

If when you imagine Hong Kong, you imagine toy manufacturers, junks, and "knock-off" products, your view is outdated. Those stereotypes may have been true 30 years ago, but they are far from accurate today.

Hong Kong is a prosperous city of approximately 7 million people, whose economy is based on excellence in the financial and business services sector. For Canadian information and communications technologies (ICT) firms interested in the Asia-Pacific market, Hong Kong is a city which should be pursued for both strategic and market considerations.

Why choose Hong Kong?

Last year, the slowdown in the ICT sector was both global and painful. One market that has provided sanctuary for beleaguered ICT firms is China. In fact, during the first six months of 2001, Canadian ICT exports to the Mainland rose a whopping 200% compared to the same period in 2000!

Furthermore, China is widely anticipated to continue to be a shining star with ICT development being a priority for Beijing, and with many economists predicting GDP growth rates of 7-8% annually. Market liberalization in ICT with China's accession to the WTO can only be seen to brighten an already glowing situation.

Under the "one country, two systems" approach, Hong Kong offers Canadian firms facilitated access to the China market, along with its traditional advantages of English as an official language, Western business practices, and the "rule of law". Furthermore, Hong Kong with its world-class telecommunications and information technology infrastructure and competitive free market, is often regarded by the Mainland as an excellent test ground for new products. Success in Hong Kong can only facilitate a company's ability to penetrate the Mainland market.

However, Hong Kong should not be viewed solely as a gateway to

China and Asia. Last year, Hong Kong ranked as the third-largest market for Canadian ICT exports, after the United States and the United Kingdom. In 2000, Canada exported some \$481 million worth of ICT goods to Hong Kong, \$100 million of this being re-exported

their knowledge of source and destination markets.

And for financial excellence, Hong Kong's strengths are legendary! With 265 banking institutions from more than 30 countries, Hong Kong offers all of the ingredients to support

Canada's gateway to Asia

Hong Kong ICT

to China. Canadian firms of all sizes have announced significant contract signings.

Opportunities

In May, Hong Kong released its new "2001 Digital 21 Strategy: Connecting the World", with the objective of positioning Hong Kong as a leading e-business community and global digital city. Implementation of this Strategy will offer Canadian firms a number of potential opportunities in areas including:

- Internet and Intranet
- E-government
- E-commerce and M-commerce
- Wireless technology
- Broadband
- Computer Telephony Integration
- Multimedia content development
- Digital broadcasting technologies; and
- Outsourcing network support and consulting services

Canadian firms interested in pursuing these opportunities could initially partner with one of the numerous local firms.

Asia-Pacific trade hub

As the world's 10th-largest trading economy, Hong Kong is Asia-Pacific's premier import/export hub for intra-Asian trade, as well as between East and West. In operations delivery, Hong Kong firms can add value through

Canadian firms, whether they be pursuing venture capital, or financing complex billion-dollar deals.

Canadian presence

Hong Kong is home to the largest Canadian business community in Asia with over 100 local or regional Canadian corporate offices. In fact, the Canadian Chamber of Commerce in Hong Kong is the largest outside Canada with over 700 members.

Canadian ICT companies can benefit not only from the expert services of this organization, but also from the active Canadian government presence, including Trade Commissioner services, which are supported by a Memorandum of Understanding on ICT cooperation between Industry Canada and Hong Kong's Information Technology and Broadcasting Bureau.

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(For the unabridged version, see www.infoexport.gc.ca/canadexport and click on "Roadmap to China and Hong Kong")

