

**SME Development Fund (SDF)/
Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund)
(Organisation Support Programme) (OSP)**

Final Report on Approved Project

Project ref. no.	:	D14 002 007
Project title	:	Benchmarking and Support Service Study on Relocation of Operations Back to Hong Kong for Five Pilot Sectors of Manufacturing Industry
Period covered	:	From <u>1 December 2014</u> to <u>31 July 2016</u> (dd/mm/yy) (dd/mm/yy)

1. 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 Summary (in about 150 words)

This project will figure out the feasible operational and business models for relocation by benchmarking with successful SMEs and sharing their valuable experiences to targeted industry as well as to provide useful information and channels on financing, land and factory rental, industrial design, staff recruitment, vocational training, linkage industry support services and other services for supporting SMEs in relocating their operations back to HK.

This project will include 5 industry sector (Pharmaceuticals & Medicinal, Foods, Precision Metals & Tooling, Watches & Clocks and Jewellery) specific half-day experience sharing seminars, 15 full-day-on-site benchmarking visits of existing or relocated manufacturers with operations in HK, 50 interviews with industrialists interested for relocation of operations, an interim report to be posted on newsletters of trade associations under PVCHK and other media, a full-day conference on relocation services, a detailed guide with particulars, case studies and support services for relocation as well as an electronic database of local linkage industry components and services suppliers with search engine. This project will provide a comprehensive solution to SMEs engaged in manufacturing.

Project Objective(s) (in about 80 words)

- To conduct a comprehensive study and find out the problems facing by local industrialists when they move their operations back to HK as well as solutions to tackle the challenge.
- To figure out the feasible operational and business models for relocation by benchmarking and experience sharing with manufacturers of five industry sectors relocated and stationed in HK;
- To provide useful information and channels for supporting SMEs while relocating their operations back to HK;
- To investigate and propose further desirable support to seek from government, industry supporting organisations for facilitating manufacturing operations return to HK.

Grantee/Collaborating Organisation/Implementation Agent

Grantee : The Professional Validation Council of Hong Kong Industries Limited

The Chinese Manufacturers' Association of Hong Kong
Federation of Hong Kong Industries
Hong Kong Critical Components Manufacturers Association Limited
Hong Kong Diecasting and Foundry Association Limited
Hong Kong Foodstuffs Association Limited
Hong Kong Jewellery & Jade Manufacturers Association
Hong Kong Jewelry Manufacturers' Association Limited
Hong Kong Medical and Healthcare Device Industries Association Limited
Hong Kong Metal Merchants Association
The Hong Kong Metals Manufacturers Association Limited
Hong Kong Mould and Product Technology Association Limited
Hong Kong Watch Manufacturers Association Limited
The Federation of Hong Kong Watch Trades and Industries Limited
Hong Kong Applied Science and Technology Research Institute Co. Limited
Hong Kong Science and Technology Parks Corporation
Hong Kong Trade Development Council
Qualification Framework Secretariat, HKSAR Government

Collaborating Organisation(s) : Vocational Training Council

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 :	Mr. Dit-Lung CHAN, Flint	The Professional Validation Council of Hong Kong Industries Ltd.	Tel: 3400 2939 Fax: 2764 5287
Deputy Project Co-ordinator :	Mr. Vincent KONG	The Professional Validation Council of Hong Kong Industries Ltd	Tel: 3400 2939 Fax: 2764 5287

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	_____	_____	_____
Revised (if applicable)	_____	_____	_____

2. Summary of Project Results

Project Deliverables

(Please list out the project deliverables as stated in the project proposal appended to the project agreement and provide details related to the actual result achieved for each of them.)

	Project deliverable	Quantifiable target number (e.g. 100 participants)	Actual result achieved (e.g. 90 participants)	Reasons for not achieving the target, if applicable (e.g. The total number of registered participants was over 120. However, some of them did not show up eventually. Will strengthen promotion and try to make up for the shortfall in the following two seminars.)
a)	To form a project steering committee and carry out the research and benchmarking study under the project.	1 committee	1 committee	
b)	Interview, On-Site Visit, Study and Brief Interim Report	50 interview and study	53 interview and study	
		15 visits	15 visits	
		An interim brief report	An interim brief report	
c)	5 half-day experience sharing seminars by industrialists of pharmaceuticals & medicinal, food products, precision fabricated metal products & tooling, watches & clocks and jewellery industry sector for re-establishment of manufacturing operations in HK.	5 half-day experience sharing seminars with 400 participants in total and 80 participants in average for each industry specific seminar	5 half-day experience sharing seminars with 404 participants in total and 81 participants in average for each industry specific seminar	
d)	A full-day conference	150 participants	156 participants	
e)	A detailed report	1,500 copies	1,500 copies	
f)	An electronic database and search engine	An electronic database and search engine	An electronic database and search engine	

Details of the deliverables (e.g. date, duration, venue, speaker, topic discussed, etc.)

(Please list out in table format if necessary.)

- a) To form a project steering committee and carry out the research and benchmarking study under the project.
A project steering committee with 8 members was formed by the project applicant, collaborating organisations including Hong Kong Jewelry Manufacturers' Association Limited, Hong Kong Watch Manufacturers Association Limited, Hong Kong Mould and Product Technology Association Limited HKPC representatives as well as industrial members of the project applicant, The Toys Manufacturers' Association of Hong Kong Ltd., Hong Kong Plastic Material Suppliers Association, and Hong Kong Screw and Fastener Council.
- b) To arrange and conduct industrialists interviews as well as full-day on-site visits towards manufacturers

- Conducted interview and in-depth study with industrialists from 53 SMEs of the abovementioned 5 industry sectors interested in relocating part or all their business operations back to HK on their concerns, difficulties, desirable support and services for driving the relocation. Out of these 53 companies, 13, 8, 11, 11 and 10 are from precision metals & tooling, pharmaceutical & medicinal, food, jewellery and watch sectors respectively.
- Conducted 15 on-site visits under industry sectors.
 - Precision metals & tooling manufacturing industry: MediConcepts, Tool and Mold Hong Kong Ltd, Kenzumi Precision Ltd;
 - Pharmaceuticals & Medicinal sector: Blue Ocean Innovation Ltd., Brand Meditech (Asia) Co., Ltd., MEDU-Scientific Ltd.;
 - Foods sector: Super (Japanese) Food Factory, Hoi Tin Tong, Lee Kum Kee;
 - Jewellery sector: UJDC, 福井製核所, San J. Jewellery Ltd.
 - Watch sector: 香港精密電子廠有限公司, 萬希泉鐘錶有限公司, 飛騰錶業有限公司

c) 5 half-day experience sharing seminars by industrialists of pharmaceuticals & medicinal, food products, precision fabricated metal products & tooling, watches & clocks and jewellery industry sector for re-establishment of manufacturing operations in HK.

1. 精密金屬件及模具製造業回流香港綜合研討及經驗分享會

Date: 29 June 2015

Duration: 14:00 – 17:00

Venue: Hong Kong Productivity Council

Topics and speakers:

精密金屬件及模具製造業回流香港綜合研討及經驗分享

- 醫科創健有限公司董事總經理 陳偉傑先生
- Tool and Mold Hong Kong Limited 董事 譚榮耀先生
- 佳士美精密模具有限公司 董事 劉耀明先生

2. 珠寶製造業回流香港綜合研討及經驗分享會

Date: 25 Sept 2015

Duration: 14:00 – 17:00

Venue: Hong Kong Productivity Council

Topics and speakers:

珠寶製造業回流香港綜合研討及經驗分享

- UJDC 環球珠寶設計中心有限公司 董事 關敏恒女士
- 福井製核所 項目總監 王俊傑先生
- 香港生產力促進局材料及製造科技部顧問 羅立仁先生

3. 鐘錶製造業回流香港綜合研討及經驗分享會

Date: 25 Jan 2016

Duration: 14:15 – 17:15

Venue: Hong Kong Productivity Council

Topics and speakers:

鐘錶製造業回流香港綜合研討及經驗分享

- 香港精密電子廠有限公司 黎衍橋董事總經理
 - 萬希泉鐘錶有限公司 設計總監 Mr. Jason Chan
 - 飛騰錶業有限公司 品牌經理劉桑濤先生
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4. 食品製造業回流香港綜合研討及經驗分享會

Date: 18 Apr 2016

Duration: 14:15 – 17:15

Venue: Hong Kong Productivity Council

Topics and speakers:

食品製造業回流香港綜合研討及經驗分享

- 海天堂集團 主席 吳耀明博士
- 錦興食品集團及深圳佳富昌食品有限公司 董事 馮仲佳先生
- 香港生產力促進局材料及製造科技部高級顧問 黎偉華先生

5. 藥品/醫療器材製造業回流香港綜合研討及經驗分享會

Date: 6 June 2016

Duration: 14:15 – 17:15

Venue: Hong Kong Productivity Council

Topics and speakers:

藥品/醫療器材製造業回流香港綜合研討及經驗分享會

- Medu-Scientific Ltd 總裁 Mr. Max Choi
- 基因港（香港）生物科技有限公司總裁王駿教授
- 香港醫藥經銷業協會 會長 葉婉婷女士

d) A full-day conference

A full-day conference of more than 6 hours was held on 27 June 2016 to introduce various services offered by different NGOs and companies for supporting local manufacturers to relocate their company operations from the Mainland to Hong Kong

Date: 27 June 2016

Duration: 10:00-13:00, 14:00-17:30

Venue: High Function Room, 1/F, Hong Kong Productivity Council

Topics and speakers:

製造業回流香港綜合支援服務會議

香港工業邨發展與對重新於香港進行部份運作企業之用地支援

- 香港科技園公司工業邨主管 蕭赤虹先生

製造業提升產品設計：建立品牌及推廣策略 — 成功案例分享

- 香港創新學會創會會長李應鴻博士

回流廠房重新佈置與自動化規劃

- 香港生產力促進局智能製造及材料科技部首席顧問葛明博士及代表

職業專才教育：製造業回流之人才發展

- 職業訓練局工程學科學術總監廖世樂博士

香港經濟前景分析

- 中國銀行(香港) 高級經濟研究員蔡永雄先生

政府直接支援及資助企業項簡介

- ✧ BUD 發展品牌、升級轉型及拓展內銷市場的專項基金(企業支援計劃)

- 香港生產力促進局管理諮詢部高級顧問李觀裕先生

- ✧ 投資研發現金回贈計劃

- 香港生產力促進局智能製造及材料科技部顧問曹偉倫先生

- ✧ 簡介將建立之本地製造業材料及連繫工業支援供應商網上資料庫

- 香港生產力促進局智能製造及材料科技部高級顧問黎偉華先生

e) A detailed report

A detailed report titled “製造業回流香港研究報告” has been prepared.

- Content of the report covers Summaries on results of interviews with industrialists under 5 industry sectors including precision metals & tooling, pharmaceuticals & medicinal, food, jewellery and watches.
 - Findings on visits towards 15 relocated manufacturers under 5 industry sectors
 - Services on premises rental, vocational training and recruitment, financing, plant re-layout, automation, industrial design & branding, etc. offered by different NGOs and companies towards companies interested for relocation
 - Information and contacts of existing linkage industry services providers in Hong Kong. Content table of the report as below:
1. 回流調查分析及總結
 - 1.1 精密金屬件及模具製造業
 - 1.2 珠寶製造業
 - 1.3 鐘錶製造業
 - 1.4 食品製造業
 - 1.5 藥品/ 醫療器材製造業
 2. 廠家個案及啟示
 - 2.1 精密金屬件及模具製造業
 - 2.2 珠寶製造業
 - 2.3 鐘錶製造業
 - 2.4 食品製造業
 - 2.5 藥品/ 醫療器材製造業
 3. 支援服務及渠道
 - 3.1 土地和廠房租賃
 - 3.2 人員招聘及職業培訓
 - 3.3 融資
 - 3.4 廠房重新設計
 - 3.5 自動化
 - 3.6 工業設計及建立品牌
 - 3.7 工業支援機構
 - 3.8 連繫供應鏈服務

1,500 copies of the report has been printed and distributed to trade associations, universities, vocational training bodies and public libraries. Summary of the report has been posted on website of PVCHK for the public to download.

f) An electronic database and search engine

An electronic database with information of linkage industries companies and relocation services provision NGOs were built up. A search engine with 3 levels (industry sector, category of linkage industry services, companies contact and product) was built in the database with functions to facilitate users to search for the required linkage industry or relocation services providers. The database and search engine was also uploaded to website of PVCHK for the public to download as well.

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 approved project proposal appended to the project agreement)	<u>Original target completion date</u>	<u>Revised completion date</u> (if applicable)	<u>Status</u> (C/D/N) #
(a) To form a project steering committee and carry out the research and benchmarking study under the project.	31/05/2015		C
(b) To arrange and conduct industrialists interviews as well as full-day on-site visits towards manufacturers	31/05/2015	31/07/2015	C
(c) To organise 5 experience sharing seminars for 5 different manufacturing industry sectors.	30/09/2015	06/06/2016	C

(d)	To analyze and evaluate study findings as well as posting interim report on various media.	30/09/2015	06/03/2016	C
(e)	To source various services necessary for relocation of operations back to Hong Kong including finance, land and factory rental, industrial design, plant re-layout, branding, automation, staff recruitment, vocational training and their suppliers.	31/12/2015	27/05/2016	C
(f)	To identify materials, components and linkage industry service suppliers	31/12/2015	27/05/2016	C
(g)	To organise a full-day conference to introduce various services for manufacturing industry relocation of operations back to HK	31/12/2015	27/06/2016	C
(h)	To compile and disseminate project report. To upload summary of the report to PVCHK website.	29/02/2016	15/07/2016	C
(i)	To prepare an electronic database and search engine to facilitate the searching of contact information of service suppliers. To upload the database and search engine to PVCHK website for free reading and download.	29/02/2016	31/07/2016	C

Future Plan for Promoting the Project Deliverables (Nil if not applicable)

Nil
