

BRITAIN



IN HONG KONG

The Official Magazine of The British Chamber of Commerce in Hong Kong Issue 64 Jan-Feb 2020

www.britcham.com

A large, white silhouette of a human head in profile, facing left. The interior of the silhouette is filled with a vibrant, close-up photograph of green tree leaves and branches, with sunlight filtering through the foliage, creating a bright, airy effect. This graphic serves as the background for the lower half of the magazine cover.

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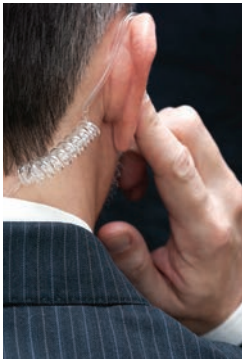
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Dear Members,

When the lights went out on 2019 it was hard to believe that we also closed the door on the second decade of the 21st Century.

The last 10 years have been exceptionally kind to the Hong Kong business community. GDP growth has averaged 4.5% per annum. In 2010, some 36 million visitors came to our city and by 2018 that number had grown to 65 million. Capital and bank markets have delivered spectacular opportunities. We all know what happened to property prices.

The last 12 months have not been anything like so benign. The business community has faced some of its toughest challenges, certainly since the handover. A combination of global trade tensions and the social strife in our own community has created uncertainty and, for some businesses, genuine anxiety.

When I wrote this message a year ago, I think very few of us predicted the big events of the last 12 months. I would never have guessed this time last year that Brexit would still be outstanding and the Conservative Party would win a landslide victory in a General Election with Boris Johnson as Prime Minister. I certainly did not predict the protests in Hong Kong. And I would never have told you that equity markets worldwide would experience some of their best gains ever. The 2019 return of the S&P 500 was 28%.

It is, however, the convention of columns like this at the start of the year that an element of forecasting is inevitable. I do not, as a rule, like the prediction

business. Whenever I am asked to make a forecast I am reminded of Ken Olson, the founder of Digital Equipment Corp, who is supposed to have said in the early '80's "There is no reason why anyone would want a computer in the home". We all know what happened next!

Let me have a go, nevertheless, at predicting some of the trends for 2020. These indicate that your Chamber's agenda will, I am sure, be very full:

- Supporting our members through any further social unrest
- Developing a thoughtful analysis of the business opportunities of the Greater Bay Area
- Continuing our support for Hong Kong as a Centre for the Belt & Road Initiative
- Promoting a better understanding of the impact of technology and innovation across all business segments
- Lobbying for greater SME assistance
- Ensuring that Hong Kong remains the pre-eminent international financial centre in Asia
- Increasing a focus on sustainability and CSR issues for business
- Watching and analysing carefully the developing trade tensions and their potential resolutions

- Explaining the impact and opportunities of Brexit for our members in Hong Kong
- Standing up for the benefits One Country, Two Systems, including Hong Kong's Rule of Law and the Basic Law commitment to the "capitalist system and way of life"

I also believe that as a result of the 2019 social unrest the structure of the Hong Kong economy is bound to change. The way tax is raised, the government's involvement in livability issues – particularly housing – schools, healthcare and elderly care and, of course, the interaction of the SAR with mainland China – these are all areas where I suspect we will see change in the course of 2020. At the Chamber we will advocate for policies that serve the best interests of our membership and to analyse the impact of policy changes as these are proposed.

However, the Chamber advocacy work is only as good as the contributions and ideas from our members, through committees, through our policy work and by meeting and discussing. We therefore need your ideas and observations.

It was precisely for this reason, and against the background of the protests, that towards the end of 2019 we started a series of member breakfasts, courtesy of the Murray Hotel. The agenda was a free flowing discussion of the impact of the social unrest. The event offered the opportunity to compare notes across all the business segments represented by the Chamber's membership. We will continue these breakfasts into 2020 as long as they are deemed helpful. The information and data we are able to gather through these exchanges are really valuable and allow us to tell government in some detail how the protests have affected businesses at the coal face and how business might be helped.

Your Chamber was also invited to join a Task Force on External Relations set up by the Secretary for Commerce & Development. We have, through this forum, the opportunity to propose and suggest policies and ideas to enhance and improve the business environment.

The end of the year is a time for seasonal celebration and at the Chamber we entered the spirit with our usual commitment. The annual Christmas drinks, sponsored by HSBC, and the Women in Business Christmas lunch, sponsored by St James's Place, were two examples that I enjoyed. I also know that

the Future Leaders Committee held a very special Christmas lunch too. And this year we hosted an additional General Election breakfast on 13 December where we were able to observe real time reactions to the exit poll and the first constituencies declare their results. Roll on Dry January!

Whatever the circumstances, your Chamber will continue to address the issues of the day; opportunities, challenges, uncertainties, opacities. And we will do so with the good humour and in the spirit of collegial support that has marked out BritCham.

Despite the background to 2020, I look forward to the New Year. As we open the door to the third decade of this century I am confident in the human condition and in our capacity for problem solving over and above our occasional tendency to wreak havoc. This has been the basis for social progress since, well, centuries before the start of the last decade. I look forward to working with all our members for the betterment of the Hong Kong business environment. We really are stronger together. But above all I hope for a return to the peace, pleasantness and industry of Hong Kong and a community more at ease and more content with itself.

Happy Prosperous Peaceful New Year to you all.



Peter Burnett
Chairman,
The British Chamber of
Commerce in Hong Kong

HSBC Expat Winners at the EMMA Awards

HSBC Expat, which is headquartered in Jersey and has a presence in the Isle of Man, has been recognised for its commitment to innovation in expatriate banking by winning the EMMA award for 'Banking, Tax & Financial Services Innovation of the Year'.

The EMMA's (Expatriate Management & Mobility Awards) were presented at the Forum for Expatriate Management for the Asia-Pacific region, held at Hotel Fort Canning in Singapore yesterday.

The win reflects a number of innovations HSBC Expat has brought to the market, which includes making online account opening more straightforward, rolling out online document certification technology, and providing a live chat facility.

John Goddard, Head of HSBC Expat, said: "The business is always evolving

and developing to suit expatriates' needs across the globe and so I'm very pleased we've received this recognition. We provide our customers with a first-class, immediate and personalised service and have really placed a focus on our digital capabilities and banking experience to make sure relocating to a different country is as easy and comfortable as possible."

The Forum for Expatriate Management is a community for the global mobility and HR industry and the EMMA's are considered the premier awards for the sector.



ICAEW Becomes Sterling Member

The Chamber is delighted to announce that the Institute of Chartered Accountants in England and Wales (ICAEW) has become the Chamber's latest Sterling Member.

Founded in 1880, and at the heart of the accountancy profession, ICAEW is a leading professional membership organisation that promotes, develops and supports over 181,500 chartered accountants and students across 148 countries.

ICAEW collaborates and shares its knowledge and insight with governments, regulators and business leaders, believing accountancy to be a force for positive economic change across the world. Currently, 98% of the best global brands rely on ICAEW Chartered Accountants and Hong Kong is no exception, with ICAEW representing a powerful and diverse membership network, whose talent, initiative and integrity empower businesses to succeed.



St James's Place to Sponsor Women in Business Networking Series

We are delighted to announce that St James's Place is the new sponsor of the Women in Business Networking Series.

This series provides female members of the Chamber and their guests with events that allow them to network, do business and make friends in a relaxed and fun environment. Previous events have included networking lunches, wine tastings and even a

workshop with the UK's Royal Academy of Dramatic Arts!

Kicking off the new sponsorship with a very successful Christmas Lunch, the Women in Business Committee is looking forward to working with St James's Place to host more great events in 2020. Keep an eye on our website or sign up to our newsletter to stay up to date on future events.

Get to Know an NGO

"Get to Know an NGO" is a new networking series for our members to meet different non-governmental, non-profit organisations operating in Hong Kong. It is an informal platform designed for society-conscious individuals, CSR specialists, other business leaders and NGOs, to learn, connect and collaborate.

With rising demand on sustainability across all aspects of business, for both SMEs as well as larger corporates, the role NGOs play is more important than ever. There is a need to have greater synergy with both the private and public sectors – to create systemic change and allow our city to stay competitive. And right now, with recent challenges in Hong Kong, NGOs are under more resource pressure than ever, so need our support.

In our first event, we will hear from five different NGOs addressing a spectrum of societal, environmental and sustainability issues. Each will provide a quick overview of their focus and why it's relevant to business and the community in Hong Kong, and explain the ways in which individuals and companies can help them further – ranging from individual and team-based volunteering

events through pro-bono support to financial and non-financial donations.

In addition to gaining insights into the work of NGOs and collaboration opportunities, attendees will benefit from the opportunity to network with like-minded professionals from across many different industries in Hong Kong.

Spaces are strictly limited, and will be allocated on a first-come, first-served basis, so please register your interest ASAP. It will be an interesting, informative, lively and fun event!

We will also be exploring sponsorship for this series going forward, so if this is of interest please contact silvia@britcham.com.

The first event will take place on Thursday, 6 February 2020, 6:30pm – 8:30pm.

Please visit our website for more details and to register.



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The Role of Finance in Sustainability

22 October 2019

The UK's Accounting for Sustainability (A4S) Executive Chairman, Jessica Fries, together with old Hong Kong hand and A4S Ambassador, Steve Roder, shared more of A4S's activities at an evening event.

Founded in 2004 by HRH The Prince of Wales to lever the power and perspective of finance leaders "to help ensure that we are not battling to meet 21st century challenges with, at best, 20th century decision-making and reporting systems", A4S is working to inspire finance leaders, transform financial decision making, and scale up action.

The speakers pointed out the multiple environmental and societal reasons for the urgent need to change business as usual to be more responsible and, therefore, sustainable.

Being such a financial hub, A4S is gearing up to do more with the territory's huge number of finance professionals, its crucial role being in risk, cost control,

tracking of returns, and often strong standing with the board, and more. Elsewhere, A4S has formed local networks of CFO's, encompassing some of the largest multinational companies, as well as investors, governments, business schools among others, to embed sustainability factors and consideration of approaches like the Sustainable Development Goals, into financial management.

Steve, a former CFO of Manulife, shared the success of its green bond – Manulife was the first global life insurer to issue a green bond, the impact of which avoided the production of thousands of tons of CO2. Jessica also walked through examples of companies that had adopted some of the output from the different A4S working groups, for example National Grid that has monetised the return from employee wellbeing programmes.

Special thanks to PwC for hosting the evening and to PwC Partner, Gayle Donohue, for moderating.



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Ambitious Heathrow Expansion Plan Revealed

19 November 2019

On 19th November, the Chamber heard from Phil Wilbraham, the Expansion Programme Director at Heathrow Airport, on his trip to Hong Kong.

Phil gave us an overview of the ambitious third runway project, which when completed, is predicted to provide significant boosts to the UK economy, through increased trade, and employment and manufacturing, amongst other factors. The new runway will allow for an additional 40 direct routes to the airport, with many of these new routes in Asia Pacific, and will allow the airport to double its cargo capacity.

The new runway is no small engineering feat however, needing to cross five rivers, and London's famous M25 ring road. To make sure that the project stays as on time and on budget as possible, Phil and his



team are taking on innovative new ways of working to improve productivity.

Thanks to the Construction Industry Group for their support of the event.

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WIB Take A Wine Tasting Journey Through Italy

21 November 2019

On 21st November, the Chamber's Women in Business Committee welcomed back sommelier Claudia Capelvenere from Valdivia Wines for another wine tasting as part of the Women in Business Networking Series.

We were hosted by Jacada Travel, and our guests were taken on a tasting journey through Italy, with wines featured from Veneto, Tuscany, Sicilia, and Puglia. Claudia took guests through a range of types

of wine, from a fun prosecco to start the evening to a punchy Puglian red wine to finish, all accompanied with some delicious antipasti and of course great conversation and networking.

This was the last of the Women in Business networking series with The Fry Group, and the Chamber would like to acknowledge and thank them for all their support over the years with the series, which has grown to be one of the most popular in the Chamber's calendar.



Chamber Members See UK Electoral Landscape Redrawn

13 December 2019

While ballot results were being announced across the UK on Friday 13th December, Chamber members in Hong Kong took to the Hong Kong Club to watch as the electoral landscape was redrawn.

With polls narrowing nearer the end of the election campaign, many expected a tight race, even a possible hung parliament. However, when the exit polls were released, it was looking clear that the election was going to be the best result for the Conservatives since 1987.

We saw a significant shake-up for the opposing parties, with the announcement by Labour Leader Jeremy Corbyn that he will not be leading the party at the next general election; the Liberal Democrat Leader Jo Swinson losing her seat; and the Scottish National Party

increasing its stronghold, re-starting the conversation around a second Scottish independence referendum.

We can expect next the Withdrawal Agreement to be pushed through parliament before Christmas, sign-off in the European parliament in January, and the UK will leave the EU on January 31st. The question will then turn to if and how the UK will get a trade deal with Europe agreed by the end of next year.

Throughout 2020, the Chamber will continue to provide events to explore the impacts and implications of these and other geo-political events for our members to help navigate the ever-evolving landscape.



New British Chamber Members for November-December 2019



Baillie Gifford Asia (Hong Kong) Limited

Baillie Gifford Asia (Hong Kong) Limited is part of Baillie Gifford & Co, an independent investment management business founded in 1908 and headquartered in Edinburgh, Scotland. Baillie Gifford are long-term investors with US\$270bn of assets under management and advice for clients' globally. Baillie Gifford Asia is registered in Hong Kong with the SFC and undertakes sales and marketing activities to professional investors across Asia Pacific.

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ReThink 2020 (23 & 24 June), is for professionals who are driven by, or challenged with, sustainability goals for their organisation. It is focused on answering one of the most crucial questions: How can we help businesses in Hong Kong accelerate change towards a more sustainable future?

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London Craft Week

Like London Craft Week, the first Hong Kong Craft Week in October 2020 will celebrate exceptional creativity and craftsmanship. The festival brings together the best from around the world with local talent, and showcases the city's shops, galleries, restaurants and iconic buildings.

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The University of Liverpool is the original red brick university in the UK and has been home to nine Nobel Prize winners. Today, the university ranks amongst the top 30 universities in the UK and top 200 in the world.

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Eco travel is a burgeoning industry, but it's not only about far-flung sustainable resorts. Small changes here and there are making a significant impact across the tourism and hospitality sectors. – By Sarah Graham

Once upon a time a hotel stay meant doing nothing for yourself, with the expectation of fresh towels each day, newly-filled miniature shampoos, and bottles of water in a fully-stocked refrigerator. Not a thought was given to what happened to the worn bedsheets, empty plastic bottles and buffet leftovers.

Today's more environmentally aware guests, however, are far more demanding when it comes to knowing how the products they eat and use are sourced and disposed of. In fact, eco-tourism is now an industry all of its own, with sustainable resorts springing up everywhere, offering tourists an experience that ticks all their green boxes. And it's not just about recycling and going straw-less: many tourism and hospitality companies are also giving something back to their local environment.

Take the Hongkong and Shanghai Hotels (owner and operator of The Peninsula Hotels, The Repulse Bay), which for the last six years has been quietly running an internship program with ethnic minorities – including refugees – in Hong Kong. Participants

get five-weeks on-the-job training during the summer, then are offered courses including life skills learning, mock job interviews, confidence building and mindfulness training for the rest of the year. The program gives them an opportunity to learn about the group and its functions.

"There's a misconception that refugees can't work in Hong Kong. They can work if you get them a work permit. There are less than 200 recognised refugees in Hong Kong who are eligible to obtain a work permit, and 7,000 asylum seekers that are not," says Janice Lao, Director of Corporate Responsibility and Sustainability at the group. "It's almost like we adopt them for a year. In the time they are with us we do orientation and take them around our different operations."

To make the program's recruiting as seamless as possible, the group has, for the first time, collaborated with a local law firm. And collaboration, says Lao, has been key to the success of other areas of the hotel chain's sustainability drive. It is currently working with competitors to develop a

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ECO RESORTS: JACADA'S PICK

Shinta Mani Wild, Cambodia

Shinta Mani Wild does not have any single-use plastics, including much of its back of house supply chain, which is even more difficult to do. The property bottles its own water and uses recycled containers. Through a partnership with the World Vegetable Center and USAID, the property has established an experimental farm to test hardier varieties of traditional Khmer crops. It also hopes to inspire people to eat more plant-based diets, which in turn, significantly reduces our carbon footprint.



Shinta Mani Wild, Cambodia

Great Plains, Botswana

With the opening of Zarafa in 2008, the lodge has pioneered the concept of providing a luxury safari experience sustained completely on solar power, innovating with the state-of-the-art Tesla solar battery system in place at Mpala Jena Camp. Other best practices in the camps include bio-digesters that convert vegetable scraps into methane cooking gas, rainwater harvesting and recycling water for wildlife waterholes, using recycled hardwood in camp construction, on-site glass bottling plants for still and sparkling water, and the elimination of single-use plastic. Its camps are built to minimize their environmental impact and ensure that all trace of them would disappear within two years of being dismantled.

EcoCamp, Patagonia

The award-winning EcoCamp has a reputation for being one of the world's most sustainable hotels. Ranked by the likes of Forbes, TIME, The HuffPost and The Guardian, the camp is made up of geodesic domes modelled on the ancient shelters of the region's Kaweskar people. It is 100% sustainable.

In 2009, the camp became a carbon neutral company and its ongoing goal is to minimise its CO2 emissions to become a CO2-free lodge. It has a basic policy of environmentally-sensitive management of waste, which includes bringing as little paper, tin and plastic into the wilderness as possible. All waste brought in is stored according to its recycling status, whether plastic, glass, organic matter, paper or batteries. The Camp prides itself in obtaining energy from 100% natural and renewable resources.



The Superior Dome interior at EcoCamp, Patagonia



The Suite Dome loft interior at EcoCamp, Patagonia

sustainable seafood tool – “a LinkedIn for seafood” – to enable the industry as a whole to source more environmentally-friendly products.

“Seafood is a very complicated item to buy, it’s very difficult for suppliers to tell us exactly where a particular item comes from,” says Lao. “We wanted to work with the industry but also with ourselves – not in competition but moving the needle with everybody else. If you want to find out about a particular seafood you can go online, click and find out more information about which supplier has a particular certification, and also some idea how it was caught. Now we can see that information we can make a better decision.”

She adds: “Collaboration with our competitors has only happened in the past two years. A lot of companies now are more willing to share. Our belief is if we tell our peers, they avoid making the mistakes we made, and they find the right solutions faster. We also learn back from our peers.”

Sustainable luxury is a theme that Peninsula Hotels group has embraced in recent years. Since 2018, it has reduced its energy intensity by 20%, its water intensity by 21.7%, and its waste diversion rate by more than 50%. The majority of its paper, tea, coffee

and chocolate are responsibly sourced; with no critically endangered species served in its offerings.

In 2018, it piloted a project with Hong Kong textiles recycling plant, Novetex, and a social enterprise from the Philippines – Anthill Fabric Gallery – to recycle yarn from retired bed covers. The project saw the covers naturally dyed using onion skin waste provided by The Repulse Bay hotel, and then turned into teddy bears. The proceeds from every bear sold were donated to underprivileged children in Hong Kong and refugee children in Asia.

Similarly, Wharf Hotels has embarked on a sustainability programme that reaches into every corner of the business. The owners of Niccolo and Marco Polo Hotels went straw-less in 2019 and also removed cocktail picks and stir sticks from all its hotel operations. All its internal meetings and conferences are environmentally friendly in not offering or using any disposable materials. Pitchers of filtered water rather than bottled water, whiteboards instead of flipcharts, laptops instead of paper and pens, and fresh whole fruit rather than candy with plastic wrappers, are provided. These green meeting provisions are also offered to guests. Currently, 11 Niccolo and Marco Polo Hotels are EarthCheck-certified – an energy



This cuddly bear is thoughtfully made out of discarded linens from The Peninsula Hong Kong and scraps of hand-woven fabrics from Anthill Fabric Gallery. Designed by locally awarded designer, Junya Au, the bear transforms into a beautiful bathrobe for the little one. Each purchase of this bear helps raise funds for Peninsula Hotels’ teams in The Oxfam Trailwalker and other similar charities. The linens were naturally dyed using food waste (onion skin) provided by TRB with support of St. James Settlement, Peninsula Hotels’ local community partner in fabric dying.



efficiency benchmark – with 10 awarded a Silver Certification.

Nespresso capsules are recycled and the used coffee grounds donated to local farms for composting, and eco-cleaning chemicals are widely used across the group.

“We believe we have a responsibility to protect the environment and contribute to preserve for future generations,” says Thomas Salg, Vice President Operations of Wharf Hotels. “We hope all initiatives benefit not only our guests, but also the environment. By adopting a change-making outlook, our teams are actively upgrading and enhancing their policies regarding environmental and sustainability issues.”

For the traveler that wants to go one step further, there are plenty of environmentally friendly and locally sustainable resorts to choose from around the region. Travel firm Jacada not only offers its clients such packages, it donates a portion of its

profits from trips to selected resorts to charities in the locality.

As a company, Jacada believes in preserving beautiful destinations as much as it does in sending tourists there. Sarah-Jane Radcliffe, General Manager Asia Pacific, says the company works closely with Cool Earth, a charity that works alongside indigenous villages to halt the destruction of rainforests.

“Our most recent figures show that each person who travels with us helps preserve the equivalent of one acre of rainforest,” she says. “Jacada believes in a low-impact, high-value model of the travel industry, which prioritises sustainability. We champion those who make a positive impact on the world around them.

“Ultimately, we recognise that those who love to travel, as we do, also want to pass on the sights they enjoyed to future generations, and leave behind a world that is as beautiful or even better than the one they explored,” she adds. **B**



Wharf Hotels has embarked on a sustainability programme that reaches into every corner of the business



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FACT BOX

- The planet's average surface temperature has risen by 0.5 degrees Celcius since the late 19th century (NASA).
- The total annual global greenhouse gas emissions reached its highest levels in 2017, with no sign of peaking. (EGR, 2018).
- Impacts of a 0.9-degree Celcius increase are here today: increased frequency and magnitude of extreme weather events.

Humanity is facing a climate emergency that has left governments, corporations and people scrambling to find a solution. In the corporate world, moves are already afoot to reduce our collective carbon emissions. – By Sarah Graham

Remember back in the 1980s when a growing hole in the Earth's ozone layer posed a threat to humanity? Now, three decades later, we are facing a new climate emergency that, scientists say, if not addressed, will have a catastrophic effect on our planet.

The situation is so serious that it has spawned a movement – Extinction Rebellion – its figurehead, a teenage girl who is desperately appealing to world leaders to help reduce dangerous emissions before it's too late.

For young people, the threat is pertinent. This is a fight for their future, and they're increasingly looking to the corporate space to help fix the problem.

And for multinationals, responding to the climate emergency is becoming a big business driver. Shareholders and potential young hires alike are demanding tangible action. Sustainability departments are growing, and environmental impact is at the front and centre for most companies.

In Hong Kong, businesses are trying to address the problem of their carbon footprints.

Global real estate services firm Jones Lang LaSalle (JLL), for example, has introduced a series of initiatives to reduce its impact on the environment. With a global sustainability team of over 250 staff, the group is looking at its real estate portfolio, and that of its clients, to make energy and carbon savings.

Mark Cameron, Head of Energy and Sustainability Services for JLL North Asia, says that since 2018 the company has set binding, publicly available science-based environmental targets for its operations.

In the first instance, building efficiency and sustainability is a key focus area. Leadership in Energy and Environmental Design (LEED) is the most widely used global green building certification to promote sustainable design and building performance. Earlier this year, JLL's Shanghai office at HKRI Taikoo Hui was awarded the highest LEED platinum score globally for the interiors and design construction category. Its

new office at One Taikoo Place in Hong Kong has just been awarded the second highest score in the same category.

This can only be achieved by implementing practical and measurable strategies and solutions in areas including sustainable site and neighbourhood selections, water savings, energy efficiency, materials selection, indoor environment quality and innovation in design. Green working spaces allows businesses to operate more sustainably and give the employees a healthier, more comfortable space to work.

On top of that, JLL's office in Hong Kong applies carbon offsetting for the energy consumed in their office space.

Reducing business travel by using conferencing software and technology to hold meetings and allowing staff to work from home where possible plays a role in driving better efficiencies.

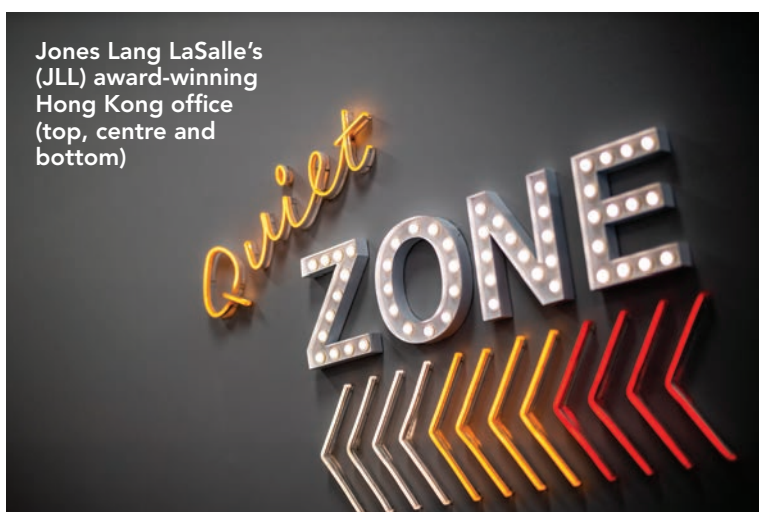
"We've invested in technology such as Cisco Systems for meeting rooms and encourage the use of programmes such as Skype for video calls and everyone has a laptop," he says. "We take a modern, flexible approach to working. We work with colleagues and clients across the region and globally so we need that flexibility – some people will have calls in the morning or really late at night, so it's much more of a flexible work culture."

JLL was relatively ahead of the game when it first introduced its sustainability report a little over a decade ago. The report shows how the company is addressing climate change and how it contributes to the UN Sustainable Development Goals (SDG).

"The majority of companies want to be seen doing the right thing, to show they actually care," says Cameron. "It's important both from the customer perspective but also in retaining and attracting staff. Sustainability is front and centre for everyone. We need to be walking the talk."

The two-fold approach – both internally and externally – to minimising the impact on the environment is being adopted by many companies who are incentivising staff to reduce their carbon footprint alongside the business as a whole.

CLP Holdings – which through CLP Power Hong Kong supplies electricity to around 80% of the city's



Jones Lang LaSalle's (JLL) award-winning Hong Kong office (top, centre and bottom)



population – has set a target to convert its entire fleet of vehicles below 3.5 tonnes, including those of its executive staff, and half of those between 3.5 and 7.5 tonnes to electric vehicles (EVs) by 2030. That's easy for an electricity company, surely? Yes and no. As part of the strategy to reduce the Group's carbon intensity

by 80% by the middle of the century, CLP has recently pledged not to invest in any additional coal-fired generation assets and to progressively phase out all remaining coal-based assets by 2050. It's also working on phasing out its carbon-generating plants and reducing the Group's carbon output by 80% by 2050, focusing instead on lower-carbon energy.

In 2019, CLP became the first Hong Kong company to join the EV100, a global initiative headed by the Climate Group committed to accelerating the transition to EVs and making electric transport the new normal by 2030.

Hendrik Rosenthal, Director – Group Sustainability, CLP Group, said the opportunity was an obvious one to take, and that the Sustainability Executive Committee didn't hesitate to back the move.

"At that point I realised this was an area that, as an electricity utility company, and given the vehicle fleet we have here in the Asia-Pacific region, it made sense to make a commitment, to send a message to the market that we take electrification of transport as something we all need to look towards in the future, improving local air quality through the process," he says.

CLP is committed to making electric transport the new normal by 2030



CLP has 962 vehicles up to 7.5 tonnes in its fleet across Hong Kong, mainland China, India and

Australia as of the end of July 2019. Of that number, 900 are smaller vehicles such as saloon cars and work vans, and 62 are lorries and light buses. A natural conversion cycle, whereby a combustion vehicle is replaced with an electric vehicle at the end of its seven-year lifespan, would help the company stay on track to meet its targets while the EV market development and policy support in the communities where it operates would also influence the progress.

"The majority of companies want to be seen doing the right thing, to show they actually care. It's important both from the customer perspective but also in retaining and attracting staff. Sustainability is front and centre for everyone. We need to be walking the talk."

– Mark Cameron, Head of Energy and Sustainability Services for JLL North Asia

It also plans to install more vehicle charging stations at its workplaces in different regions by 2030 and has already reached nearly 60% coverage in its Hong Kong premises.



CLP plans to install more vehicle charging stations at its workplaces by 2030 and will continue its free public charging service for EV drivers across its supply area in Hong Kong until the end of 2020



Hendrik Rosenthal, CLP's Director – Group Sustainability (second right), shares how the company is taking steps to convert its fleet across Asia Pacific to electric vehicles at the most recent Climate Week NYC

Partnering with BritCham, ReThink 2020 takes place on June 23 & 24, 2020, at K11 ATELIER in King's Road, Quarry Bay.

Brown expects 400 delegates for each day of the event, which will see guest speakers, action-focused discussions and real-life solutions to the sustainability problem.

So, back to the ozone layer. Decades after ozone-depleting substances like Chlorofluorocarbons (CFCs) were banned globally, NASA

Additionally, CLP provides free charging stations at 54 locations across its supply area in Hong Kong in line with the Hong Kong government's efforts in promoting the use of EVs among the general public.

"If you look at it from our perspective, the emissions we have from our transport fleet is relatively minor in comparison to the thermal plants we still have in our portfolio," Rosenthal says. "CLP's Climate Vision 2050 sets targets to reduce the Group's carbon intensity from electricity generation. We're on a very steep trajectory towards decarbonisation over the next 10-20 years in particular."

This summer, the city will become a focus for business sustainability with the inaugural ReThink Hong Kong, an event dedicated to bringing together businesses, thought leaders and sustainability practitioners to promote the acceleration of a more sustainable future.

Its Founder and Director, Chris Brown, believes the time is right to bring the event to Hong Kong because of the speed at which the conversation around sustainable business practices has grown in recent years. He says organisations must unite and collaborate to achieve sustainability goals.

"The power of a live event is that the ecosystem can come together, united and determined to drive change – real life discussions from those that are achieving sustainable growth and development against a backdrop of innovation and collaboration. I'm really excited about what we can achieve in Hong Kong," he says.

announced in 2019 that the hole in the ozone layer was at its smallest ever. Given the current momentum for living and working sustainably, we might just avert this climate emergency. **B**

More information on attending, sponsoring or speaking at ReThink can be found at www.rethink-event.com

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How Energy Efficient Is Your Office?

A range of measures – from simply switching lights off when the office is empty to retro-commissioning entire buildings – are available to companies that want to reduce their impact on the environment and make energy savings. – By Michelle M. Farrell

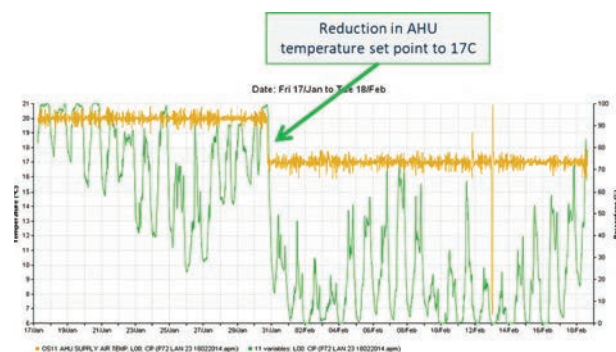
Do you know what is happening behind the walls and ceilings of your office? For most building owners, the answer is no.

In reality, commercial buildings utilise more than 42% of all electricity produced, yet can waste up to 50% of this energy. In Hong Kong, buildings utilise even more, using 90% of the city's electricity – approximately 40 billion kWh – and 41% of these buildings are over 30 years old. This is why we must focus on reducing energy consumption of our existing buildings and not just new construction. It is clear that looking at innovative ways to manage energy use across your existing building portfolio offers significant savings. In fact, many of our office buildings were designed to perform much better than they currently do.

The UK has adopted policies to discover what is causing the difference between the predicted energy use and the actual energy use of buildings, known as the "performance gap". In Hong Kong, new technical guidelines for Retro-commissioning (RCx) have just been finalised and released by the government's Electrical and Mechanical Services Department (EMSD) this year. The goal is to improve the performance of over 200 existing government buildings, as well as provide a clear methodology for the private sector to follow. Retro-commissioning is a methodical process to improve an existing building's performance at different levels of detail. To maximise these savings in existing buildings, we can now begin to explore what issues are occurring and why by creating a digital twin of the building or even a single office floor to see where the issues are coming from.

This exploration begins by looking at the details within a building management system (BMS), also called a building automation system (BAS). These systems are computer-based control systems installed in buildings that control and monitor the building's mechanical and electrical equipment such as ventilation, lighting, CO2 levels, temperatures, and more. Your facilities management team manages this system, but often

just works to keep things running, and does not perform energy audits on a regular basis.



Let's look at some easy to understand examples of where we can see waste by looking at the BMS system. Above is a graph of a Scottish airport passenger lounge in January, and the green line shows where the cooling valve is open, basically meaning the space required the cooling system to be constantly on. As most of you reading this know, the airport would not need cooling in January, so what was happening? In this case, the outdoor air was being brought into the building and heated to a temperature of 20 degrees. Because of equipment, people, and other conditions in the airport, the temperature was getting too warm and therefore the cooling would turn on and remain on all day. Basically, the HVAC system was heating the air to 20 degrees then re-cooling it once it entered the space. This is an example of typical waste (reheat or re-cooling) that could be occurring in your office daily. By just telling the system to reduce the heating of the outdoor air to 17 degrees, we cut the cooling energy spend by over 50%.

The first stage of energy audits is to stop waste – as we did above in a five minute fix. In a typical office space, there are many issues like this that can be easily fixed. Many issues can cause waste or drain energy for years, going unnoticed by facility management teams and having a significant impact on energy usage.

Once we get past energy waste and bringing the building to optimum existing performance, we can begin looking at other steps to save energy without further intervention.


- **Lighting loads:** Typical LED lamps can use approximately 75% less energy and last 25% longer than incandescent lighting. However, most offices use fluorescent lights already, so we see less impact on energy reduction - around 18% depending on fixtures. However, CFL (compact fluorescent lamps) emit 80% of their energy as heat, while LED lamps emit very little heat. This can have also have a significant impact on reducing the cooling loads in an artificially lit space as lights are often left on all day. Simply reminding people to turn off the lights when they are not needed is an easy but effective step.
- **Plug loads:** Computers and monitors can account for 66% of all plug loads, while other office equipment like printers and coffee makers can account for a further 17%. These loads, when not in use, are called parasitic loads on the system. You can apply manual operations, such as having someone shut off equipment using power strips at the end of the workday, or using schedule based timer plug strips.
- **Temperature settings:** Is your office constantly cooled to 20 degrees in all spaces? Actually, EMSD in Hong Kong recommends a temperature setting between 24 and 26 degrees in the summer for optional energy savings.
- **The use of blinds** is also a simple yet effective measure to reduce direct solar radiation in the summer.

Of course, you could apply fixes such as changing all lighting to LED, but there is a cost involved in this. But, how much energy savings could you achieve from this, and more importantly, what is the payback period for

these investments? Is it one year, two years, or more? If your office would like to implement the most significant changes with the shortest payback period, then embarking on an official retro-commissioning process is the route for you.

Here are some typical options that require less investment and less dependence on human intervention:

- Reducing runtime of HVAC system by two to six hours a day (performance modelling can ensure that thermal comfort is still achieved during occupied hours).
- 1 degree set point reduction/increase for temperature settings.
- Chiller sequencing – HVAC air-handling units often turn on one after another, meaning when one is at 100% capacity, then the second turns on. If we allow one to turn on to 60% capacity, then the other turns on and runs at 40% capacity - there are significant energy savings just by adjusting these controls.
- Sensor errors – are they reading the right values? If not, they may be over/undersupplying a room with ventilation.
- Daylight and motion sensors for lighting or CO2 sensors to control ventilation in spaces.
- Improvements or replacements to HVAC system.

Overall, improving the performance of our existing building stock, and ensuring its ongoing performance is being recognised is an important part of reducing energy consumption of buildings worldwide. To find out more information about the reduction of energy in existing buildings in Hong Kong, please visit this website: https://www.energysaving.gov.hk/en/retro_commissioning_rcx/index.html 



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HONG KONG HEATS UP

Rising sea surface temperatures are having an adverse effect globally. In Hong Kong, policies to counter global warming are already in place.

– By Simon McConnell

Over the last 100 years, the annual number of hot nights in Hong Kong has increased by 35 times, according to a report by global law firm Clyde & Co, which analyses the challenge of extreme heat faced by the region and the measures being taken to address this problem.

The report is the second in a global series from Clyde & Co looking at how vulnerable cities around the world are responding to climate

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In Hong Kong, rising sea surface temperatures are expected to intensify the frequency and intensity of tropical cyclones – with the report finding super typhoons were more common now than before.

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change, urbanisation and globalisation, as part of the firm's Resilience campaign. Currently, approximately 55% of the world's population live in urban areas and this number is expected to increase to 68% by 2050. As a result, businesses worldwide are facing an increasingly complex and interconnected risk landscape, and how they respond can be business critical. The Resilience campaign examines many of these issues, helping businesses understand the

latest thinking on risk management, the regulatory landscape and what the future may hold.

In Hong Kong, rising sea surface temperatures are expected to intensify the frequency and intensity of tropical cyclones – with the report finding super typhoons were more common now than before.

Simon McConnell, Hong Kong Managing Partner, Clyde & Co, says: “Resilience to climate change in Hong Kong will be critical for insurers, banks and property owners, who all have an incentive to mitigate future losses arising from climate change. Despite the size of the challenge, Hong Kong is well equipped to address carbon pollution and adopt greater energy efficiency.”

McConnell said Hong Kong was more proactive than many cities, with major policies in place to counter global warming.

“There are ambitious plans underway as part of the Greater Bay Area (GBA) to curb air pollution and waste, as well as fostering low carbon initiatives, environmental technology and green buildings.”

The report found about 70% of Hong Kong’s carbon emissions come from electricity generation – but it is estimated that a shift towards natural gas will result in a 20% reduction of carbon emissions.

The first Waste-to-Energy generator in Hong Kong, T-Park, which captures energy generated from sewage sludge treatment, became operational in 2016, with more generators planned.

Measures have also been taken to regulate emissions by marine vessels in Hong Kong – targetting harmful sulphur dioxide, nitrous oxides and particulate matter.

“Both the government and private sector have been taking active steps to mitigate the adverse impact brought about by rising temperatures. While the Greater Bay initiative will increase economic activity in the region, there will be greater cooperation on environmental issues,” McConnell said.

“Contrary to what is often claimed, China is taking significant and material steps towards greater sustainability,” he added.

The report found that with housing at a premium, subdivided flats are the norm. However, these flats suffer higher temperatures than outside. For example, a 100 square foot subdivided flat in Kwun Tong recorded a temperature of 35.7 degrees, while the outside temperature recorded by the Observatory was 30.7 degrees.

This stifling environment also comes at a cost to mental wellbeing – with studies by Red Cross Hong Kong and Hong Kong University finding the elderly at particular risk.

“A sustainable environment is vitally important to achieving both a successful economy and community,” McConnell added. 

“
***Despite the size of the challenge,
Hong Kong is well equipped to
address carbon pollution and adopt
greater energy efficiency.***

***– Simon McConnell, Managing
Partner, Hong Kong, Clyde & Co.***

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**Simon
McConnell**
Managing
Partner,
Hong Kong,
Clyde & Co

Decarbonising Construction

Most industries are trying hard to tackle the issues around climate change, and Gammon is no different. Its carbon reduction initiatives aim to reduce its intensity by 25% by 2025. – By Emma Harvey

Together, buildings and construction are responsible for 39% of global carbon emissions¹. Sobering though that figure is, it does mean the potential exists to make dramatic reductions.

We believe both project proponents and contractors should be setting ambitious targets to reduce carbon. Not only because we have a moral obligation to reduce the effect of our activities on the planet, but also because setting such targets stimulates innovation and can reduce costs in the long run. Gammon has made a commitment to achieve a 25% reduction in carbon intensity by 2025².

The problem with concrete

With global production of cement producing around 7% of greenhouse gas emissions, some ready-mix concrete producers such as Gammon are choosing to use lower carbon cements and develop mixes with less cement and lower carbon production processes.

Continued research and development in this area, and on other carbon-intensive materials such as steel and glass is vital, as embodied carbon emissions associated with materials throughout

the whole lifecycle of a project will become the dominant source of carbon impact from buildings. Where once the running of a building was responsible for more than the lion's share of its whole life carbon, improvements in energy efficiency and the decarbonisation of energy supplies now means this percentage is increasingly shrinking.

It's electrifying

Interestingly, one of the most effective ways the Hong Kong construction industry can reduce carbon emissions is also one of the simplest: early electrification of project sites to avoid the need for diesel generators. Planning must begin at the client design stage, when architects should also consider temporary transformer locations and start the liaison process with electricity suppliers. Contractors, too, need to provide early input, advising of their power needs based on the type of project. The catch-22 is that at such an early stage, clients have not yet selected a contractor to deliver their projects. Pre-construction studies and early contractor involvement are a good solution here.

Gammon has been lobbying hard for early electrification to become the norm, meeting with CLP and HK Electric who have responded positively, as well as engaging with our clients and EPD. We have been successful on a number of our projects, but these are the exception, not the norm. Using electricity instead of burning diesel provides obvious knock-on benefits related to health and noise impacts for neighbours and our workforce.

As an interim measure, we carried out a research and development project with local start-up, Ampd Energy, to create a viable alternative to diesel generators. The result is a battery storage system designed specifically for construction sites that emits zero direct emissions and has a reduction in carbon footprint of up to 80%.



High-performance, lower-carbon concretes with CIC Green Certification from Gammon



The energy container, or 'Ener-tainer', uses a very small amount of electricity to charge but can easily power a tower crane due to the high peak demands but long idle times

Out of site

Taking construction offsite to controlled factory settings also impacts positively on carbon emission reductions. Factories are better able to control energy use, standardisation and repetition reduces materials wastage, and the opportunities for better waste management and recycling are greater. Studies from the United Kingdom show that offsite construction uses 30% net less energy, results in 50% less waste, and reduces traffic movements by 20%.

The power of renewables

Contractors, particularly those working on multi-year infrastructure projects, are also able to contribute to electricity grid decarbonisation by participating in the Feed-in Tariff scheme and installing renewable energy at their site offices. We have successfully enabled two site-based installations and also fitted a permanent system on our Gammon Technology Park building roof in Tseung Kwan O.

It all adds up

Not all carbon-reducing initiatives require government lobbying or research and development projects, however. Even simple energy-efficiency improvements such as changing to LED lighting and turning off water dispensers at night can make a considerable difference. To support this initiative, we developed a smart energy meter that allows project teams to monitor offices and use the data to identify areas for improvement. What we have also found, is the meters support behavioural change, enthusing staff to strive for greater savings.

It is this kind of behavioural change that is needed on an industry-wide scale – where we look at construction projects through the 'lens' of whole life carbon, targeting carbon rather than only cost savings, pushing for reductions during the design phase, and considering flexibility for adaptation and disassembly for reuse and recycling. ^{1,2}

- 1 According to the World Green Building Council, Global Status Report 2017
- 2 kg CO₂e /HK\$1 million turnover, based on a 2016 baseline



200kWp solar photovoltaic system with sophisticated real-time monitoring to allow for R&D at Gammon Technology Park



Emma Harvey
Group
Sustainability
Manager,
Gammon
Construction

Gammon Construction is a leading construction and engineering services group committed to finding innovative solutions for our customers. We have built a distinguished reputation for delivering high quality and complex projects throughout Hong Kong, Mainland China and Southeast Asia. We are fully committed to building for a better quality of life and living environment in a safe and sustainable manner.



Re-energise, Re-vitalise

In times of rising rents, severe pollution and the prospect of increased government building regulations, there is more than just one reason to evaluate the overall resource footprint of your assets. – By Ruth Bailey, Eli Konvitz

While we read and learn more every day about the environmental crisis and the risks of continuing business as usual, there is a widely held sense that Asia, preoccupied with growth, lags behind. As built environment professionals working across the region, we have long felt a collective responsibility to embed sustainable working practices and principles into our work; the challenge is often to encourage our clients to embrace new ways of doing things or to adopt different KPIs.

We have found through our own work that the benefit of reducing the environmental footprint lies beyond environmental and reputational impact, particularly when taken over the lifecycle of a project.

Development advisory

Thinking about the key environmental factors throughout an asset life-cycle, and particularly at the outset of a project, can provide fundamental advantages. We encourage our clients to take a full life-cycle approach, helping them to identify the right environmental performance targets for individual assets or entire portfolios and strategies to meet them through their supply chain and technology. This could include achieving green building status under various accreditation schemes. Achieving desired green building status not only has reputational and marketing value to the development, and even without accreditation, focus on environmental performance also brings direct economic return, from future operational cost saving to higher price premium.

Design and delivery

The rapid urbanisation of Asia has created great opportunities but also brings many challenges. As urban planners and masterplanners, we think systematically through the complex interconnected sectors of the built environment. The approach of synthesising an understanding the potential of a place and listening to the land, based on thorough analysis, enables the development of smart, environmentally resilient, socially responsive city plans with the right strategies for long-term

success, cutting unnecessary cost and enabling phasing that is based on the carrying capacity of the infrastructure.

We launched an eco-low carbon (ELC) urban planning methodology which is designed to meet the challenges of the new type of urbanisation in China. The guidance places strong emphasis on integration (technical, process and conceptual), understanding of local context, and human scale development in harmony with nature, as well as the importance of place making in urban form, all underpinned with a partnering approach to finance development through green credit initiatives.

But new building, even in fast-growing Asia, is only one element; revitalisation of existing buildings is another key aspect of environmental footprint reduction in the built environment, enabling adaptation to the rapidly changing needs of their occupants.

For example, as part of our long-standing role with the Venetian and Marina Bay Sands, we have supported a non-stop journey of building adaptation, face-lifting, change of use and circulation to keep up with patronage demand and changing expectations.

Governments may be characterised as bureaucratic, but they also have huge power to set standards and aspirations. As the sustainable designer for the revitalisation of the West Wing of the Former Central Government Offices into a modernised headquarters for the HKSAR Department of Justice, we were able to achieve a Platinum rating in the local green building assessment scheme (BEAM Plus), which is a first for a revitalisation project in Hong Kong. The original property is a legally-declared historical building and hence Character Defining Elements (CDEs) had to be maintained during revitalisation works. The challenge of the project was to incorporate sustainability excellence while maintaining functional requirements and preserving CDEs of the historical building. Even with these design and site constraints, it was possible to formulate and implement a series of carbon

footprint reduction features. These include energy efficient building envelope and services installations (25% reduction), water conservation features (30% reduction) and retainment of 70% of its original structure.

Operation

In times of rising expenditures for all forms of resources, severe pollution and the prospect of increased government regulations, there is more than just one reason to closely examine and evaluate the overall energy consumption of a facility. However, it is not just about possible savings: a comprehensive energy audit can significantly increase the lifespan of expensive equipment, minimise downtime and improve indoor conditions, all of which also improves an asset owner's ability to attract premium tenants and increase valuation.

When our energy and environmental services team was appointed by a private equity company to undertake energy audits of its three retail malls in China, we undertook a comprehensive review which combined an energy audit with a roadmap, covering available energy conservation measures, also taking human comfort and safety into account. The results were tabled to the client in a series of recommendations that outlined the issue, the cost to address it, the expected return on investment and a roadmap for implementation. The studies were completed in less than six weeks for each property and resulted in major energy savings, with an ROI of 1.4 years.

Asset Management aims to ensure an organisation's assets are actively working to deliver value aligned with corporate objectives and should continually improve to properly serve the needs of the organisation over time. With ever-increasing capability and connectivity of physical assets, the ability to manage assets with advanced technology is becoming transformative in improving reliability, predictability and controllability. Ultimately, however, technology can only really improve environmental performance when it is part of a meaningful asset management strategy.

Clients we have worked with who have adopted such a strategic and systemised approach to managing their assets have realised savings from reduced operating, maintenance and capital costs of around 30% over the asset lifecycle. For example, we developed and delivered an optimised asset management system for a client in the pharmaceutical sector to analyse all

the aspects – from strategy and planning to delivery, information, the organization and its people – of existing individual asset management processes within their FM business. Clients we have worked with who have adopted such a strategic and systemised approach to managing their assets have realised substantial and meaningful savings from reduced operating, maintenance and capital costs. Other advantages include strategic alignment of business and asset management objectives, clear definition of asset performance criteria and data requirements and greater transparency of cost, asset condition and performance.

Summary

The built environment has a major role to play in the efficient deployment of energy and materials. Our environmental challenge is clear and the timeline is short, but business is often slow to change. We will continue to make the case for immediate change by demonstrating the positive impact on reputation, operations and financial performance. **B**

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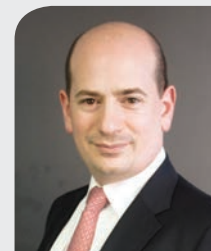
FAITHFUL+GOULD

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Atkins (www.atkinsglobal.com) is one of the world's most respected design, engineering and project management consultancies. Faithful+Gould (www.fgould.com) is a world leading integrated leading project and programme management consultancy. Atkins and Faithful+Gould are now the Engineering, Design and Project Management sector of SNC-Lavalin Group.



Ruth Bailey
Regional Director
in Asia Pacific,
Faithful+Gould



Eli Konvitz
Director, Urban
Development and
Design, South East
Asia, Atkins



The Next Evolution of Cyber Protection

These days, data is as valuable as gold, heightening the risk of cyber security breaches. Cyber data lakes are the latest platform companies can use in the battle to safeguard their information and that of their clients. – By Miro Pihkanen

The world is turning increasingly digital and data is gold. Thus, it is no surprise that confidential data breaches, identity theft or infrastructure-crippling malware attacks are now a daily reality for most organisations. As a result, global businesses, governments and individuals are placing cyber security at the top of their priority list to the extent a recent Deloitte study¹ found that the financial services industry spends an increasing portion of its revenue on managing and thwarting cyber exposure alone.

That doesn't just mean an increase in expenditure; CISOs (Chief Information Security Officers) work through complex systems and processes to harden their organisations against cyber attacks, employing vigilant preventative measures to spot the attacks before they occur as well as thorough recovery tactics following a potential incident.

However, it's those complex and expensive systems and processes that can often leave them most vulnerable.

A recent ESG and ISSA survey found that 59% of cyber security professional respondents believe that in general, cyber-adversaries otherwise known as 'black hats' have a big advantage over cyber defenders². It might seem counter-intuitive when so much money and brain-power is being thrown at the problem, but one only has to look back in history to see what's going wrong. Compare it for a second to a real-life scenario, the Vietnam War; a long and costly conflict where one side, although well-equipped and well-funded, were eventually defeated by a seemingly scattered and sporadic army who were able to observe, move fast and employ ingenious tactics in response to the other sides more predictable manoeuvres.

In short, hackers can act without boundaries and aren't held back by procedure or ethics. They can access and learn from information and strategies developed by organisations and, most importantly, are free to experiment and be agile in their approach. One only has to look at recent cyber incidents bringing established global institutions to their knees. The bad guys are getting better faster, whilst the good guys are constrained by lagging legislation, internal processes and red-tape.

So what's being done today to combat cyber criminals? Currently, the majority of large organisations rely on 24/7 monitoring where experts based out of security operations centres (SOC) identify malicious activity, investigate and respond to threats in real-time. This is compliant, and covers some of the bases, however, it is predominantly reactive and can leave the business services exposed and disrupted.

A recent example includes the adaptation of Robotics Process Automation (RPA). Cyber products have been designed to respond to an automated process that has in fact been around for decades – think Macros (ie Windows 3.1 or earlier) – and as a result, they are reactive and result in an if-then decision-tree approach that leaves organisations vulnerable due to their predictability with cyber adversaries countering response patterns intuitively to achieve their malicious goals. Behind every cyber attack is a human, after all.

But one can't just look at the limitations of the defence, it also pays to look at what organisations are doing to open themselves up further to attack. Over the last decade we've witnessed an explosion of data. Even the most mundane of appliances have become receptacles for data capture; from TVs that record household conversations to streetlamps that sense when crowds might be gathering on sidewalks, information has become coveted by organisations and governments looking to understand human

behaviour on a new and somewhat over-zealous scale. And then of course there's the more apparent exchange of data for access or services, which although consensual, creates risk for highly personal information to be leaked or stolen.

This new reality calls for innovative security strategies. Organisations swimming in data are unable to track the threats that might be lurking due to the sheer amount of information. As they continue to digitise their products and services those threats become more numerous and increasingly unpredictable. To manage such exposures, a consolidated and predictive approach must be considered, one that gives organisations full visibility on their data as well as the ability to anticipate, and counter, patterns of potentially malicious behaviour.

Cue cyber data lakes, the next evolution of security and intelligence. Cyber data lakes offer a holistic and pre-emptive attack and defence method by calculating the probability of potential scenarios, taking a pro-active approach. With a full view on all client data at any given time, organisational crown jewels can stay protected and security mechanisms can be implemented with minimal effort alongside new products rather than deployment after the go-live.

With the tightening of development cycles, it's clear that the cyber industry has to act quicker than it currently is to match the speed of development and compete with the entrepreneurial sprint methodology employed by their adversaries. Cyber data lakes are adaptive, much easier to implement and can protect organisations proactively on their transformation trajectories as they continue to grow and digitise. **B**

- 1 <https://www2.deloitte.com/us/en/insights/industry/financial-services/cybersecurity-maturity-financial-institutions-cyber-risk.html>
- 2 https://www.esg-global.com/esg-issa-research-report-2018?utm_campaign=Cybersecurity%202019&utm_source=slider



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Despite months of unrest in Hong Kong, the city continues to attract British multinationals and start-ups. – By Stephen Phillips

According to the results of the “2019 Annual Survey of Companies in Hong Kong with Parent Companies Located Outside Hong Kong” conducted by Invest Hong Kong (InvestHK) and the Census and Statistics Department, the city has continued to attract and retain leading overseas and mainland companies, as well as entrepreneurs from around the globe to use Hong Kong as the base to set up and expand their businesses.

The number of business operations in Hong Kong with parent companies overseas and in mainland China was 9,040 in 2019, representing a 9.9% increase over the 2017 figure. Among them, 1,541 had set up regional headquarters in Hong Kong, up 9.1% over the number in 2017.

In terms of origin, British companies continue to be a major source, with 713 operating in Hong Kong. Other sources include mainland China (1,799), Japan

(1,413), the US (1,344) and Singapore (446). By sector, import/export trade, wholesale and retail topped the list (4,181), followed by financing and banking (1,787) and professional, business and education services

(1,373). In terms of jobs, the number of people engaged by the overseas and mainland companies reached an all-time high at 493,000, compared to 443,000 in 2017, recording an increase of 11.3%.

The survey also collected views on the attractiveness of Hong Kong as a location for setting up businesses. Favourable factors included “simple tax system and low tax rate” (71%), “free flow of information” (63%), “geographical location” (61%) and “free port status” (59%).

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Hong Kong was listed as the third most innovative location in South East Asia, East Asia and Oceania in the Global Innovation Index 2019 and is a new entrant in the world’s top 25 start-up hubs in the 2019 Global Start-up Ecosystem Report.
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Start-up Survey

At the same time, Hong Kong’s start-up scene has skyrocketed in recent years. Hong Kong was listed as the third most innovative location in South East

Asia, East Asia and Oceania in the Global Innovation Index 2019 and is a new entrant in the world's top 25 start-up hubs in the 2019 Global Start-up Ecosystem Report. Investment in start-ups has reached US\$720 million in 2019, according to Oddup, and there are seven official unicorns in Hong Kong.

According to the 2019 Start-up Survey conducted by InvestHK, the number of start-ups in Hong Kong saw even more impressive growth of 42.8% to 3,184 from 2017. These start-ups are operating in public and private co-working spaces and incubators in Hong Kong and employ over 12,400 persons, an increase of 97.4% over the 2017 figure.

The start-up community was highly international. Of the founders, 34% were from outside Hong Kong, of whom 12.5% are from the UK. The rest include the US (15.4%), followed by mainland China (14.0%), France (7.0%) and Australia (6.3%). Major sectors of start-ups included Fintech (14.3%), E-commerce, supply chain management and logistics technology (10.7%), Information, computer and technology (10.1%), Design (9.5%), and Professional and consultancy services (9.0%). With the support of government funding for innovation and technology initiatives, low and progressive visa policies for technology talents, this growth is expected to continue.

Fintech Study


The fourth annual Hong Kong Fintech Week (4-8 November) attracted more than 12,000 attendees

from over 60 economies, more than 250 world-class speakers and over 150 exhibitors and start-ups. The global nature of the event was evident throughout, with participation of 10 unicorns from around the world. The UK trade delegation was one of the 18 international trade delegations participating in the event.

According to InvestHK's recent Hong Kong Fintech Study, the number of fintech companies in Hong Kong today has exceeded 600, with 76% of them focusing on the B2B market. These companies

embrace many different technologies, including big data, AI, blockchain, InsurTech (insurance technology), RegTech (regulation technology), CreditTech (credit technology), and WealthTech (wealth management technology).

Looking ahead, despite global economic uncertainties, the city's strong fundamentals such as its strategic position in the

region and international status as a sophisticated business and financial city, as well as emerging new opportunities arising from the Guangdong-Hong Kong-Macao Greater Bay Area development and the Belt and Road Initiative, will continue to provide excellent business opportunities for British companies to expand in and via Hong Kong. InvestHK will continue to work closely with the British Chamber of Commerce in Hong Kong to help world-class companies as well as start-ups to set up in the city. 

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Stephen Phillips
Director-General of Investment Promotion for InvestHK

InvestHK is the department of the Hong Kong Special Administrative Region Government responsible for attracting foreign direct investment and supporting overseas and mainland businesses to set up or expand in Hong Kong. It provides free advice and customised services for overseas and mainland companies.

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Contact us now to discover the business opportunities in Hong Kong.

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Security is in the Detail

Security has always been a vital part of keeping corporations and individuals moving. ASAP Group has the ability to offer bespoke security services tailored to your needs. – By Martin Franks

The value of security

The security industry has spent much of its existence portraying images of men in suits and dark sunglasses, talking into their sleeves with guns in their go-bags. This Hollywood-esque image has contributed to many companies and individuals questioning their need for security services. On one hand, they would like a knowledgeable and professional team to assist with their business travel or corporate event, on the other, do they need what they perceive to be an over-the-top and indiscreet security outfit?

Since 2016, Asia Security and Protection Group (ASAP Group) has worked to develop a business model that allows the client to have a say in what level of security they would like; from concierge services and escorted transport to large-scale covert security operations that span several countries. It's important that our clients have an input; you know your day-to-day activities better than anyone and we are there to help keep you and your company safe and running smoothly.

The current global social and political climate means customers and the general public have become increasingly used to, and comfortable with, a security presence. This has extended into all areas of work, travel and leisure, and we have worked hard to establish high-quality services in each area. As expert security facilitators, we help improve confidence from the ground up; from enabling clients to feel safe at international events to giving diplomats the ability to attend conferences in times of political crisis. Adaptive security keeps things moving and provides individuals the confidence to work, travel and enjoy themselves.

Agility and expertise

ASAP Group has been involved with diverse operations across the globe; from bodyguarding royalty to providing security for internationally recognised corporations and events. We work with clients all over the world, operating from our headquarters in Hong Kong and satellite offices in China, Indonesia, Asia Pacific, Africa, and the Middle East.

The experience and expertise of our senior security consultants has allowed us to offer industry-leading security and investigative services, including executive protection, corporate security, risk management, surveillance operations and the safe transit of valuables.

In addition to our security services, our expertise in the field has allowed us to provide bespoke training courses in close protection, security management, and advanced operational skills. The success of our courses has allowed us to give back to the industry and offer vital skills to the current and future generations of security professionals.

Predicting and delivering on requirements

As with all industries, security is in a state of constant flux; with changing regulations, increasing demands and broader requirements, it is vital that security providers offer relevant and well-informed solutions. ASAP Group is a leading provider of security services because we ensure our personnel are of the highest quality and our operations are aligned to current international best practice (ISO 9001:15).


Skilled and qualified personnel are our bread and butter – we never underestimate the importance of a professional, dedicated and highly-trained security team and neither do our clients. Our personnel are equipped with the relevant qualifications that allow them to execute their duties to the best of their ability.

Our highly-experienced senior consultants ensure standards continually progress and operations remain secure. We stay informed of industry developments and establish strong global partnerships to provide services in line with client requests and predicted requirements.



Business development

2020 is going to be a big year for us as we increase our global reach and capabilities to meet growing demands. In our decades of combined experience, the current need for specialist security services is unprecedented. Companies are now considering security as a key staple of their operations rather than a designer add-on, enabling them to continue their work regardless of the risks that may present themselves.

In times of such turbulence and uncertainty, it is vital that corporations and individuals alike consider what they can do to foster safety and well-being. While security management may seem like an entirely new area to many, we have combined the skills of experts in the fields of law enforcement, the military and security management to provide a service that meets the needs of companies and individuals working across countless industries. 



Martin Franks
Group
Managing
Director,
Asia Security
and Protection
Group

Asia Security and Protection Group is the leading provider of security services across Asia Pacific. Our consultants are former members of military and law enforcement agencies or heads of corporate security, with specialist training and lengthy experience. We have provided security for diplomatic missions, royalty, state leaders and corporations alike. Visit us at asapgroupintl.com or email us at enquiries@asapgroupintl.com



Analytical Eye on the Future

Analysing data brings businesses a greater understanding of their products and the customers who invest in them. But a new report from KPMG suggests many Hong Kong companies are missing out because they're focusing on past performance rather than predicting future trends. – By Isabel Zisselsberger

Data has become the lifeblood of successful modern businesses, and data analytics aims to transform a veritable universe of information that organisations can access into actionable insights. Effective data analytics helps organisations derive patterns and correlations, trends, risks and opportunities and, in turn, make better decisions.

While some companies have a strong grasp of data analytics and have started investing in it, others still depend on manual processes and outdated spreadsheet technologies to perform data analytics. KPMG's recent report *Hong Kong's Data-driven Future*, published with the Association of Chartered Certified Accountants, suggests there is a push towards greater use of data analytics with room for more efficiency, particularly among organisations in Hong Kong.

KPMG has identified four stages in the evolution of data analytics capabilities.

The first is **descriptive analytics**, which looks at raw data and attempts to generate valuable insights from past performance. **Diagnostic analytics** relies on the use of specific data sets to find out why something happened. More advanced **predictive analytics** uses data to predict future trends. **Prescriptive analytics** builds on promising trends and provides actionable recommendations. These four stages of data analytics are key to helping organisations understand what drives their business and customers – all with an eye to stimulating growth, boosting efficiency and managing risk.

However, our study shows that many organisations still focus primarily on past performance in their data analytics; they spent about two-thirds of their time on descriptive and diagnostic analytics, while giving only one-third of their time to predicting future trends.

Hurdles to adoption

A number of hurdles contribute to the slow adoption of data analytics in Hong Kong.

The executives and finance professionals we surveyed say that factors relating to people's perception of data analytics, such as a lack of awareness, resistance to change and distrust in the insights that data provide, are slowing investments in the space.

Many companies are not yet aware of the benefits of advanced data analytics and the type of products currently available to tap into all the data they have access to. This, in turn, leads to a lack of trust in data analytics, especially at the C-level, and resistance to change across organisations.

To improve the situation, it is important to up-skill and enrich existing employees' knowledge of new technologies through training and by including technology as part of employees' overall learning path.

C-level management should also start exploring the capabilities of data analytics, while simultaneously improving their organisations' underlying systems and data infrastructure.

It is a common belief among finance professionals that new technologies may replace them in the future. It is therefore vital for management to set clear expectations and convey the point that new technologies are enablers. People still need to use their subject matter expertise and industry knowledge to complete end-to-end analysis.

As organisations work to strengthen their data analytics capabilities, they need to be prepared to change their organisational culture.

Change management helps

A five-step change management approach is proven to have helped organisations succeed in this area. In particular, they should actively involve employees when introducing technologies and new ways of working while making the adoption of technologies a habit over time.



analytics capabilities requires organisations to understand future trends in finance and the level of funding that will be required, both in terms of capital and time. It is also necessary to put the right talent in place and provide adequate training to facilitate change management.

The increasing need for talent that is both tech-savvy and business-smart also poses a challenge. However, the creation of a technologically strong finance workforce is underway. For instance, the business school at Hong Kong University of Science and Technology (HKUST) is collaborating with KPMG China to develop courses for a new master's of accounting programme with a specialisation in data and analytics.

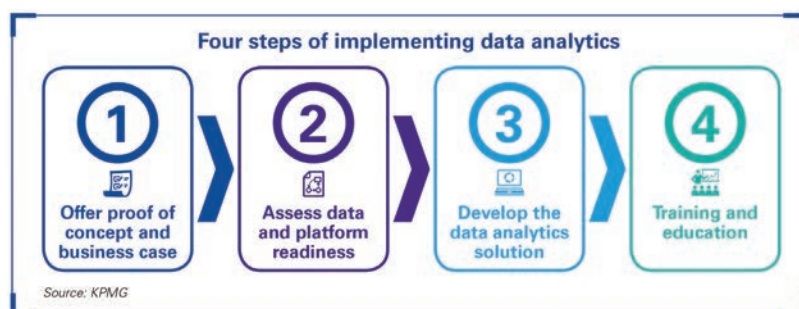
And there are other hurdles to committing to investing in data analytics, including limited capacity to initiate change and a short-term mindset due to a pervasive focus on short-term quantitative benefits rather than the long-term qualitative benefits.

Despite these hurdles, many organisations have decided to increase their investment in data analytics in the next few years, according to the survey. Once the decision is made, implementation follows.


Implementing data analytics

Implementing stronger data analytics capabilities requires commitment from across an organisation. To be effective, an investment programme in data

implementation can help organisations derive the most value from their investments in the shortest possible time. An effective approach entails the following four steps: proof of concept, assessing data readiness, developing models, and training.



Forward-looking data analytics makes it possible and easier for organisations to react more quickly to a fast-changing business world. Responsible for driving the development of an effective strategy for investing, finance functions will be instrumental in helping organisations understand the possibilities of data analytics.

The message from our findings is loud and clear: now is the time for finance functions to take on a bigger role as their organisations embrace data and the power of data analytics. 



Isabel Zisselsberger
Partner, Head of Financial Management, Customer and Operations, Hong Kong, KPMG China

KPMG is a global network of professional services firms providing Audit, Tax and Advisory services. We operate in 147 countries and territories and have more than 219,000 people working in member firms around the world. KPMG China is based in 23 offices across 21 cities with around 12,000 people, and a single management structure allows us to deploy experienced professionals efficiently, wherever our client is located.





The EOC's Racial D&I Charter: One Year On

The Equal Opportunities Commission's (EOC) Racial Diversity & Inclusion Charter for Employers has gone from strength to strength since its launch.

– By Ethnic Minorities Unit, Equal Opportunities Commission



In December 2018, the Equal Opportunities Commission (EOC) launched the Racial Diversity & Inclusion Charter for Employers and acknowledged its first 11 founding members in the first Charter ceremony.

By March 2019, an additional 34 companies had signed the Charter calling for a second Charter ceremony. The mix of companies and organisations showing interest in promoting racial D&I was extremely encouraging. Various business sectors including banking, insurance, F&B, hospitality, and engineering were represented. The list is also diverse by way of size of company: large global companies to local SMEs. NGOs and consulates also signed up.

While encouraging more organisations to join the Charter network, the EOC team was also working on providing the signatories with learning experiences. Training sessions on Unconscious Bias and Cultural Sensitivity aside from the anti-discrimination laws have been conducted as well as Lunch & Learn activities to promote D&I. A number of panel discussions and a roundtable were also organised to provide a platform for signatories to network and learn from each other. With AXA and HSBC – two of our early signatories – providing




the venues, the sessions invited organisations and young professionals to talk about corporate initiatives and the need for D&I policies and practices.

“
As we complete a year since the launch, we are pleased to see almost 100 organisations joining us in working towards racial D&I in workplaces and the community at large.
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As we complete a year since the launch, we are pleased to see almost 100 organisations joining us in working towards racial D&I in workplaces and the community at large.

For more information, please visit the EOC website www.eoc.org.hk/s/embrace/

If your company would like to adopt the Charter, please click on the link www.eoc.org.hk/s/embrace/interest.pdf to fill up the Interest Form and email back at nirupama@eoc.org.hk 

The Equal Opportunities Commission is an independent statutory body established in 1996 to implement the anti-discrimination ordinances in Hong Kong, namely the Sex Discrimination Ordinance, the Disability Discrimination Ordinance, the Family Status Discrimination Ordinance and the Race Discrimination Ordinance.



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5 of the Best Eco-Friendly Holidays

Wa Ale, Myanmar

Combine your next holiday with helping the planet at a property that supports sustainable projects and initiatives. Here, Lightfoot Travel reveals some stylish getaways with excellent green credentials.

Surround yourself with sustainability in Myanmar

Located within protected Lampi National Park, Wa Ale in Myanmar is the embodiment of a sustainable sanctuary and you'll be hard pushed to find a holiday destination with a more eco-loving heart. The CEO, Chris Kingsley, took care to ensure that not a single tree was cut down during construction. All manner of structures, from mangrove walkways to the beach bar were made from upcycled wood. The main pavilion's roof was derived from driftwood. The bar? Slate from old billiards tables! Lights within the property are kept low and away from the shoreline so as not to disturb the resident Hawksbill turtles. The order of the day here is chilling out, practicing yoga and trekking through the rainforest.

What's more, a percentage of your stay goes back into the resort's initiatives to support conservation projects and the local community.

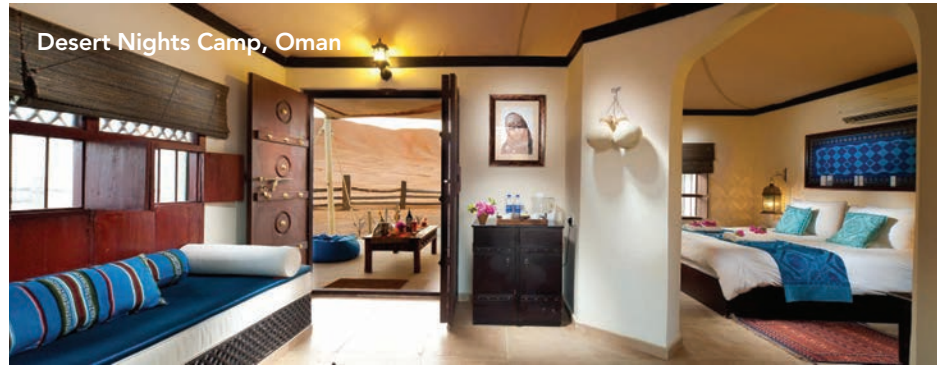
Save baby turtles in Oman

Combine sustainability with a desert safari on the shores of Oman where the Ras al-Jinz Scientific Turtle Reserve offers accommodation and an ecotourism experience in one. Stay in a luxurious eco-tent and head out with an ecologist to observe endangered green turtles laying eggs, nesting and swimming, and head to the Visitor Centre which hosts educational programmes about ecology. After a few days at the reserve, head out on a desert safari experience at Desert Nights Camp where you can stay in luxurious Bedouin-style tents and try fun

adventures such as sandboarding in nature. Complete your holiday in the Jabal Akhdar mountains where you can hike, indulge in spa treatments or just unwind while soaking up the dramatic canyon views.

Protect Mother Nature in the Maldives

The Maldives has so much more to offer than its proverbial picture-postcard setting of pristine sands, turquoise lagoons and swaying palm trees. Not just a pretty face, planet protection is in full swing in this part of the world and the newly reopened Gili Lankanfushi in the North Male Atoll is a shining, sustainable example. Rustic in style, serene in atmosphere and eco-friendly in attitude, the resort was built with sustainable materials, comes complete with its own organic vegetable and herb garden, and guests can partake in their marine conservation programme. At the Gili Veshi Marine Biology Shack you can discover more about marine biodiversity from the resident



Desert Nights Camp, Oman

marine biologist, go on guided snorkelling trips with an educational twist, help with reef cleaning and learn about sustainable living – including tips that you can take back home with you.

Learn about elephants in Thailand

As you'd expect, it's all about the elephants at Anantara's Golden Triangle Elephant Camp & Resort in Chiang Rai. Guests here have the incredible opportunity to interact with these magnificent creatures in surroundings that resemble a traditional mahout village. Watch as the elephants play and

Gili Lankanfushi, The Maldives





Gili Lankanfushi, The Maldives



Snorkelling at Wa Ale, Myanmar



Anantara's "Jungle Bubbles"



Song Saa Jungle Villa lounge room

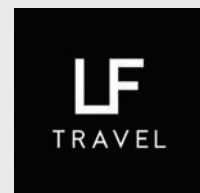
feed, bathe them under the watchful eyes of expert guides, learn techniques to communicate with them, and garner fascinating facts about biology, behaviour and conservation. There's even the chance to stay in one of Anantara's exclusive 'Jungle Bubbles' – cosy and transparent rooms set on a raised platform and offering the best seats in the house. When you're not hanging out with the animals, relax by the hotel pool, head to the spa, trek through rice fields or go on a boat ride down the Mekong River.

Join community projects in Cambodia

The private island of Song Saa in Koh Rong, Cambodia is not only a stunning eco resort for all ages, but it's also dedicated to creating a better planet. As a bid to educate children about the environment, it offers unique ecological projects for them to get stuck into, such as recycling programmes and workshops with the local community. Spend your days snorkelling the coral reefs in search of seahorses, kayaking through mangroves with marine biologists, or embarking on a rainforest expedition. At night, enjoy a movie in your private villa, rejuvenate at the spa, or enjoy some Cambodian street food by the pool. Just when you think that it can't get any better, profits from a stay at Song Saa are plied back into the community, creating the likes of Cambodia's first marine reserve and mangrove forests to reduce greenhouse gases. 



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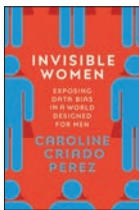
Book Shelf presents the favourites – new and old – of Chamber members for your suggested reading pleasure.



Haven't You Heard? Gossip, power, and how politics really works by Marie Le Conte

In *Haven't You Heard...?*, Marie Le Conte looks at the role gossip plays in all areas of politics – for the people in positions of power, the press who have most of the control – and how the internet has changed everything. From policy rows which aren't about policy at all and boozy nights with dramatic consequences, to people spinning their way to the top, and media quid pro quos veering into blackmail, she sets out in great and entertaining detail how politics really works.

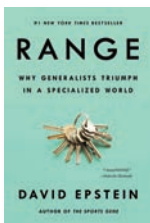
Through interviews with over 80 MPs, peers, former ministers, senior civil servants, newspaper editors, lobby correspondents, No. 10 political advisers, lobbyists, academics, and everyone in between, *Haven't You Heard...?* explores why Westminster can seem so dysfunctional, why it often is, and why it shouldn't be any other way.



Invisible Women: Data Bias in a World Designed for Men by Caroline Criado Perez

Data is fundamental to the modern world. From economic development, to healthcare, to education and public policy, we rely on numbers to allocate resources and make crucial decisions. But because so much data fails to take gender into account – it treats men as the default and women as atypical – bias and discrimination are baked into our systems. And women pay tremendous costs for this bias in time, money, and often with their lives.

Celebrated feminist advocate Caroline Criado Perez investigates the shocking root cause of gender inequality and research in *Invisible Women*, diving into women's lives at home, the workplace, the public square, the doctor's office, and more. Built on hundreds of studies in the US, the UK, and around the world, and written with energy, wit, and sparkling intelligence, this is a ground-breaking, unforgettable exposé that will change the way you look at the world.



Range: Why Generalists Triumph in a Specialized World by David Epstein

Plenty of experts argue that anyone who wants to develop a skill, play an instrument, or lead their field should start early, focus intensely, and rack up as many hours of deliberate practice as possible. If you dabble or delay, you'll never catch up to the people who got a head start. But a closer look at research on the world's top performers, from professional athletes to Nobel laureates, shows that early specialization is the exception, not the rule.

David Epstein examined the world's most successful athletes, artists, musicians, inventors, forecasters and scientists. He discovered that in most fields – especially those that are complex and unpredictable – generalists, not specialists, are primed to excel. Generalists often find their path late, and they juggle many interests rather than focusing on one. They're also more creative, more agile, and able to make connections their more specialized peers can't see.

Provocative, rigorous, and engrossing, *Range* makes a compelling case for actively cultivating inefficiency.

DESIRE MADE REAL

Events

A cultural phenomenon in equestrian society, **The Longines Masters of Hong Kong** is one of the most prestigious and competitive equestrian events in the world, and the only 5-star indoor show jumping event in Asia. Longines Masters of Hong Kong brings to Asia the best of sports, lifestyle, and entertainment into one unforgettable spectacle. Its roster of Olympian and world-ranked riders offer spectators the chance to see the best of the best converge and compete under one roof, and its Prestige Village is a not-to-be-missed attraction, with gourmet cuisine from world-class chefs, pop-up boutiques from around the globe, and a constant stream of activities and workshops for the whole family.

Book tickets via AsiaWorld Expo website.



Food & Drink

Popinjays takes the weekend brunch experience to new heights with a modern European feast. Featuring the freshest selection of seafood, premium caviar and Iberico cold cuts, diners can choose from classic main courses such as wagyu beef ribeye and duck confit foie gras. Champagne and wine package available to elevate the experience.

Available on weekends from 11:30am to 2:30pm, HK\$698 per adult; HK\$298 per child (5 to 11 years old) and additional HK\$298 for a free-flow house champagne and wines.

The Murray, Hong Kong, A Niccolo Hotel
22 Cotton Tree Drive
Central, Hong Kong SAR, China



Food

The Mixing Bowl offers classes to teach adults and children how to bake their own bread and cakes. They want to show you what a fun and rewarding hobby baking is and believe that everyone can bake, even with the limited space and busy lifestyle in Hong Kong. The Mixing Bowl uses simple ingredients and domestic appliances in its classes so that what you learn can be easily replicated at home.

They are also passionate about teaching children how to cook and bake. Cooking is not only an essential life skill, it is also a great way for children to learn English, practice mathematics and improve their motor skills. It's a fantastic activity for both kids and parents to enjoy together.

www.themixingbowlhk.com



Beauty

Established in 2009, **Atelier Cologne** is the first Maison de parfum creating Pure Perfumes inspired by the legendary Eau de Cologne. The founders, Sylvie Ganter and Christophe Cervasel, gave birth to a new olfactive family, "Cologne Absolue", where citrus are blended with the most precious raw materials for perfectly balanced creations and exceptional lasting power.



Member Offers

There are many great benefits of being a member of The British Chamber of Commerce. One of those is the Member Offers programme, an exclusive package of member discounts which range from dining and hospitality, to travel and business services.

Please present your membership card to enjoy these special offers. Full offer details are available online at www.britcham.com/Public/Membership/Member-Offers.aspx



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|  | 15% discount on dining between Monday to Saturday |
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|  | 10% discount on the dining bill |
|  | 10% discount on the dining bill |
|  | 10% discount on the dining bill |
|  | 20% off a-la-carte dinner menu |



10% off a-la-carte menu items



10% discount on the dining bill














10% discount on the dining bill





20% discount on the dining bill

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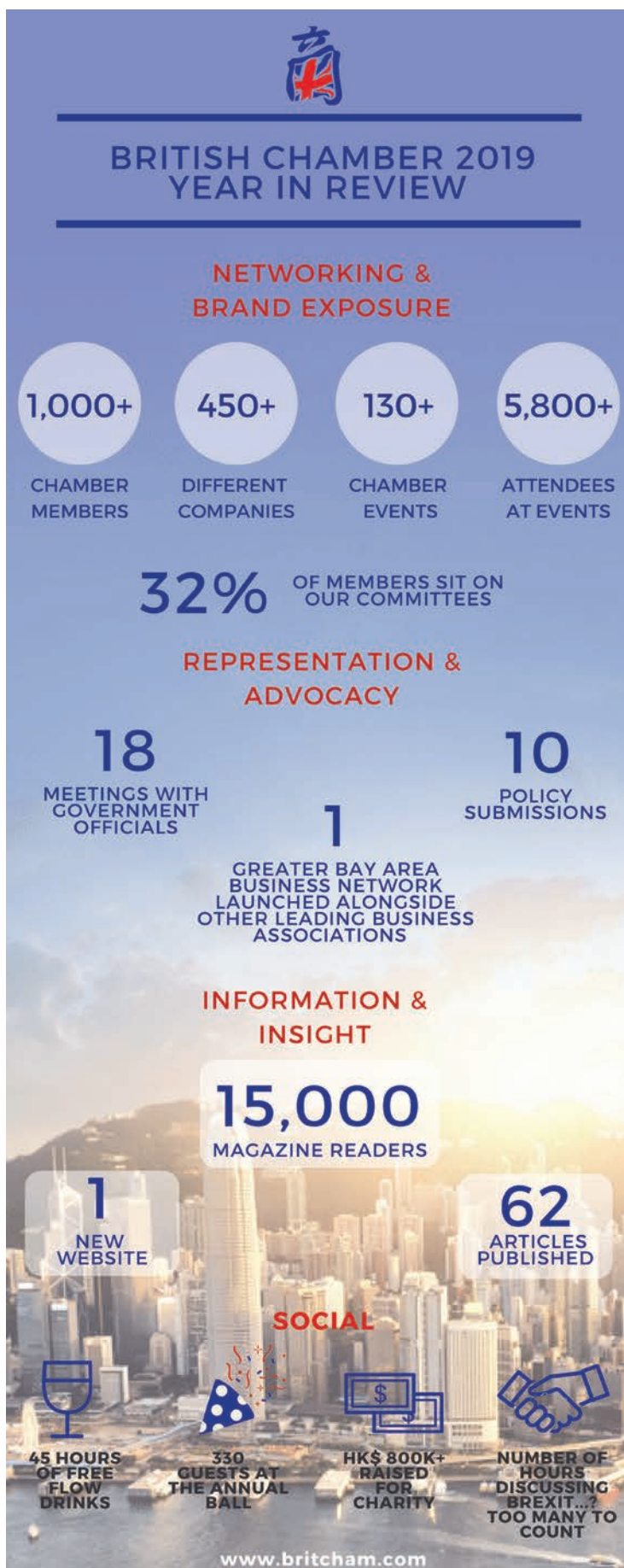
Future Leaders Christmas Lunch

11 December 2019

Our Future Leaders celebrated with festive cheer at the annual Christmas networking lunch.

After a busy year and a full events calendar including the JLL 5-a-side Football Tournament, networking events and lunches, the group toasted their efforts and success over a delicious three course lunch at Mr Brown. Some attendees walked away with lucky draw prizes which included a ceramic mug workshop by WAKA Artisans.

The Future Leaders Committee and its events programme provide a fantastic opportunity for young professionals to network not just with their fellow peers but also across different levels and sectors. Please contact bonni@britcham.com to get involved.





Sponsored by



28 November 2019 –
The Refinery,
Taikoo Place, Quarry Bay



Mark Stevens (BCLP), Victoria Baillie (Pink Tiger), Colin Bloomfield & Harjit Brown (British Connections)



Joel Tippey (IFS) and Robert-John Tasker (Within International)



Jesper Bruun-Olsen (Openfin) and Alun Grassick (Kelly Castle Estates)



Tak Chan & Mark Sarmenta (Prudential)



Michelle Farrell (IES) and Joel Tippey (IFS)



Laura Chan (Giles Agency) and Matt Wilson (Pink Tiger)



Susanna Chan (Jardine Travel Group) and Karen Wong (PTS Managed Services)



Charles Burton (Oxford Economics) and Sitara Kohli (MetLife)



Estelle Randle (Virgin Atlantic) and Andrew Seaton (British Chamber of Commerce in Hong Kong)



Andrew Seaton (British Chamber of Commerce in Hong Kong) and Steve Nguyen (Euromonitor International)



Jesper Bruun-Olsen (Openfin), Peter Burnett (Chairman, British Chamber of Commerce in Hong Kong), Alan Francis (Oxford Economics) and Matt Wilson (Pink Tiger)



Thomas Yung (BSC Interior Contract and Engineering) and Victoria Baillie (Pink Tiger)

Sponsored by

ST. JAMES'S PLACE
WEALTH MANAGEMENT

Charitable Women in Business Christmas Lunch

6 December 2019

In partnership with St. James's Place Wealth Management, the Chamber's Women in Business Committee held its annual Christmas lunch to kick start the festive season.

We were pleased to support and raise money for ImpactHK, a charity transforming the lives of the homeless and giving them a second chance.

A special thanks to 208 for hosting us and to Tayma, Waka Artisans and COLOURLIVING for the fantastic lucky draw prizes.



Thinking about joining the Chamber?

Join Britcham today and enjoy discounts on membership fees with:

- 100% discount on joining fees for all new Start-Up and Small Businesses
- 50% discount on joining fees for all new Corporate Members

Act now to secure this limited offer – contact our membership team at +852 2824 2231 or membership@britcham.com and quote **"BRITCHAM2020"**.



Terms & Conditions:

- Promotion Period: 1st January 2020 – 31st March 2020.
- Start-Up Membership is reserved for organisations less than three years old which have no other offices worldwide.
- Small Business Membership is reserved for organisations with 10 or fewer Hong Kong employees, and no other offices worldwide.



An Evening of Jazz to Celebrate Christmas

12 December 2019

On 12th December, the Chamber hosted its annual Christmas drinks event.

We were back in Stockton again this year, the 19th Century London inspired speakeasy, for a night of drinks, conversation and live Christmas jazz music. We were delighted to have HSBC back as the title sponsors for the event for the fourth year in a row and are hugely appreciative of their contribution to the event.

Our thanks also go to Colourliving for their prize donation for our Christmas prize draw. In what has been a challenging year for Hong Kong and its business community, the Chamber team was grateful for members' continued support and glad there was an opportunity for members and their colleagues and friends to come together to reflect and look forward to 2020.





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Perspectives

In this issue of **Britain in Hong Kong**, we check in with one of the Chamber's Sterling Members to get a fresh perspective on our local businesses, and a peek into the personalities of our captains of industry.



Paul McSheaffrey

*Partner, Head of
Banking & Capital
Markets, Hong Kong,
KPMG China*



How long have you been in the industry?

I have been with KPMG for 23 years of which 20 have been focused on banking.

What is your outlook for the Hong Kong banking industry in 2020?

Reflecting first on 2019, we expect to see slightly downbeat financial results across Hong Kong's banking industry this year. The low interest rate environment, coupled with muted loan growth throughout the year, is squeezing margins and revenues. All indications are that these factors will continue, and that revenue growth will continue to be a challenge for banks in 2020.

KPMG recently launched its annual *Hong Kong Banking Outlook*, where our subject matter experts offer a number of predictions for the industry, which also shed light on three broader trends.

First, risks continue to change rapidly, and so does the nature of those risks. In particular, we are seeing a greater focus on non-financial risks, including conduct and culture, and cyber and climate-related risks.

Second, we continue to see a fast evolving and increasingly competitive landscape in Hong Kong. The launch of the city's first virtual banks in the coming months will certainly add new players into the mix, but it also forms part of a broader trend where the lines are blurring between sectors. Many technology and telecoms companies are seeking to expand into financial services in order to build and strengthen customer relationships across all areas of their daily lives. At the same time, the way in which people use financial services is changing, and so too are banks' operating models.

Lastly, we expect digital transformation to become an increasingly important business imperative to enable banks to improve cost and operational efficiency, capitalise on new opportunities and win new customers. Data underpins each of these key trends and will be a crucial area of differentiation among banks in 2020.

One important development is the emergence of virtual banks in Hong Kong. What impact will their launch have on the industry?

The launch of virtual banks in Hong Kong has been keenly anticipated, not just in Hong Kong, but also across the rest of Asia. The eight new players are expected to actively seek to compete with the existing traditional banks for customers and market share.

If the launch of the virtual banks is successful, they may attract some of the more profitable customers from some of the traditional banks. There is definitely going to be a lot of noise and activity around their launch, and we expect that there will be a lot of people interested in opening accounts with them. However, while we might see deposit outflows from traditional bank accounts into the accounts of the new entrants, we don't expect this impact to be material during the first few months of operation.

We don't think it will be until beyond 2020 that customers start to switch their payroll accounts to virtual banks. Younger people in particular may switch their existing accounts or open their main accounts with a virtual bank. From a financial inclusion perspective, we expect the virtual banks that will focus on SMEs to have a good chance of success as this is a segment currently underserved by traditional banks.

What other opportunities do you see for the Hong Kong banking industry in 2020?

Despite a challenging 2019, we continue to see growth opportunities for banks in Hong Kong in 2020. First, mainland China continues to open up its financial services sector to foreign investment, and a number of international banks in Hong Kong are looking to capitalise on this opportunity to set up majority or wholly owned mainland Chinese securities and asset management businesses.

As an international finance centre, Hong Kong will also continue to play an important role in the global expansion of Chinese companies. As those

companies continue their expansion abroad, they are going to need to base some level of their international operations in Hong Kong. We also expect to see some positive movement around Hong Kong's development as a cash management and corporate treasury centre.

Ongoing developments in the Greater Bay Area (GBA) will continue to present a number of business opportunities for banks in Hong Kong. The central government's recent announcement to explore the establishment of a cross-boundary wealth management scheme in the GBA is a development that has great potential for banks.

On the retail side, banks with operations in the GBA will continue to work towards creating a more seamless banking experience across the region. The recent government announcement also includes a measure to introduce a pilot scheme to allow greater access to banking services in the GBA for Hong Kong residents.

We believe the next evolution of seamless banking services could extend to mortgage lending, where customers in Hong Kong are permitted to take a

About the interviewee

How long have you been living in Hong Kong?

I arrived in August 2004 and like many people at KPMG was on a secondment. I am 15 years through a two-year secondment!

What is your favourite place in Hong Kong?

I am lucky enough to have a balcony with a wonderful view of Jardine's Lookout and Mount Nicholson which is a wonderful place to relax and unwind.

What is your favourite (non-professional) occupation?

Other than being the Treasurer of BritCham?! I help to run the u10 Mini-Rugby squads at the Hong Kong Football Club and also referee at mini-rugby festivals.

If you had a motto, what would it be?

"This too will pass" – Always important to remain on an even keel and not be too affected by short term ups and downs and this is a great reminder of that.

Hong Kong-dollar mortgage against a property in another GBA city. Recent measures introduced by the central government aim to ease restrictions on the purchase of homes in Guangdong province by Hong Kong residents, and we therefore expect to see the development of an initiative promoting more seamless cross-boundary mortgage lending in 2020.

With regards to private wealth management, how will this industry develop in 2020?

There was a lot of positive collaboration and coordination with the industry in 2018 around what we need to do to make Hong Kong the leading offshore international wealth management centre. In 2019, we saw some progress around some of those initiatives.

We have identified some key areas of focus for Hong Kong to continue to establish its position as the leading international wealth management centre. First, focus on mainland China – including the GBA – and on attracting family offices. These are two areas that the industry has identified as having the biggest potential for growth.

Second is setting up the right investment suitability regime that caters to family offices, but also start to build up an ecosystem of service providers to supplement the very strong investment products that exist in Hong Kong.

What about the role of technology in wealth management?

In our annual *Hong Kong Private Wealth Management Report*, jointly published with the Private Wealth Management Association, one



finding was that a majority of surveyed private wealth management institutions believe that their digital offering is not meeting client expectations. Improving digital offerings is one key consideration for the industry in 2020.


“

The big law firm brands have high-quality people and businesses are moving to meet the challenges we face – inevitably at different paces.

We want to be a leader in this process of change.

”

We are all becoming much more comfortable using technology to make transactions. I don't think that this is any different for wealth management. There are clearly some discussions that still need to be conducted face-to-face, but there is a lot that can be done digitally, whether transactional or informational.

You still need good relationship managers to attract and manage clients. Institutions should really focus on people with training, development, career progression and keeping those employees happy. A lot of this is linked to digital because it is about taking routine and repetitive tasks off the relationship managers' hands, enabling them to focus on selling and managing relationships. 



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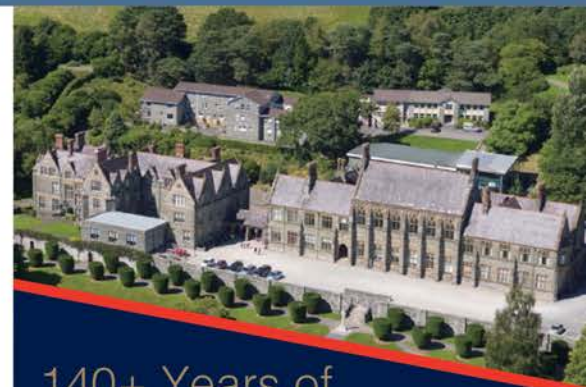
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