

News Release

For immediate release

GBA companies eyeing ASEAN opportunities

Strong interconnectivity between regions boosts trade and investment

29 November 2021 – Close to 60 per cent of companies in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) are considering further expansion into the Association of Southeast Asian Nations (ASEAN) countries in the next three years, a research report by UOB Hong Kong Branch and the Hong Kong Trade Development Council (HKTDC) indicates.

The *Trade and Investment between GBA and ASEAN and the Roles of Hong Kong* report also found GBA companies highly value Hong Kong's services¹ and expect the city's role as a business hub facilitating trade and investment between the two regions to grow in importance.

Among the 10 ASEAN countries, Singapore, Malaysia, Vietnam, Thailand and the Philippines, are the most popular trade and investment destinations. In the next three years, most of the GBA companies will choose Singapore (55.4 per cent), Malaysia (53.0 per cent) and Vietnam (51.1 per cent) as markets for sales, while Vietnam (14.5 per cent), Thailand (10.4 per cent) and Indonesia (8.1 per cent) are the preferred production or sourcing bases. Another 10.4 per cent of the GBA companies also preferred to set up their regional offices in Singapore.

The GBA companies surveyed said ASEAN countries' cost-effectiveness, abundant resources and huge markets are the key pull factors. Those in the industrial goods sector expressed the greatest interest (6.56 out of 10) in expanding their business further in ASEAN. This was followed by companies in real estate, hospitality and construction (6.21), as well as the business, professional and financial services sectors (5.71).

Mrs Christine Ip, CEO – Greater China of UOB, said, "Cross-border trade and investment flows between ASEAN countries and the GBA are driven by the two regions' increasing interconnectivity and collaboration in areas such as sustainable development. At UOB, we are committed to assisting companies in capturing overseas business opportunities through our deep sectoral expertise, strong local talents and our extensive footprint in Southeast Asia. Over the past 10 years, the UOB Foreign Direct Investment Advisory Unit has supported more than 3,500 companies in their cross-border investments, of which about one-third are Chinese companies."

Mr Nicholas Kwan, Director of Research, HKTDC, said, Hong Kong must further foster its interconnectivity with other GBA cities and ASEAN countries in order to boost its role in facilitating two-way trade and investment flows.

He said: "When the pandemic subsides and border controls relax, cross-border trade and investment will be more active. GBA companies must reconnect with overseas buyers and partners quickly. Being the trade fair capital and business hub in Asia, Hong Kong can help GBA companies fortify ties with their counterparts in ASEAN and promote trade between the two regions."

¹ Hong Kong's services include banking and finance, legal, dispute resolution, IP-related services, MICE (meetings, incentives, conferencing and exhibitions) services, logistics and supply chain management, sales and marketing, as well as research and development.

Hong Kong's role and services sector highly regarded

The research also showed that GBA companies value Hong Kong's role in the region's collaboration with ASEAN countries, giving the city an average score of 7.33 out of 10. Almost half (47.2 per cent) gave a score of eight to 10.

Respondents hope that within the GBA, Hong Kong can be a one-stop business centre (41.6 per cent), provide a simplified and harmonised tax system (38.7 per cent) and offer more diversified investment products and services (38.4 per cent).

In addition, respondents said MICE (meetings, incentives, conferences and exhibitions) (45.4 per cent), sales and marketing (41.4 per cent), logistics and supply chain management (39.0 per cent) as well as financial services (37.7 per cent) are the most frequently-used services in Hong Kong. Respondents are highly satisfied with the level of services and said they will use more of these services in the next three years.

For their overseas expansion into ASEAN countries, GBA companies look to Hong Kong to provide more comprehensive information, services and support (40.9 per cent). They also hope public bodies or regulatory institutions can do more in facilitating trade and investment flows with their ASEAN counterparts (39.4 per cent) and formulate policies to open up regional trade and investment further (39.1 per cent).

Mr Kwan said GBA companies highly appreciate Hong Kong's advantages in business environment, financial infrastructure and cross-border resource flow. "Most of them believe that the city's transparent regulatory system, extensive commercial network, diversified financial and banking services, coupled with free flow of goods and capital among GBA cities, and absence of foreign exchange and capital controls with ASEAN, make Hong Kong an ideal two-way platform to facilitate trade and investment between the GBA and ASEAN."

Mrs Ip said, "As an international financial centre with a strategic location within the GBA, Hong Kong can further enhance its role as an essential bridge for GBA companies when they expand into ASEAN countries. UOB's dedicated Greater Bay Area team in Hong Kong also plays our part in helping GBA companies understand and appreciate the diversity of the ASEAN markets to capture more regional business opportunities."

The *Trade and Investment between GBA and ASEAN and the Role of Hong Kong* report is based on a survey conducted by the HKTDC from July to September 2021 with 657 GBA-based companies from various sectors. These included consumer goods, industrial goods, business, professional and financial services, real estate, hospitality and construction, as well as technology, media and telecommunications. In-depth interviews were also conducted with some respondents to understand the opportunities and challenges they faced in their business expansion in ASEAN countries, as well as their views on Hong Kong's roles in promoting trade and investment between GBA and ASEAN. The full report in Chinese can be downloaded from the websites of [UOB Hong Kong](#) and [HKTDC](#).

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 A photograph of two individuals, Christine Ip and Nicholas Kwan, standing in front of a backdrop. The backdrop features the logos of HKTDC and UOB, along with the title 'Trade and Investment between GBA and ASEAN'. Christine Ip is holding a sign that reads 'On HK's role in GBA-ASEAN business flows, ~50% GBA companies gave 8-10 scores'. Nicholas Kwan is holding a sign that reads '~60% GBA companies will expand business in ASEAN in next 3 years'. The backdrop also includes a map of the Greater Bay Area and ASEAN region.	<p>(From right) Christine Ip, CEO – Greater China, UOB and Nicholas Kwan, Director of Research, HKTDC unveil findings of a recent study on trade and investment between the Greater Bay Area and ASEAN</p>
 A photograph of Christine Ip speaking at a podium. She is wearing a blue face mask and a patterned jacket. Behind her is a backdrop with the UOB logo and the text '大華銀行'. To her right is a poster titled 'TRADE AND INVESTMENT BETWEEN GBA AND ASEAN AND THE ROLES OF HONG KONG'.	<p>Christine Ip, CEO – Greater China, UOB</p>
 A photograph of Nicholas Kwan speaking at a podium. He is wearing a blue face mask and a dark suit. Behind him is a backdrop with the HKTDC logo and the text '香港貿發局'. To his left is a poster titled '大灣區與東盟的貿易與投資 香港的角色'.	<p>Nicholas Kwan, Director of Research, HKTDC</p>

To view press releases in Chinese, please visit <http://mediaroom.hktdc.com/tc>

References

HKTDC Research Portal <http://research.hktdc.com/tc>

Trade and Investment between GBA and ASEAN and the Roles of Hong Kong

<https://bit.ly/3nQArU7>

About UOB


United Overseas Bank Limited (UOB) is a leading bank in Asia with a global network of around 500 branches and offices in 19 countries and territories in Asia Pacific, Europe and North America. Since its incorporation in 1935, UOB has grown organically and through a series of strategic acquisitions. UOB is rated among the world's top banks: Aa1 by Moody's Investors Service and AA- by both S&P Global Ratings and Fitch Ratings. In Asia, UOB operates through its head office in Singapore and banking subsidiaries in China, Indonesia, Malaysia, Thailand and Vietnam, as well as branches and representative offices across the region.

Over more than eight decades, generations of UOB employees have carried through the entrepreneurial spirit, the focus on long-term value creation and an unwavering commitment to do what is right for our customers and our colleagues.

We believe in being a responsible financial services provider and we are committed to making a difference in the lives of our stakeholders and in the communities in which we operate. Just as we are dedicated to helping our

customers manage their finances wisely and to grow their businesses, UOB is steadfast in our support of social development, particularly in the areas of art, children and education.

About the HKTDC

The [Hong Kong Trade Development Council \(HKTDC\)](#) is a statutory body established in 1966 to promote, assist and develop Hong Kong's trade. With 50 [offices](#) globally, including 13 in Mainland China, the HKTDC promotes Hong Kong as a two-way global investment and business hub. The HKTDC organises [international exhibitions](#), [conferences](#) and [business missions](#) to create business opportunities for companies, particularly small and medium-sized enterprises (SMEs), in the mainland and international markets. The HKTDC also provides up-to-date market insights and product information via [research reports](#) and [digital news channels](#). For more information, please visit: www.hktdc.com/aboutus. Follow us on  Twitter @hktdc and  LinkedIn