



BE THE INSPIRATION

Rotary 
Club of San Francisco

Welcome to our Club Meeting!
December 4, 2018





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Club of San Francisco



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Please



**SILENCE YOUR
CELL PHONE**

**Thank you for the \$100
donation to Rotary
Charities!**



VISITING ROTARIANS AND GUESTS



WELCOME

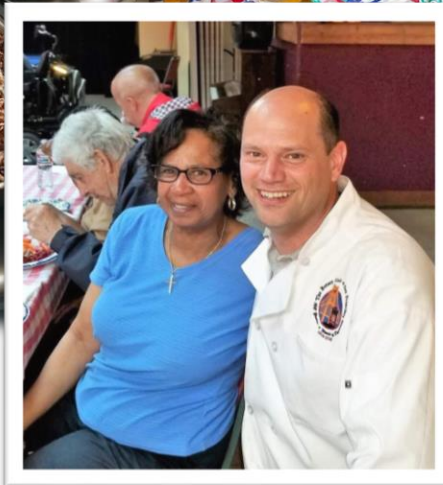


**Many thanks to today's
Club Service volunteers!**





THANKS to all who participated in Thanksgiving at the Arc SF!





Ugly Sweater Holiday Shenanigans





110th Anniversary T-shirt on sale through 12.21.18





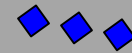
**Three Course
Meal -
Engaging
Programs**

**\$35.00 Members
with pre-registration**

\$40.00

- **All Non-Members**
- **Members with no
pre-registration**

**2019 Lunch
Meeting
Prices**



**Begins January 15,
first meeting of
the year.**



Homeless Prenatal Program



Bag Assembly, Tues, 12.11.18, 6:00 pm
Showers, Thurs, 12.13.18,
10:30 am/1:00 pm
Go to www.sfrotary.com

Homeless Prenatal Program



Many Thanks to Susan Dean for the
handmade baby blankets.



The Arc San Francisco Friends Like Me Dinner Club

Monday, 12.17.18, 6:00 pm
Go to www.sfrotary.com





Please join us for our
***110 Holiday
Celebration***

Tuesday, December 18, 2018

11:00 am – 2:00 pm

Westin St. Francis Hotel

Go to sfrotary.com - \$75 until Dec. 6 - \$99 after

**Set in world class hotel, Champagne toasts, holiday
music, lots of door prizes, anniversary trivia,
and cheer all around!**





Paul Harris Society Recipients:

- **John Mathers**
- **Lisa Stark**
- **Kevin Waldeck**



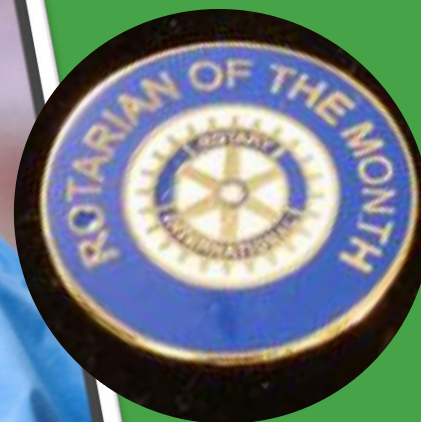
Paul Harris Fellowship Recipients:

- **Casey Blair**
- **Lisa Stark**



Member Spotlight: Lisa Christian





**December Rotarian of the Month,
Brian Lan**



The Rotary Club of San Francisco Foundation supporting Local Community Service through the Annual Bike Build.





**The Rotary Club of San Francisco Foundation
supporting Local Community Service
through Project Homeless Connect.**





The Rotary Club of San Francisco Foundation supporting Local Youth through Interact Leadership Training.







**Talk to your neighbor:
In a few words...**

“I spent the Thanksgiving Holiday ...”





**Today's Speaker:
Ivanhoe Chang –
Hong Kong
Trade**





**HONG
KONG**
ASIA'S WORLD CITY

Hong Kong: Exemplifying the Benefits of Free Trade and Open Markets

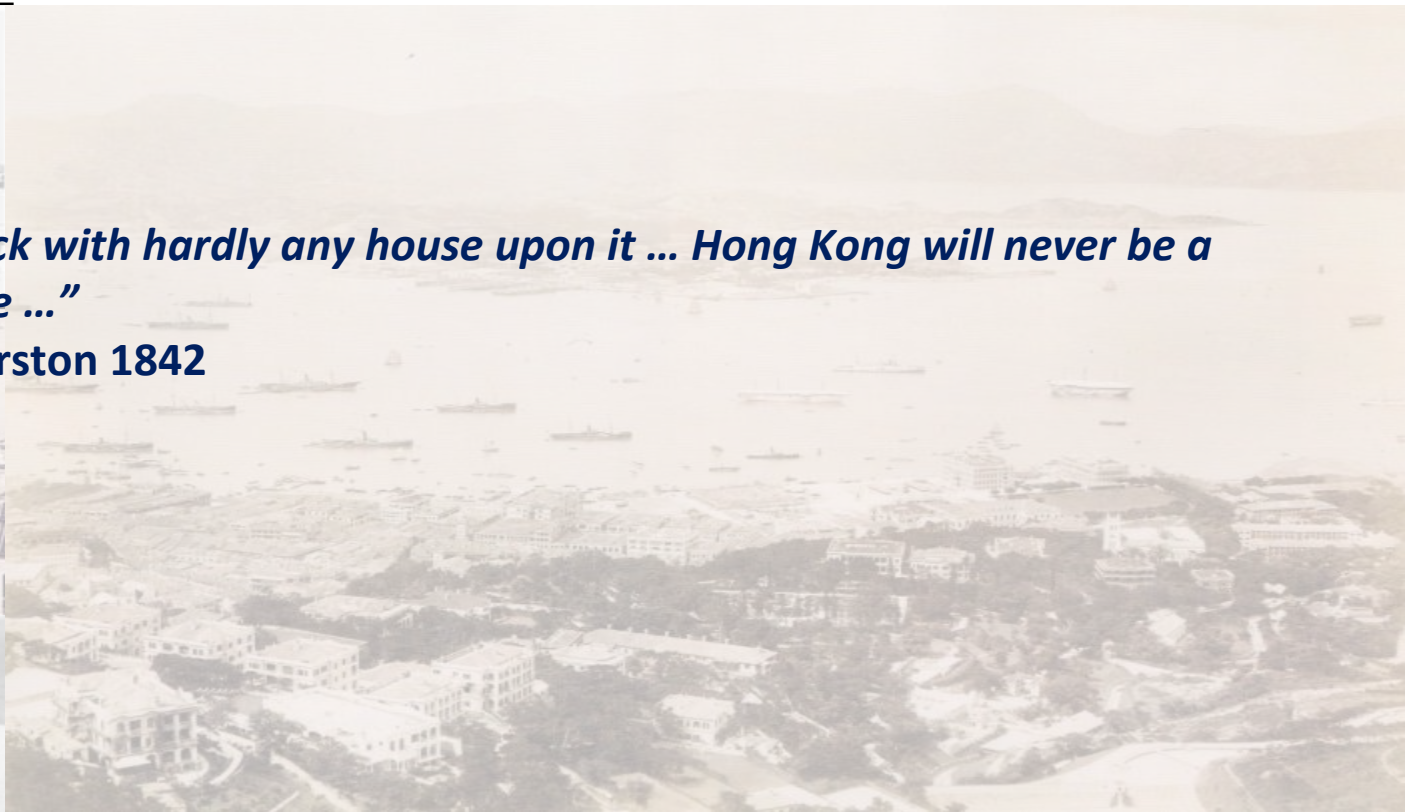
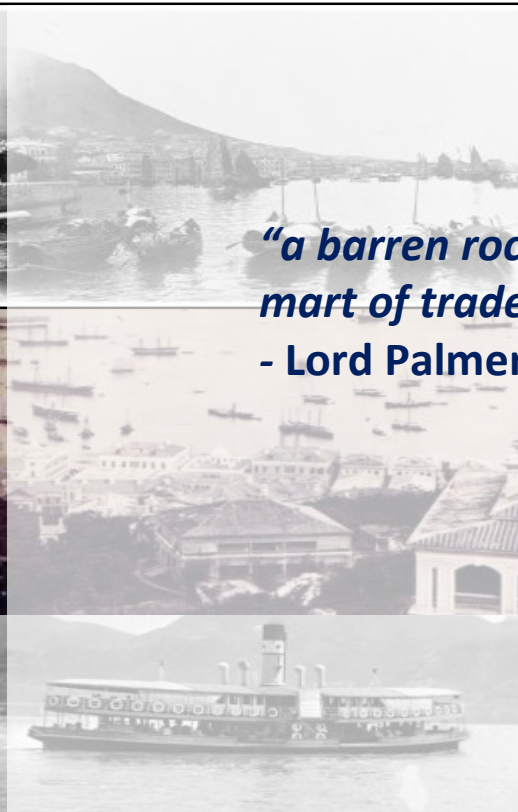
Ivanhoe Chang

Director, Hong Kong Economic & Trade Office, San Francisco

Hong Kong: from humble origins

"a barren rock with hardly any house upon it ... Hong Kong will never be a mart of trade ..."

- Lord Palmerston 1842



2017: twenty years after ...



	<u>1997</u>	<u>2017</u>
Per capita GDP	\$27,100	\$43,500
Fiscal reserves	\$47 billion	\$120 billion
Forex reserves	\$82 billion	\$465 billion
Stock market cap	\$400 billion	\$4.35 trillion
Total trade	\$400 billion	\$1 trillion
Visitor arrivals	10 million	58 million

Free market and business friendly

- Founding member of World Trade Organization (WTO);
- Full member of Asia Pacific Economic Cooperation (APEC)
- Freest & most competitive economy in the world
- Simple tax: No tax on capital gains, interest, dividends, inheritance. No VAT or GST
- Low tax: 15% max for salaries, 16.5% flat tax for corporate profits (reduce to 8.25% for first \$250,000 profits)

The Heritage Foundation

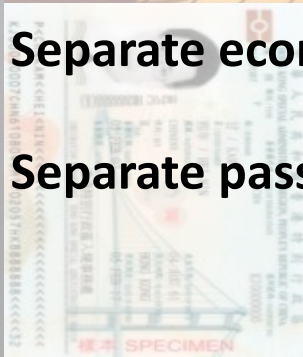
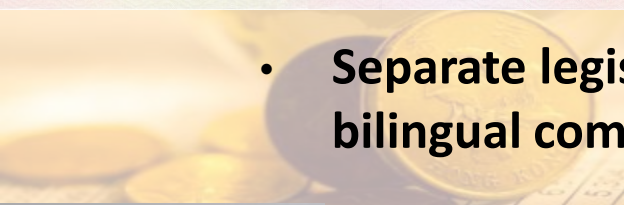
2017
INDEX OF
ECONOMIC
FREEDOM
INSTITUTE FOR ECONOMIC FREEDOM

Terry Miller
Anthony B. Kim



“One Country, Two Systems”

- **Return to Chinese sovereignty in 1997**
- **High degree of autonomy**
 - **Separate legislature, government, legal system; English-Chinese bilingual common law system; independent judiciary**
 - **Separate economic & monetary system**
 - **Separate passport, free to handle trade & external relations**



Pillar sectors: financial services

- Tier one international financial centre
- Global top in IPO fundraising in 5 out of past 10 years
- Banking, insurance, private equity, asset/wealth management
- Well regulated and strong resilience



Pillar sectors: trade and logistics

- 8th largest trading economy, trade is 4 times Hong Kong's GDP
- World class infrastructure
- About 30% of China's trade intermediated through HK, including off-shore trade
- Centre and hub for trade fairs, conventions and exhibitions



Pillar sectors: professional services

- 4,000 foreign and Mainland Chinese companies in HK as regional HQs
- HK: 2nd largest FDI recipient in the world
- Professional services to support cross border transactions, mergers, acquisitions



The brain behind the bucks

Pillar sectors: tourism

- 58 million visitors in 2017
- Metropolis, food, countryside, cruise, theme parks, culture, sports
- “Show window” for Mainland tourists
- 3 billion middle class in Asia by 2030



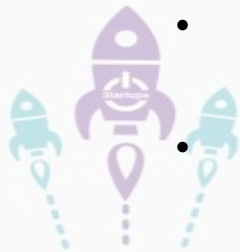
Opportunities: offshore RMB business

- **First and largest off-shore RMB centre**
- **Handles 70% of global RMB payments**
- **Largest liquidity pool: RMB 625 billion**
- **Largest RMB financing and asset management centre: loans, bonds**



Opportunities: innovation and technology

- Focus on Fintech, AI/robotics, Biotechnology, Smart city
- Surge of startups in HK: 2,000+; Increase in private incubators: 50+ accelerators, co-work spaces
- Intellectual property rights protection, rapid prototyping, access to funding, world-class universities
- Tech parks/facilities: HK Science and Technology Parks, Cyberport, HK-Shenzhen Innovation and Technology Park



2,000

(+46%)



4,535

(+60%)
from 2014

HK
locals

50

(53% in 2014)



7%

HK returnees

(7% in 2014)

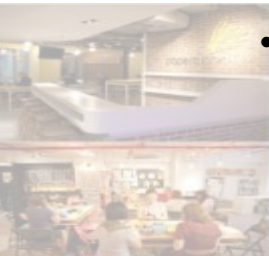
IoT, Fintech, smart city,
healthy aging, robotics



43%

From
overseas,
Mainland or
Taiwan

(40% in 2014)



> 50

co-work spaces

Establishment

< 2 Years



Full-time staff

≤ 5

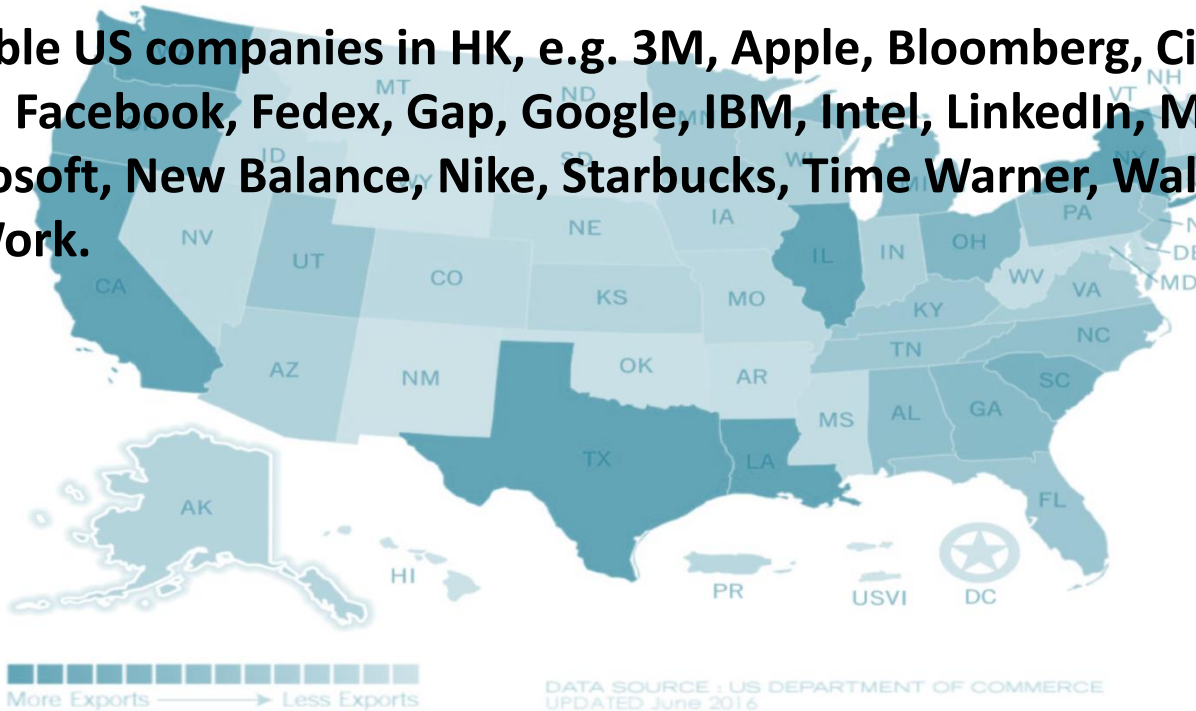
US–HK bilateral ties

- US is Hong Kong's 2nd largest trading partner
- US's merchandise trade with HK: US\$69.8B (2017)
- HK is 9th largest export market of US
 - 5th largest market for US beef
 - 7th largest for agricultural products
 - 2nd largest Boeing 777 fleet
- HK trade deficit (goods & services) with US: US\$34.7B (2017)

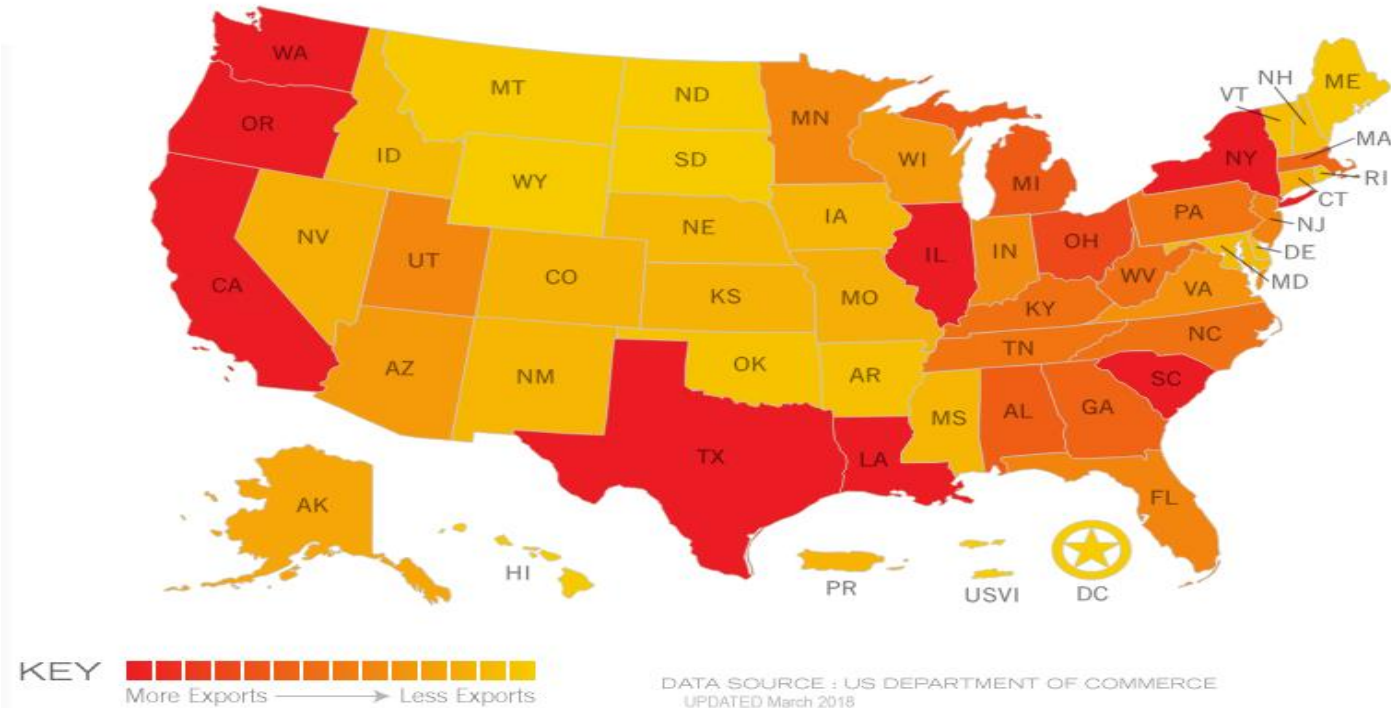


US-HK bilateral ties (cont'd)

- **1,300+ US companies and 85,000 US citizens in HK**
- **Close partners in law enforcement**
- **Notable US companies in HK, e.g. 3M, Apple, Bloomberg, Cisco, Dell, eBay, Facebook, Fedex, Gap, Google, IBM, Intel, LinkedIn, McDonald's, Microsoft, New Balance, Nike, Starbucks, Time Warner, Walt Disney, WeWork.**



US exports to HK by state



California–HK ties

- **California is the largest exporting state (US\$12.1B in 2017) accounting for ~30% of total US exports to HK:**
- **Hong Kong is California's 5th largest export destination (after Mexico, Canada, China and Japan)**
- **Top Californian exports to Hong Kong include:**
 - **computers and electronics (48%); miscellaneous manufacturing (12%); primary metal manufacture (12%); agricultural & food products (11%)**



Guangdong-Hong Kong-Macao Bay Area ("Greater Bay Area") Development



“Greater Bay Area” Development

- National Development/Cooperation Strategy addressed in China’s 13th Five-Year Plan (2016-2020)
- One Country, two systems, three customs territories: mutually-beneficial integral regional economy
- 11 cities with 66 million population: total GDP comparable to South Korea and Australia

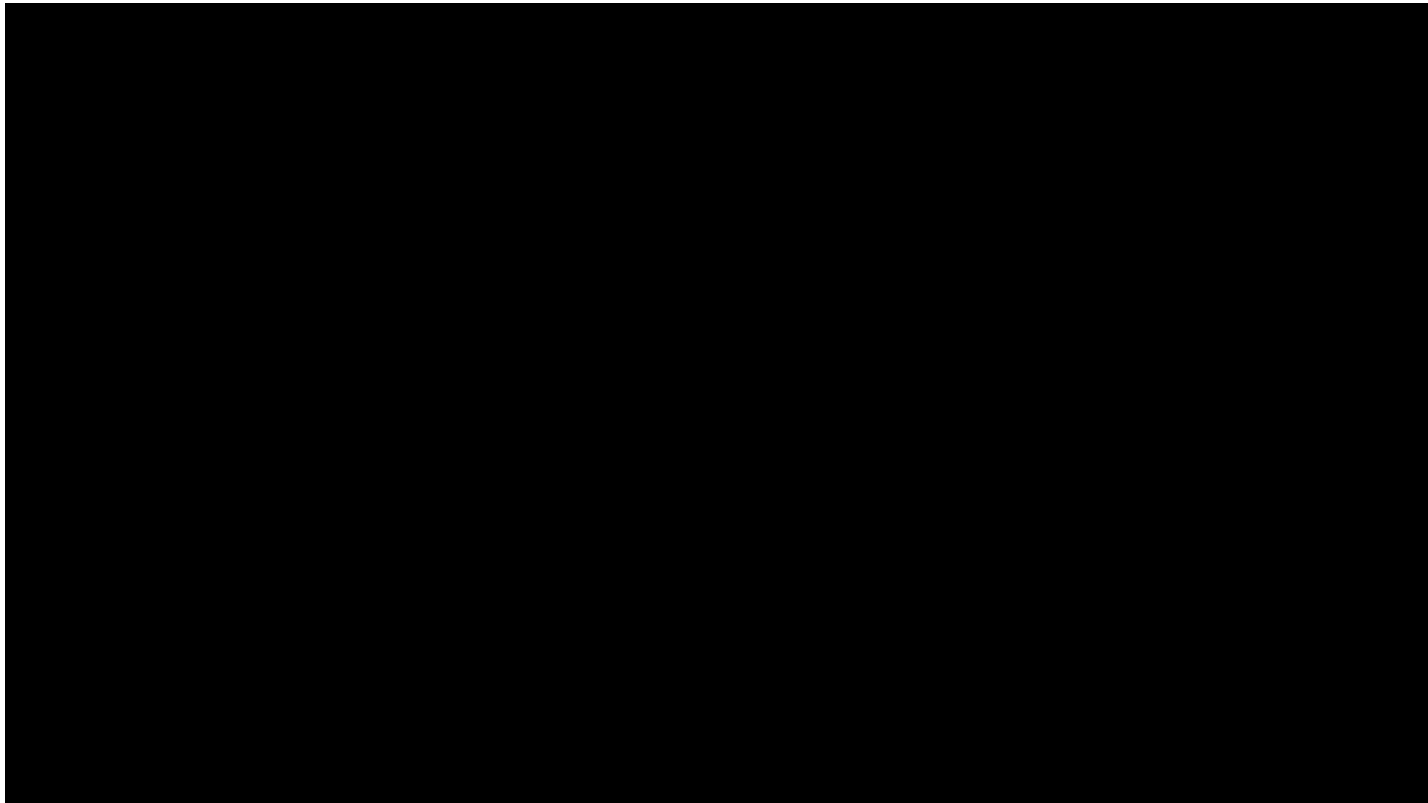


“Greater Bay Area” Development

- Within 90 minutes of travel radius: Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL) and Hong Kong-Zhuhai-Macao Bridge (HZMB)
- To develop as international center of technology and innovation; to improve connections inside Bay Area through policy innovation; to enhance free flow of labor/capital, etc.



Hong Kong's connectivity



Hong Kong's role

- Center for comprehensive services (financial, trade, shipping, arbitration, consultancy, etc.)
- Facilitate capital flows (Shanghai/Shenzhen-Hong Kong Stock Connect), promote RMB internationalization (HK is largest offshore RMB business hub)
- Cultural/people-to-people interaction and exchange: “East meets West”
- Deepen cooperation with Mainland China and close economic relations with the world



- **Gateway for two-way investment: foreign companies to invest in China and Chinese enterprises to “Go Global” via Hong Kong**









**Dr. Michael,
Merzenich
Brain Plasticity,
December 11**





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