

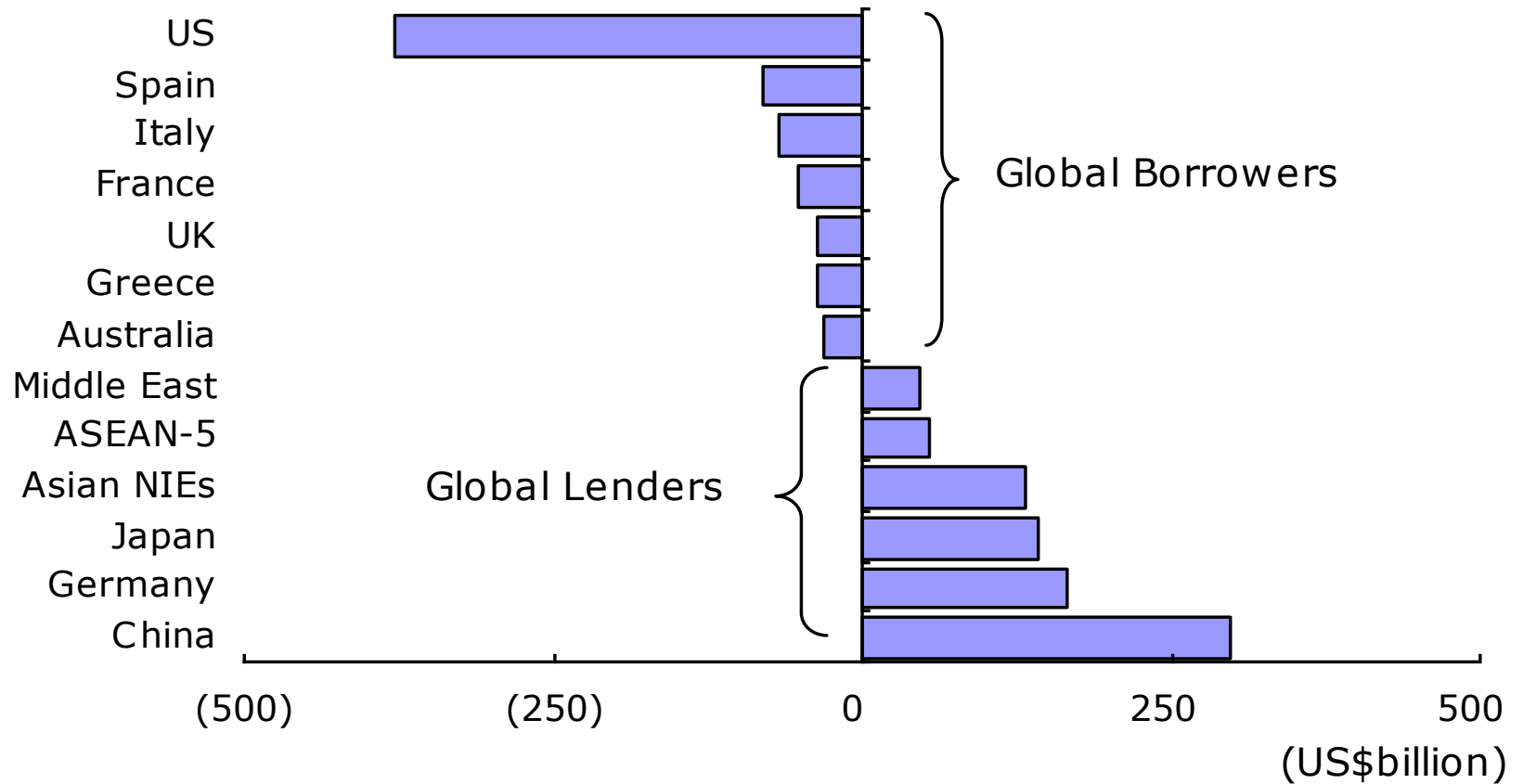
HKICPA Annual Conference

Capital and trade flows in the next three years: the macro scene

Fred Lam, Executive Director, HKTDC
17 June 2011

Global trade to rebalance

Current Account Balance in 2010



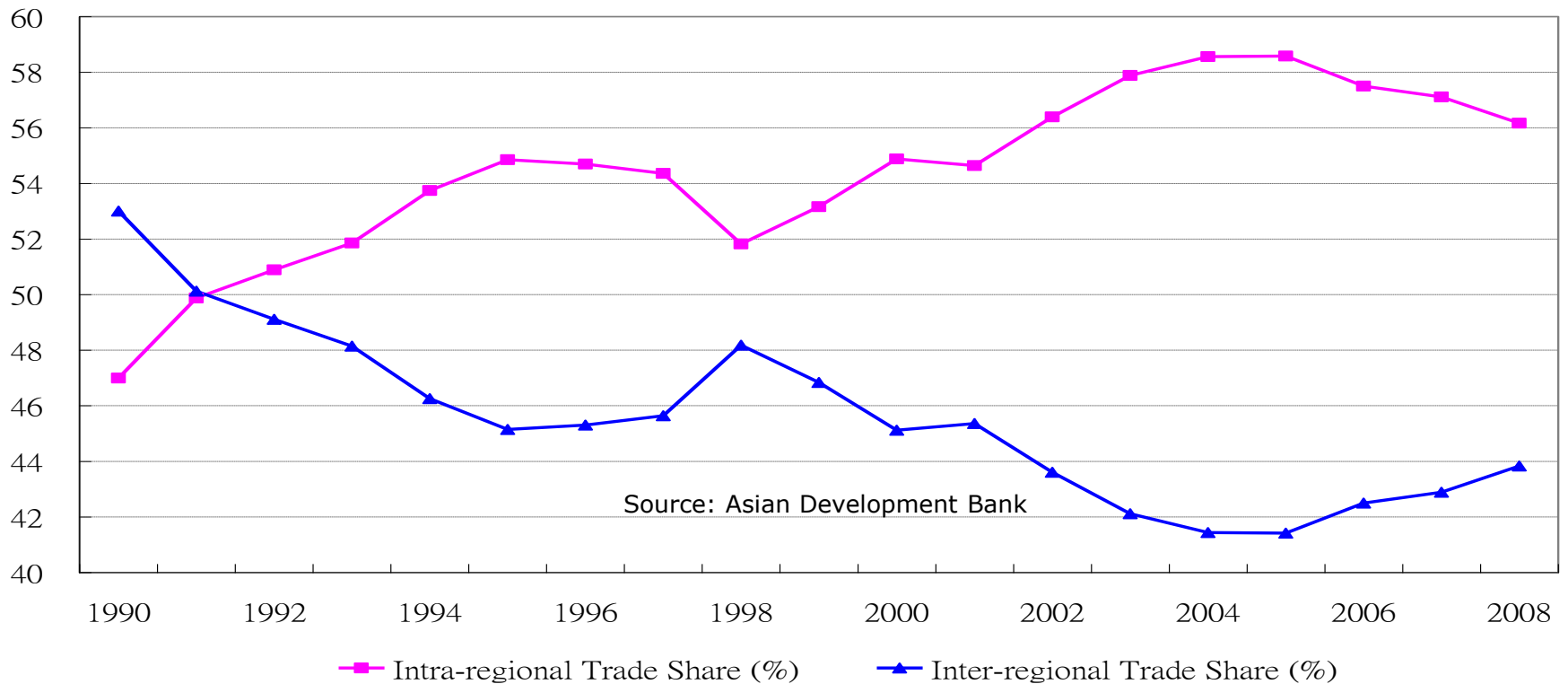
Source: World Development Indicator; IMF

I. Greater emphasis on Asian domestic consumption

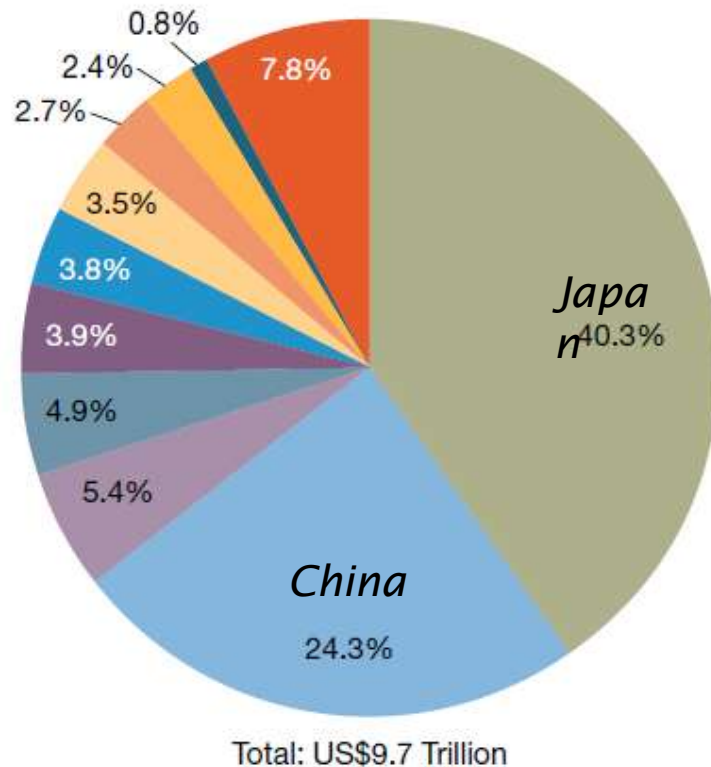
	2000		2009	
	Personal consumption (US\$ billion)	World share (%)	Personal consumption (US\$ billion)	World share (%)
World	3,211.4	100.0	3,505.2	100.0
Developed countries	2,088.4	66.2	2,033.3	58.0
US	995.1	34.7	1,009.9	28.8
Euro area	626.5	18.2	721.4	20.6
Japan	466.7	13.3	302.0	8.6
Asia	324.0	8.9	407.6	11.6
China	119.8	2.8	175.5	5.0

Source: CEIC, Haver, IMF, UBS

II. Trade: Asia's expanding intra-regional trade



III. Asian wealth will expand

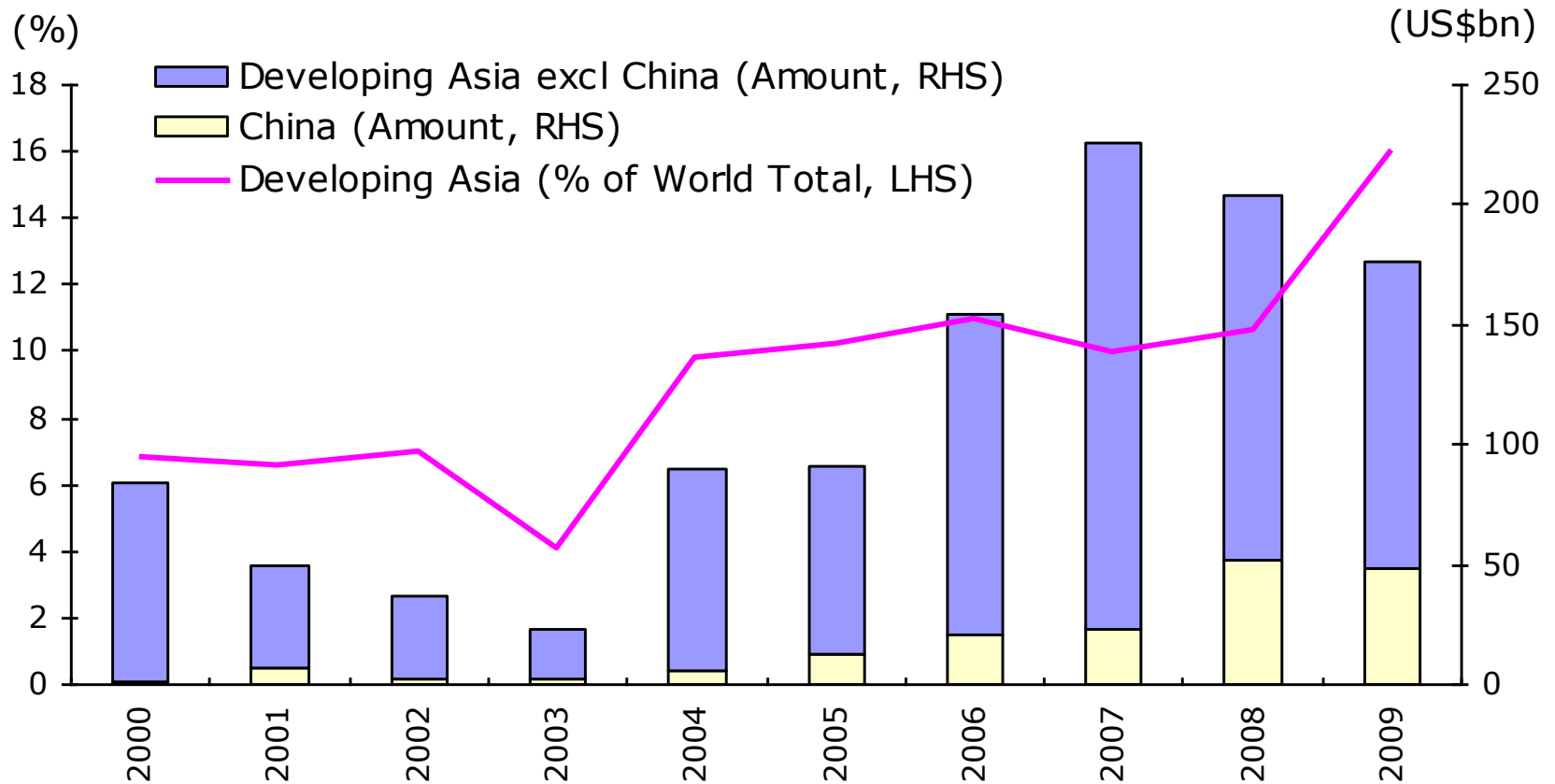


	Asia-Pacific HNWI Wealth by market, 2009 (US\$ billion)	Annual Change 2008–2009
Japan	3,892	22.4%
China	2,347	40.4%
Australia	519	36.7%
India	477	53.8%
Hong Kong	379	108.9%
Singapore	369	35.6%
South Korea	340	23.2%
Taiwan	264	49.6%
Thailand	232	22.2%
Indonesia	80	30.6%
Other Markets	749	11.6%

Source: Asia-Pacific Wealth Report 2010, Capgemini and Merrill Lynch

IV. Asia to be a growing source of FDI

FDI Outflow of Developing Asia



Source: United Nations

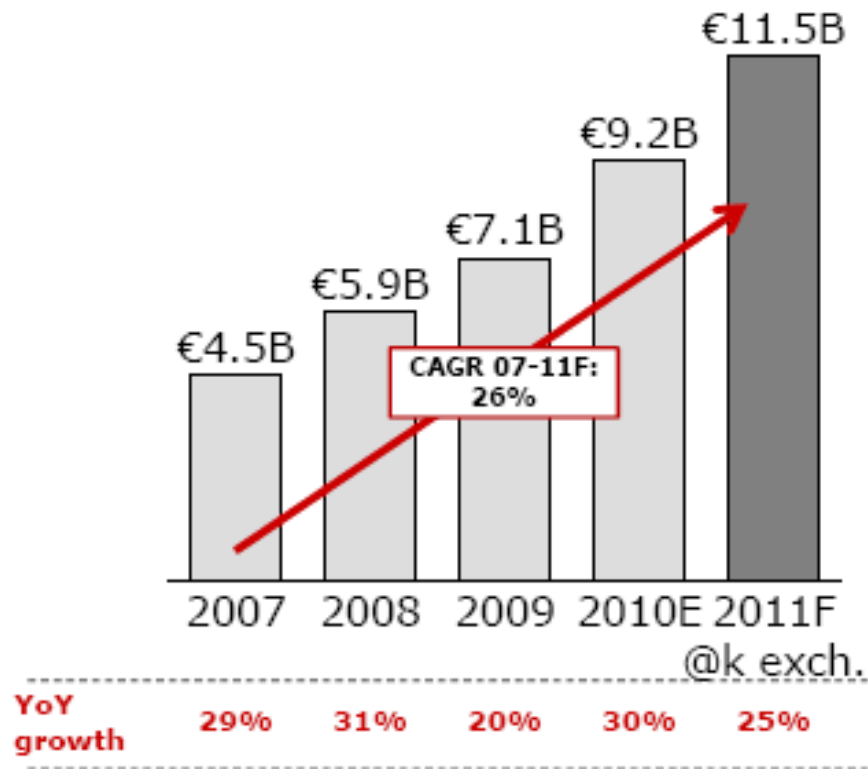
The shift of economic gravity



Hong Kong's evolving role

Hong Kong: From world exports to China trade

Chinese (Mainland) Luxury Goods Market Trend (2007-2011F, €B)



Source: Bain & Co

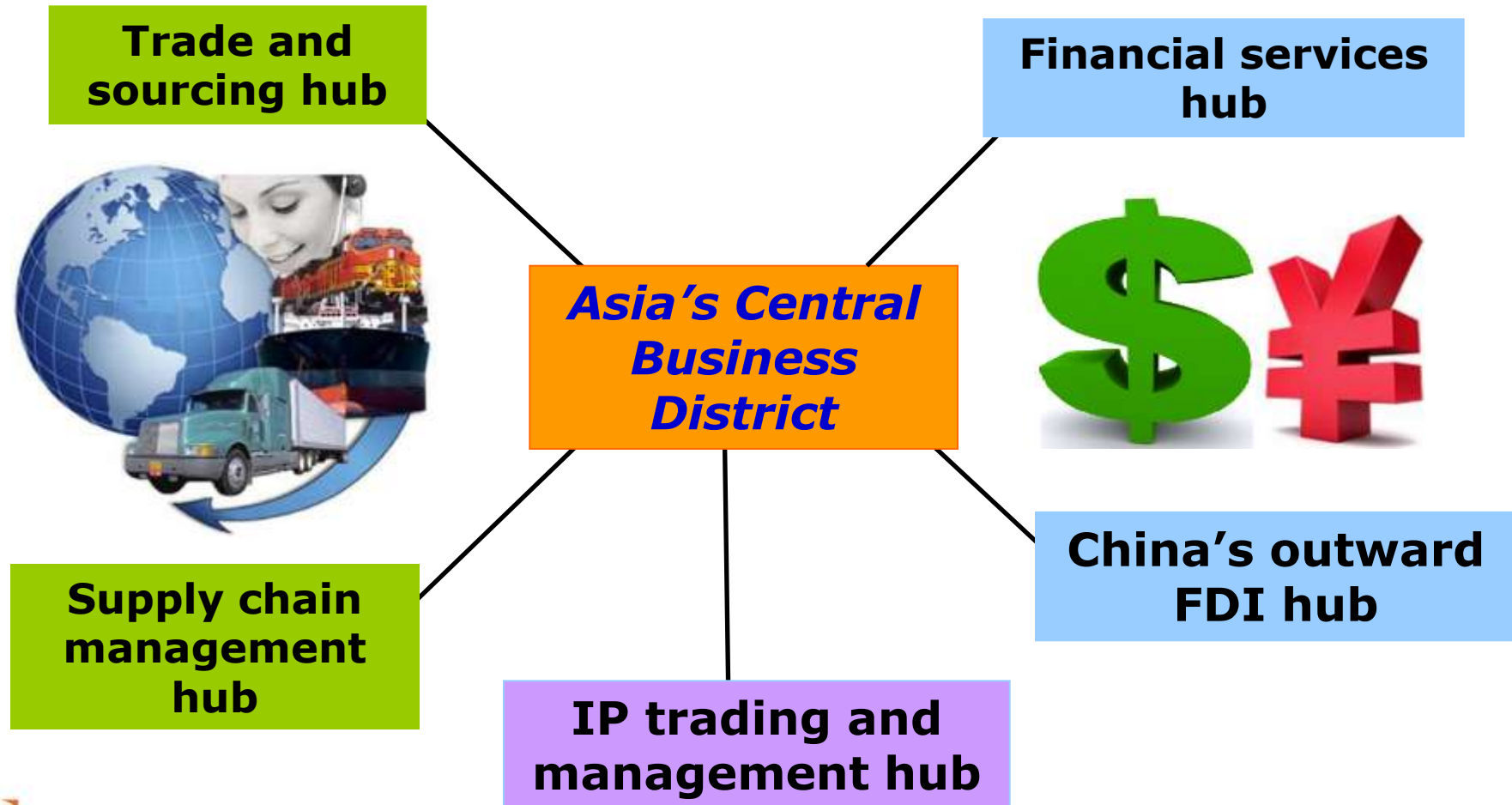
Hong Kong: From merchandise to services trade



Services Exports

- 11th largest exporter of commercial services
- World's most service-oriented economy with 93% of GDP
- Employs 87% of total workforce

Hong Kong: Asia's Central Business District (CBD)

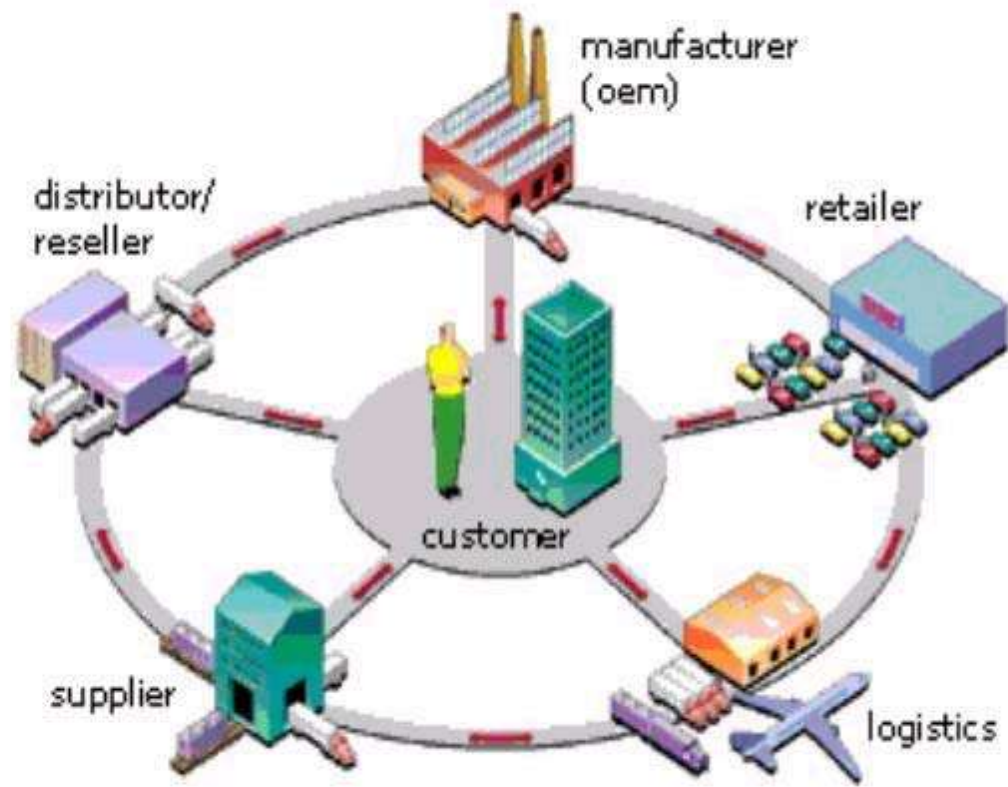


Hong Kong: Asia's trade and sourcing hub

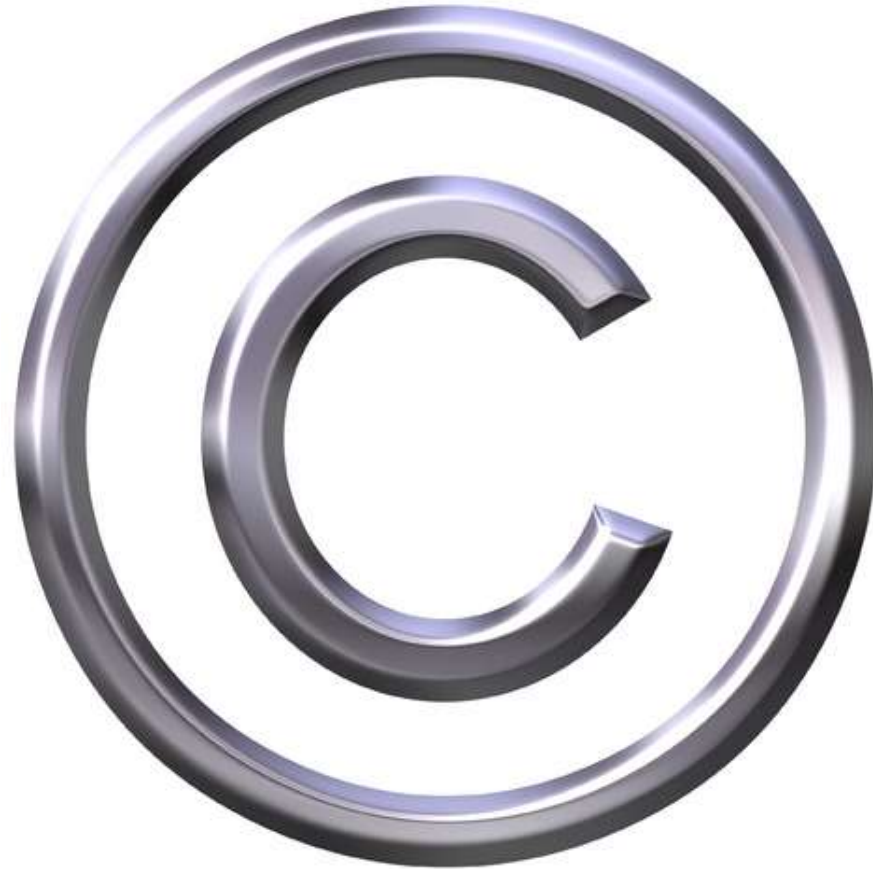


- World's 10th largest trading economy
- Trade accounts for about 20% of GDP
- Renowned exhibition hub of Asia

Hong Kong: Asia's supply chain management and control centre



Hong Kong: Asia's IP trading and management hub



Hong Kong: Asia's global financial centre



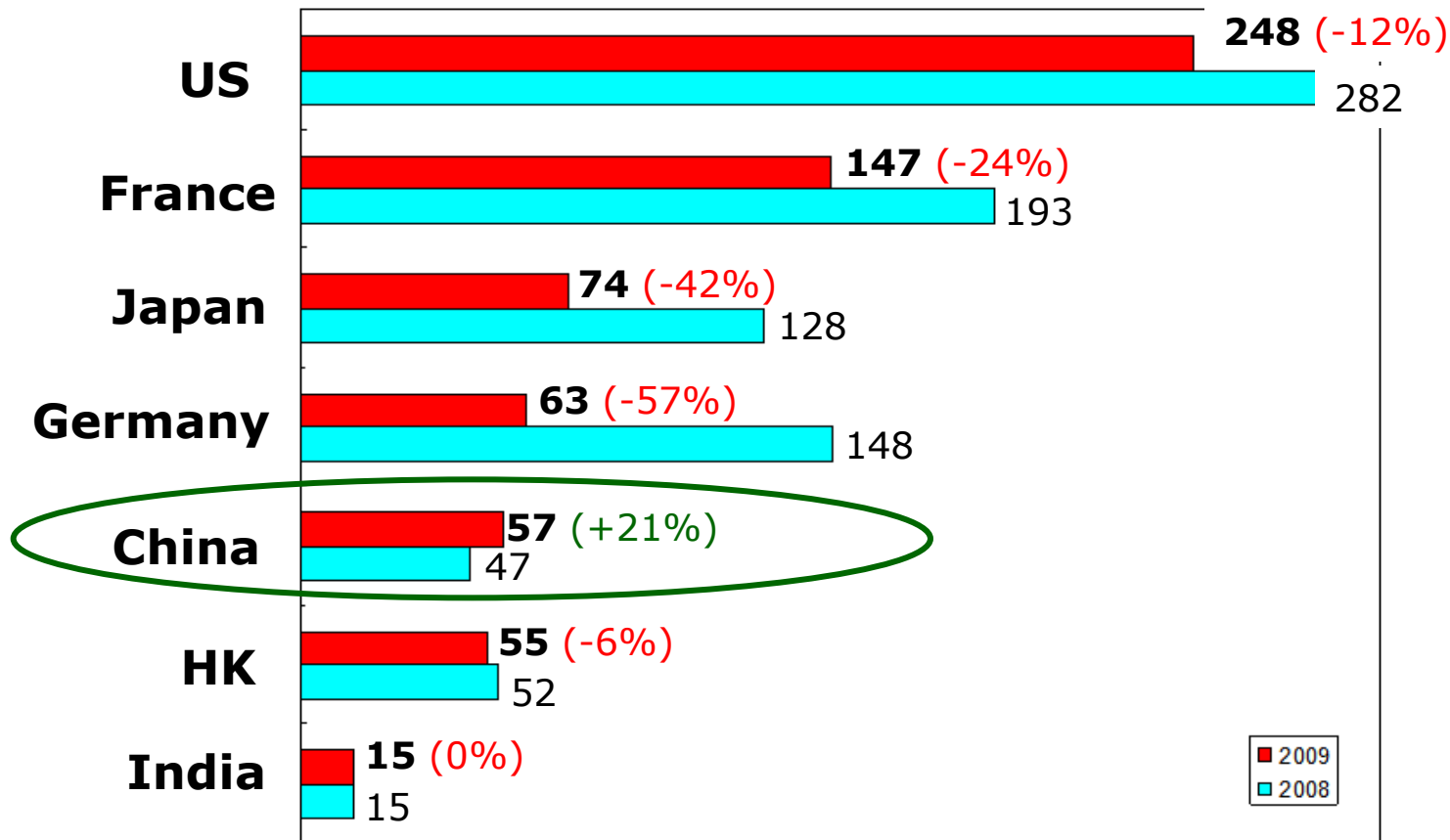
The Global
Financial Centres
Index 9 MARCH 2011

Rank	Rank GFCI 9	Asset Management	Banking	Wealth Management/ Private Banking
1	London	London (-)	New York (-)	London (-)
2	New York	New York (-)	Hong Kong (-)	Geneva (-)
3	Hong Kong	Hong Kong (-)	London (-)	New York (-)
4	Singapore	Singapore (-)	Singapore (-)	Hong Kong (+53)

** Figures in brackets indicate the changes from the prior index*

Hong Kong: China's outward FDI hub

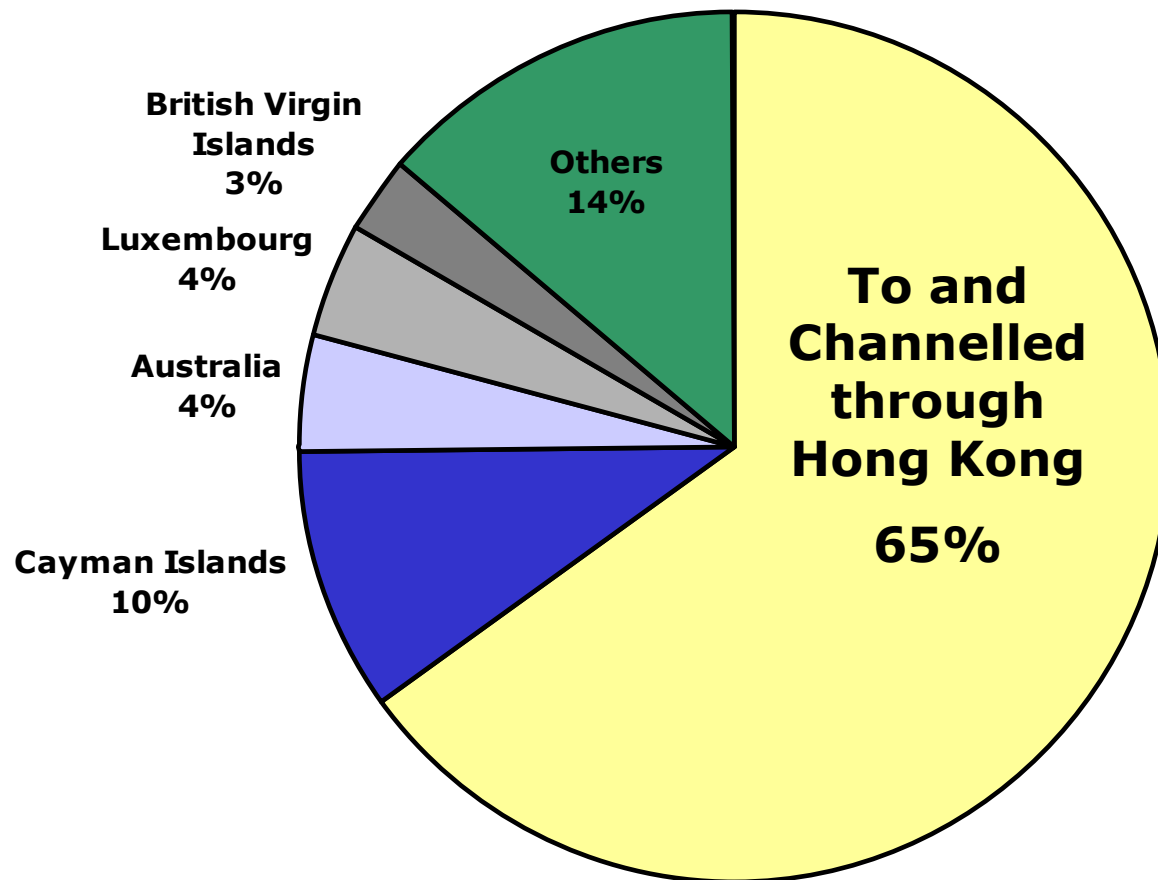
Outbound Direct Investment of selected countries and regions,
2009 Vs 2008 (USD bn)



Source: Economist Intelligence Unit and MOFCOM

Hong Kong: China's outward FDI hub

China's Outward FDI Flows by Countries and Regions, 2009



Source: MOFCOM

Thank you

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