



Hong Kong stands to win in partnership with Xian

visited Xian in late April this year as a member of a trade and economic delegation led by Ms Margaret Fong, the Executive Director of Hong Kong Trade Development Council (HKTDC).

I was so excited about the development potentials and business opportunities there that I immediately suggested HKTDC must organise a dedicated visit for the Hong Kong logistics sector because I am positive that it will be a very rewarding trip for those in the trading and logistics industries.

Since it was designated as a National Central City for the vast north-western region of China in 2010, Xian has grown at a phenomenal rate. With regards to China's few decades of development from the late seventies, Xian could be categorised as a late comer. However, there are unique advantages for late comers too. Instead of labour intensive and low-cost manufacturing, which still remains a core part of the economic foundation of the economies along the coast, Xian will start afresh with more

modern industries that are based on technology and innovation.

Additionally, since China's space programme and aerospace industry are based in the northwest. Xian has also become one of the nation's main research and knowledge hubs alongside Beijing, Shanghai and Shenzhen, Thanks to Xian's official status as China's National Central City. the region has been receiving significant investment for its infrastructure, which is obviously major hindrance for its planned development. Thankfully, the city is now supported by a national policy that will encourage such growth.

Xian is also known for being a well-connected transport hub of the north-west, given that it boasts the largest in-land port and serves as the terminus for most of the land-bridge services connecting China to the European continent. It is also currently expanding its airport to a three-runway operation, with a plan to further expand to five runways in the not-too-distant future.

Considering how upcoming and coming this city is, I can



foresee ample opportunities for cooperation between Hong Kong and Xian, in terms of logistics, innovation and technology. Since Xian also benefits from the presence of a larger cluster of universities, research institutes, as well as military and aerospace industries, Xian is certainly prepared to quickly expand its technology-based industries.

In the "Xian -Made in China 2025" Plan, the following targeted industries have been identified for further investment:

- Energy efficient vehicles
- Electronics and communications
- Aerospace and outer-space
- High-end equipment manufacturing
- New materials
- Bio-pharmaceutical and food

At a glance, it may appear that not all of the above industries are familiar to Hong Kong. However, that does not mean that such industries should be overlooked, as opportunity comes to those who make it happen.

At present, the Hong Kong Science Park is targeting an array of industries, such as pharmaceutical; healthcare and biomedical; electronic and optical; precision engineering and assembly; specialised manufacturing and advance materials; as well as information, communication and telecommunications.

Meanwhile, the Hong Kong
Productivity Council is targeting
green transportation; medical
and healthcare devices; intelligent
manufacturing technology; nano
materials and carbon nanotech
technology; advance surface
technology; computer aided
engineering; 3D printing; and so on.

The technologies, the application of technologies, the researches, etc. would be complimentary to each other. In our modern world, no institution or enterprise is equipped to handle and resolve all needs and requirements by itself. In other words, partnership has proven to be vital for success, and Xian and Hong Kong would certainly make good partners.

Moreover, there are important aspects of commercialisation and enterprisation to consider. In order to achieve sustainable growth, application of technologies in the real world is essential, because

it often guarantees successful business operations.

Luckily, Hong Kong's functions in these areas is unrivalled. Hong Kong is a well-established international business centre with comprehensive professional services to cater for establishment and operations of commercial enterprises. This means that Xian's own enterprises can always make use of the services, or partner with Hong Kong enterprises to attain these goals. Hong Kong is also a global financial centre that can provide crucial financial support, so a Hong Kong-Xian partnership only stands to be a mutually-beneficial one.

However, it is important that Hong Kong takes more initiative in this matter. The domestic economy is too small in size and capacity at present, while the mainland and ASEAN economies are the two fastest growing markets and are only a stone's throw from the SAR. Therefore, Hong Kong enterprises should make use of the trends of technology development and delve into smart investments with these markets as soon as possible.