

## Trade and Industrial Organisation Support Fund (TSF)

### Final Report on Approved Project

Grantee	:	<u>Hong Kong Productivity Council</u>	
Implementation Agent(s) (if any)	:	<u>N/A</u>	
Project reference no.	:	<u>T19 001 002</u>	
Project title	:	<u>Developing the guidebook for “Re-industrialization in Hong Kong and opportunities &amp; limitation for Hong Kong enterprises entering into ASEAN”</u>	
Period covered in this report (whole project duration)	:	From <u>10/05/2019</u> (dd/mm/yyyy)	to <u>09/03/2020</u> (dd/mm/yyyy)

## 1. Project Details

### Project summary (in about 150 words)

Hong Kong enterprises with manufacturing hubs in Mainland China are facing unprecedented challenges arising from the rising cost of operations and the current worldwide economic climate. The past competitive advantages derived from low cost in labour, land, and resources are diminishing. Large multi-national-corporations has either upgraded their production technology to rely less on labour; or diversify their portfolios in production bases. Hong Kong enterprises share the same view but manufacturers, especially Small and Medium Enterprises SMEs, lack resources and knowledge to react to the change of global economic climate in order to stay competitive in the marketplace.

Re-industrialisation in Hong Kong and opportunities into the ASEAN countries as options for new operations are the widely discussed viable options for sustaining in business by Hong Kong manufacturers. Hong Kong Productivity Council (HKPC), in collaboration with CGCC, CMA, FHKI, GCC and HKCIEA, compiled the comprehensive Guidebook covering a range of topics with actual and practical scenarios such as the requirements / definitions of country of origin under the U.S. laws; availability of material supply for certain industries, local incentive programs and overview on operational cost including labour and utilities for a specific ASEAN member etc. Hong Kong enterprises will find them helpful during planning with the overview of every major areas covered.

Prior to writing the guidebooks jointly by professional consultant(s) and HKPC, researches about ASEAN countries and re-industrialization in Hong Kong were conducted. Guidebooks were then published through website of HKPC in the form of electronic format and reach to more enterprises with the channels from collaborating associations.

### Project objectives (in about 50 words)

The Guidebook for “Re-industrialization in Hong Kong and Opportunities & Limitation for Hong Kong entering into ASEAN” to be developed under the project will provide Hong Kong enterprises mainly in manufacturing sector with comprehensive information on bringing their manufacturing operations back to Hong Kong or exploring opportunities and restriction in expanding manufacturing operations in the ASEAN.

### Collaborating Organisations (if any)

Chinese General Chamber of Commerce (CGCC)

Chinese Manufacturers' Association of Hong Kong (CMA)

Federation of Hong Kong Industries (FHKI)

Hong Kong General Chamber of Commerce (GCC)

Hong Kong Chinese Importers' and Exporters' Association (HKCIEA)

### Key personnel

	<u>Name</u>	<u>Post title and name of organisation</u>
Project Coordinator	: Mr. Lam Kin Ming, Ken	Senior Consultant of Hong Kong Productivity Council
Deputy Project Coordinator	: Ms NG Ting Yan, Peggy	Consultant of Hong Kong Productivity Council

### Project duration

	<u>Commencement date</u> (dd/mm/yyyy)	<u>Completion date</u> (dd/mm/yyyy)	<u>Project duration</u> (no. of months)
As stated in the project agreement	<u>10/05/2019</u>	<u>09/01/2020</u>	<u>8</u>
Revised (if applicable)	<u>10/05/2019</u>	<u>09/03/2020</u>	<u>10</u>

## 2. Summary of Project Results

### Governance

Please state the composition of the steering committee (or other committees) formed under the project.

Hong Kong Productivity Council (HKPC): Mr. Willy Lin, Mr. Mohamed Butt, Mr. Edmond Lai

Chinese General Chamber of Commerce (CGCC): Mr. Michael Kwan

Chinese Manufacturers' Association of Hong Kong (CMA): Mr. Hilson Yan

Federation of Hong Kong Industries (FHKI): Ms. Augusta Ho

Hong Kong Chinese Importers' and Exporters' Association (HKCIEA): Mr. Frank Leung

Hong Kong General Chamber of Commerce (GCC): Mr. Wilson Chong

### Project deliverables

Please list out the project deliverables carried out during the project duration in accordance with the approved project proposal and provide details on the actual result achieved for each deliverable.

Details of the deliverable conducted	Quantifiable target (as stated in the approved project proposal)	Actual result achieved	Reasons for not achieving the target (if applicable)
<b>1. Market Research</b>			
1. Research of re-industrialization in Hong Kong and the business environment & regulations in 10 ASEAN countries (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam).	Hong Kong and 10 ASEAN countries	<ul style="list-style-type: none"> <li>The research studies for the 10 ASEAN countries were finished.</li> </ul>	
1.1 Carrying out study and compiling study report for "Country of Origin" by multiple external consultants	Tendering for the research and conducting the research	<ul style="list-style-type: none"> <li>Tender posted and awarded to an external consultant, Jacobs Global Trade &amp; Compliance LLC.</li> <li>External consultant has complete the "Country of Origin" research work.</li> </ul>	
1.2 Carrying out study and compiling study report "Environmental requirements" (ASEAN) by one external consultant	Tendering for the research and conducting the research	<ul style="list-style-type: none"> <li>Tender posted and awarded to an external supplier, Pricewaterhousecooper Advisory Service Limited.</li> <li>External consultant has complete the "Environmental requirements"</li> </ul>	

Details of the deliverable conducted	Quantifiable target (as stated in the approved project proposal)	Actual result achieved	Reasons for not achieving the target (if applicable)
		(ASEAN) research work.	
1.3 Carried out study and compiling study report for “Operational requirements” (ASEAN) by one external consultant	Tendering for the research and conducting the research	<ul style="list-style-type: none"> <li>Tender posted and awarded to an external supplier, Pricewaterhousecooper Advisory Service Limited.</li> <li>External consultant has complete the “Operational requirements” (ASEAN) research work.</li> </ul>	
1.4 Conducted information collection for the Part of “Re-industrialization in Hong Kong”	Conducting the research	<ul style="list-style-type: none"> <li>The collection of information of “Re-industrialization in Hong Kong” has been completed.</li> </ul>	
<b>2. Guidebook</b>			
2. Compiling and disseminating the Guidebook	e-version	<ul style="list-style-type: none"> <li>The Guidebook has been complete and disseminated.</li> </ul>	
2.1 Awarded tender to develop Guidebook (including write up, translation, design and chief editing role)	Tendering for the research and conducting the research	<ul style="list-style-type: none"> <li>Tender posted and awarded to an external supplier, Pricewaterhousecooper Advisory Service Limited.</li> <li>The development work of the Guidebook has been complete (including write up, translation, design and chief editing role).</li> </ul>	
2.2 Disseminating the guidebooks	Publish in HKPC’s website	<ul style="list-style-type: none"> <li>The full guidebook and individual country guidebooks have been uploaded to HKPC website <a href="https://www.hkpc.org/en/about-us/hkpc-publication/industry-support">https://www.hkpc.org/en/about-us/hkpc-publication/industry-support</a></li> <li>5 collaborating associations disseminated the Guidebook to their members through</li> </ul>	

Details of the deliverable conducted	Quantifiable target (as stated in the approved project proposal)	Actual result achieved	Reasons for not achieving the target (if applicable)
		emails: ○ Chinese General Chamber of Commerce (CGCC) ○ Chinese Manufacturers' Association of Hong Kong (CMA) ○ Federation of Hong Kong Industries (FHKI) ○ Hong Kong General Chamber of Commerce (GCC) ○ Hong Kong Chinese Importers' and Exporters' Association (HKCIEA)	

### Key implementation stages

Please indicate in the status below if the deliverable is completed according to schedule (C), completed but delayed (D) or not achieved (N). If it is delayed or not achieved, please indicate the actual completion date (if applicable) and provide the reasons.

Project deliverable (all deliverables as set out in the approved project proposal)	Original target completion date <sup>1</sup>	Actual completion date (if applicable)	Status (C/D/N)	Reasons for not meeting the original target completion date
(a) Tendering for the research and conducting the research	09/07/2019	09/09/2019	C	
(b) Compiling and disseminating the Guidebook	09/01/2020	09/03/2020	C	