

HARBOUR LIGHTS

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JCIHK BELT AND ROAD INTERNATIONAL YOUTH SUMMIT 2018



On April 14th Junior Chamber International Hong Kong (JCIHK) with support of The Hong Kong Polytechnic University (PolyU) organized Belt and Road International Youth Summit 2018. The event, held at Jockey Club Innovation Tower in PolyU Hung Hom campus, successfully gathered 400 youth from 17 countries to explore new cultural and economic opportunities.



BELT AND ROAD: OVERVIEW

"Belt and Road" (B&R) refers to the land-based "Silk Road Economic Belt" and the seafaring "21st Century Maritime Silk Road". The routes cover more than 60 countries across Asia, Europe and Africa, accounting for 30 per cent of global GDP and more than 30 per cent of the world's merchandise trade. It is forecast that by 2050, the countries and regions along the B&R will contribute 80 per cent of global GDP growth.

What do the terms "Belt" and "Road" mean?

The "Belt" refers to economic and overland transport links across China to Central Asia and Europe while the "Road" is a network of maritime routes connecting regions through Chinese sea ports.

The Belt and Road Initiative - A road map to THE FUTURE

The Belt and Road Initiative refers to the Silk Road Economic Belt and 21st Century Maritime Silk Road, a significant development strategy launched by the Chinese government with the intention of promoting economic co-operation among countries along the proposed Belt and Road routes. The Initiative has been designed to enhance the orderly free-flow of economic factors and the efficient allocation of resources. It is also intended to further market integration and create a regional economic co-operation framework that

benefits everyone.

The National Development and Reform Commission (NDRC) issued its Vision and Actions on Jointly Building the Silk Road Economic Belt and 21st Century Maritime Silk Road on 28 March 2015. This outlined the framework, key areas of co-operation and mechanisms with regard to the Belt and Road Initiative.

A bridge to NEW OPPORTUNITIES

The Belt and Road initiative is set to reinvigorate the seamless flow of capital, goods and services between Asia and the rest of the world, by promoting further market integration and forging new ties among communities.

The Initiative offers global businesses - from

multinationals to small- and medium-sized enterprises - unparalleled opportunities to tap into new markets along the Belt and Road and gain deeper access to markets in the Chinese mainland, ASEAN, the Middle East, and Central and Eastern Europe. For developing and emerging economies in these areas, investment and trade accelerate development for the benefit of all.

What are the Five Links for the Belt and Road?

The Belt and Road Initiative is categorised into Five Links setting key areas of focus: policy coordination, infrastructure development, investment and trade facilitation, financial integration, and cultural and social exchange.



Source: www.beltandroad.gov.hk

EVENT HIGHLIGHTS



Mr Ronald Kan, JCI Hong Kong National President In his speech, he warmly welcomed all the participants and guests of honor. He highlighted that most of the attendees joined the event for two main reasons: 1) to explore new opportunities and 2) to expand the network. For Chinese SMEs, which want to expand to other markets, and for Entrepreneurs from overseas who aim to launch business in China, Hong Kong is a great solution, because its strategic role as China's gateway to the world. JCI Hong Kong plays important role to connect and support China's "Belt and Road Initiative" (BRI). Among the 69 countries or regions span across Asia, Africa and Europe of Belt & Road Countries, around 40 JCI NOMs present. And Belt and Road Summit provide a great platform with opportunities for economic growth and cultural exchange young people.



Dr. Wilson Chan Fung-cheung, Mainland Opportunities Committee, Hong Kong Financial Service Development Council, gave a presentation "China Globalization 2.0". While China's economic market remained strong since 1980s, there are obvious signals of a slowdown on economic growth. In order to continue to grow, China needs to open its markets even more. A new policy needs to be in place to allow China to continue to grow, and this new policy is Belt and Road. The Belt and Road initiative was formed to ignite the development with the developing markets near China. Dr. Chan explained that there is a trend that suggests that future economic growth will swift from matured markets (Europe and US) to Asian emerging markets (Belt and Road Countries). From 1995 to 2014, matured market share in global trade has gone from 80% to 54% while the emerging Asian markets have risen from 13% to 33%.



Dr Angelina Yuen, Senior Advisor to President of The Hong Kong Polytechnic University, said that PolyU has established its own Belt and Road Liaison Unit with centers serving Belt & Road countries, and developed university alliance from Belt & Road region with network of 135 universities. Every year about 150 students from the network are coming to Hong Kong for studying. The vision is to diversify the campus and hopefully in the future there will be more business collaboration among former classmates. PolyU is open for collaboration related to Belt & Road.



Mrs Regina Ip, Co-Chair of Maritime Silk Road Society (MSRS), spoke at the opening of the "Belt and Road International Youth Summit 2018". During her speech, Mrs Ip highlighted the tremendous progress China had made since the launch of the Belt and Road Initiative by Chairman Xi Jinping in Kazakhstan in September 2013. Over US\$18.5 billion had been invested along the "Belt and Road" routes, and 180,000 jobs created for host countries. As regards the Hong Kong SAR Government's involvement, Mrs Ip pointed out that in December 2017, Chief Executive Mrs Carrie Lam signed an agreement on behalf of the government with National Development and Reform Commission Chairman Mr He Lifeng. The arrangement focuses on six key areas: **"finance and investment", "infrastructure and maritime services", "economic and trade facilitation", "people-to-people bonds", "taking forward the Guangdong-Hong Kong-Macao Bay Area Development", and "enhancing collaboration in project interfacing and dispute resolution services"**. Mrs Ip stressed that Hong Kong had a significant role to play in these six areas. For example, in the area of provision of professional services, Hong Kong's insurers stood ready to provide new insurance covers to guard against credit risks of investing in BRI countries. For intercultural collaboration, Mrs Ip stressed that language capability is a critical element for success. Russian and Arabic are commonly used in the "Belt and Road" countries and young people should pay more attention to acquiring new language skills and the capacity for cultural interaction.



Dr. Bernard Chan Pak-li, Secretary for Commerce and Economic Development HKSAR, gave presentation "Hong Kong as a springboard to enter China". Dr. Chan said that Hong Kong, as the world's freest, most competitive and market-economy system, is also a multi-dimensional international city. Hong Kong International Airport recorded over 72 million passengers per year, ranking it as the third in the world. After further development, it can accommodate 100 million passengers per year. He added that many infrastructure projects will be launched soon this year, including the Hong Kong-Zhuhai-Macao Bridge, the Hong Kong-Guangzhou-Hong Kong section of the Guangzhou-Shenzhen-Hong Kong High-speed Railway, and the Liantang Xiangyuanwei Port. This will greatly shorten the time of travel to and from the Mainland, which will in turn lead to job growth and opportunities.



Gary Hui, Co-Founder & Director of Lalamove (logistic delivery service company that operates around China and Southeast Asia) in his speech "Localizing Your Vision" shared the challenges he faced when expanding his business in Belt and Road countries. One such challenge was localization. When he started in Hong Kong, the business model evolved around hiring a local van service and making sure it was delivered within an hour. They soon discovered that cities along the Southeast Asia all had different expectations on what was a prompt delivery and the best mode of transport was often not a van. As such, customization between modes of transport, delivery service level, order placing method and cost per items delivered had to be made. While it is possible to localize business on every aspect, it may not be the most economical and sustainable solution. At one point, standardization needs to be made in order to keep expanding to the different countries. The biggest challenge companies will face when expanding is the art of balancing between standardizing operations while localizing business model.

PARTICIPANTS' OPINION ON BELT & ROAD

"As a JCI member I think it's really nice to be part of this initiative, because, as a member, it is really easy to connect with other countries JCI members in the region to do more business related to Belt & Road. For example, we initiated some student exchange program between Hong Kong and Indonesia - "people-to-people bonding". It's a good chance to learn about culture and find new opportunities".



ANTHONY LEUNG,
JCIHK 2015 NATIONAL PRESIDENT
HONG KONG

"It is very essential for people today to understand about Belt & Road, because you are getting more business with China. I am involved in the legal industry and observe that many clients are coming from China Mainland to Hong Kong for business. It allows more of cross-border trading, oversea expansion, and that is essential".



SUSAN LAI,
JCI BAUHINIA, HONG KONG

"I think opportunities for Russia within Belt & Road are great. It's perfect. It's an interesting political situation around the world right now and a great way for Russia to explore Asian market more. Asian markets could also explore opportunities in former USSR countries and Eastern Europe. I feel like we have been interested in each other but left out. With Belt & Road we already have been getting more Russian clients and I can use my knowledge of Russian, so I can be involved in more projects in Hong Kong and advance my career".



SOFIA ELKINA,
RUSSIA

"I think this event is very helpful to young people in APAC. Before coming here I did not know much about Belt & Road. During the Summit I understood it better. I truly believe it is important to spread the message and benefits of Belt & Road. There is a lot of discussion going on in Mongolia, I hope there will be more projects and myself, as an investment banker, can contribute and participate"



BAASANSUREN SUNDUIJAV,
JCI MONGOLIA VICE PRESIDENT
MONGOLIA

"From childhood I already knew a lot about Belt & Road. It can open new directions for trade, trade format. BRI can aggregate more social resources. Personally I have already benefited from Belt & Road Initiative. Many companies in other countries offer more job and career opportunities for students from Hong Kong and China. It is really easy to find internship in other countries along Belt & Road."



BARBARA LU, POLYU STUDENT,
FACULTY OF BUSINESS,
CHINA MAINLAND

"To me Belt & Road is a platform for people to get around and make business, to talk what opportunities are to do business in different countries. It's a place-to-go to find business partners in different countries. It allows me to find new business ideas I haven't thought before".



SKYLER TAN,
JCI MALAYSIA VICE PRESIDENT,
MALAYSIA

"Belt & Road is very important market area. If I look it from Finnish perspectives, it has great potential. The most important is a network. New people who might advise me to open new business. I can learn how ecosystem works and where to find new opportunities."



MARKO ROUKKULA,
FINLAND

"Prior joining this Summit I did not know about Belt & Road much, but now I understand better. My business is domestic in Japan. I had to come here to find new opportunities in Hong Kong. Maybe I can come back here again and meet more friends and potential partners".



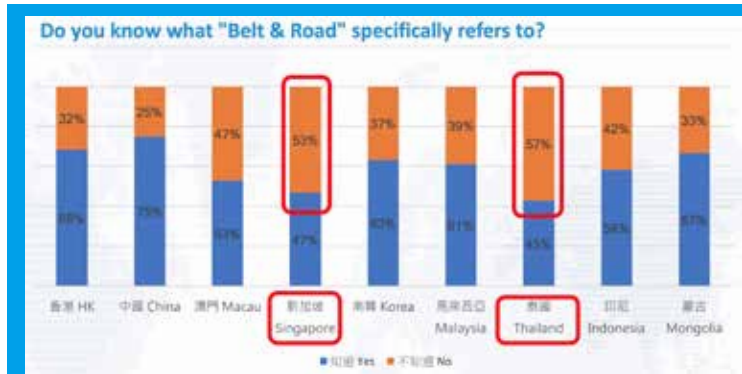
GO KIMURA,
JCI KYOTO, JAPAN





RESULTS OF THE BELT AND ROAD SURVEY

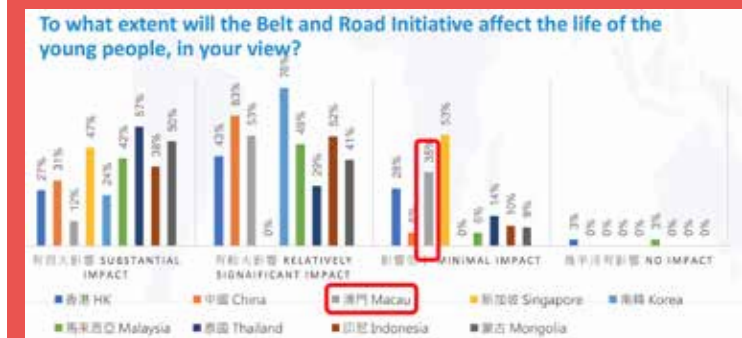
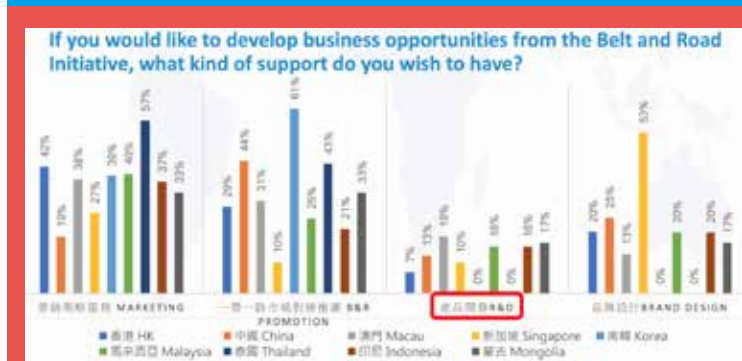
At the same time, the "Belt and Road Youth Survey" result announcement was conducted. A total of 884 responses from Macau, Singapore, Korea, Malaysia, Thailand, Indonesia, Mongolia and UAE were collected to see what young people (18 to 40 in accordance to the definition set by JCI Hong Kong) think about the "Belt and Road" initiative and how the initiative can benefit them. It was found 60% of the respondents know about the "Belt and Road" initiative, however only 25% of them can properly stated that there are more than 60 countries involved in "Belt and Road"



The survey indicated an increase of promotion for the "Belt and Road" are necessary so that the correct information were conveyed. Nearly half of the responses agreed to make use of the "Belt and Road" initiative when deciding to invest in new regions.



However, this differs from the views of the non Hong Kong respondents. Over 70% of them believed that Hong Kong will take the role of providing finance professionals for the businesses involving "Belt and Road"



45.2% believed that being located at the "Belt and Road" regions will provide an leading positional advantages for an active involvement. As for Hong Kong's role in the "Belt and Road" initiative, over half of the responses from Hong Kong thinks they will provide a major supporting role for the "Belt and Road" countries to integrate their businesses in China.



There are 31.4% respondents agreed that because Hong Kong possess the global vision and a reliable rule of law, they will choose Hong Kong as a platform to enter the China markets. However, only 6.2% of them believed that the supply of talented people were a factor when decided to use Hong Kong as a platform. 36% of the respondents believed that Hong Kong's financial sector as well as the trade developments sector is able to supplement the economic growth of China. Over 70% of the respondents say that they needed finance professionals more than any other industry like technology, cultural education and international legal services.