

# Grasping opportunities

*The Belt and Road Initiative presents an excellent chance for Hong Kong companies to take part in infrastructural projects in more than 60 countries, but more information is required on upcoming ventures and bidding processes.*

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**Mr Raymond Yip**  
Deputy Executive Director  
of the Hong Kong Trade  
Development Council



**Sr Ng Kin Siu**  
Chairman of FDB Holdings



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1. Zhang Dejiang, Member of the Standing Committee of the Political Bureau of the Communist Party of China Central Committee, and Chairman of the Standing Committee of National People's Congress of the People's Republic of China, delivered a keynote speech at the inaugural Belt and Road Summit on 18 May 2016.
2. John Tsang, Financial Secretary of the Hong Kong Special Administrative Region Government (right) and Ali Tayyeb Nia, Minister of Economic Affairs and Finance of Iran signed a memorandum of understanding in Tehran on 8 November 2016 to enhance economic cooperation between Hong Kong and Iran. Mr Tsang was leading a business delegation to Dubai, UAE and Tehran, Iran in November to forge business ties between Hong Kong and new markets along the Belt and Road.
3. The site of the Nepal Project which withstood a devastating earthquake in April 2015.
4. China's Ministry of Commerce and the HKTDC jointly organised a mission to the Czech Republic, Poland and Hungary on 20-28 November 2016 for mainland investors and Hong Kong's professional, finance and IRES-related sectors to explore investment and business opportunities under the Belt and Road Initiative. The delegates, led by Raymond Yip, Deputy Executive Director, HKTDC (front row, third from left), visited the site of the Rokycany-Pilsen Railway Line and Tunnel Modernisation project in the Czech Republic on 21 Nov 2016.

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The Belt and Road Initiative is gathering momentum both at home and abroad, with a series of trade missions, seminars and workshops being arranged in the coming year. In turn, business communities in many countries are eagerly anticipating the developments as the Mainland China and Hong Kong governments, together with associated trade bodies, seek to raise the profile of their professional services.

The Hong Kong Trade Development Council (HKTDC) has been leveraging its international network and close ties with industries, governments and other intermediaries to promote Hong Kong services for Belt and Road projects. Its Hong Kong headquarters and 46 other offices worldwide are collaborating to highlight Hong Kong's world-class services, and its role as a “super-connector”.

“The Belt and Road is about connectivity and integration, which calls for infrastructure and real estate development along the routes, such as bridges, railways, port and airport facilities, factories, and mixed-use housing and commercial projects, to name but a few,” says Raymond Yip, Deputy Executive Director of the HKTDC.

“Demand is expected to be especially huge in emerging markets such as the Chinese mainland, ASEAN countries and the Middle East,” Yip adds. “This will certainly present tremendous opportunities for Hong Kong surveying professionals, who are valued for their excellent professional expertise, strong management skills, world-class integrated services and abundant international experience.”

Under the Closer Economic Partnership Arrangement (CEPA), agreements on mutual recognition of qualifications are being signed between HKIS and industry associations on the mainland, thus enhancing access both to the mainland and its network in Belt and Road markets for Hong Kong surveyors.

According to the Asian Development Bank, Asia will require US\$8.2 trillion in investment for infrastructure projects from 2010 to 2020, equating to annual average demand of US\$820 billion. A shortage of local professionals means firms from outside Asia are increasingly allowed to participate as investors in owning as well as managing these projects.

In addition to the infrastructure boom, a growing

number of shopping malls are being either built or renovated in China, India, Indonesia, Thailand, Malaysia and other Asian countries, driven by a rise in consumption on the continent.

As for the Middle East, Saudi Arabia recently rolled out Vision 2030, an ambitious economic diversification scheme involving massive infrastructure projects. Rapid growth is also expected in other Middle Eastern cities such as Abu Dhabi.

Multiple Hong Kong trade missions to Belt and Road countries at inter-government level are already up and running. Local businesspeople from various sectors, including infrastructure and real estate services (IRES), have been invited to meet government officials and business leaders across the continent and further afield.

A five-day business mission led by the Financial Secretary to Astana and Almaty in Kazakhstan took place in September this year, where a memorandum of understanding was signed between the HKTDC and the Astana International Financial Centre to facilitate future business delegations to both destinations and investment projects in Kazakhstan. Other business missions to Dubai, Tehran, and European capitals including Prague, Warsaw and Budapest also took place in November, involving networking events, briefing sessions and company visits.

More such visits are planned next year to help the IRES sector capitalise on opportunities arising from the Belt and Road scheme. The HKTDC is organising a business mission to Indonesia and Cambodia in February, and also an urbanisation-focused event known as “Building For the Future” in Fujian Province in late 2017 to promote Hong Kong's IRES.

The next Belt and Road Summit will take place on 11 September 2017. The inaugural summit in May this year featured more than 40 speakers, including senior government officials and business leaders from Belt and Road countries. More than 2,400 participants, including investors, project owners and services professionals attended.

At the 2016 summit, Zhang Dejiang, Member of the Standing Committee of the Political Bureau of the Communist Party of China Central Committee, and Chairman of the Standing Committee of the National

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People’s Congress of the People’s Republic of China, said Hong Kong plays a pivotal role in the Belt and Road Initiative.

He mentioned in particular an example where a Hong Kong company was appointed as engineering consultant for a China-aided project in Nepal. The project withstood a devastating earthquake in April 2015 which saw many other buildings collapse.

“This shows the superior quality of Hong Kong’s professional services, and proves that such services have a big role to play in the Belt and Road development,” Zhang said.

Sr Ng Kin-siu, chairman of the Hong Kong company that was awarded the Nepal project, said the main thing learned from the project was the importance of cultural exchange. Working with both a Mainland China contractor and the local Nepalese people, Ng said his team had to bridge cultural differences among the various parties when it came to concepts such as safety, quality and professional standards.

“For example, Hong Kong companies such as ours are used to adhering to international standards on safety,” Ng added. “However, in Nepal, it is a completely different picture. We would have to remind local staff of the importance of wearing helmets at the construction site, and that they should wear protective footwear instead of slippers. We also had to make sure there were no children playing on the construction site. These are just a few examples of how vast the cultural differences can be.”

Ng’s team also organised regular training with local staff, on top of frequent meetings with the mainland contractors to ensure everyone was on the same page at each stage of the project.

He explained how it is important to be aware of both the natural constraints and the geopolitics of a country and to get to know the capacity of local contractors, facilities, and suppliers. For example, several months ago, a riot on the Nepal-India border affected the supply of construction materials for the project. Ng’s team was able to use its local market intelligence to find an alternative supplier to turn the situation around.

“You need to stay on the top of the game rather than wait for someone to give you advice,” Ng said. “It is

important to have local knowledge and connections so that you can mobilise local resources in times of crisis.”

Nepal, like many other Belt and Road countries, is brimming with opportunities, Ng said. However, he feels that there is a “missing link” when it comes to the availability of market information, which could be addressed by more direct communication between existing and potential stakeholders.

“We know that there are lots of things going on between the mainland and the Belt and Road countries where Hong Kong companies like us could participate and contribute,” Ng said. “But we wouldn’t know who to turn to. It would also be awkward for private companies like us to go directly to ask government departments about what is happening in the market.”

Yip says the HKTDC is dedicated to establishing Hong Kong as an information hub for the Belt and Road Initiative. It has launched a Belt and Road portal ([www.beltandroad.hk](http://www.beltandroad.hk)), which allows visitors to source Hong Kong services providers for their projects. It welcomes more Hong Kong services providers to list their company information on this database.

The website also offers valuable information, such as links to various official tendering and bidding websites for major economies along the Belt and Road. It also provides market intelligence, including detailed profiles of the 60-plus Belt and Road economies and examples of projects in countries that Hong Kong’s IRES sector is involved in.

“With infrastructure and real estate development laying the foundations for the Belt and Road Initiative, surveyors will be among the first to benefit from the projects,” Yip said. “I would encourage surveyors to sign up for our events and outreach promotions related to the Belt and Road. This is the best way to meet relevant industry players and learn about opportunities that will emerge as the Initiative continues to take shape.”

*The article is published courtesy of Classified Post.*