



The British
Chamber of Commerce
in Hong Kong
香港英商會

Annual General Meeting, 5 June 2019: Chairman's Report

Introduction

Ladies and gentlemen, I would like now to present my report for the last 12 months of my Chairmanship and on behalf of the General Committee.

The Chamber has had a very good year in respect of its three pillar activities:

- Policy Advocacy
- Events coordination, and
- Networking opportunities

I will return to each of these matters in my report but let me begin by making some observations on the key activities of the Chamber.

1. Relationship with the Hong Kong SAR Government

- In general, the Chamber has maintained an open and consultative tone in our dealings with the HKSAR administration, in particular in respect of our policy dialogue. Our views are actively canvassed by the administration and clearly carry some weight. From the moment I took on this role, 12 months ago, I was struck by the extremely good reputation of the Chamber and of our access to and connectivity with the administration.
- By extension I would also say, in the course of the last couple of years, our reputation with the Chinese mainland authorities has also been enhanced. For example, in the first quarter of this year an invitation was extended to the Chamber to join the Belt & Road Forum in Beijing in April and I was very pleased to represent the Chamber at this event. It is my purpose, and that of the General Committee, to continue to grow the understanding of the Chamber's activities externally and to deepen our access and reputation both in the mainland and in Hong Kong.

2. Interaction with the United Kingdom

Turning to the United Kingdom



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- We have witnessed a welcome recognition by the British government of the business importance of Hong Kong, including in relation to mainland China. Following the important “GREAT Festival” last year, we will see a major UK presence at the “Business of Design” conference in the Autumn of this year.
- We continue to welcome representatives of the UK Government to Chamber events and are always ready to brief them on how we see the opportunities in Hong Kong. In my estimation the Chamber has an engaged and active relationship with the British Consulate in Hong Kong and with the representatives from the Department of International Trade. We are grateful for this and will continue to nurture it.
- Throughout the last 12 months Brexit has been an important, if at times, confusing background theme. At the Chamber we have continued to host Brexit – related events to explain and clarify whilst at the time, staying away from the politics. We have noticed some Brexit fatigue creeping into our engagement with both internal and external stakeholders although we do expect more analysis and engagement with the crucial developments in the second half of this year post the election of a new Prime Minister.

3. US-China Relationship

The relationship between the United State and China has been a major background factor in our policy and events work.

- At a political level we have observed a hardening of approach and attitudes on both sides of this equation which is having some impact on business sentiment. No clear picture has yet emerged of more direct impacts on Chamber members and businesses in Hong Kong but we watch this space very carefully and we do engage actively with our counterparts inside the American Chamber of Commerce for their views, for example.
- As the year progresses, I do expect this to emerge as a more significant theme and in particular the economic impact for the business community. At the Chamber we will make sure we offer you insights and guidance going forward.



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4. GBA

The Guangdong-Hong Kong-Macao Greater Bay Area (otherwise known as "GBA") emerged as a major new theme and opportunity for Hong Kong business in general and for Chamber members in particular.

- I was fortunate to be invited to the launch of the Outline Development Plan in February and, as I said in my recent magazine statement, there is no accident that this event was held in Hong Kong. It was hosted by the Chief Executive, with the Governor of Guangdong, the Chief Executive of Macao and senior Representatives of the NDRC invited as guests. This was more than symbolic and in the course of the event there was frequent reference to the advantages of Hong Kong under One Country Two Systems with its independent judiciary, advanced and international financial system and encouragement of business services. This is an exciting and important new strategic opportunity for Hong Kong and has become a top priority for the Chamber.
- We have run a series of events looking at the GBA opportunities and implications for business and our members. These have been very specific and not helicopter generalities. For example – we have held events on how GBA might be adapted to help with the movement of people and talent; the impact on retail financial services; the new logistics implications of GBA; and how data might be shared across the borders. We have more planned for the second half of the year, including the implications and opportunities for healthcare, and the impact on marketing.
- We have also been putting our minds to work on policy matters for GBA, drawing on expertise across Chamber committees. We are working on a document to put to the government in Hong Kong and the mainland to contain proposals and ideas on how best to make GBA work for our members with a particular emphasis on Hong Kong. As part of this process we intend to engage with regulators and with counterparts in the mainland.
- I also attended the Hong Kong-UK Financial Dialogue in London at the beginning of May where one of the Outcome Statements from both the UK Government and Hong Kong administration was an acknowledgement of the contribution the Chamber can make. I quote from the final paragraph of the Outcomes Statement:

"Both the Hong Kong and United Kingdom sides welcomed plans from the British Chamber of Commerce in Hong Kong to develop recommendations to enhance pan-GBA capital flows and financial market development."



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- It is in that context that we are organising our first ever General Committee in Shenzhen next week where we will be organizing our first outreach to mainland business bodies. Alongside this your Chamber has convened a meeting of all main British business organisations with an interest in GBA, including the Chambers in South China and Macau; the China Britain Business Council and the Confederation of British Industry. We have been greatly supported by the DiT and by the Consulates in Hong Kong and Guangzhou to facilitate this outreach. We will be discussing the opportunities arising from GBA and how best we can work together to help our member companies pursue business and opportunities.

5. BRI

The Belt & Road Initiative continues to be, in my view, a major business opportunity for the business skillsets of Hong Kong and has come back up the agenda with the re-emphasis and reset we have seen in recent months.

- As I said in my opening comments it was extremely gratifying that the Chamber was invited to be part of the official Hong Kong delegation to the Belt & Road Summit in Beijing and is a good sign of Chamber's positioning and strength of contribution for BRI.
- Now its sixth year of existence, having been launched in 2013, the BRI continues to be a centrepiece of Chinese policy and one where business in Hong Kong has been offered the chance to play a significant role and make a significant contribution.
- The Chamber has set up an International Infrastructure Forum and a Smart Cities Forum alongside the other committees with a natural interest in the BRI, including, for example, the Construction Industry Group, the Environment & Energy Committee, the Logistics Committee and the Financial Markets Committee.

6. Challenges

Finally, despite the overall very positive engagement with the HKSAR Administration, we have also faced some controversial issues in the course of the year, including the Victor Mallet case (where we made a public statement) and the passage of the Fugitives Offenders Ordinance. I will come back to these two matters.



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Events

Let me say a few words about our Events calendar:

- We very deliberately scaled back the number of events to around 160 by dropping some of the more marginal and less productive ones. It is a feature of Hong Kong that businesses are offered many opportunities to attend both networking and knowledge events and we have faced some competition in that respect. We have focused on offering our members special access to advisors and opinion formers and running debates with experts from across the spectrum of business interests. Our events are a very popular feature of the Chamber. We estimate that we have welcomed close to 7,000 attendees.
- We have had excellent support on a number of focused event series working with member partners: I want to highlight in particular:
 - BT – Innovation;
 - HSBC – China insider;
 - PWC – Retail;
 - Berkeley group – Shaken not Stirred;
 - Fry Group – Women in business;
 - Barclays – Inspiring women;
 - DBS - Business Class for Entrepreneurs;
 - KPMG – Captains of Industry; and
 - Baker Tilley on our Angel Investor Programme.
- We are very grateful to them all for their support.
- We continue to attract some very senior speakers to our events – including as the platform for UK political leaders. Speakers have included:
 - Nicola Sturgeon;
 - Sir Martin Sorrell;
 - Alex Cruz;
 - Fred Lam;
 - Irene Lee;
 - The Lord Mayor of London, and
 - Sajiv Javid.



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- Our upcoming events in this series of senior speakers includes Ashley Alder from the SFC, Charles Li from HKSE, and Jacob Kam, the new MTRC CEO.

Policy/advocacy work

The quality and impact of our policy work is really a distinguishing feature of the Chamber.

- This year we have seen a major sharpening of the Chamber's policy and advocacy work, with a focus on quality and earlier engagement by the General Committee and an emphasis on offering specific and actionable proposals.
- The main output is the annual policy address submission which was exceptionally well received by the Government this year. I am pleased to say that between both the Policy Address and Budget Address a good number of touch points and issues were raised in advance by the Chamber.
- I would add that we don't just write papers. We back up our submissions with productive meetings with relevant policy secretaries, regulators and others.
- We have also written some standalone position papers, for example on: spirits taxation; the Central Harbourfront Site 3; to the Bills Committee on Smoking; and on the East Lantau Metropolis planning approach.
- As I have said earlier it is clear to me that the Government actively seeking our views. An example of this is the Land Supply Consultation where we were specifically asked to submit our views early and were encouraged to meet with other Think Tanks on this subject.
- The Chamber is also a leading and active voice in the International Business Council which meets four time a year.

Networking

Our networking activities remain an important attribute of the Chamber and enhance our reputation not just as a serious thought-leader but also for having a great sense of fun.

- The Shaken not Stirred networking drinks are a Must Do occasion at the end of each month; the Christmas Drinks are not to be missed; the Five A Side Football match an opportunity to show off your sporting prowess; the Annual Rugby dinner memorable for all sorts of reasons; the list goes on



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- And of course, the BritCham Annual Ball is a feature of Hong Kong's social calendar. We raised over \$320,000 for charity and we owe enormous thanks to Jardines and Accenture as the title sponsors and to all our other generous sponsors, a total of 41 last year – a record.
- And whilst I have your attention let me also remind you of the 2019 ball and ask you to mark your diaries for the 6th September.

Challenges

This is probably the point where I can address two controversies which arose this year.

- As a Chamber we are actively pro-business and strictly non political. It is not our place to reflect a view on the politics of Hong Kong, of mainland China or indeed of the United Kingdom. We are strong supporters of the principles of One Country, Two Systems, of Hong Kong People Governing Hong Kong and the principle of a High Degree of Autonomy, as set out in the Basic Law.
- Where we see political issues impacting the business world, we do think it is our place to point these out.
- One such case was the decision not to renew the work visa of the FT journalist, Victor Mallet. In GenCom we debated this issue and determined the decision raised concerns about freedom of expression and information which are important for business. As a consequence, we decided to make a public statement which you can read on our website.
- The second is the Fugitives Offenders Ordinance, also known as the Extradition Bill. The General Committee has considered this on a number of occasions and determined that we should discuss the proposed legislation directly but privately with the administration. As a consequence, we have held two bilateral meetings with Security Bureau, including one with the Secretary of Security, to raise issues and relay views, as well as meeting other Department Secretaries, and taking an active part in discussions in the International Business Council
- In these discussions we have explained that while we have no problem with the principle of extradition legislation for Hong Kong, as this is a major piece of legislation with wide ranging implications for the international and local business community, including for our members, we think that its introduction requires the widest possible consultation to build consensus, consider amendments and ensure that the outcome is consistent with the principles of One Country, Two Systems.



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Committees

Let me now turn to the committees of your Chamber.

- The committees are the absolute backbone of the chamber and at GenCom we are very grateful for great work Committee chairs and members do. Their expert input is vital to the quality and credibility of our policy work; and they help drive the content of our event programme.
- This year we have also seen a further strengthening of a number of Committees including the Healthcare and Marketing committees; and a relaunch and rebranding of the Future Leaders Committee.

Outreach and connections

In the course of the last twelve months we have put in some significant effort to reach out to more UK business: promote Hong Kong as business hub and help drive membership.

- Every year the Chairman and the Executive Director spend a week in the UK in September as part of the HKTDC London trip and we will be doing the same again this year. And this April The Executive Director spent a week promoting the Chamber and Hong Kong at events in London and the North of England.
- We have spent some considerable time in investing in key relationships in UK, especially with business multipliers: FCO, DIT; City of London; CBI; CBBC - including through the Chairman and ED annual visit to London. This is all part of positioning the Chamber as the key partner in Hong Kong and in the region.

Communications

Our new marketing strategy is proving effective and we are grateful for the major input from Marketing and Communications Committee.

- There has been an important focus on and greater use of social media to help reach a new demographic: LinkedIn followers are up 65%; Facebook /Twitter up 20%; Instagram up 80%.
- This has all been backed up by launch of a new website this year giving much greater CRM capability.



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Membership

The major concern of your GenCom has been maintaining and increasing the level of membership and this is an item which features very regularly on our agenda.

- You may remember that we experienced a not insubstantial loss of membership in 2017 and have taken steps to rectify this. Whilst we are by no means complacent, I do think the situation has been stabilised although we will remain vigilant.
- The Chamber launched a new membership campaign in the course of the last 12 months and we have involved the Committees in our campaign to recruit and increase the number of members. We have made greater use of social media presence; we have revised our member offering; and we have established a new Small Business Membership category.
- We are not alone in this situation as a business chamber: I know that other chambers are in a very similar position and we must do all that we can to ensure a healthy broad-based membership which is vital to the success of the Chamber.
- I would make one appeal to you as members - Please support this recruitment drive: as members you are the Chamber's greatest advocates.

Conclusion

In summary the last twelve months have been busy, interesting, exciting and challenging. But none of this would have been possible without your participation as members and so I do want to conclude by thanking you. We are a member driven organization and despite the best efforts of the Executive Team, The General Committee, The Chairman and Vice Chairs our success relies upon your support, your active involvement and participation and your engagement. It is your Chamber. And your enthusiasm and interest in what we do make us the community we are – so please continue to be actively involved and do also provide your feedback and ideas for improvement where you think this might be made. I for one would welcome this.

AOB

Finally, I must thank all of the officers of the Chamber.

- Thanks to outgoing General Committee for their great support and wise counsel and advice.



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- I want in particular to record thanks to some members of the committee who are standing down:
 - Simon Donowho, as Treasurer after 5 plus years, who has contributed a huge amount of (behind-the-scenes) work in supervising the Chamber's finances;
 - Richard Winter, Chair of the Financial Markets Committee;
 - Nigel White, Chair of the Construction Industry Group;
 - Gerard Byrne – From British Telecom as a coopted GenCom member; and
 - Chris Harvey – from Accenture.

Warm thanks to you all for your support and counsel over the last 12 months.

Finally, the Chamber would not be anything like the force it is without the dedication of the Executive Team under the stewardship of our Executive Director, Andrew Seaton. In the course of the last twelve months I have got to know you all personally and I know how hard you work and I know the hours you commit to support events from 8 AM in the morning through to 8 PM and later at night. So thank you, Andrew, and thank you to your amazing and dedicated team.