

**SME Development Fund
Final Report of Approved Project**

Project Title : To launch an integrated export marketing campaign
(Reference No.) in South East Asia and Europe to promote the
strengths and capabilities of Hong Kong
manufacturers in plastic processing, moulds and
machinery development
(D09/002/013)

Period covered : From 15 January 2010 to 14 Aug. 2011
(dd/mm/yy) (dd/mm/yy)

Project Details

Please mark with "*" if any of the following project details is different from that in the project proposal appended to the project agreement.

Project Reference and Title

To launch an integrated export marketing campaign in South East Asia and Europe to promote the strengths and capabilities of Hong Kong manufacturers in plastic processing, moulds and machinery development.

Project Summary (in not more than 150 words)

The Financial Tsunami has struck a heavy blow against the manufacturing industry worldwide. Most buyers have reduced or even cancelled their orders. This not only affects the business of product manufacturers, but also the machinery and equipment suppliers who supply and support for the production. These manufacturers can no longer rely on former customers for continuous orders. Instead, they have to explore new markets for new business opportunities actively. However, buyers from new markets are not familiar with Hong Kong's industry. They also do not realize that HK has the strength and capability in providing a total solution for plastic product manufacturing.

Some large-scale companies can continue to promote their products and services by participating in overseas exhibitions on their own as usual. However, it would not be affordable by most SMEs, especially under the current critical situation.

Moreover, traditional style of participating in exhibitions by individual companies alone is much more difficult to impress the potential customers greatly especially due to the limited resources from those SMEs. A small-scale booth set up by an SME is also not attractive to the visitors of the exhibition. The marketing effect is actually very small.

The most effective way of impressing the potential customers on the overall capability of Hong Kong's manufacturers in plastic processing, moulds and machinery development is to set up an integrated plastic product processing demonstration line in a HK Pavilion booth in exhibitions demonstrating the capability in offering a total solution by coordinating different parties who are specialized in different aspects.

The proposed integrated demonstration line will consist of several plastic injection machines, moulds and auxiliary processing equipment to cover the whole range of plastic product manufacturing. It is important that it can fully demonstrate the strength of HK's industry in mould design and fabrication, plastic machinery and auxiliary equipment development, pre-processing and post-processing. With HKPC's expertise in plastics, machinery and tooling technology, a specially designed plastic product that can best reflect the overall strength of HK's plastic industry will be developed with a full range of technical evaluation on the tool design, machinery features, surface decoration, etc. Knowing well the capability of the local plastic industry and having a strong connection with plastic machinery manufacturers, mould and die makers, auxiliary equipment manufacturers, HKPC can organize well with all different parties in this project to achieve a better collaboration in the industry.

Project Objective(s) (in not more than 80 words)

This project aims at building up the image of Hong Kong's plastics industry as a regional hub of high quality and cost-competitive plastic product manufacturing by having an integrated technology supply and support chain from plastic product design, prototyping, mould making, advance processing and surface decoration techniques to plastic injection and auxiliary machinery development. It also helps to promote the strengths and capabilities of Hong Kong manufacturers in plastic processing, moulds and machinery development to potential buyers in South East Asia and Europe in order to boost up the overall export markets.

Recipient/Collaborating/Implementation Organisation

Recipient Organisation : Hong Kong Plastic Machinery Association Ltd. (HKPMA)
Collaborating Organisation(s) : Nil
Implementation Agent(s) : Hong Kong Productivity Council

Key Personnel

	<u>Name</u>	<u>Company/Organisation</u>	<u>Tel No. & Fax No.</u>
Project Co-ordinator	: <u>Ms. WU Mi Tak, Justina</u>	<u>Hong Kong Plastic Machinery Association Ltd.</u>	<u>(852) 2788 6251</u> <u>(852) 2788 6169</u>
Deputy Project Co-ordinator	: <u>Mr. Kwok Keung LEE</u>	<u>Hong Kong Productivity Council</u>	<u>(852) 2788 5551</u> <u>(852) 2788 5543</u>

Project Period

	<u>Commencement Date</u> (day/month/year)	<u>Completion Date</u> (day/month/year)	<u>Project Duration</u> (No. of months)
As stated in project agreement	<u>15 Jan 2010</u>	<u>14 Jul 2011</u>	<u>18</u>
Revised (if applicable)	<u>15 Jan 2010</u>	<u>14 Aug 2011</u>	<u>19</u>

Methodology Employed

In the programme development, we lined up with 11 local suppliers for setting up an integrated plastic product processing demonstration line that covered the whole range of plastic product manufacturing. The demonstration line consisted of 2 plastic material suppliers, 3 plastic injection machine suppliers, 2 mould suppliers and 4 auxiliary processing equipment suppliers of plastic material autoloader, hopper dryer, chiller, position transducer, hydraulic pumps, mould temperature controller and seal tools.

In the programme preparation, we identified a plastic dragon boat product model, and fabricated the required moulds and tooling for life demonstration during export promotion exhibitions.

In the programme implementation, we developed a set of promotional materials including 8,300 pamphlets, 4,500 booklets and 13 posters for promoting the overall strengths and capabilities of Hong Kong's manufacturers in plastic processing, moulds and machinery development.

The established integrated plastic product processing demonstration line was shown as a HK Pavilion booth in the K'Fair 2010 from 27 Oct 2010 to 3 Nov 2010 at Düsseldorf, Germany and M'sia Plas 2011 from 21 – 24 July 2011 at Kuala Lumpur, Malaysia. During the exhibition, plastic recycling materials were used for producing plastic dragon boat products and distributed to overseas visitors together with the prepared pamphlets and booklets.

We also placed an advertisement in "South China Plastics & Rubber", as well as 3 articles in "HKPMA Bulletin" and "Plastics & Metals Bulletin" for further promoting the project and HK Pavilion booth at the 2 exhibitions.

Project Deliverables

Please list out the targeted project deliverables as stated in the project proposal appended to the project agreement and provide details of actual result achieved, including beneficiaries, for each of them.

The targeted project deliverables were as follow:

1. An integrated plastic product processing demonstration line was planned to be set up in a HK Pavilion booth consisting of a set of plastic injection machines, moulds and auxiliary processing equipment to cover the whole range of plastic product manufacturing:
 - (a) Pre-processing machinery: such as mixer, granulator, dryer, etc.
 - (b) Processing machinery: plastic injection moulding machine
 - (c) Plastic moulds: a set of plastic moulds for producing high quality parts of a selected plastic product for demonstration
 - (d) Auxiliary processing machinery: such as auto-loader, mould temperature controller, chiller, robotic arm for plastic product handling, etc.
 - (e) Post-processing machinery: such as pad printing/silk printing machine, ultra-sonic/high frequency welding machine, metal foil stamping, vacuum forming machine, etc.
2. The established integrated plastic product processing demonstration line was planned to be shown at two selected major international exhibitions, one in Europe – K'Fair 2010 and the other in South East Asia (for examples, CHINAPLAS, IPF, etc), in order to create a much bigger impact to overseas buyers rather than that of individual booths setup by local manufacturers.
3. A set of promotional materials including pamphlets, booklets and posters was planned to be prepared to promote the overall strengths and capabilities of Hong Kong's manufacturers in plastic processing, moulds and machinery development. The promotional materials was planned to be distributed to overseas buyers during the exhibitions.

The actual project deliverables were as follow:

1. 11 local suppliers were lined up for setting up an integrated plastic product processing demonstration line in a HK Pavilion that covered the whole range of plastic product manufacturing. The demonstration line consisted of 2 plastic material suppliers, 3 plastic injection machine suppliers, 2 mould suppliers and 4 auxiliary processing equipment suppliers of plastic material autoloader, hopper dryer, chiller, position transducer, hydraulic pumps, mould temperature controller and seal tools. A plastic dragon boat product model was identified and the required moulds and toolings were fabricated for life demonstration during export promotion exhibitions.
 2. The established integrated plastic product processing demonstration line was shown as a HK Pavilion booth in the K'Fair 2010 from 27 Oct 2010 to 3 Nov 2010 at Düsseldorf, Germany and M'sia Plas 2011 from 21 – 24 July 2011 at Kuala Lumpur, Malaysia.
 3. A set of promotional materials including 8,300 pamphlets, 4,500 booklets and 13 posters was developed for promoting the overall strengths and capabilities of Hong Kong's manufacturers in plastic processing, moulds and machinery development. During the exhibition, plastic recycling materials were used for producing plastic dragon boat products and distributed to overseas visitors together with the prepared pamphlets and booklets. An advertisement was placed in "South China Plastics & Rubber", as well as 3 articles was placed in "HKPMA Bulletin" and "Plastics & Metals Bulletin" for further promoting the project and HK Pavilion booth at the 2 exhibitions.
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Actual Benefits to SMEs

Please indicate *in clear, specific, tangible and quantifiable terms* the benefits of the project and its contribution to enhancing the competitiveness of Hong Kong's SMEs in general or SMEs in specific sectors, in not more than 400 words.

In the project, we had shown the established integrated plastic product processing demonstration line in K'Fair 2010 and M'sia Plas 2011. During the life demonstration of plastic dragon boat products, visitors were attracted to understand each part of the whole operation in producing the plastic dragon boats. Participating suppliers were benefited by having a chance to introduce and explain the characteristics and performance of their materials, moulds, machinery and equipment directly to potential oversea buyers. It was much more effective to show the capability of each of the suppliers via the life demonstration than using individual promotion method. The HK Pavilion also provided a platform for suppliers to meet and discuss directly with their potential oversea buyers.

During and even after the exhibitions, participating material suppliers received around 50 enquiries from oversea buyers, from Germany, Switzerland, France, Mexico, etc. Participating plastic mould suppliers received around 10 enquiries from oversea buyers, from Eastern Europe and Middle East. Participating auxiliary processing equipment suppliers also received around 10 enquiries from oversea buyers. In particular, for suppliers of electronic auxiliary devices and auxiliary device for hydraulic cylinder, they achieved an increment of around 20% in sale. Plastic injection machine suppliers also received around 60 enquiries from oversea buyers and one of the suppliers successfully sold out 2 machines of around HK\$500,000. After the exhibitions, they continued to market and build up network with around 10 targeted oversea buyers.

The HK Pavilion could not only benefit to the participating suppliers, but also help promoting the overall strengths and capabilities of Hong Kong's manufacturers in plastic processing, moulds and machinery development. By conducting the life demonstration in the exhibitions, we demonstrated the capabilities of Hong Kong manufacturers in offering a total solution of plastic product manufacturing to oversea buyers and built up an all-rounded image of plastic manufacturers from Hong Kong.

We had developed a set of promotional materials, including pamphlets and booklets for promoting the overall strengths and capabilities of Hong Kong's manufacturers in plastic processing, moulds and machinery development. The booklets provided a summary of Hong Kong plastic industry and information of 8 different Hong Kong plastic related associations which representing major plastic suppliers of materials, moulds & die, machinery, plastic bags, plastic products and plastic manufacturers. The contact information of around 700 members of these associations was included to form a database of Hong Kong plastic suppliers. Booklets were distributed to visitors during the exhibitions, Hong Kong plastic manufacturers were benefited via this promotional channel.

We had placed an advertisement in "South China Plastics & Rubber" for promoting HK Pavilion and inviting visitors to join the life demonstration in the booth during M'sia Plas 2011. Also, we had placed 3 articles in "HKPMA Bulletin" and "Plastics & Metals Bulletin" for sharing the results of HK Pavilion in K'Fair 2010. These advertisement and articles helped in further enhancing the publicity of the project and HK Pavilion.

Milestones (in chronological order)

Please indicate if the milestone is completed (C), deferred (D) or not achieved (N). If it is deferred, please indicate the revised completion date. For those milestones which are deferred or not achieved, please also provide the reasons under item 2.4.

<u>Milestone</u> (as set out in the project proposal appended to the project agreement)	<u>Original target completion date</u>	<u>Revised target completion date</u> (if applicable)	<u>Status</u> (C/D/N) #
(a) To line up with local machinery suppliers for setting up the demonstration line for the whole range of plastic processing from pre-processing to post processing.	14/4/2010	N/A	C
(b) To identify an appropriate plastic product suitable for demonstration and fabricate the required tooling, jig and fixture for life demonstration.	14/10/2010	N/A	C
(c) To develop a set of promotional materials including pamphlets and posters for promoting the strength and capabilities of the industry as a whole during exhibitions to the overseas buyers.	14/2/2011	N/A	C

(d) To participate in two selected export promotion exhibitions.	14/7/2011	14/8/2011	C
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Marketing/Dissemination Activities (in chronological order)

Please provide details of all completed and on-going promotional and/or dissemination activities for each of the project deliverables. Such activities may include advertisements, seminars, workshops, etc.

<u>Date/ Period</u>	<u>Description</u>	<u>No. of beneficiaries</u> (Please specify whether they are SMEs or not)
27 Oct 2010 – 3 Nov 2010	Distribution of promotional leaflet (8,000 copies) and booklets (2,500 copies) to overseas buyers in K'Fair 2010	15,000
Jan 2011	Article in "HKPMA Bulletin" (Jan 2011)	200
Jan 2011	Article in "Plastics & Metals Bulletin" (Vol 1, Jan 2011)	2,000
Mar 2011	Article in "Plastics & Metals Bulletin" (Vol 2, Mar 2011)	2,000
June 2011	Electronic invitation for Hong Kong Pavilion in M'sia Plas 2011	20,000
June 2011	Advertisement on "South China Plastics & Rubber" (Vol 70, May/June 2011)	3,500
21 Jul 2011 – 24 Jul 2011	Distribution of promotional leaflet (300 copies) and booklets (2,000 copies) to overseas buyers in M'sia Plas 2011	15,000
Total no. of beneficiaries - no. of SMEs		57,700
no. of companies which are <u>not</u> SMEs		0

Future Plan for Promoting the Project Deliverables

N/A