



Hong Kong's trade events give access to markets and products of the Asia-Pacific

(27 May 2010) The visit to the United States by Mr Johnny Wan, Senior Exhibitions Manager, Hong Kong Trade Development Council, salutes a long trading history, while underscoring Hong Kong's modern status as Asia's premier trading hub.

"The United States is Hong Kong's second largest export market," said Mr Wan. "Only the Chinese mainland exceeds it. For the first quarter of 2010, Hong Kong's total exports to the US amounted to US\$8 billion." Mr Wan pointed out that this is an increase of 4% over the same period in 2009, signalling a return to growth following the global financial crisis.

Major export items to the US included telecommunications equipment and parts (shared 14% of the total), articles of apparel, of textile fabrics (8%), toys, games & sporting goods (7%), women's/girls' wear of textile fabrics (6%) and footwear (6%).

The trade partnership is mutually beneficial with the US ranked as Hong Kong's fifth largest source of imports. Hong Kong's total imports from the US rose by 25% to US\$5 billion in the first quarter of 2010. Leading import items during the period included semi-conductors and electronic valves and tubes (shared 16% of the total), telecommunications equipment and parts (8%), pearls, precious and semi-precious stones (7%), fresh or dried fruit and nuts (6%), and parts and accessories of office machines/computers (5%).

"An important contributing factor to this robust reciprocal trade has been the participation of US companies in Hong Kong trade fairs," said Mr Wan. "In fact, such participation allows US companies to extend trade far beyond Hong Kong as these events are sourcing hubs for buyers across the Asia-Pacific region. In the past years, a total of 952 US exhibitors and 65,977 US buyers attended HKTDC fairs."

In particular Mr Wan highlights the increasing east-bound opportunities, particularly in the Chinese mainland, for which Hong Kong is the commercial gateway. Hong Kong is the most important entrepot of the Chinese mainland. If re-exports to and from the Chinese mainland are included, about 18% of the mainland's foreign trade was handled via Hong Kong in 2009.

Mr Wan cites GDP growth of 11.9% in the first quarter of 2010 for the Chinese mainland (The National Bureau of Statistics, Ministry of Commerce, and General Administration of Customs). In April 2010, exports from the mainland increased by 30.5% while imports grew by 49.7%. "This is a market of amazing potential and HKTDC trade fairs are the best platforms from which to access it."

HKTDC organises more than 30 international trade fairs annually in Hong Kong. Eight of these are the largest of their kind in Asia and three are the largest in the world.

The success of Hong Kong trade events has been attributed to the HKSAR's freedom of trade and communications, supported by superb financial and logistical services. For the 13th year in a row, Hong Kong has been named the world's freest economy in the Fraser Institute of Canada's Economic Freedom of the World: 2009 Annual Report. The report pays tribute to Hong Kong's

unswerving commitment to free trade and open markets, and the elimination of barriers to trade and investment.

The Heritage Foundation and The Wall Street Journal also ranked Hong Kong as the world's freest economy for the 16th consecutive year.

Location, too, is a vital factor. At the heart of Asia-Pacific, Hong Kong is literally next door to the Chinese mainland, but also a close neighbour to other markets of enormous potential such as Indonesia, Japan, Korea, Malaysia, the Philippines and Singapore, which are all in the same time zone as Hong Kong.

To put Hong Kong's position as a trading hub in perspective, all of Asia's key markets are within four hours' flight time and half the world's population is within five hours' flight time.

"We are making strenuous efforts to assist the economic recovery of our international buyers," continued Mr Wan. "We are working with airlines and hotels to offer subsidised packages for our trade fairs. We launched this initiative in January 2009 with an investment of US\$10 million and were able to attract more than 23,000 new buyers from both mature and emerging markets.

"We will maintain the buyers' sponsorship programme in 2010/11 and I would urge US buyers to take advantage of this."

Mr Wan is visiting both New York and Virginia for a programme of meetings and functions with key trade associations, multipliers and to brief media on developments in HKTDC which include a number of events launched in recent years. These include:

Hong Kong International Tea Fair (12-14 August, 2010)

The inaugural fair in 2009 attracted more than 9,500 buyers from 68 countries and regions outside Hong Kong, with 80,000 members of the public visiting the open day. In 2010, 350 exhibitors are expected to participate and a highlight, the International KamCha Competition 2010, will involve international teams.

HKTDC Hong Kong International Wine & Spirits Fair (4-6 Nov, 2010)

In 2009, exhibitor numbers more than doubled to 525, representing 34 countries and regions, while buyer numbers increased by 36%, with almost 12,000 buyers from 62 countries & regions.

One of the fairs' major draw cards is access to the Chinese mainland market. On 9 February 2010, Hong Kong and the Chinese mainland signed a co-operation agreement on customs facilitation measures for wine entering the mainland market through Hong Kong, fortifying Hong Kong's position as a regional wine-trading hub.

Among the highlights of the last edition was the world's first authentically Asian wine competition, the inaugural Cathay Pacific Hong Kong International Wine & Spirit Competition featuring some 1,300 wines. The competition will return in the 2010 fair.

Hong Kong, which has emerged as the region's wine-trading hub, and the United States signed a Memorandum of Understanding on Cooperation in Wine-related Businesses during the recent visit to Hong Kong of US Secretary for Commerce Gary Locke. The US imported wine from Hong Kong to the value of US\$49 million in 2009/2010 and the MOU will further promote wine-related trading, tourism, investment and education.

HKTDC Hong Kong International Medical Devices and Supplies Fair (3-5 Nov, 2010)

More than 5,600 visitors from 80 countries and regions attended and over 150 exhibitors from 12 countries and regions took part in 2009. The 2010 fair features special themed zones including Tech Exchange, for developers of medical devices and supplies to meet suitable companies and

entrepreneurs to commercialise their products. Other zones include the Medical Supplies and Disposables, Hospital Equipment and Rehabilitation & Elderly Care Zone, etc.

“Our HKTDC events cover a broad range of industries,” concluded Mr Wan. “From a buyer’s point of view, each fair is a one-stop opportunity to source innovative products, while for exhibitors the fairs represent a channel through which they can access new markets, expand business and promote brand image. We look forward to welcoming more and more US exhibitors and buyers to our fairs.”

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