in labour-saving equipment and technology in face of labour shortage. The hosting of the 2020 Olympic Games is also expected to stimulate related investments.

Emerging economies: stable but diverging performance

12. Growth of the emerging economies is projected to remain stable but with diverging performance in the coming year. Stronger commodity prices and improving exports could support growth of export-led economies, but countries with weak external payments position could face increasing stress from trade disruption and capital flow reversals.
13. In mainland China, fiscal and monetary policies may become less restrictive in response to external shocks arising from Sino-US trade conflicts. 2019 will be the fourth year of the implementation of the 13th Five-Year Plan and the mainland is expected to maintain its growth so as to achieve its target of a moderately prosperous society by 2020. China will continue with further economic reform and liberalisation, partly in response to external pressures and partly driven by domestic economic rebalancing.
14. Growth in ASEAN is expected to be steady and driven by domestic demand while export growth may decelerate moderately. The Hong Kong-ASEAN Free Trade Agreement, expected to enter into force in January 2019, would strengthen Hong Kong's connection with the region. Apart from market opportunities, the diversity of ASEAN countries also offers alternative production bases outside the Chinese mainland. India, another bright spot in South Asia, is projected to maintain a robust growth reflecting strong private consumption and investment. However, FDI in 2017 saw the slowest growth in five years, a setback to the "Made in India" initiative. Despite the deceleration, the country remains a hotspot

for investment amid the continual structural reforms and liberalisation.

15. In Latin America, despite some ups and downs, growth has been gradually picking up in Brazil, thanks to the recovering energy and commodity prices, as well as the optimism that the general elections would bring a high level of political and economic renewal to the country. Clouds over growth in Mexico are also cleared following the conclusion of a new tri-lateral trade agreement to replace the 24-year-old North America Free Trade Agreement (NAFTA).
16. Emerging European economies will generally benefit from the continued growth across Europe and worldwide. The higher absorption of EU structural funds, stronger consumer spending and business confidence are likely to support growth in the region, although Poland and Hungary could face funding suspension for flouting the bloc's democratic values amid growing populism. The EU's recent adoption of enlargement agenda for the Western Balkans will strengthen the economic performance and fiscal/monetary stability of these countries in the run-up to a possible EU accession as early as 2025. In Russia, improved oil export revenue and a looser monetary policy will continue to strengthen economic growth, but the pace may be jarred by new US sanctions.
17. Middle East economies are expected to improve in the coming year with the support of infrastructure investment, oil prices stabilising at relatively higher levels and economic transformation by promoting non-oil sectors. The UAE leads the region in both medium-term planning such as the *Dubai Expo 2020* as well as longer-term thinking such as the Strategy for the Future. Saudi Arabia's Vision 2030 envisages fundamental economic and social changes which would further open the door for foreign business partnerships.
18. In Africa, improving agricultural conditions and stable oil and metal prices have supported growth. Investments in infrastructural projects and industrial parks are set to transform the continent into a rising manufacturing base. With improved incomes, some African

countries, like Kenya, may offer opportunities as a consumer market. Other countries, like Ethiopia, may have the potential as production bases to serve both the domestic and advanced countries' markets.

19. Notwithstanding the generally positive outlook for emerging markets, countries with a relatively weak external payments position like Pakistan, Turkey, Venezuela and Argentina, could face growing stresses caused by capital flow reversals and deteriorating trade balance, more so given monetary tightening and rising protectionism in the US. While the threat of regional economic contagion remains low, isolated crisis could lead to further divergence among emerging markets and dampen long-term global growth momentum.

Risks and challenges

20. While the world's economic fundamentals may warrant a more optimistic outlook, the escalating Sino-US trade dispute poses a major threat. It is difficult to predict the development of the Sino-US economic relations at this stage as there does not appear to be a clearly defined set of economic rationale or bottom line from the US side. Furthermore, if disputes in the trade of goods expand to services and investments, the situation would be even more worrying.
21. Most damaging for businesses and investments is perhaps the rising uncertainty caused by lasting trade disputes. Such uncertainties will lead to diversification or substitution of consumers/suppliers along the supply chain, as well as delays and changes in business investment decisions over time.
22. Aside from economic factors, such as a faster-than-expected hardening of the US monetary stance, as well as the European Central Bank's plan to end quantitative easing towards the end of 2018, geopolitical developments could also create uncertainties for world trade and investment flows.

23. While the summit between the US and North Korean leaders may help reduce tensions on the Korean peninsula, US withdrawal from the Iran nuclear agreement and its reinstatement of economic sanctions is creating uncertainty over possible trade with Iran.
24. In Europe, political developments continue to be of concern. In the case of Italy, while its populist parties have finally formed a new government, the nation's lingering budget battle with the EU already cast a shadow over its economic prospects, not to mention its future relations with Brussels. In Germany, Angela Merkel's stepping down as party leader will also bring uncertainty over her succession and the EU's direction.
25. With its deadline for exiting the EU just a few months away, the UK and EU negotiators have provisionally agreed the text of a Brexit deal, which includes a planned 21-month transition period after the UK leaves the EU in March 2019, a financial settlement from the UK and a "backstop" to guarantee that physical checks will not be re-introduced at the border with the Irish Republic, in the event this is not settled by a UK-EU trade deal. Yet, the risks of a "no-deal" Brexit remain high given the challenges to secure domestic backing and EU leaders' support.
26. In Latin America, Venezuela's political crisis and dire economic situation may also cast doubts on the region's development prospects. Argentina has suffered from a currency crash and high interest rates, partly as a consequence of its worst drought in 30 years that has severely damaged its agricultural sector. To shore up the economy, a US\$57 billion IMF bailout has been secured, which however will bring forth a new wave of tightening policies.

Evolving consumption and business patterns around the world

27. E-tailing has continued to proliferate at the expense of physical stores as the number of store closures has continued to rise in the US. On the other hand, online retailers are venturing into traditional brick-and-mortar retail shops to create a better shopping experience

as most consumers would still like to see, touch and test products in person before buying.

28. Leveraging on social media as a promotion and marketing channel has impacted an individual's buying process and is becoming increasingly important. By using social media to share, recommend, suggest and comment on products or services, social shopping is increasing in popularity.
29. Since 2010, the size of the world's population aged 60 and above has increased substantially and that growth is projected to continue in the coming decades, creating the so-called "silver" economy and a new and powerful consumer class. The latest UN World Population Ageing Report cites that the global population aged 60 years or over numbered at 962 million in 2017 and is projected to grow to 1.4 billion by 2030.
30. A rising proportion of elderly consumers will create a new potential customer base for many business sectors. With reference to the changing needs of the elderly, sectors perceived with the greatest growth potential include nutrition, healthcare, healthy aging technology, financial services, household products, wellness and fitness, beauty and personal care, leisure and recreation.
31. Consumers will continue to embrace technologies with a wider use of electronic mobile devices to fulfil a multitude of tasks in their daily lives. This development will also force suppliers to adopt more technologies, especially in the traditional industries. For example, AR and VR are being adopted in products such as toys and more businesses are leveraging on AI, AR and VR in retail to find new ways to attract and engage customers.
32. With increased internet connectivity and adoption of new innovations such as IoT, big data and AI, a new era has dawned on city planning. More smart cities will evolve, shaping new ecosystems with clean energy or waste management as well as other

city management systems, creating opportunities for related technologies and innovations.

33. The HKSAR Government released the Smart City Blueprint for Hong Kong in December 2017, aiming to build Hong Kong into a world-class smart city. The Blueprint maps out development plans for the next five years that enhance the effectiveness of city management and improve people's quality of living by making use of innovation and technology. It lists strategies and initiatives in six major areas - smart mobility, smart living, smart environment, smart people, smart government and smart economy.
34. Encouraging start-ups appears to be a world trend and different economies continue to seek better ways in providing the right environment for creating a healthy and sustainable start-up ecosystem. New and improved products, services or technology from entrepreneurs will create new markets. Innovations brought about by entrepreneurial ventures can change the way we live and improve the living standard in addition to creating wealth and jobs.

Taking advantage of mainland China's economic initiatives

Belt and Road Initiative (BRI)

35. The pushing ahead of the development of the BRI has been written into the Party Constitution of the Chinese Communist Party during the 19th Party Congress in October 2017, indicating that BRI is a long-term development strategy and will not be reversed in the short term.
36. In December 2017, the *Arrangement between the National Development and Reform Commission (NDRC) and the Government of the Hong Kong Special Administrative Region for Advancing Hong Kong's Full Participation in and Contribution to the Belt and Road Initiative* (the Arrangement) was signed. The Arrangement serves as a blueprint for Hong Kong's further participation in the BRI, including leveraging on Hong Kong's diversity of financing

channels as well as its global offshore Renminbi business; developing green finance; diversified professional services for infrastructure projects; supporting Hong Kong's maritime development and providing international legal and dispute resolution.

37. The HKSAR Government is taking measures to strengthen Hong Kong's development of green finance as well as an international dispute resolution centre. For example, in the 2018-19 Budget, the Government announced a series of supportive measures for developing green finance, such as the Green Bond Grant Scheme to subsidise the use of the HKQAA Green Finance Certification Scheme. Amendments were made to the Arbitration Ordinance, which clarified the arbitrability of intellectual property rights disputes to enhance Hong Kong's status as an international IPR arbitration centre.

Guangdong-Hong Kong-Macao Greater Bay Area

38. The development of the Guangdong-Hong Kong-Macao Greater Bay Area (the Greater Bay Area) has featured in a number of national strategies of the mainland, including the *Vision and Actions on Jointly Building the Silk Road Economic Belt and 21st Century Maritime Silk Road* and the *13th Five-Year Plan*. In order to further advance the initiative, the NDRC is mapping out its development plan of the Greater Bay Area.
39. It is envisaged that the Greater Bay Area will be established as an internationally-recognised city cluster, one which is able to compete on a truly global level. To this end, cities in the PRD region will work closely with Hong Kong and Macao to establish a world-class market-oriented business environment, promote free flow of talent, goods and capital across the region, while raising the overall level of economic efficiency, transparency and internationalisation.
40. On 1 July 2017, President Xi Jinping, witnessed the signing of the *Framework Agreement on Deepening Guangdong-Hong Kong-*

Macao Co-operation in the Development of the Greater Bay Area by representatives of the NDRC, Guangdong, Hong Kong and Macao. As part of the *Framework Agreement*, a number of key areas were designated as co-operation priorities, including promoting infrastructure connectivity, enhancing market integration, developing a global technology and innovation hub, establishing a modern industry network through coordinated development, jointly nurturing a high-quality living environment as a model place to live, work and visit, cultivating new resources in the field of international co-operation, and supporting the establishment of major co-operative platforms.

41. For Hong Kong, its primary aim is to consolidate and enhance its status as an international financial, transportation and trade centre, while strengthening its status as a global offshore renminbi business hub and an international asset management centre. At the same time, it will also look to promote the development of its professional services sector, develop into an international technology and innovation centre, and position itself as an international legal and dispute resolution hub for the whole of the Asia-Pacific region.

Further economic reform and opening-up

42. The Chinese mainland's economy is transitioning from a phase of rapid growth to a stage of high-quality development. Transforming and upgrading the economy through innovation will remain a major policy direction. This includes promoting the application of big data, cloud computing and IoT, while using new technologies and new business models to bring about transformation.
43. At the *Boao Forum* in April 2018, President Xi announced four major areas for further liberalisation: (1) broaden market access in different sectors; (2) create an attractive investment environment by improving transparency and streamlining operations; (3) strengthen intellectual property protection in order to encourage technology exchanges between mainland Chinese and foreign companies; (4) to

expand imports, including reduction in import tariffs for selected consumer products.

44. Mainland China is trying to create a better business environment for foreign investment by reducing the negative list on foreign investment. More sectors will be liberalised to foreign direct investments, such as automobile, telecommunications, medical services, education, elderly services, new energy car as well as different financial services.
45. In the financial sector, the Chinese mainland is going to remove the capital cap on foreign-owned banks and wealth management firms, as well as easing equity restrictions on foreign life insurance, securities and fund companies. Foreign ownership limits in securities, fund management, futures and life insurance companies will also be removed within three years.
46. Mainland China will also import more and the first *China International Import Expo* was held in Shanghai in November 2018. In November 2017, import tariffs on 187 consumer goods were cut and another 1,449 items of daily consumer goods were lowered starting from 1 July 2018. For example, the average import tariff for clothing, kitchenware and fitness goods were down from 15.9% to 7.1%. The tariffs for fine jewellery items were also lowered from the range of 20-35% to 8-10%. In November 2018, tariff rates on 1,585 items of industrial goods will be lowered, resulting in an overall average tariff rate at 7.5%, down from 9.8% in 2017.

Strengthening Hong Kong as a business and financial hub

47. Hong Kong is a popular venue for hosting regional headquarters or representative offices for multinational companies to manage their businesses in the Asia Pacific. Hong Kong is also a highly attractive market for foreign direct investment (FDI). According to the UNCTAD World Investment Report 2018, Hong Kong ranked third globally in terms of FDI inflows, and ranked fifth globally in terms of FDI outflows in 2017. Leveraging on the emerging

opportunities arising from the BRI, more mainland and foreign enterprises can be attracted to use Hong Kong as the business platform to pursue ventures within and outside the region.

48. With the Hong Kong-ASEAN Free Trade Agreement entering into force in 2019, Hong Kong firms will gain enhanced access to ASEAN. The Hong Kong-Georgia free trade agreement was also signed in June 2018 and other free trade agreements under negotiation include Australia and Maldives. Market enlargement with better trade and investment access is going to fuel more cross-border business activity and will help enhance the position of Hong Kong as the business hub in Asia.
49. Hong Kong can also be a place to nurture new business enterprises. According to InvestHK's latest survey on Hong Kong's start-up ecosystem, there were 2,300 start-ups in Hong Kong in 2017, increasing by 16% from 2016. The HKSAR Government is providing more support to new business enterprises and in the 2018-19 Budget, HK\$200 million has been allocated to Cyberport to enhance support for start-ups.
50. Hong Kong is a premier financing platform for businesses, with a wide range of financing channels and a robust regulatory regime. The Stock Exchange of Hong Kong has recently implemented a new listing regime to attract companies in emerging and innovative sectors to list in Hong Kong.
51. In the 2018 Policy Address, the Government has pledged to continue to increase the supply of convention and exhibition (C&E) facilities, including developing Wan Chai North into a C&E hub. The site of the three government towers in Wan Chai North will be developed into C&E facilities, with the site expected to be vacated by 2026 at the earliest for redevelopment.

Hong Kong moves forward in innovation and technology

52. Given the opportunities brought by the National 13th Five-Year Plan and the development of the Greater Bay Area, Hong Kong can be positioned to become an international innovation and technology hub. Hong Kong is attractive to top overseas scientific research institutions. In 2016, the Massachusetts Institute of Technology (MIT) set up its first overseas Innovation Node and Karolinska Institutet from Sweden established a research centre in Hong Kong.
53. The HKSAR Government consistently stresses the importance of developing innovation and technology. The Government has set a goal to double the expenditure on research and development as a percentage of the gross domestic product from 0.73% to 1.5% in five years. The 2018-19 Budget has identified four areas for innovation and technology development, namely, biotechnology, artificial intelligence, smart city and financial technologies. In addition to the HK\$10 billion in the 2017-18 Budget, an additional HK\$50 billion has been allocated for supporting innovation and technology development in Hong Kong.
54. Under the “Framework Agreement on Deepening Guangdong-Hong Kong-Macao Cooperation in the Development of the Greater Bay Area”, the governments of Guangdong, Hong Kong and Macao agreed to jointly promote the development of innovation and technology industries. In particular, the HKSAR Government is working with the Shenzhen Municipal People’s Government to jointly develop the Lok Ma Chau Loop into the “Hong Kong-Shenzhen Innovation and Technology Park”, where HK\$20 billion has been set aside for the first phase of the project.
55. The Central Government has also taken steps to support Hong Kong in becoming an innovation and technology hub. Under the State Key Laboratory Scheme, 16 State Key Laboratories are currently operating in Hong Kong. There are also six Hong Kong branches of the Chinese National Engineering Research Centres. In May 2018, the Central Government opened up the national funding of

science and technology for application by higher education institutions and research institutions in Hong Kong. The Guangzhou Institutes of Biomedicine and Health, and the Institute of Automation under the Chinese Academy of Sciences will soon establish a presence at the Hong Kong Science Park.

III. Strategies and Major New Initiatives for 2019/20

Objective I

Help Hong Kong companies capture opportunities amid uncertain export environment

The digital age and rise of e-tailing have driven an unprecedented shift in the business model for manufacturers and retailers. The e-tailing landscape is fast evolving with a variety of offerings online and drawing a wider acceptance. Hong Kong exporters need to ascertain consumer preferences in different geographies to better master cross-border e-commerce trade.

Strategy 1: Leverage opportunities in the new economy and digital era

Build Asian E-tailing Summit into an anchor event for e-tailing in the region

56. In the third edition of the *Asian E-tailing Summit (AES)* in 2019, we will extend the *Summit* to one and a half days with an enriched programme. In addition to the plenary sessions where international and mainland experts will share the latest development of the global e-tailing scene, and breakout sessions and workshops offering practical tips on how to tap into the opportunities as well as overcome the challenges, new sessions will be held on the second day to focus on business sectors with strong online sales, including mobile and electronics, apparel, fashion and beauty, household goods and appliances, toys and games and baby products. Topics such as “How Digital Play and Entertainment Can Drive Sales” and “Product Marketing via User-Generated Content” will be covered in these sessions. Leading e-tailers (e.g. United States - Best Buy for electronics and Toy Wiz for toys, South East Asia – Zalora for fashion and India – INV Home for household) will be invited to share their insights and connect with Hong Kong companies.

57. Concurrent with *AES*, an e-tailing Lounge will be mounted at the *SmartBiz Expo* - a collaboration with industry multipliers to introduce service providers in the e-commerce value chain including online platforms, logistics service providers, online payment solution providers and digital marketers to help SMEs embrace digital opportunities and tap into new markets along the Belt and Road through e-commerce.

Expand e-commerce and O2O offerings for SMEs

58. The boom in global B2C e-commerce is expected to create enormous opportunities for businesses. While HKTDC fairs have welcomed leading e-tailers from round the world, in particular from the mainland and ASEAN, we will continue to drive our overseas offices to expand the e-tailer database to diversify buyer profiles.
59. A tactical campaign will be launched on hktdc.com Small Orders as a pilot scheme to bring more first-timer Hong Kong companies on board to access the growing ASEAN middle-class consumer market online. In addition, we will facilitate Hong Kong companies to get connected with leading online marketplaces in ASEAN to feature suitable Hong Kong designed products.
60. Targeting the mainland market, in addition to our existing online Hong Kong Design Gallery platforms on Taobao and JD.com, we will collaborate with lifestyle bookstores on the mainland to feature selective Hong Kong brands and designed products on their online stores. This helps broaden the exposure of Hong Kong brands and products in the online space.
61. To enhance online-to-offline (O2O) synergy, we will foster a year-round sourcing experience via HKTDC's seamlessly integrated O2O marketplace to connect quality global buyers and suppliers. A business card exchange function on the HKTDC Marketplace App will be launched to enable buyers and suppliers to exchange their contact information and communicate with each other via their mobile devices. A new business matching function called Buyer

Connect will also be launched on the Marketplace App, where buyers can make appointments directly with their preferred suppliers. Location-based push notifications with customised marketing messages will be rolled out to engage specific buyer groups. We will further enhance the e-badge authentication and security function to enable the use of e-badge at security heightened events such as the *Hong Kong International Jewellery Show* and the *Hong Kong International Diamond, Gem & Pearl Show*. We will also extend the coverage of the e-badge initiative to exhibitors so that all our fair attendees can enjoy a seamless fairground experience. O2O-oriented offerings of eMagazines with themed product zones or product demo sessions at selected trade fairs will be also be enhanced.

Major New Initiatives

- Extend *AES* to one and a half days with an enriched conference agenda with sector-focused sessions
- Feature a pavilion encompassing service providers in the e-tailing ecosystem at *SmartBiz Expo* to help Hong Kong SMEs embrace digital opportunities
- Facilitate Hong Kong brands and products to sell through online marketplaces to access the growing ASEAN consumer market
- Collaborate with lifestyle bookstores on the mainland to feature selective Hong Kong brands and designed products on their online stores
- Incorporate e-tailing and m-commerce trends into our year-round *International Trade Fast Pass* seminar series
- Expand the e-tailer database to diversify buyer profiles
- Introduce new functions and location-based push notifications in HKTDC Marketplace App to enhance connection and engagement with and between buyers and exhibitors
- Expand the coverage of e-badge to exhibitors and explore enabling e-badge in the twin jewellery shows

Strategy 2: Fortify our penetration in mature markets and make inroads into the Belt and Road countries amid the changing export environment

Mature markets

Promote Hong Kong's design excellence

62. To highlight Hong Kong's design excellence in gifts and houseware products and further leverage our presence in international trade fairs, we introduced a new lifestyle showroom format, "Hong Kong Galleria", at two leading overseas shows, *AMBIENTE* Frankfurt and *International Home and Housewares Shows* in Chicago as pilot projects in 2018/19. Given the encouraging feedback, we will formally launch the new concept in 2019/20, with a facelift to the overall showroom display to showcase our quality design products. In addition to the above two trade shows, we will explore extending the new concept to other trade events such as the *Tokyo International Gift Show*. We will also organise on-site business matching and publicity campaigns to help participating brands expand their markets.
63. We will build on the success of the "Fashion Hong Kong" initiative and transform this into a year-round promotion for fashion brands in major fashion cities. We will showcase Hong Kong designer brands overseas in both the Fall/Winter and Spring/Summer seasons. We will work with different fashion media such as Women's Wear Daily (WWD)'s City Guide to feature designers and brands year-round. We will also organise pop-up events during seasonal fashion weeks to capitalise on the presence of key buyers.

Mainland market

The Greater Bay Area

64. To tap into the enormous and soaring domestic market in the Greater Bay Area region, which also serves as an ideal springboard for Hong

Kong companies to enter the entire mainland market, we will organise a large-scale promotional campaign in Guangzhou featuring a solo B2C exhibition, coupled with citywide in-store, online and cultural promotions riding on the popular canto-pop culture. To enhance and sustain the promotional impact, the campaign will be supplemented by publicity and promotions through social and mainstream media as well as marketing partners to strengthen consumers' awareness and reinforce emotional attachment to Hong Kong's lifestyle, products and services.

65. To expand our Design Gallery (DG) network in the Greater Bay Area, we will set up new outlets working with trendy bookstores and lifestyle select shops such as "Honven Bookstore" and "Siyue Bookstore". We will expand our outlets in the Greater Bay Area from two to seven in 2019, covering Guangzhou, Shenzhen, Foshan, Jiangmen and Zhongshan, and will continue to explore other cities in the Greater Bay Area.

Beyond the Greater Bay Area

66. Leveraging on the *Hong Kong Pavilion* staged at various national level exhibitions organised by MOFCOM, we will select one or two fairs to mount a *Style Hong Kong Pavilion*, featuring Hong Kong branded consumer products. This will allow us to present Hong Kong's world-class services as well as our premium products. Held in second-tier cities, these fairs provide effective platforms for Hong Kong SMEs to tap into the different regional and local mainland consumer markets.

ASEAN markets

67. The DG Studio initiative was launched in 2018 to connect Hong Kong companies with physical retail outlets in Thailand and Malaysia to assist Hong Kong brands and products to tap into the promising ASEAN consumer market. This initiative has effectively helped Hong Kong companies expand their sales network and reach out to consumers in the region. To further boost the

awareness of Hong Kong brands in Thailand and Malaysia, we will launch a year-round promotional programme on local social media, as well as organise a series of thematic promotions in prominent retail chains. We will seek to extend the initiative to other markets with good potential such as Indonesia and the Philippines.

68. HKTDC has been organising multi-sector manufacturing partnership missions to ASEAN in the past six years. Going forward, we will match the strengths of the destinations with specific sectors such as garment or electronics industries to better capitalise on the investment incentives offered by the respective Special Economic Zones and the skillset of the local workforce.
69. The Free Trade Agreement signed between Hong Kong and ASEAN includes a chapter on Economic & Technical Co-operation (ECOTECH). The Trade & Industry Department (TID) has earmarked a five-year funding totalling HK\$25 million primarily to provide capacity building assistance to ASEAN countries in areas such as SME co-operation, trade facilitation and e-commerce co-operation commencing 2019/20. Our trade fairs and online marketplace offer effective platforms for ASEAN SMEs seeking export opportunities. We will work with TID to further encourage ASEAN participation and help ASEAN companies connect with Hong Kong and international companies.

The Philippines

70. As the third-largest economy and second most-populated country in ASEAN, the GDP of the Philippines grew by 6.6% in 2017. In 2017, the Philippines has the second-largest retail market after Indonesia and was Hong Kong's fifth-largest export market in ASEAN. We will stage the *In Style • Hong Kong* promotion campaign in Manila in 2019/20 to showcase Hong Kong's branded and design-led products as well as world-class services. The campaign will comprise a services symposium, a product expo, a gala dinner and citywide promotion.

Other emerging markets along the Belt and Road

The Middle East

71. The Middle East remains an attractive export market for Hong Kong SMEs. We will continue our promotion in the Middle East and stage a *Lifestyle Expo* in the region to meet the growing demand for high quality lifestyle products. Hong Kong's consumer electronics and gadgets, apparel and fashion accessories, gifts and houseware will be showcased. To make the promotion more appealing to local buyers, we will co-operate with the Trade Development Bureau of the Ministry of Commerce (MOFCOM) to expand the array of exhibits.

Central and Eastern Europe

72. Poland has the largest economy in Eastern Europe and is the only European country to have achieved uninterrupted GDP growth from 2009 through to 2017. To capture the business opportunities in this promising economy, HKTDC will return to Warsaw and organise a *Lifestyle Expo* to showcase an array of quality lifestyle products from Hong Kong including electronics and electrical products, watches and clocks, gifts and premium, household products, fashion and fashion accessories. *Lifestyle Expo* in Warsaw will also target buyers from neighbouring Eastern European economies such as Lithuania and Hungary.

Africa

73. Mainland China has been a significant source of foreign direct investment in Africa. Under the Belt and Road, ports in East Africa served as major hubs along the maritime Silk Road. With a large young population supporting the local labour force and driving the consumer market, East African countries offer potential manufacturing and export opportunities for Hong Kong. We will organise a mission to East African countries such as Ethiopia and

Kenya to help Hong Kong companies explore manufacturing and export opportunities.

India

74. India has strong economic growth and rising disposable income. To assist Hong Kong SMEs to penetrate the Indian online market, HKTDC will explore pilot programmes with reputable Indian online platforms such as Snapdeal and Flipkart, and identify reliable vendors with viable logistics solutions to support the fulfilment needs of Hong Kong companies.

Ride on the improved global economy to promote HKTDC's trade fairs as the main sourcing platform

75. Despite the uncertainty caused by the Sino-US trade friction, the world overall has embarked on a period of economic growth. It is hence essential for HKTDC to reinforce our exhibitions as primary sourcing and marketing platforms. We will step up our buyer recruitment efforts to regain lapsed buyers and engage new buyers in mature markets. Additional resources will be allocated to the US and European offices to conduct market visits to key buyers, join local major exhibitions to identify potential buyers in specific industries and enhance their database.
76. With the implementation of the EU General Data Protection Regulation (GDPR), we need to step up our publicity efforts to engage buyers from the European markets. We will work with branch offices to host press briefings in major markets such as the UK, Italy and Germany during mega-event periods, identify relevant media partners to raise event awareness and reach out to potential buyers leveraging on the publicity channels of partners.
77. With robust growth and a fast expanding middle class, ASEAN remains one of our priority markets for buyer recruitment. We will engage more multipliers in the region such as the Chinese Chambers

of Commerce in ASEAN countries to form buying missions to our trade fairs.

Step up marketing targeting emerging markets and economies along the Belt and Road

78. Through the newly appointed Almaty, Nairobi, Riyadh and Manila consultants, we will intensify buyer recruitment in previously harder to reach destinations and expand the buyer database in these potential markets.
79. We will also continue to identify and appoint agents to assist in forming buying missions from targeted economies including Azerbaijan, Bangladesh, Laos and Sri Lanka in Asia; Jordan, Kuwait and Lebanon in the Middle East; Peru, Panama and Uruguay in Latin America; Algeria, Egypt and Morocco in Africa; and Croatia, Denmark, Georgia, Norway and Switzerland in Europe.
80. Endorsement from industry authorities can help us tap into a greater pool of potential buyers and cement our fairs as the leading trade platform for businesses. As such, we will deepen collaboration with our multiplier networks in Hong Kong and overseas, offering sponsorship to nominated industry influencers and key buyers as well as organising joint networking events and seminars. For instance, we will collaborate with JETRO to recruit high quality buyers worldwide for our upcoming *Food Expo*, Jewellers Japan and Istanbul Horlogerie Chamber for the *Hong Kong Watch & Clock Fair*, and Nationwide Jeweller from Australia for the *Hong Kong International Jewellery Show*.
81. With the launch of six more language options on hktdc.com Online Marketplace in 2019/20, our buyer marketing, including search engine marketing (SEM) and re-targeting campaigns, will be fine-tuned to reach out to a wider pool of buyers, covering the mature and emerging markets, including those along the Belt and Road. Overseas branch offices will continue to educate buyers on the extended functionality of our online marketplace. We will also

enhance the new Exhibition Online and HKTDC Marketplace App to cover our signature lifestyle events along the Belt and Road to encourage more buyers to conduct year-round sourcing.

BUD Fund & EMF Scheme

82. The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) has been helping Hong Kong companies develop brands, upgrade and restructure their business operations and promote sales on the Chinese mainland. With its expanded scope to cover the flourishing ASEAN markets, we will help promote this scheme to Hong Kong companies so that they can leverage our exhibition and online platforms to connect with both mainland and ASEAN buyers.
83. The Export Marketing Fund (EMF) Scheme provides financial assistance to SMEs to participate in export promotion activities. The increase in its funding limit will incentivise local SMEs to join our trade fairs and other outbound trade events to expand their business into Belt and Road markets. We will introduce a special package with a lower participation fee to entice past/lapsed exhibitors to re-join our trade fairs.

Major New Initiatives

Mature markets

- Launch “Hong Kong Galleria” to highlight Hong Kong lifestyle brands and designs at international trade events
- Extend the “Fashion Hong Kong” initiative to cover both the fall/winter and spring/summer seasons in major fashion cities, such as New York and London offering year-round exposure for Hong Kong designers
- Explore a year-round promotion in local department store(s) in Japan, complemented by pop-up events during the *Tokyo Fashion Week* to raise awareness among target buyers
- Step up market visits in the US and Europe to key buyers and local major exhibitions to call for buyer registration and enhance the buyer database

- Beef up publicity efforts in Europe through hosting press briefings in major markets and enhanced collaboration with sector-specific media partners

Mainland market

- Stage a Hong Kong city-branding B2C promotion in Guangzhou
- Expand the Design Gallery network in the Greater Bay Area
- Showcase Hong Kong products at the *Hong Kong Pavilion* in nationwide Expos to help Hong Kong brands access the vibrant consumer market of second-tier cities

ASEAN markets

- Stage *In Style • Hong Kong* in Manila, the Philippines
- Transform the DG Studio concept into a year-round O2O promotion programme to reach out to ASEAN consumers
- Organise sector-specific manufacturing partnership and investment missions to ASEAN
- Engage the Chinese Chambers of Commerce in ASEAN countries to recruit buyers from the region

Other emerging markets along the Belt and Road

- Mount a *Lifestyle Expo* in the Middle East
- Organise a *Lifestyle Expo* in Warsaw, Poland targeting Eastern Europe
- Organise a mission to Ethiopia and Kenya to explore manufacturing and export opportunities
- Identify collaboration partners to help Hong Kong exporters access the Indian market through e-commerce
- Deepen collaboration with overseas buyer recruitment multipliers such as JETRO for the *Food Expo*, Jewellers Japan and Istanbul Horlogerie Chamber for the *Hong Kong Watch & Clock Fair* and the Nationwide Jeweller for the *Hong Kong International Jewellery Show*
- Reach out to the non-English speaking buyer communities along the Belt and Road by offering more language options for Exhibition Online
- Encourage local SMEs to make use of the upgraded EMF Scheme and BUD Fund to explore opportunities in the mainland, ASEAN and beyond

Objective II

Position Hong Kong as the commercial platform for Belt and Road to reinforce our central role as a two-way investment and business hub of Asia

To further reinforce Hong Kong's central role as a two-way investment and business hub of Asia, we will work to firmly establish Hong Kong as the Belt and Road's commercial hub while leveraging opportunities brought about by the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) development and the rapid evolution of technology in the new economy.

Strategy 1: Strengthen Hong Kong as the commercial hub of Belt and Road

Belt and Road Week

84. In 2019, the *Belt and Road Summit* will be expanded into a two-day event. We will expand its scope to include sectors such as agriculture and logistics, smart city, as well as start-up engagement.
85. The *Summit* will act as the anchor event for a new "*Belt and Road Week*" in 2019. To enhance the experience of participants coming from all over the world, we will encourage multipliers and professional and trade associations to organise Belt and Road-themed sectoral seminars and cultural-cum-networking events in the week of the *Summit*. By leveraging their resources, we aim to offer a varied series of Belt and Road events, encompassing both business and cultural interests.
86. The inauguration ceremony and the first roundtable meeting of the *Belt and Road Global Forum (Forum)* were held on 28 June 2018 with the Chief Executive as the Guest of Honour. The *Forum* is a network of alliance bringing together more than 110 chambers of commerce, professional bodies and research institutes from 29 countries and regions to interact, share information and explore business collaboration under the Belt and Road Initiative through

Hong Kong. Going forward, we will actively engage Forum members in the year-round Belt and Road outreach programme both locally and overseas and facilitate the sharing of market intelligence through our quarterly e-newsletters and online communication platform.

Belt and Road Portal

87. With the aim to develop the Belt and Road Portal into *the premier* online platform for market intelligence and project information, two surveys were conducted in March 2018 to understand users' experience and expectations, as well as its positioning against other Belt and Road-related websites. Based on the findings, we will further enhance the portal by enriching its content and features. A new SME section will be created, featuring industry / market-specific business guides and information catering to SMEs' various needs, from sales and trading to diversified production bases in Belt and Road countries. We will also enrich the information on investment projects and further underscore the strengths of Hong Kong.

Hong Kong as an infrastructure integrator and bridgehead for Chinese outbound investment

88. In formulating our outreach plans for various markets, different promotion foci will be adopted to suit the needs of respective markets. In emerging markets where the demand for capital and know-how for infrastructural development is strong, we will promote Hong Kong as an infrastructure integrator, offering a large pool of international and mainland capital and a wide range of professional services. Our primary outreach targets in these emerging markets will be project owners. For the Chinese mainland, our message will be "Meeting the Country's Needs by Leveraging Hong Kong's Advantages" (國家所需，香港所長), highlighting Hong Kong's international experience and professional expertise. We will advocate the concept of "Hong Kong-Mainland Partnership" (併船出海) for mainland enterprises venturing into

Belt and Road economies working with our two key partners, the Ministry of Commerce (MOFCOM) and China International Contractors Association (CHINCA). In the mature markets, we will highlight Hong Kong's connectivity on the mainland and ASEAN and our role as the preferred commercial hub for Belt and Road business opportunities.

89. For investment missions, we will go beyond infrastructure development and cover agricultural investment, sourcing and manufacturing opportunities, as well as other emerging sectors. In the next twelve months, our priority will be on materialising business deals generated by the two missions led by the HKTDC Chairman to the ASEAN in 2017 and 2018. Follow-up missions to Thailand, the Philippines and Indonesia will be organised.
90. We will also organise Hong Kong cross-border investment services missions to the mainland to match Hong Kong service professionals with mainland SOEs and major private enterprises, who will be the main investors in mega-scale Belt and Road infrastructure projects.

Hong Kong as a one-stop professional advisory services centre

91. To help Hong Kong's professional service providers tap into the Belt and Road opportunities, a comprehensive Belt and Road "Professional Tool Kit" will be developed to serve as a step-by-step guide for both overseas investors and project owners to participate in Belt and Road projects utilising Hong Kong's professional services. The tool kit can be accessed via the revamped Belt and Road Portal and will be marketed to both local and global players.

Hong Kong as a centre for digital innovation and connectivity

92. To promote Hong Kong as a centre for digital innovation and connectivity under the Belt and Road Initiative, we have set up a new Digital Silk Road Working Group under the Belt and Road Committee in September 2018. We will conduct a study to more clearly define Hong Kong's role in capturing the digital technology

opportunities along the Belt and Road. To promote the Digital Silk Road theme, we will organise dedicated breakout sessions at HKTDC's flagship promotions, including the "*Think Asia, Think Hong Kong*" campaign in Los Angeles, the *Asian Financial Forum* and the *Belt and Road Summit*. We will also work to develop links between science and technology parks in Belt and Road countries and among their tenants to foster exchange and collaboration.

Hong Kong as the region's logistics and maritime centre

93. For the *Asian Logistics and Maritime Conference (ALMC)*, we will adopt the Belt and Road as a core theme to promote Hong Kong as a premier logistics hub and international maritime centre. We will line up more mainland provinces and overseas countries along the Belt and Road to strengthen regional co-operation and forge new ties through the Hong Kong platform. With the exponential growth of e-commerce and the development of a new premium logistics centre at Kwo Lo Wan at the Hong Kong International Airport, we will enhance the elements of e-commerce logistics and logistics technology in the programme.

Major New Initiatives

- Launch "*Belt and Road Week*" with *Belt and Road Summit* as anchor
- Engage *Belt and Road Global Forum* members in HKTDC's local outreach programme and outbound missions
- Enrich the Belt and Road Portal with a new "SME Section", an expanded investment project database and more prominent featuring of Hong Kong's advantages
- Expand the scope of Belt and Road promotions to include new sectors like fintech, smart city, e-commerce, big data, green finance, agricultural investment, sourcing and manufacturing opportunities
- Organise follow-up missions to Thailand, the Philippines and Indonesia to materialise concrete business deals
- Launch the "Professional Tool Kit" to promote Hong Kong's professional services

- Stage *Building for the Future* event in Indonesia in 2019 to showcase Hong Kong’s capabilities and expertise in infrastructure development
- Co-organise joint investment missions with MOFCOM and CHINCA in Belt and Road economies
- Develop links between science and technology parks in the Belt and Road countries and among their tenants and promote the “Digital Silk Road” theme in our flagship promotions
- Produce a paper on Hong Kong’s role in capturing digital technology opportunities along the Belt and Road

Strategy 2: Establish Hong Kong as Asia’s lifestyle, creative and innovation hub

Hong Kong as Asia’s creative hub

DesignInspire

94. With the UK as partner country, *DesignInspire* 2019 will showcase an array of novel design ideas and innovation-driven projects to foster design thinking in Hong Kong. Leveraging on the strong local British community, we will explore organising a citywide promotional campaign to engage the public and business community. To showcase local young creative talents, we will enhance the “Hong Kong Creative Force Pavilion” through a series of interactive installations and creative works. A year-round series of roadshows and media interviews will be arranged for the local talents to enhance promotional exposure. We will also expand the “Design Supplies Zone” to feature new elements such as design equipment, event technology services and installation, as well as software and tools.

MarketingPulse

95. As the e-gaming industry continues to boom globally, we will incorporate e-gaming marketing into the programme of

MarketingPulse, together with other new topics such as marketing for millennials and branded content. We will continue to identify more young and up-and-coming brands as speakers.

Hong Kong International Film & TV Market (FILMART)

96. To meet business demands in the digital era, we will introduce an online screening room to enable exhibitors to stream their content to a wider audience for an extended period beyond the fair. We will also expand and rebrand the seminar series of *FILMART* into a regional conference entitled “*Entertainment Asia Forum*” to provide more in-depth knowledge of the entertainment business, and reinforce the branding and standing of *FILMART*.

HKILS and ALC

97. To further solidify the position of the *Hong Kong International Licensing Show (HKILS)* as Asia’s largest licensing properties trading platform, we will introduce a dedicated venue to promote global lifestyle brands and set up a screening room to showcase the upcoming releases of entertainment IPs. We will also spotlight Hong Kong’s homegrown properties by collaborating with a new multiplier, Innovative Entrepreneur Association, to launch the “Design Licensing and Business Support Zone”.
98. For the *Asian Licensing Conference (ALC)*, we will invite industry pioneers to discuss emerging trends and the opportunities arising the fast-moving world of e-sports. Also, a new “Direct-to-Retail” track will be launched, inviting leading retailers and e-tailers to share the revolutionary “Direct-to-Retail” licensing model and related sourcing requirements.

Hong Kong Creativity in Business

99. To showcase Hong Kong’s creative excellence in design, branding, marketing and licensing, we will transform the *Hong Kong Creativity in Business (HKCIB)* seminar series into a half-day forum,

featuring leading Hong Kong creative talents and young professionals. We will also forge partnerships with local design and marketing associations to co-organise separate exploratory missions to the Chinese mainland and ASEAN.

Hong Kong as a Smart City and an innovation hub

100. Promoting the development of innovation and technology is high on the agenda of the HKSAR Government. In the 2018 Budget, \$50 billion has been earmarked for innovation and technology development, focusing on Hong Kong's areas of strength, namely fintech, smart city, AI and biotechnology. At the same time, increased internet connectivity and new innovations have heralded a new era in city planning. More and more smart cities will arise, shaping new ecosystems and creating opportunities for related technologies and innovations. We will organise thematic seminars highlighting mega data, IoT and 5G possibilities in *SmartBiz Expo* to equip HK SMEs with the knowledge for tapping into the vast business opportunities brought by the Government's initiative.
101. The "Urbanovation Pavilion" in *DesignInspire* will spotlight smart city development in terms of education, living, environment and mobility. Partners and collaborators such as the Smart City Consortium will be invited to showcase their innovative projects in an interactive manner. We will invite leading companies from the Chinese mainland and overseas to showcase their projects and share their experience at the "InnoTalks" seminar series. STEM (science, technology, engineering and mathematics) related workshops such as coding and programming will be organised to engage the public.
102. The *International ICT Expo (ICT Expo)* will be rebranded with "Smart City" as the central theme. Sub-themes such as Smart Mobility, Smart Economy and Smart Living will also be explored. We will engage our existing partners, the Smart City Consortium and invite local associations to stage pavilions and organise seminars to showcase their solutions and products. Outside Hong Kong, we will approach the Shenzhen's Economic, Trade and Information

Commission and Guangdong's Department of Commerce, as well as those of Seoul, Singapore, Taipei and Tokyo to form regional and country pavilions at the *Expo*. We will also work with the office of the Government Chief Information Officer to incorporate the smart city theme into the programme of the concurrent *Internet Economy Summit* to create better synergy with the *ICT Expo*.

103. Apart from the *ICT Expo*, we will also inject smart city elements in suitable fairs. Examples include launching a Smart City Lighting Infrastructure and Solutions zone at the *Hong Kong International Outdoor and Tech Light Expo*, staging a Smart Living for the Elderly themed product display at the *Hong Kong International Medical and Healthcare Fair* and organising seminars around the themes of smart city and smart living at the *Hong Kong International Lighting Fairs*, *Hong Kong Electronics Fairs*, *Hong Kong International Medical and Healthcare Fair* and *Eco Expo Asia*.

Asian Financial Forum (AFF)

104. We will continue to strengthen the focus on innovation at the *AFF*. The “InnoTalks” series will examine the latest innovations and trends of pertinent interest to global financial and business leaders, while the “Fintech Showcase” to be launched in 2019 will allow financial institutions and technology providers to present cutting-edge technologies and solutions. Visits to key innovation laboratories and fintech centres in Hong Kong will also be organised for *AFF* participants.

Asian Logistics and Maritime Conference (ALMC)

105. Increasingly, logistics service providers have expanded into the e-commerce and technology arena such as cargo tracking and monitoring solutions, big data analytics, real-time inventory control systems and omni-channel solutions. For *ALMC 2019*, we will expand the “E-Commerce Support and Tech Application Zone” launched last year to feature more related applications and

technologies. We will also introduce a new track of “InnoTalks” to highlight exhibitors offering innovative logtech solutions.

Business of IP Asia Forum

106. We will continue to enrich the programme with new topics such as Geographical Indication (GI), a form of IP used worldwide as an instrument for brand management and product differentiation. We will also introduce IP topics for the biomedical industry and Hong Kong start-ups.
107. With an aim to advocate the latest technology and innovation trends, the Global Tech Summit, an anchor technology component of the *BIP Asia Forum*, will feature heavyweight technology pioneers discussing how AI has become a key source of transformation and disruption and its competitive advantages in the business world.

Demonstrating Hong Kong’s capabilities overseas

108. To showcase the capabilities of ICT and telecommunications players, we will partner with HKSTP to expand the *Hong Kong Pavilion* and ICT Mission to the *Mobile World Congress* in Barcelona, the world’s largest event. For the 2019 edition, Smart City will be the over-arching theme for the Pavilion featuring mobile e-commerce, app development, wearables and IoT. A reception will be held at the Pavilion to boost traffic and facilitate networking. Market visits to smart city related projects and developments in Barcelona will also be arranged for Hong Kong delegates.
109. To nurture and develop financial innovation for Hong Kong, we will explore collaborating with relevant Hong Kong institutions such as ASTRI, Cyberport and HKSTP to organise for the first time a delegation of fintech practitioners, together with representatives from the finance and investment communities, to explore business opportunities in selected overseas markets and identify potential partnerships with local companies. We will also explore

participation in a concurrent industry-leading event which will facilitate networking opportunities.

110. To showcase Hong Kong's biotechnology capability to the global audience, we will organise Hong Kong players to exhibit at the *BIO Convention* which takes place in different biotechnology hubs in the US. With a growing biotechnology cluster in Los Angeles, we will also explore organising a networking event comprising Hong Kong academia as well as biotechnology and pharmaceutical industries to keep players abreast of the latest developments.

Major New Initiatives

- Work with the UK, partner country for *DesignInspire* 2019, to explore organising a citywide promotional campaign leveraging the strong British community in Hong Kong
- Introduce new topics such as e-gaming marketing and branded content at *MarketingPulse* and feature more young and up-and-coming brands as speakers
- Expand the scale and scope of the seminar series at *FILMART* and rebrand it as a regional conference entitled "*Entertainment Asia Forum*"
- Collaborate with the Innovation Entrepreneur Association to launch the "Design Licensing and Business Support Zone" at the *HKILS* to promote Hong Kong's homegrown properties
- Launch a new "Direct-to-Retail" track and a special breakout session on the fast-growing e-sports industry at the *ALC*
- Transform the *HKCIB* seminar series into a half-day forum to augment promotion of Hong Kong's creative excellence
- Develop the *International ICT Expo* into a flagship exhibition for smart city and invite mainland and Asian cities with clear smart city blueprints to form country pavilions
- Feature "Smart City" theme in *SmartBiz Expo* and organise thematic tracks of seminars on related subjects such as mega data, IoT and 5G possibilities
- Showcase smart city projects in the "Urbanovation Pavilion" at *DesignInspire* and organise STEM-related workshops to enhance public engagement

- Enhance the “InnoTalks” series and launch the “Fintech Showcase” at the *AFF*
- Introduce the “InnoTalks” track at the *ALMC* to cover logtech solutions and expand the “E-Commerce Support and Tech Application Zone” in the exhibition to meet the growing demand for e-commerce and related technological applications
- Invite technology pioneers to speak at Global Tech Summit at the *BIP Asia* spotlighting artificial intelligence (AI)
- Organise a delegation of fintech practitioners and investors to explore business partnership opportunities in selected mature markets, with participation in leading local fintech events
- Expand Hong Kong participation at the *Mobile World Congress* and *BIO Convention* to showcase local capabilities

Strategy 3: Promote Hong Kong as a “two-way” platform for capturing opportunities arising from the Guangdong-Hong Kong-Macao Greater Bay Area Development

With a combined population of some 70 million and accounting for 12.4% of the mainland’s GDP, the Greater Bay Area will undoubtedly offer an enormous market for Hong Kong’s services and products. Efforts to promote further liberalisation of trade in services between Guangdong and Hong Kong will strengthen Hong Kong’s role in helping the Greater Bay Area’s integration with the global network, as well as building the Greater Bay Area into an important hub under the Belt and Road Initiative.

Capture new opportunities arising from the Greater Bay Area

Activities targeting selected Greater Bay Area cities

111. To strengthen cooperation with our counterparts in the Greater Bay Area, we have signed Memoranda of Understanding (MOUs) with the ten other cities in 2017 and 2018. Leveraging the MOUs, seminars and roundtables will be organised in Dongguan, Foshan,

Huizhou, Jiangmen, Zhaoqing and Zhongshan in 2019/20. These promotions will highlight Hong Kong as the ideal partner in capturing business opportunities arising from the Greater Bay Area development as well as facilitating mainland enterprises in “going out”. In particular, thematic seminars covering AI, robotics, smart city and bio-technology will be organised to foster Hong Kong’s participation in related technologies.

Keeping Hong Kong companies abreast of latest developments in the Greater Bay Area

112. We will organise cross-sector missions targeting Hong Kong companies and service providers to keep them abreast of the latest developments in the Greater Bay Area. Target cities in 2019/20 include Dongguan, Foshan, Guangzhou, Shenzhen and Zhuhai. Roundtable meetings will be arranged to establish contacts and nurture business cooperation.

The Greater Bay Area and Belt and Road Initiative

113. We will organise a dedicated breakout forum on the Greater Bay Area at the 2019 *Belt and Road Summit* plus a side trip to Greater Bay Area cities. We will also organise inbound missions from the Greater Bay Area to participate in the *Belt and Road Summit* and connect them with Hong Kong companies and service providers.

Building global connectivity for the Greater Bay Area through Hong Kong

114. As the most open and international city in the pack, Hong Kong has a clear role to play in the globalisation of the Greater Bay Area. We will incorporate a Greater Bay Area element into our two flagship overseas mega promotions, *Think Asia, Think Hong Kong (TATHK)* and *In Style • Hong Kong*. The *TATHK* campaign will return to Los Angeles in 2019 with a focus on technology and start-ups. Riding on the campaign, we will showcase Hong Kong as the bridge between the Greater Bay Area and the Silicon Beach. For the *In*

Style • Hong Kong in Manila, we will highlight the opportunities of the Greater Bay Area as an investment destination and an export market.

Hong Kong as a two-way innovation and technology hub for the Greater Bay Area

115. For the 2020 edition of the *AFF*, we will organise side programmes to the Greater Bay Area for overseas delegations interested in fintech and innovation-related collaboration. Riding on the success of the joint investment mission with the Department of Commerce of Guangdong to the UK, Spain and Italy in June 2018, we will organise another mission with Guangdong to identify tripartite technology partnership opportunities.
116. For Hong Kong companies, we will organise a technology mission to Guangdong focusing on green technology, autoparts and electronics. Apart from Shenzhen and Dongguan, we will also visit Zhaoqing which has put strong emphasis on the development of green technology, new energy vehicles and machinery.
117. To promote Hong Kong as a technology hub in the Greater Bay Area, we will highlight Hong Kong's experience in technology trading, marketing and commercialisation, abundant supply of investment funding and international talents, as well as rigorous protection of intellectual property rights. Roadshows to Shenzhen and Dongguan will be organised to engage the local science and technology government organisations, multipliers and companies to make full use of Hong Kong's advantages.
118. Over the years, enterprises in the Greater Bay Area have been leveraging HKTDC's trade fairs to make inroads into the international markets. Targeting the strong cluster of technology companies in the Greater Bay Area, we will mount a "Greater Bay Area Zone" in our trade fairs with *Eco Expo Asia* as a pilot. In addition to Guangzhou, Shenzhen, Foshan and Macao, which have been participating in the Expo for a number of years, we will invite

the other six mainland Greater Bay Area cities to join the debut Zone to highlight the region's environmental technology capabilities. A "Greater Bay Area Forum" will also be held during the Expo for visitors to understand the green technologies currently available as well as opportunities in the region.

Exploring infrastructure and logistics opportunities in the Greater Bay Area

119. Following the *Building for the Future* campaign to be held in Guangzhou in March 2019, we will organise seminars, roundtable meetings and missions on specific topics to continue the dialogue with counterparts in the Greater Bay Area, while promoting Hong Kong's expertise in sustainable and integrated development covering smart city planning, transit-oriented development (TOD), heritage conservation, and public-private partnership (PPP).
120. We will also organise a Greater Bay Area roundtable at *ALMC* and arrange a side trip to the Greater Bay Area to explore opportunities in logistics arising from an increased flow of people and goods brought by enhanced intra-regional connectivity.

Facilitating Greater Bay Area enterprises to undergo transformation and upgrading

121. To promote Hong Kong's service excellence, we will stage *SmartHK* in Guangzhou in 2019, featuring a full spectrum of service sectors including financial and professional services, innovation and technology, logistics and e-commerce, design and creativity. Themes on Industry 4.0, manufacturing technologies, automation and robotics will be highlighted.
122. Following the *SmartHK* event, we will organise a series of *HKCIB* delegations to visit selected Greater Bay Area cities such as Dongguan and Foshan, to introduce Hong Kong's branding, design and marketing services to Greater Bay Area companies.

Deepening the penetration of Hong Kong's financial and professional services into the Greater Bay Area

123. Geographically, Hong Kong is well placed for Guangdong enterprises to set up their international headquarters and for overseas companies to manage their Greater Bay Area businesses. As an international financial centre, Hong Kong also attracts companies to raise funds to support their expansion in the Greater Bay Area as well as in the region. We will connect Hong Kong players not only with their potential clients, but also their counterparts based in Guangdong to foster more sector-to-sector partnerships.
124. Increasing trade and the flow of investments into the Greater Bay Area will bolster demand for legal services. We will work with the Department of Justice and relevant professional associations such as Hong Kong Bar Association, Law Society of Hong Kong and Hong Kong International Arbitration Centre to organise outbound missions to the Greater Bay Area to sustain the momentum from the Legal Services Symposium in Guangzhou in September 2018.

Providing up-to-date market intelligence

125. We will enrich the Greater Bay Area materials at the SME Centre while a dedicated section on the region will be set up on our Research Portal to facilitate easy access. Workshops will also be organised to help SMEs pursue business opportunities.

Major New Initiatives

- Launch a Greater Bay Area breakout session at the 2019 *Belt and Road Summit* and 2019 *ALMC*
- Showcase Hong Kong's edges in connecting the Greater Bay Area with global business communities in *TATHK* in Los Angeles and *In Style • Hong Kong* in Manila
- Organise *SmartHK* in Guangzhou in 2019, incorporating Industry 4.0, manufacturing technologies, automation, robotics as new elements

- Organise a technology investment and partnership mission to overseas markets with Guangdong
- Organise a technology mission to Guangdong with focus in green technology, autoparts and electronics
- Organise roadshows in the Greater Bay Area to promote Hong Kong as a technology hub focusing in particular on AI, robotics, smart city and bio-technology to connect Hong Kong service providers with SOEs / MPEs
- Organise a series of *HKCIB* delegations to selected Greater Bay Area cities such as Dongguan and Foshan to introduce Hong Kong's branding, design and marketing services to local manufacturers
- Collaborate with the Department of Justice and relevant professional associations to organise outbound missions to the Greater Bay Area
- Organise side visit to the Greater Bay Area for *AFF* overseas delegations interested in fintech and innovation-related collaboration
- Organise cross-sector missions to the Greater Bay Area targeting Hong Kong service providers to keep them abreast of latest development and business opportunities

Objective III

Equip start-ups and a new generation of Hong Kong businesses to become future ready

For Hong Kong to maintain its competitiveness and sustain its leading position in the global marketplace, it is important to nurture Hong Kong's start-ups and a new generation of entrepreneurs. We will introduce more start-up-focused initiatives and provide marketing and entrepreneurial opportunities for the younger generation. To ensure HKTDC is equipped to support SMEs in the digital era, we will upgrade our digital infrastructure and leverage big data technology to better connect Hong Kong companies with mainland and overseas buyers.

Strategy 1: Establish HKTDC as the go-to organisation for start-ups and young entrepreneurs

Leveraging anchor events to engage start-ups and entrepreneurs

126. HKTDC's *Entrepreneur Day (E-Day)* has caught the attention of the local start-up community as an annual event for talent acquisition, making connections and sourcing funding and investment opportunities. To raise the internationality of the event, we target to invite iconic overseas start-up speakers to the anchor "Start-up Runway" series to share their insights on running a successful start-up and how to attract investments. To enrich the content of the International Start-up Week and create more networking opportunities for start-ups, we will partner with local co-working spaces to launch the "E-Day in Co-working Space".
127. As part of the *AFF Deal Flow Matchmaking Session*, the "InnoVenture Salon" will return to connect start-ups with global investors and potential partners. Entrepreneurs will be invited to showcase their solutions at the "Start-up Zone", meet with potential investors at the "Investor Alley", and present their business ideas at "Project Demo" sessions. Experienced innovators, investment experts and industry veterans will be invited to share practical advice

on how to scale up during the “Mentor Hours”. We will also organise a special session at the *AFF* targeted at the younger generation, enabling them to acquire the latest market intelligence and industry trends.

128. With a strong presence of brands from the region, *MarketingPulse* is an ideal platform for start-ups in the marketing field providing digital marketing solutions to connect with potential clients. Start-up booths and business matching meetings will be introduced at the event, together with a special dialogue session for young professionals and successful start-ups to share their experience.
129. Riding on the successful partnership with the Hong Kong Design Institute at the *FILMART* in promoting the creative talents of students and contents such as scripts, short films and animation, we will organise a sharing session featuring young and successful film production talents at the *Entertainment Asia Forum* targeting would-be and young producers and directors from Hong Kong and the region.
130. To further engage young members of the Federation of Hong Kong Business Associations (Federation), networking sessions at the 2019 *Hong Kong Forum (Forum)* will be divided into smaller groups, each to be chaired by a dynamic moderator to facilitate interactive dialogue with the young participants. Local associations such as the Hong Kong Startup Council, StartupsHK and the Innovative Entrepreneur Association will be engaged as strategic partners of our Young Executive Programme at the *Forum* to facilitate exchange between the Federation’s younger members and their counterparts in Hong Kong.

Bringing Hong Kong start-ups and entrepreneurs to the world

131. To connect entrepreneurs and start-ups with potential business partners outside Hong Kong, we will collaborate with key partners to feature Hong Kong start-ups at our flagship mainland and overseas promotions. In 2019, we will co-operate with, Cyberport

and HKSTP to feature Hong Kong tech start-ups at *SmartHK* Guangzhou. We will organise pitching sessions and business matching and recruit more local investors and venture capitalists in addition to business owners.

132. At the 2019 *TATHK* campaign in Los Angeles, we will partner with Hong Kong Inc. members such as the Cyberport, HKSTP and the Law Society of Hong Kong to provide on-site mentoring services for US start-ups. We will also engage Hong Kong start-ups to showcase their business ideas and explore collaboration opportunities with American companies at the “Start-up Zone”.

Year-round promotion programme for young creative talents

133. With the success of presenting 60 local young creators at the inaugural *DesignInspire*, we will continue to enhance the initiative by launching a year-round programme covering overseas and mainland roadshows, showcases at Hong Kong shopping malls and office buildings, publicity campaigns and networking opportunities, to nurture Hong Kong’s young design talents by maximising their exposure and helping them network with relevant industries.

Championing HKTDC’s fairs as the commercial platform for start-ups

134. Following the successful launch of the Startup Zones last year, we will enhance the internationality of the exhibitors at the Startup Zones, focusing on North America, Southeast Asia and the Chinese mainland in particular. Greater Bay Area cities such as Shenzhen, Guangzhou and Dongguan are among our prime recruitment targets. We will invite crowdfunding platforms such as Kickstarter and Indiegogo to participate in our Startup Zones to further enrich the profiles of our exhibitors. On the visitor side, we will expand our reach of investor multipliers, angel investors and venture capitalists. In particular, we will target family offices and the portfolio management office of leading corporations. We will leverage start-up related key opinion leaders in ASEAN countries and the

Greater Bay Area to help our Startup Zones go viral in the respective markets. On the promotional side, we will work with overseas start-up media in O2O promotions and also to form exhibitor and investor missions as well as organise on-site events. Start-up media in India, Singapore, Taiwan, the UK and the US are our main targets.

135. A new interactive workshop entitled “Pitching Clinic” conducted by investors and top accelerators to share effective ways of pitching will be organised during the *Hong Kong Electronics Fairs* to enhance our offering to participating start-ups. A daily networking event in the evening will also be introduced to provide more opportunities for start-ups to network with potential investors and traders.

Nurturing young entrepreneurs

136. To equip Hong Kong SMEs and aspiring entrepreneurs to face the ever-changing business environment and be future ready, workshops and seminars will be organised to provide training in both soft skills and practical entrepreneurial techniques. International and trending topics in the areas of entrepreneurship, e-commerce, search engine marketing, search engine optimisation, customer relationship management, digital marketing, social media applications, SME management, Belt and Road/Greater Bay Area opportunities and China business will be covered. Young business leaders, successful local start-ups and influential multipliers will be engaged to share their success stories and insights on the latest start-up trends and opportunities.
137. To encourage technology commercialisation into viable businesses, we will launch “IP Hatch”, a competition for start-ups and entrepreneurs at *BIP Asia Forum*. Participants will be asked to create scalable business ideas or solutions by incorporating existing intellectual property and/or technology elements offered by technology companies, universities and R&D centres. The winning start-ups will be featured at the *E-Day*.

138. With the concentration of innovation and technology players in the Greater Bay Area, Hong Kong start-ups are eager to build connections and enter the Greater Bay Area market. We will organise networking and business matching activities at *E-Day* and *SmartBiz Expo* for Hong Kong start-ups to build a stronger bond with their mainland counterparts.
139. Under the banner of “Hong Kong Start-up Society”, an online community for start-ups, we will launch a mentorship programme including workshops and meet-ups to connect experienced founders, industry experts and influencers with high potential start-ups and young entrepreneurs to facilitate their easy access to insight, advice, resources and knowledge. While the judges, advisors, supporters and participants of the “Start-up Express” (創業快綫) development programme will form the initial mentor-mentee community, business leaders and participants of other awards and pitching events will also be invited to enlarge the circle. In addition, an online Q&A platform will be launched to facilitate more timely information and knowledge exchange between founders and start-ups.
140. The Trade Ambassador Programme (TAP) will be enhanced to cultivate young people’s interest in business and entrepreneurship. We will engage young and budding entrepreneurs to provide career and business guidance and share their insights in youth entrepreneurship through our social media platforms. The TAP Facebook channel will be transformed to provide interaction with a wider community including tertiary students, young professionals and entrepreneurs in Hong Kong and overseas.

Major New Initiatives

- Organise “E-Day in Co-working Space” to enrich the International Start-up Week
- Engage start-up companies in the marketing field to participate in the *MarketingPulse*

- Co-operate with the Cyberport and HKSTP to bring Hong Kong tech start-ups to *SmartHK* Guangzhou to identify funding, attract partners and facilitate business connections via pitching and business matching
- Set up a “Start-up Zone” at the *TATHK* in the US for Hong Kong start-ups to showcase their business ideas and network with the American start-up community
- Intensify start-up exhibitor recruitment focusing on North America, Southeast Asia and the Greater Bay Area cities of Shenzhen, Guangzhou and Dongguan
- Recruit crowdfunding platforms as exhibitors and family offices and portfolio management offices of leading corporations as visitors to Startup Zones
- Launch the “Pitching Clinic” and a daily networking event during the *Hong Kong Electronics Fairs*
- Organise “IP Hatch”, an open-innovation competition for start-ups and entrepreneurs
- Organise networking and business matching activities for Hong Kong start-ups with their counterparts in the Greater Bay Area at *E-Day* and *SmartBiz Expo*
- Launch a start-up mentorship programme and an online start-up community “Hong Kong Start-up Society”
- Transform the TAP Facebook channel to widen our reach from tertiary students to young professionals and entrepreneurs

Strategy 2: Equip HKTDC to assist Hong Kong companies to remain competitive in the digital era

Leverage AI and new technology to promote customer-centric digital business services

141. A chatbot has been launched at the hktdc.com website since March 2018 to offer immediate response to our customers on a 24x7 basis. With AI technology, the quality of response has been improving along with machine learning. We will extend this to more touch-

points, including social media accounts, to further enhance HKTDC's efficiency and effectiveness.

142. We will explore leveraging AI and machine learning technology to offer new customer-centric services, such as:
 - i. "Smart" buyers enquiry service – a customised referral by machine learning based on existing referral patterns and segmented buyers;
 - ii. "Smart" products search – a personalised search by the kinds of products a user has watched and by popularity; and
 - iii. push relevant products via a web push notification.

143. Taking advantage of the new tools and functions such as Facebook Lead Form, Facebook Live, Facebook Messenger, Instagram Story, WeChat H5 and Mini Program, as well as LinkedIn's In Mail advertisements, we will actively call for buyers' advance registration via these platforms. We will establish our presence in event-based apps such as EventBrite and 10Times to reach out and ride on popular content platforms and applications such as Tik Tok (抖音短視頻). In addition to the existing 50+ social media accounts run by the Council globally, we will further expand our international coverage by setting up new social media accounts overseas such as in the Philippines.

144. To provide a modern, immersive and powerful digital experience, our website – hktdc.com – will be revamped and mobile apps for sourcing, conference and market intelligence will be introduced. A new open application programming interface will be adopted to increase agility and integration capabilities enabling us to respond faster to market trends and deliver new services with speed.

145. We will adopt Cloud-native, Multi-CDN (Content Delivery Network) and HTTP2 technology, a network transfer protocol, to increase the website's loading speed and performance, as well as improve the Google search ranking. A more robust search engine will be installed to give more timely and relevant information. The

updated website structure will be conducive to attracting the tech-savvy younger generation.

146. The revamped Online Marketplace website is scheduled to be launched in the last quarter of 2019/20. A brand-new layout with a user-friendly interface and an up-to-date backend architecture with effective data analytical capabilities will be developed. The Buyer Enquiry Service will be enhanced with mobile-friendly and self-service features to provide more customised and precise business connection between buyers and suppliers.
147. With the growing prevalence of mobile payment among the public, we have partnered with e-wallet solution providers to provide an alternative channel for ticket sales, fair promotion and visitors admission. We will explore introducing a common e-ticketing platform to facilitate the use of different mobile payment options at our public fairs.
148. The HKTDC Conference App launched in 2018 for *AFF* has successfully garnered an online community of participants, facilitating more networking while enhancing their experience through customisation and convenience. In 2019/20, the App will be extended to cover all HKTDC conferences. More features will be added to further improve users' experience.

Applying data analytics

149. Every year, there are over 60 million visits to the hktdc.com Online Marketplace. Together with the information from our mobile apps, social media and digital platforms, we have captured a sizable amount of data on user behaviour. We will leverage big data technology to understand the behaviour and preferences of our users and formulate customer-centric strategies to enhance customer experience. Data analytics capabilities will be built into the new infrastructure for hktdc.com and its sub-portals to further strengthen HKTDC's marketing capabilities and improve our services in various aspects. This will enable us to have a more customised

communication with our customers with reference to their sourcing needs, optimisation of search results based on users' interest and product popularity, more accurate business matching of buyers and suppliers through advanced user segmentation, as well as better prediction of user preferences through AI and machine learning.

150. We will use a data visualisation tool to conduct customer profile and campaign analyses as well as measure marketing effectiveness. An advanced data analytic tool for ad hoc data analysis like data mining capability and predictive modelling will also be implemented.
151. These tools can also help us better understand the market and conduct more targeted and proactive marketing campaigns via various channels. The analyses will provide market intelligence to advertisers and suppliers; and specific and useful advice to advertisers as a value-added service.
152. To embrace new digital capabilities, we will engage a Hong Kong company or start-up with expertise in areas of data analytics, machine learning, cloud, mobility, IoT, location sensing/ tracking technology to run pilot projects on new digital initiatives, such as:
 - i. iBeacon technology for delegates counting during outbound trips;
 - ii. social media and sentiment analysis from social media channels;
 - iii. indoor positioning using HKCEC wi-fi infrastructure; and
 - iv. introduce e-payment for participation fee at the Exhibition Online Platform.
153. With the enhancement of the wi-fi system at the Hong Kong Convention and Exhibition Centre due to complete by the end of 2018, we will explore introducing an indoor positioning functionality in the Marketplace App to capture buyer behaviour at the fairground for further data analysis in order to enhance the content and effectiveness of HKTDC fairs. The launch of the e-badge coupled with enhanced wi-fi at the fairground will allow us

to push relevant information to buyers while they are on-site which will greatly enhance their experience at our fairs.

Enhanced portals to engage the business community

154. To match the growth of visitors to the Research portal using mobile devices, responsive layouts and motive charts/graphics are essential to enhance the surfing experience. The Research portal will be revamped to include a new mobile-friendly Content Management System (CMS). A new “push notification” feature will be adopted to provide timely customised content based on readers’ preferences. Useful tools such as polling and two-way reader comments will be introduced to grow the community of readers and enhance their stickiness.

Build a tech-savvy organisation

155. To enable staff to communicate, interact and share information more effectively, the mobile first programme was introduced in 2015 to enhance workforce efficiency, raise staff productivity and upgrade to a new-generation workplace. In 2019/20, we will launch the *Intra-App 2.0* with an advanced architecture and more personalised functions such as e-payslip and e-Tax form. We will continue to migrate internal workflows to the new digital platform and reduce paperwork. This will eliminate delays in processes and reduce human mistakes.
156. We will also promote the use of an agile approach on managing digital projects and adopt digital project management tools to capture user requirements, manage issues and automate the entire IT development and testing process, speeding up the deployment and supporting rapid changes.
157. Targeting the staff, we will organise workshops on technology updates and productivity tools to help our staff master these skills and work more efficiently and effectively. Digital marketing gurus will be invited to run practical workshops for colleagues to acquire

up-to-date industry best practices and digital marketing knowledge and skillsets. A monthly social media update will be shared with all overseas branch offices to keep colleagues updated on the latest best practices.

Streamline and automate work processes to drive operational efficiency

158. As most of the web browsing behaviour have shifted from PCs to mobile devices in recent years, a new CMS will be implemented to support a mobile-friendly system.
159. The Exhibition / Conferences Event Management System will be upgraded with new application programming interfaces (APIs) and mobility features. This open architecture framework with a wider adoption of APIs will enable us to respond faster to market changes. Other internal systems will also be upgraded such as the Financial Management System and the automation of workflows to enhance corporate governance and streamline operations.
160. A mobile enabled service will be provided to customers to update their information with HKTDC. This will not only improve the efficiency of customer data updates but will also allow us to offer more personalised services as a result of up-to-date information.
161. We will evaluate the feasibility and cost effectiveness of appointing a travel management company (TMC) to provide operational and tactical support for the Council's travel arrangements. The TMC will assist the Council's staff and mission delegates to plan their travels, make reservations and track travellers for security and safety reasons. This will free up internal frontline resources while enhancing the service level to our stakeholders.

A "paper free" HKTDC

162. Promoting a paper free environment at all HKTDC trade fairs and conferences will enhance the image of the Council as a smart and

green organisation. QR codes will be adopted in phases to replace event catalogues and marketing materials while coupons, surveys and feedback paper forms will be digitised.

163. The customer registration data capture process will be revamped with automated data standardisation, smart external matching system, user-friendly review user interface for potential match records, and auto-create and update records into a central database. As a result, a large amount of paper will be saved and operation efficiency in data processing will be improved significantly.
164. As cloud and mobility technology becomes increasingly mature, we will further enhance the paperless initiative. With Council meetings and most Advisory Committee meetings already paperless, this format will be extended to all committee meetings in 2019/20.

Major New Initiatives

- Extend the Chatbot service to more touch-points of the Council covering various digital properties
- Leverage AI and machine learning technology to offer new customer-centric services such as smart buyers enquiry and product search services
- Launch the revamped Online Marketplace website with user-friendly interface to provide more customised business connections between buyers and suppliers
- Build data analytics capabilities into the new infrastructure for hktdc.com and its sub-portals to further strengthen HKTDC's marketing capabilities and our services
- Revamp the Research Portal by including a new mobile-friendly Content Management System (CMS) to provide timely customised content based on the preference of readers
- Engage local start-ups to run pilot projects on new digital initiatives
- Organise workshops on technology updates, productivity tools and digital marketing for HKTDC staff
- Upgrade internal event and data management systems to enhance operational efficiency

- Explore the feasibility and cost effectiveness of appointing a travel management company to provide operational and tactical support for the Council's travel arrangement to free up internal resources and enhance service levels to our stakeholders
- Explore introducing a common e-ticketing platform to facilitate the use of different mobile payment options at our public fairs

IV. Budgetary Allocation for 2019/20

Programme Areas

165. HKTDC activities are categorised into six programme areas. The six programme areas are: product promotion; service promotion; international promotions, customer service and communication; international exhibitions; publications and e-commerce; and research.

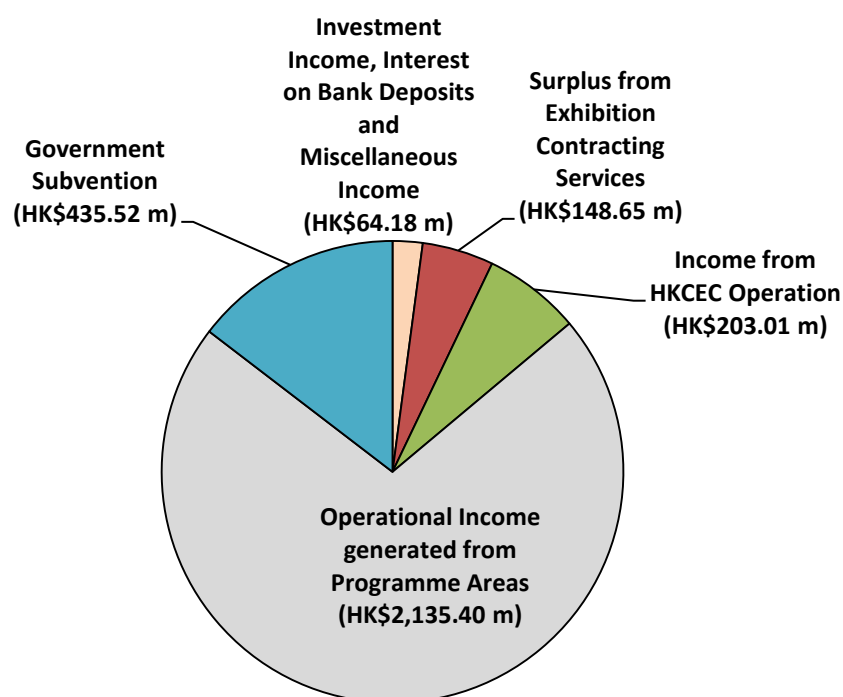
Budgetary Planning and Financial Objectives

166. HKTDC adopts a three-year planning cycle to formulate its Budget Estimates with a view to achieving two financial objectives, namely to:
- i. drive a sustainable and cost effective operation, and achieve an overall healthy financial position; and
 - ii. maintain the administrative cost ratio lower than the 45% ceiling stipulated by the Council.
167. The Government subvention for 2019/20 is estimated at HK\$435.52 million. To meet the financial objectives, HKTDC will adopt the following strategies to sustain its revenue and allocate its resources effectively:
- i. ***Expand customer base***
 - a. broaden the customer base of HKTDC activities, particularly exhibitions and the online marketplace;
 - b. increase the number of users of HKTDC services and activities through introducing customer-centric services; and
 - c. build customer loyalty through providing value-added services.

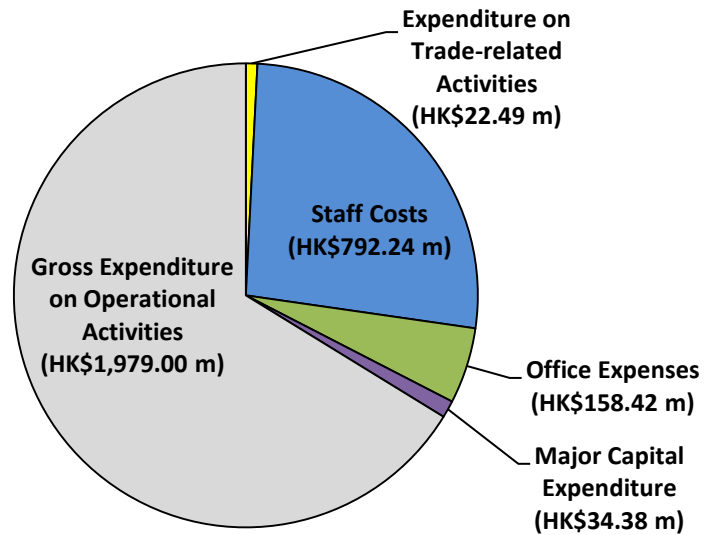
- ii. ***Effective use of resources***
 - a. re-prioritise activities and deploy resources to demand-driven and priority markets;
 - b. strengthen staff skills and system capabilities to ensure HKTDC and its services are future ready to serve Hong Kong companies;
 - c. enhance IT systems to automate work processes and improve work efficiency;
 - d. streamline our process and procedures; and
 - e. continue to strengthen corporate governance.

Overall Income and Expenditure

168. In 2019/20, the total gross income is estimated at HK\$2,986.76 million:

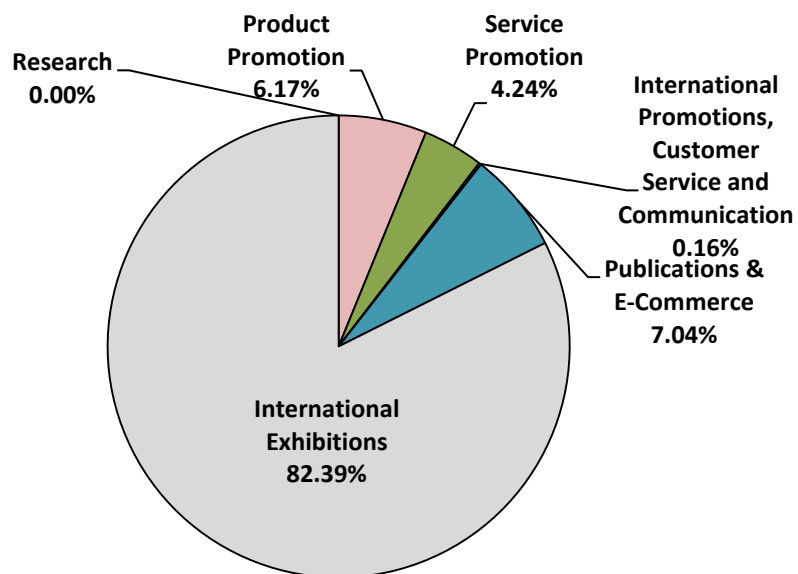


169. Total gross expenditure, including non-core expenditure on trade-related activities such as the engagement of US consultants (for governmental relations services) and subvention to the Hong Kong Shippers' Council and Hong Kong-Japan Business Co-operation Committee, will amount to approximately HK\$2,986.53 million:

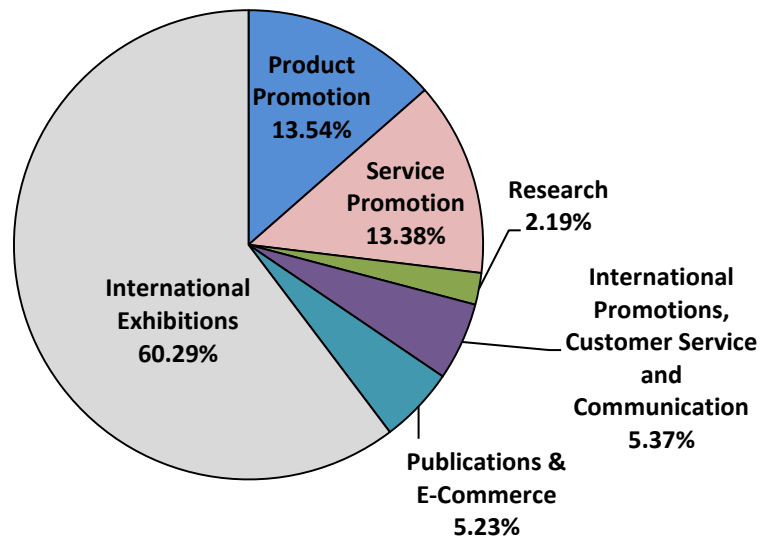


170. Gross income and expenditure are apportioned among the six programme areas.

Gross Income:



Gross Expenditure:



171. Total gross expenditure (before direct overheads and allocated costs) on three core promotional programme areas (namely product, service and international promotions) is estimated at HK\$514.34 million. 43.84% of the said HK\$514.34 million gross expenditure will be covered by the respective self-generated revenue.

Key Financial Indicators

172. Projection of the key financial indicators for 2019/20 are as follows:

- i. *Percentage of Gross Operating Expenditure covered by Self-Generated Income*

Self-generated income as a percentage of the gross operating expenditure is estimated at 87.1%;

- ii. *Administrative Costs vs. Operational Expenditure*

Administrative overheads as a percentage of the total recurrent operational expenditure is estimated at 32.4%; and

iii. *Expenditure Allocation*

	<i>HK\$'m</i>	<i>%</i>	<i>Guidelines</i>
a. Staff Costs	792.24	26.7%	≤35%
b. Office Expenses	158.42	5.3%	≤10%
c. Expenditure on Operational Activities (Gross)	1,979.00	66.8%	≥55%
d. Major Capital Expenditure	34.38	1.2%	
	<u>2,964.04</u>	<u>100.0%</u>	

173. The expenditure allocation figures above exclude the expenditure of HK\$22.49 million on trade-related activities mentioned in paragraph 169.

Medium-Term Performance Targets for 2017/18 to 2019/20

	2016/17 Base Year	2019/20 Target
I. Help Hong Kong companies capture opportunities amid uncertain export environment		
1.1 Number of Hong Kong companies participated in HKTDC e-commerce/ m-commerce/ O2O promotional activities	2,862	3,753 (+31%)
1.2 Number of Asian buyers participated in HKTDC trade fairs	304,300	345,738 (+14%)
II. Position Hong Kong as the commercial platform for Belt and Road to reinforce our central role as a two-way investment and business hub of Asia		
2.1 Number of companies participated in HKTDC Belt and Road-related promotion activities	10,283	14,919 (+45%)
2.2 Number of companies participated in HKTDC service promotion events	12,254	14,044 (+15%)
III. Equip start-ups and a new generation of Hong Kong businesses to become future ready		
3.1 Number of Hong Kong participants in HKTDC start-up or young entrepreneur activities	9,570	11,762 (+23%)
3.2 General customer satisfaction assessment	≥ 80 (on a scale of 100)	≥ 80 (on a scale of 100)

YOUNG ENTREPRENEURS BUSINESS HUB
OF ASIA
START-UPS
BELT AND ROAD
GUANGDONG-HONG KONG-MACAO
FUTURE GREATER BAY AREA
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