

LCQ1: Assisting Hong Kong brands to develop the Mainland market

Following is a reply by the Secretary for Commerce and Economic Development, Mrs Rita Lau, to a question by the Hon Wong Ting-kwong in the Legislative Council today (May 27):

Question:

Earlier, the Hong Kong Trade Development Council (TDC) organised more than 250 companies of Hong Kong brands to participate in Hong Kong Consumer Products Expo, held for the first time in Guangzhou. There were more than 30 000 visitors on the first day of the event, which reflected the immense appeal of Hong Kong brands to mainland residents. Some members of the business sector have pointed out that with increasingly frequent exchanges between Hong Kong and the Mainland, it is now an opportune time for Hong Kong brands to develop the mainland market. In this connection, will the Government inform this Council:

- (a) whether it knows the number of trade fairs organised by TDC on the Mainland in each of the past three years to promote Hong Kong brands, the cities in which such fairs were held, and the major categories of the products being promoted; whether the effectiveness of such fairs has been assessed; if such an assessment has been made, of the outcome; if not, the reasons for that;
- (b) whether it knows if TDC has any plan to organise similar fairs in various mainland cities in the next two years; if TDC has such a plan, of the details; and
- (c) whether the Government has enhanced discussions with the relevant mainland authorities on specific policies, so as to proactively assist Hong Kong products in developing the mainland market?

Reply:

President,

- (a) In the past three years, the Hong Kong Trade Development Council (TDC) organised different large-scale trade promotion and consumer fairs in various Mainland cities. Details are as follows :

* In November 2007, TDC brought the Style Hong Kong Show to the Mainland for the first time. The event took place in Hangzhou and presented over 140 Hong Kong brands to the city. It featured mainly a range of trendy and lifestyle products such as fashion, accessories, watches, jewellery, gifts, housewares and health food. Around 65,000 visitors turned up. The event was held again in Hangzhou in November 2008 and drew over 50,000 visitors. The number of participating Hong Kong brands increased to 200.

* In March 2009, the Hong Kong Consumer Products Expo was held in Guangzhou, presenting the products of some 250 Hong Kong brands, including fashion, accessories, watches, jewellery, food, gifts, housewares and cosmetics, to over 140,000 visitors.

* In mid-May, the Style Hong Kong Show was held in Wuhan, attracting over 300,000 visitors. Products of nearly 300 Hong Kong brands covering lifestyle items, health food and fashion were showcased.

Through the above promotional activities, Hong Kong enterprises may promote their brands and products to local consumers direct and gauge local demand, purchasing power and market situation. On the other hand, local retailers, wholesalers and dealers can be attracted to explore collaboration opportunities with the exhibitors in domestic sales in both near and longer terms. Some exhibitors indicated that participation in the events had helped them assess the business case for developing the Mainland market. Encouraged by the favourable response to their products in the trade fairs, some enterprises became more confident in entering the Mainland domestic market. Some even set up their business in the Mainland soon after the events. Judging from the number of visitors, business generated and feedbacks from the exhibitors, the trade fairs mentioned above are effective.

(b) TDC will stage the Style Hong Kong Shows in Chongqing and Guangzhou in November this year and February next year respectively. It is also considering organising similar events in other cities that are interested in Hong Kong products and more affluent in terms of purchasing power.

(c) One of the priorities of the Hong Kong Special Administrative Region Government this year is to join force with the Mainland authorities to help Hong Kong enterprises tap the Mainland domestic market. We have through various channels, including arranging meetings between leaders of the trade and Mainland officials, reflected views on

policies and supporting measures needed for developing the Mainland domestic market to the relevant authorities for follow-up.

In addition, at the 105th China Import and Export Fair in Guangzhou held in April, we arranged for more than 100 Hong Kong enterprises to participate in the Domestic Market Business Matching Forum and meet with Mainland buyers.

We will continue to examine, with the Central authorities and relevant ministries, further measures for facilitating Hong Kong enterprises to tap the Mainland market. These include streamlining the procedures for establishing retail outlets and certification/inspection, expediting the approval process, simplifying the tax filing arrangements, and implementing the "single tax return for multiple domestic sales" arrangement.

Ends/Wednesday, May 27, 2009