



The Hong Kong
Shippers'
Council
香港付貨人委員會

Belt and Road can boost business

The “Belt and Road” is, without doubt, a hot topic. The subject has received substantial attention lately, not only because it is a strategy advocated by the Central Government of China, but because the business sector also sees a lot of opportunities. I would like to stimulate further thinking and discussion by sharing some of my thoughts.

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Many of the nations along the “Belt and Road” belong to developing economies. Their development is hindered by historical, geographical and economic factors, and complicated further by cultural, ethnic, religious and social diversities. The “Belt and Road” initiative offers a great opportunity to achieve a breakthrough.

An important approach in removing hurdles and obstacles is to enhance connectivity and communication. This calls for substantial investment in infrastructure as well as superstructure, including the business and trading systems. The “Belt and Road” focus should not be on improving the current systems, but how to make use of this opportunity to achieve deregulation and an alignment of requirements and systems.

I am sure that the leaders of the “Belt and Road” member states have the wisdom to see the benefits of a much freer regime of trade and investment. The region should aim to build a common trading e-platform that allows all stakeholders, including the various customs and regulatory authorities, traders and operators to complete all clearance and transactions.

Hong Kong is in an ideal position to operate such a platform. Given its neutrality, the freedom of movement of personnel, information and monies, and superb information technology infrastructure, it is well suited to perform a central clearance role of data, customs and other trading documents. Of course, I understand perfectly well that there would be other parties interested in performing such tasks and I recognise that we have competition; therefore



we need to act quickly. The support of Central Government is essential and, at the same time, we have to make every effort to lobby the other nations along the “Belt and Road”.

We have to increase our presence in these areas. The ETOs and TDC network have to be strengthened. The overseas Chinese organisations could be instrumental in promoting Hong Kong and providing important linkage.

We have to make sure that we are ready. The e-trading platform could only be operated under an official regime while allowing link-up of other official and private platforms. There must be a proper legal regime and IT infrastructure and these two are basic requirements or we will not have any chance of success at all.

The Asia Infrastructure Investment Bank received overwhelming support from global governments. This simply reflects the fact that the core concept of the “Belt and Road” is one of investment. Accordingly, could Hong Kong function as an investment hub for the whole region?

There are many distinct advantages for Hong Kong. After all, Hong Kong is the Asian financial hub. We have the best consultancy firms, project management firms, banks and other financial institutions, engineering companies, compliance companies and other professional firms. It is the most cosmopolitan city in Asia with the best connectivity to the rest of the globe. Hong Kong is essentially the heart of Asia. Furthermore, Mainland companies would be an important source of investment and they, particularly the medium-sized companies, should love to use Hong Kong for convenience and a more neutral image as a Hong Kong investment.

I believe that a key job for the SAR Government is to make information regarding investment opportunities, and how these opportunities could be realised, readily available to all interested investors. The government should build up a company and human talent directory highlighting clearly the areas of expertise, in geographical and functional dimensions. The government should be pro-active in

assembling such different types of teams.

I have been frequently asked of the opportunities for the Hong Kong logistics sector. I wish to point out that logistics is basically a service industry – it serves international and domestic trade. When trade flourishes, the logistics industry follows. If we succeed in building Hong Kong as a trading hub for the “Belt and Road”, then we create business opportunities for Hong Kong logistics companies.

However, at this stage, it would not be a cargo flow opportunity for Hong Kong, other than for the movement of goods under infrastructure projects that need to make use of our sea ports and airports.

While the “Belt and Road” concept itself may be more than a century old, all the elements are new. With that thought in mind, we should keep a watchful eye on developments, conduct more studies and look forward to seeing more new ideas and activities in the future as progress is made to achieving One Belt, One Road.