

Hong Kong plays vital role as global digital supply-chain services hub, finds joint report by InvestHK and KPMG

Invest Hong Kong (InvestHK) today (November 12) released a joint report with KPMG that highlights Hong Kong's enhanced role as a smart supply-chain services hub, with the city driving digital production through the use of technology tools in the 3D and virtual sampling space. Additionally, with a high concentration of sourcing talent, the city is the ideal regional and global sourcing hub to manage supply chains, and looks set to benefit as a centre for professional services, especially in the areas of environmental, social and governance (ESG) matters and sustainability.

The report, entitled "Future of Sourcing: 2021 and Beyond", draws on the insights of KPMG professionals and industry experts in areas ranging from long-established businesses in textiles and fashion to technology start-ups to examine the current state of the sourcing industry in Hong Kong and the future of supply chains.

COVID-19 has accelerated the development of digital supply chains globally. In Hong Kong, a pool of innovation talent working along traditional competencies allows for the development of new expertise and agility. New technologies have enabled businesses to operate more flexibly, fuelled by advances in manufacturing, such as rapid prototyping, the emergence of new materials, and the proliferation of online platforms that help companies better find the products they need.

Companies are drawing on artificial intelligence to add services such as smart chatbots, search processes and virtual 3D fitting to enhance the customer experience. Hong Kong-based sourcing companies, many with decades of experience, have engaged with start-ups and technology companies to stay ahead of the innovation curve and rapidly changing customer behaviours. Hong Kong's dynamic start-up ecosystem saw 199 per cent growth from 1,065 start-ups to 3,184 in just six years.

The Director-General of Investment Promotion at InvestHK, Mr Stephen Phillips, said, "Hong Kong is a world-renowned trading hub with decades of experience in both sourcing and supply chains. Companies in Hong Kong are at the forefront of adapting to a more agile, innovative and digital era. We see this in sourcing operations and in our vibrant start-up ecosystem and strong technology clusters. Hong Kong has all the elements to continue as a world-class global sourcing hub and is well positioned geographically to help companies explore emerging opportunities between the Guangdong-Hong Kong-Macao Greater Bay Area and the Association of Southeast Asian Nations."

Partner, Head of Consumer & Retail, ASPAC, KPMG China, Mr Anson Bailey, said, "Hong Kong is in a unique situation amid so much change. We do see digital adoption taking shape in this new era of innovation with product and material developments happening seamlessly across a more agile workplace. Long-standing strengths of Hong Kong as a regional sourcing hub include its sound financial, legal and commercial structures. Talent development is at the core as we see the need for an internationally minded workforce to drive the origin and manner of production across a more complex supply chain."

The Head of Consumer Products at InvestHK, Ms Angelica Leung, added, "Hong Kong is an international hub for business. Whether you are a large multinational focused on driving greater supply-chain transparency across the region along with the latest ESG reporting standards or a start-up working on the latest emerging 3D design technologies in an incubator programme, you can find success in the city. The networks and opportunities available in Hong Kong are unique. The Government's continuing support and drive for innovation make the city an ideal place to manage supply chains. We see a high level of global interest in setting up sourcing offices here."

This report clearly shows that Hong Kong offers a premier location for global sourcing and provides the necessary capabilities to continue as a leading sourcing and digital supply-chain services hub globally. Senior executives in the sourcing industry are embracing change and adopting a more digital mind-set in order to build a future-ready workforce. Organisations in Hong Kong also benefit from leveraging new digital technologies to track changing consumer behaviours, consumer journeys and consumer spending patterns, with a view to understanding consumption patterns of the growing number of digitally savvy consumers more precisely through data analytics.

About 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. For more information, please visit www.investhk.gov.hk.

About KPMG

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