BELT AND ROAD GLOBAL FORUM
一帶一路國際聯盟

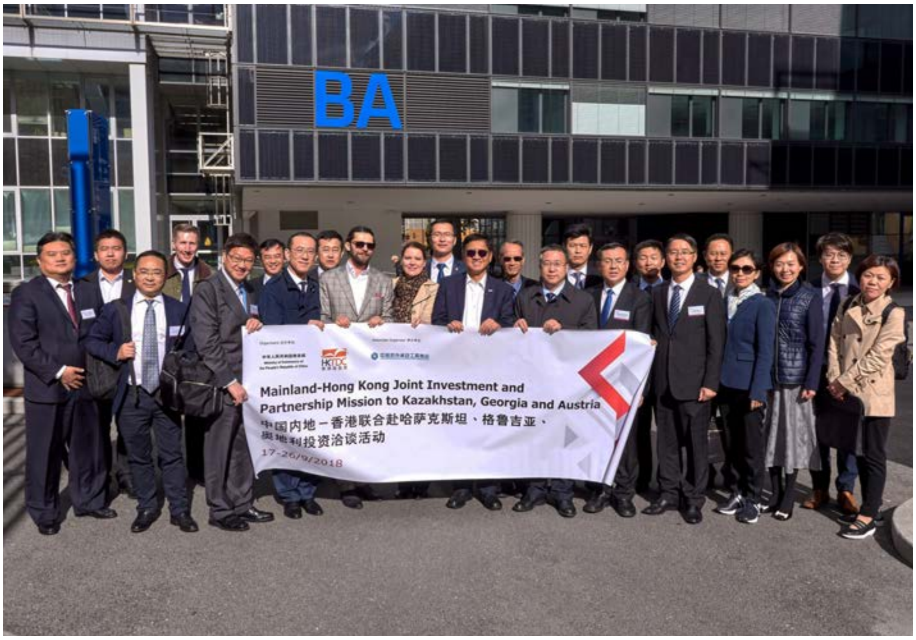
October 2018
News and updates

Secretariat: HKTDC 香港貿發局 | Content partner: haymarket

Hong Kong | Commercial Hub for the Belt and Road

HKTDC Belt and Road outreach: Exploring business and investment collaboration opportunities

Three recent outreach activities organised by the Hong Kong Trade Development Council (HKTDC) promoted Hong Kong's role as a facilitator and commercial hub for the Belt and Road to key markets including the Chinese mainland, ASEAN, Central Asia and Central Europe.



The Mainland-Hong Kong Joint Investment and Partnership Mission to Kazakhstan, Georgia and Austria visited TU Wien Plus-Energie-Bürohochhaus in Vienna on 24 September

MAINLAND-HONG KONG JOINT INVESTMENT AND PARTNERSHIP MISSION TO KAZAKHSTAN, GEORGIA AND AUSTRIA, 17-26 SEPTEMBER 2018

In September 2018, the HKTDC and the Ministry of Commerce of People's Republic of China (MOFCOM) jointly organised a mission to Kazakhstan, Georgia and Austria to explore business and investment collaboration opportunities in these three key markets along the Silk Road Economic Belt.

The delegation, comprising some 60 investors and services professionals from the Chinese mainland and Hong Kong, networked with local government agencies and project owners, learned about investment and business opportunities in the three countries, and visited infrastructure and smart city projects such as the Chinese-Kazakh joint venture Asia Steel Pipe Corporation, the Park of Innovative Technologies and DAMU Logistic Centre in Almaty, a large-scale residential and business development by China's Hualing Corporation in Tbilisi, and the Aspern Seestadt smart city development and TU Wien Plus-Energie-Bürohochhaus, one of the world's first plus-energy high-rise office buildings, in Vienna.

During the mission, the HKTDC signed a Belt and Road Strategic Partnership Agreement with the Industrial & Commercial Bank of China (Almaty) and a Memorandum of Understanding (MoU) with Enterprise Georgia, Georgia's trade and investment promotion agency, to strengthen information exchange on Belt and Road development and other trade and investment projects, as well as to facilitate participation in the events and missions to be organised by the three parties.

The mission is the first Mainland-Hong Kong joint delegation organised by the HKTDC to Kazakhstan, and the first HKTDC mission to visit Austria and Georgia, which recently signed a Free Trade Agreement (FTA) with Hong Kong at the third Belt and Road Summit held in Hong Kong in June 2018.

Hong Kong Mission Leader and HKTDC Deputy Executive Director Raymond Yip said: "Through this joint investment and partnership mission, we hope companies from the Chinese mainland and Hong Kong will get a more comprehensive understanding about the investment needs and tremendous opportunities available in the Central Asian and Central European markets. It is our hope to bring potential investment from the mainland to Kazakhstan, Georgia and Austria, especially into its infrastructure development under the Belt and Road Initiative, with potential deals to be facilitated by Hong Kong services providers."

BELT AND ROAD BUSINESS MISSION TO SHENZHEN, 31 MAY 2018

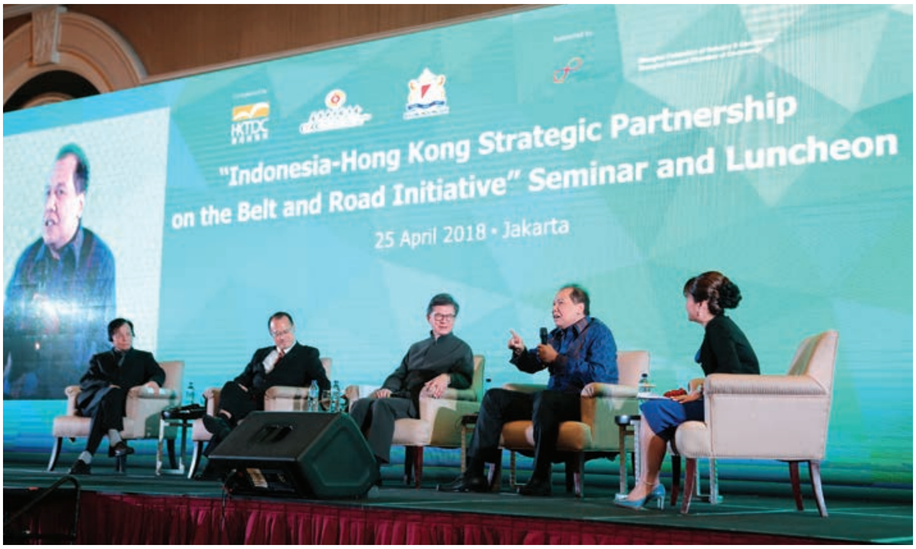
This May, the HKTDC, the Economic, Trade and Information Commission of Shenzhen Municipality and the Hong Kong and Macau Affairs Office of the Shenzhen Municipal People's Government jointly organised a Hong Kong business mission to Shenzhen, one of Hong Kong's key partners in Guangdong-Hong Kong-Macau Bay Area development and in exploring Belt and Road opportunities.

The Hong Kong delegation, comprising some 30 business leaders representing various sectors including finance and investment, logistics, infrastructure and real estate, information technology, manufacturing and professional services, met with Shenzhen government officials, visited local projects and enterprises, and attended a Shenzhen-Hong Kong roundtable to discuss collaboration opportunities in smart city development, infrastructure investment, e-commerce and other fields under the Belt and Road Initiative.

The mission promoted Hong Kong's advantages as a one-stop platform for mainland companies' outbound investment, and helped Hong Kong businesses keep abreast of the mainland's market potential and connected them to potential partners from Shenzhen.

Mission Leader Jonathan KS Choi, Deputy Chairman of the HKTDC Belt and Road Committee, said: "Shenzhen and Hong Kong are key cities in both the Belt and Road Initiative and the Guangdong-Hong Kong-Macau Bay Area development plan. Strengthening cooperation between Shenzhen and Hong Kong will allow both cities to play a more catalytic and leading role in driving forward the development of both initiatives."

HONG KONG-SHANGHAI MISSION TO THE PHILIPPINES AND INDONESIA, 23-26 APRIL 2018



HKTDC Chairman Vincent HS Lo attended the "Indonesia-Hong Kong Strategic Partnership" seminar held in Jakarta on 25 April

The HKTDC and the Shanghai Federation of Industry and Commerce co-organised a Hong Kong-Shanghai joint infrastructure investment mission to Manila, the Philippines and Jakarta, Indonesia in April 2018 to discuss cooperation and investment opportunities driven by growing intra-regional cooperation in Asia under the Belt and Road Initiative.

The delegation comprised some 40 investors and services professionals from Hong Kong and Shanghai with interest and expertise in finance, consultancy, architecture, energy, waste and water treatment, engineering and construction, legal and accounting, transportation as well as other sectors.

During the four-day programme of meetings, visits and networking sessions, the delegation met with government departments including the Philippine National Economic and Development Authority, the Philippine Department of Trade and Industry, the Philippine Economic Zone Authority, the Indonesian Ministry of National Development Planning Board and the Indonesian Ministry of Transportation, and learned about collaboration opportunities from local business leaders and project owners.

Chief Executive of the Hong Kong Special Administrative Region Carrie Lam delivered a keynote speech at the "Indonesia-Hong Kong Strategic Partnership on the Belt and Road Initiative" seminar and luncheon, where a MoU was signed between the HKTDC and the Indonesia Investment Coordination Board (BKPM) to further promote investment cooperation between Indonesia and Hong Kong.

HKTDC Chairman Vincent HS Lo said: "Indonesia, being the biggest economy in Southeast Asia and a founding member of the ASEAN community, plays a very important role in shaping the Belt and Road. I am pleased that the long-time trust we have shared with Indonesia will give us a head start to work together. The Philippines is one of the fastest growing economies in ASEAN and has a young workforce. Offering a combination of capital, professional expertise and production capability from Hong Kong and Shanghai, we hope to collaborate with partners in these two countries to turn investment opportunities into viable ventures."

Managing risk for Belt and Road projects through Hong Kong

Hong Kong's position as a regional centre for insurance and gateway to and from China is helping international investors reduce risk, according to Marsh Hong Kong's Lei Yu.

Regarded as "Asia's insurer", Hong Kong's insurance industry dominates the region. Having more than 160 insurance companies and reinsurers licenced locally creates a competitive market with the expertise to connect and advise investors worldwide.

Lei Yu, Managing Director and Chief Executive Officer of Marsh (Hong Kong) Limited, says Hong Kong has an exceptional depth of regional knowledge about local liabilities plus highly-skilled associated professional services providers who have strong connections with insurers globally. She believes the scene is set for dynamic growth in Hong Kong, making it the go-to destination for international investors seeking to mitigate their risks while investing in Belt and Road projects.

Chief Executive of the Hong Kong Special Administration Region Carrie Lam recently added to the optimism of Hong Kong's insurance industry by announcing that the China Banking and Insurance Regulatory Commission is to give preferential treatment to Hong Kong's reinsurance companies that work with mainland insurance companies seeking to do business offshore. In addition, Hong Kong's Insurance Authority is establishing a facilitation platform for Belt and Road opportunities with the Hong Kong government providing HK$50 million (US$6.36 million) over three years to boost industry training.

Lei Yu, Marsh Hong Kong

STEPS TO MITIGATE RISK

Hong Kong's status as an internationally-recognised centre for financial, legal and professional services is crucial for deal makers venturing into unfamiliar territory since it provides the expertise to guide them through the challenges they face.

Yu says for Belt and Road projects, investors making cross-border deals need to pay attention to local conditions such as the political climate, local laws, financial environment and economic development.

Yu thinks companies tend to focus too much on the upside of potential opportunities coming out of a deal, instead of looking at the potential for a downside, and how best to protect their investment if that happens. She says there are four areas deal makers must assess before signing contracts:

- Political and geopolitical risk
- Natural disaster risk

- Operational risk
- Commercial risk

Surprisingly, commercial risk is often overlooked. For example, Marsh's research reveals not all deals are set on firm ground, with more than 50% of large infrastructure projects not bankable without either multilateral or government bank support. In tandem with identifying risk, deal makers need to undertake thorough due diligence and maintain proper management oversight over local projects.

HONG KONG ADVANTAGES

Marsh Hong Kong operates as a risk consultant for local and cross-border projects, providing technical expertise and analysis, quantifying risk, assessing the level investors are willing to individually bear and then transferring that knowledge to an industry partner. Investors who are managing risk in this way with a knowledgeable consultancy undertake extensive due diligence which also helps to make a project more bankable, explains Yu.

Having Hong Kong's regional savvy insurers work alongside mainland investors helps reduce cross-border issues. For example, when a Chinese mainland corporate and a regional company co-invest, Hong Kong's more experienced industry, with its international pool of talent and perspectives, can provide professional advice on regional jurisdictions which vary in the maturity of their investment products.

MITIGATING LOSS

Although Hong Kong's insurers have a long history of underwriting large infrastructure projects, the associated risks and exposure can be sizeable.

During a panel discussion at the Belt and Road Summit organised by the HKTDC in June 2018 in Hong Kong, experts explained that more than 50 types of risks are associated with large-scale infrastructure projects. While these may range from natural disasters and legal liability, new insurance solutions are swiftly being adopted to provide cover for political and environmental risks, as well as terrorism and cyber security.

Even when due diligence has been covered, unexpected losses can occur. At this stage, according to Yu, it is still not too late if investors act swiftly. “Insurance doesn't cover 100% of losses. There will always be risk sharing, with limits to indemnity and deductibles that corporates need to consider. It may be too late to buy insurance after the event, but there are many other ways to mitigate risks from, for example, a disaster or regime change,” she says.

Yu recommends engaging a risk adviser to help assess damage, reduce potential losses and reassess risks in the future. Alternatively, Hong Kong's experienced loss adjusters can use their forensic insurance expertise to examine contracts for clauses or potential grey areas that could open the way to a claim or support an investor's position. In either circumstance, whether prior or post investment, Hong Kong's insurance, services industries and arbitration are helping reduce risks for those seeking to invest in Belt and Road projects.

Putting captive insurance to work with Belt and Road projects

Only three companies based in Hong Kong use captive insurance to protect their Belt and Road projects but with encouragement, others could follow their pioneering lead.

Insuring against risk is a key component of doing business globally. Companies unfamiliar with regional conditions, politics, regulations, languages, cultures and legislatures are most at danger of putting their operations at risk of financial loss when they lack the requisite knowledge.

This applies, of course, to Belt and Road projects. The complexity surrounding these projects not only involves construction and infrastructure investment worth billions of US dollars, it also involves a network of businesses, governments, authorities, financing, subcontractors and supply chains all wanting to protect their own investments and shareholders.

Comprehensive insurance against loss or legal repercussions is one way of reducing corporate liabilities within these projects and jurisdictions. This transaction is normally carried out using commercial insurers and reinsurers, a delegation that's particularly necessary with potentially large claims.

In Hong Kong, the Sinopec Group, a global petroleum, petrochemical and energy conglomerate and one of the world's top chemical producers, has taken a different approach. It is one of the three Hong Kong-based Chinese state-owned enterprises (SOEs) using captive insurance to cover their own groups' risks.

HOW CAPTIVE INSURANCE WORKS

Working outside the commercial insurance market gives captive insurers the flexibility to negotiate directly with reinsurers. Sinopec Insurance's Chief Risk Officer Andrew Chow sees captive insurance as a sophisticated form of self-insurance. "A captive insurance company is owned by the parent company and can only write risk for the parent group." Since a captive insurer focuses on protecting only its own corporation, it's also able to gather deep local knowledge about both risks and the environment likely to impact on returns.


Andrew Chow, Sinopec Insurance

From a risk perspective, Chow says it makes sense to set up a captive insurer entity if your corporation believes it can price risk better than a general insurer. Insuring through a commercial insurance company means paying a premium that takes into account losses and claims by the general insuring public.

Directly tapping reinsurers reduces costs by being able to access more competitive rates. It can also be tailored to cover risks which are not easily insurable, such as cyber security or terrorism, and to reduce costs since a single entity's loss experience is usually better than the market average. A company using captive insurance is also not paying any intermediary payments.

Internationally, captive domicile centres such as Bermuda and Luxemburg offer encouraging tax breaks. In Asia, Malaysia and Singapore also offer attractive tax incentives to enterprises setting up captive insurance in their jurisdictions.

According to Chow, Hong Kong is also a good location to set up captive insurance. Factors in its favour include a free market economy and currency exchange, an internationally-recognised legal system, mature markets and global connectivity with reinsurers, lawyers and loss adjusters. The only downside, he says, is Hong Kong would need to develop greater expertise in managing captive insurance. Since this expertise is readily available internationally, Chow feels these skills could be sourced as required.

REDUCING LOSS THROUGH KNOWLEDGE

Assessing risk in Belt and Road jurisdictions is extraordinarily complex, spanning everything from legal and contract risk, to environmental and political uncertainty.

"Risk identification is not easy. It's a mixture of art and science," says Chow. "Without a full understanding, you will never fully identify risk, and only by correctly identifying risk can you then manage it."

TAKING THE LEAD

With its unique position as the commercial hub for Belt and Road projects and deep pool of professional services, Hong Kong is ideally-placed to help mainland enterprises create their own captive insurers, a move Chow says would also benefit Hong Kong's insurance industry.

Sinopec's extensive global investments means the conglomerate's expertise in recognising and assessing risks to Belt and Road projects is unprecedented, and that many of its projects are aligned directly with the Belt and Road Initiative, particularly since a number of countries within its reach have rich oil, gas and energy resources. For instance, its oil and gas exploration and development projects include 11 countries and span 18 projects along the Belt and Road, encompassing Russia, Kazakhstan, Saudi Arabia, Indonesia and Myanmar, while refinery investments include India, Malaysia and Thailand.

As Chow mentioned during panel discussions at the 2018 Belt and Road Summit, by setting up a captive insurer operation in Hong Kong, SOEs and large organisations could pool and share their knowledge about risks arising from projects between subsidiaries and associates. This could reduce the overall cost of insurance, reduce avoidable losses and increase overall risk management capabilities.

Another option would be for Hong Kong to host a centralised data source or pool of information about Belt and Road risk, where captive insurers could share their local knowledge and expertise.

Currently all three captive insurers in Hong Kong, the Sinopec Group, China General Nuclear Power Group (CGN) and China National Offshore Oil Corporation (CNOOC) individually hold risk assessment data for their own purposes but do not share their collective knowledge.

In Sinopec's case, the group's global knowledge base is gathered from 25 countries in which it operates. Having a centralised database in Hong Kong where information is shared globally would, Chow believes, benefit corporates seeking to explore potential Belt and Road projects from outside the region, as well as those in Asia looking to expand their operations.

Strengthening Hong Kong's position as Asia's insurance hub

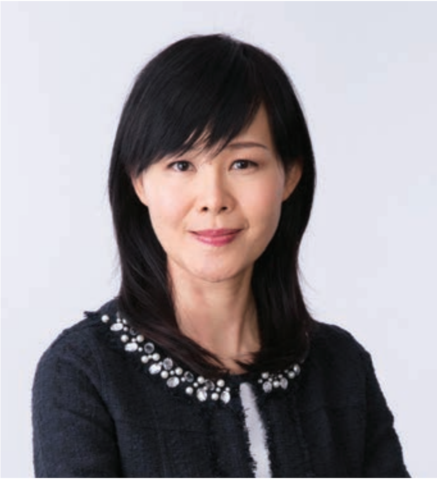
Recent policy changes and industry-led developments are positive steps for Hong Kong's insurers and should encourage more international firms to relocate their headquarters to the city.

It's little wonder that Asia Insurance's Hong Kong Chief Executive Officer, Winnie Wong, describes the local market as crowded. No fewer than 160 separate insurance firms have operations in the city, offering an array of services with their extensive skills, exceptional regional experience and long-established global networks. However, she says, a number of them have been relocating their headquarters elsewhere.

As the gateway to Belt and Road investments, Hong Kong's experienced professional services within the insurance industry are an essential part of the investment process, from preventing risk before a contract is signed, to bankability and ensuring the long-term success of each project.

For Wong, it's all about finding solutions. "People always talk about risk, but insurance is actually the solution. I'm a very positive person, and I think that if we position ourselves well, Hong Kong insurers will be known for our solutions. We are very close to Belt and Road decision makers but we've not been promoting ourselves correctly."

Wong believes two new developments in particular are likely to give Hong Kong's industry a boost. These include a recent joint agreement with the Chinese mainland which Wong describes as a "game-changer" and a new initiative by Hong Kong's Insurance Authority (IA) to connect Belt and Road investors with local industry experts.



Winnie Wong, Asia Insurance

STRONGER TIES REDUCE RISKS

In July 2018, the IA and the China Banking and Insurance Regulatory Commission (CBIRC) agreed to give preferential treatment to mainland insurers ceding business to Hong Kong-based reinsurance companies, under the China Risk Oriented Solvency System (C-ROSS) agreement.

The official announcement stated: "CBIRC supports Hong Kong being the (Chinese) mainland's overseas risk management platform to assist mainland enterprises in going global... The preferential factor under C-ROSS will be applicable to high-quality Hong Kong reinsurers, which will foster the development of the reinsurance business in Hong Kong."

The move has obvious benefits. China's investors will gain greater access to insurers with extensive regional knowledge and the ability to help them better mitigate risk in Belt and Road infrastructure and investment projects, and it will also strengthen Hong Kong's position as the reinsurance hub of Asia.

Wong says this development now gives Hong Kong a competitive edge over other Asian insurance hubs such as Singapore. This is because the new category for Hong Kong places it as close to "onshore" as possible. Under C-ROSS, the capital requirement for Hong Kong-based reinsurers to do business with the Chinese mainland would be lower than other "offshore" countries and regions. This would therefore increase the competitiveness and attractiveness of Hong Kong as a reinsurance hub for the region.

The decision is also important for China's state-owned enterprises (SOEs) and large private corporations which she points out have sometimes underestimated the risks involved in emerging markets. Violations of local requirements and problems in claims have proved costly to these entities.

MOVING IN THE RIGHT DIRECTION

From an investor's perspective, finding solutions to risk involves a number of steps, according to Wong. These include:

- Risk awareness
- Risk identification
- Risk mitigation
- Risk transference – deciding which risks will be transferred to an insurer or risk manager
- Risk retention – deciding on the degree of risk an investor is comfortable to retain in-house

As part of its strategy to position Hong Kong as a risk management centre, the IA recently released plans to launch an insurance facilitation platform to connect Belt and Road investors to local insurers, reinsurers, insurance brokers and related professional service providers.

As well as providing connectivity, the IA hopes this will strengthen the local industry by encouraging more corporates to place their insurance and reinsurance in Hong Kong. Wong says the IA has been very responsive, and is actively consulting with the industry to explore opportunities for education, promotion and networking.

STRENGTH IN UNITY

Not all of Hong Kong's insurance initiatives are being driven by government or government agencies. For example, Wong and a panel of local insurers and reinsurers formed the Hong Kong China War Risk Syndicate in 2017, to assess the impact armed conflict would have on shipping and maritime investments.

Other such panels could be formed to find solutions for political risk (since without political risk cover it is difficult to get funding from banks in some jurisdictions), terrorism, cyber security and cyber liability, kidnap and ransom as well as construction risks, and to devise tailor-made solutions to warranty and indemnity. Given the size of Hong Kong's industry, finding solutions to such a diverse range of risks would need independent oversight.

"No single company in Hong Kong can lead this sort of initiative, so we need the Insurance Authority to take the lead," Wong says. Given the recent innovative developments and support being shown by the Chinese mainland and local authorities together with industry drivers such as Winnie Wong, it seems Hong Kong's insurers are setting the pace in helping to find effective solutions and limit corporate risks posed by Belt and Road investments.

Arbitration jumps as Belt and Road investment increases

Disputes handled by the Hong Kong International Arbitration Centre have reached record levels with one in four cases involving Chinese mainland and Belt and Road jurisdictions.

Last year, the Hong Kong International Arbitration Centre (HKIAC) responded to 532 new cases involving disputing parties. The outcomes of 297 cases were decided by its independent and internationally-recognised panel of expert arbitrators. Many of these commercial disagreements involved a complex chain of investments worth billions of US dollars.

As the Belt and Road Initiative gains momentum, HKIAC's overall case load has increased 20% year-on-year. Since 2013, when the Initiative was announced, there have been 362 arbitration cases where at least one of the parties was from a Belt and Road jurisdiction, according to statistics compiled by HKIAC.

Disputes occur across all sectors. In 2017, HKIAC figures indicate the majority of arbitration cases involved international trade (31.9%), followed by corporate, banking and financial services (19.7%) and construction (19.2%). Maritime disputes accounted for 8.8% of the case load, closely followed by professional services (8.1%).

In 2014, only 11% of the disputes involved parties from the Chinese mainland and those from a Belt and Road jurisdiction. By 2017 this had risen to 25%, reflecting the growing trust Chinese state-owned enterprises (SOEs) and private businesses place in Hong Kong as a centre for mediation.

"Chinese (mainland) companies feel they have an affinity with Hong Kong, and foreign investors know there are no surprises," said HKIAC's Secretary-General Sarah Grimmer. "Predictability is important. Parties know Hong Kong is regulated, has a rule of law, and that the centre is independent and neutral."

2017 disputes handled by HKIAC (by sector)

In 2017, HKIAC registered cases concerning disputes arising from a wide range of sectors. A breakdown of those sectors is provided below:

31.9% INTERNATIONAL TRADE	19.2% CONSTRUCTION	13.5% CORPORATE	8.8% MARITIME	8.1% PROFESSIONAL SERVICES
6.2% BANKING AND FINANCE SERVICES	4.6% INTELLECTUAL PROPERTY	1.9% ENERGY	1.2% INSURANCE	4.6% OTHERS

WHY CHOOSE HONG KONG?

There are a number of reasons for using Hong Kong as a jurisdiction for arbitration. A key one, Grimmer says, is the city's robust confidentiality provisions that attract corporates looking to avoid messy publicity about internal grievances. In addition, where there is a need to move swiftly in order to prevent the loss of assets, or destruction of potential evidence, Hong Kong courts issue urgent relief notices in a timely manner.

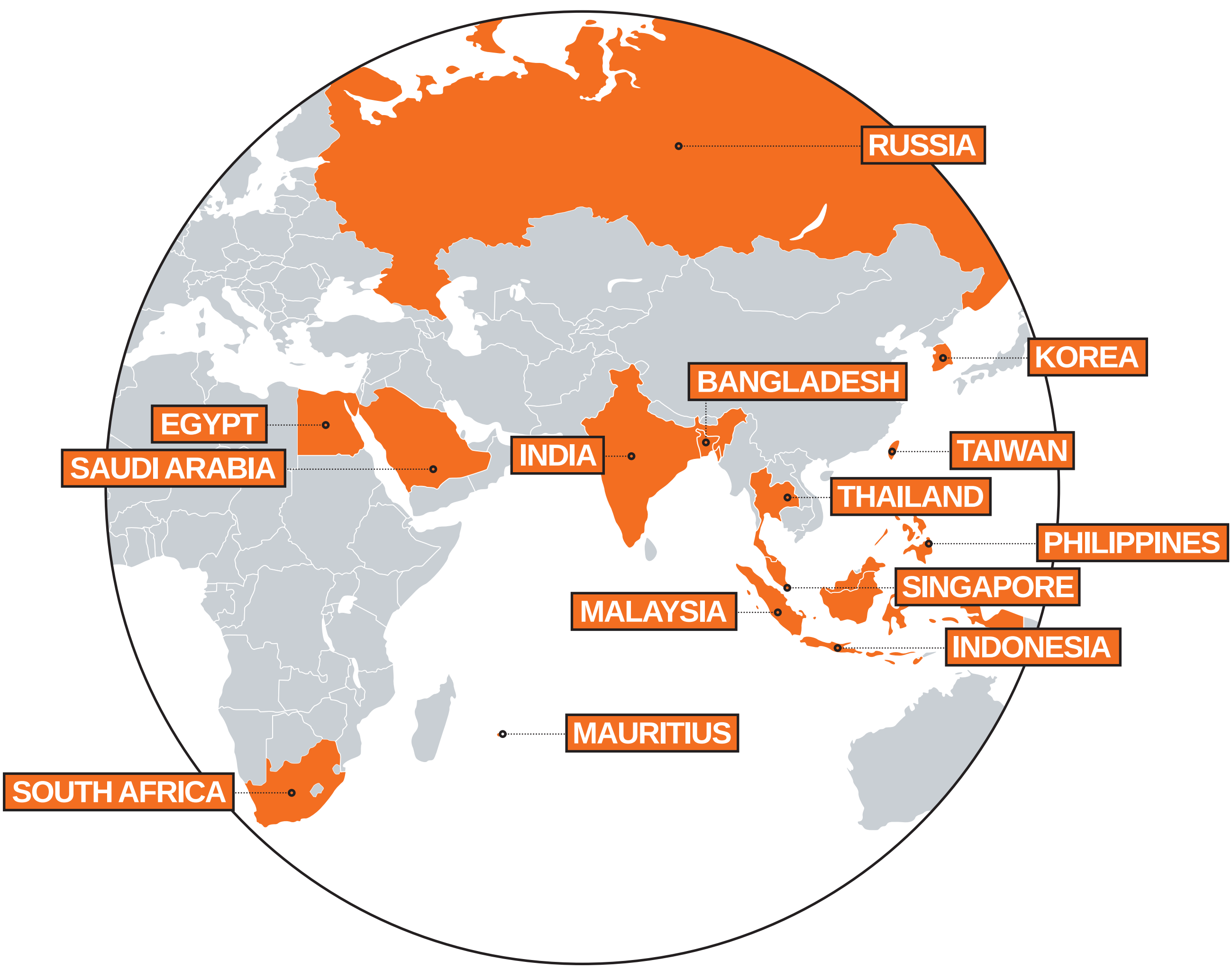
As one of the 159 signatories to the New York Convention, decisions handed down by HKIAC are enforceable across many jurisdictions. In comparison to arbitration's far-reaching enforceability, court rulings in one jurisdiction may not be enforceable in another. Language barriers and different legal systems add further complexity to international parties seeking restitution via traditional court systems or arbitration in other jurisdictions.

"For example, you might have won your award but depending what you have put in your arbitration clause, your award might not be enforced. That goes into the heart of dispute resolution because that's the only reason you go into arbitration. If you can't get your money, you've wasted your time," says Grimmer.

According to Grimmer, around 15% of the parties named in an arbitration hearing simply do not turn up or turn up for a limited period of time, but the tribunal can still make a ruling and the corporate bringing the case to the tribunal can still win, despite the absence of the other party.

Vincent Connor, Partner and Head of Pinsent Masons' Hong Kong office, also advises against taking complex commercial issues relating to Belt and Road infrastructure projects to court. He suggests these are better handled through arbitration, which draws on the expertise within arbitration panels to ensure a focused, professional approach that quickly identifies issues and provides resolution.

Arbitration 2014-2017: Cases handled by HKIAC involving the Chinese mainland and Belt and Road jurisdictions



Connor believes Hong Kong's professional services have a big role to play in helping corporates in the stages before arbitration, in supporting the parties involved, narrowing the gap between them and helping them resolve issues together through mediation. Knowing the strengths and weaknesses in a case is key to dispute resolution.

Connor concludes: "Having access to absolutely cutting-edge engineering advice, top-of-the-class construction law advice, and people who can show you how to prove your claim or show you what you think is a huge loss is unprovable, can get a party into a framework where it really understands how strong or how weak its position is."

CHINA AND BEYOND

Hong Kong's growing appeal is also directly linked to increasing awareness among investors that their contracts need to include an enforceable arbitration clause that clearly states the location where parties will seek arbitration. This is especially important for international transactions since the HKIAC's dispute resolution has the advantage of neutrality, flexibility, enforceability and language.

"Hong Kong's traditional status as the connecting jurisdiction between Chinese and non-Chinese parties is more and more relevant as Chinese mainland parties enter contracts with foreign parties," says Grimmer.

The outflow of Chinese mainland investment to Asian jurisdictions for Belt and Road projects, combined with growing foreign investment into these projects, creates increasing complexity in business arrangements, especially when it comes to large construction and infrastructure projects.

Sarah Grimmer, HKIAC

Vincent Connor, Pinsent Masons Hong Kong

With many parties involved in the supply chain, arbitration allows parties to determine the applicable law, language, and whether disputes under more than one contract with different parties can be run together before the same tribunal hearing, thereby saving time and costs, and lowering the risk of differing outcomes from different tribunals.

REDUCING RISK FROM THE START

In the euphoria of having just won an agreement for a large-scale Belt and Road project, Grimmer would like those drawing up contracts to think ahead and decide at the onset of a planned project where arbitration and dispute resolution will be sought in case something goes wrong. In order to encourage more businesses to consider arbitration, HKIAC posts simple yet effective clauses free of charge on its website.

Among those seeking recourse with Hong Kong's arbitrators include corporates from the Chinese mainland, Bangladesh, Egypt, India, Indonesia, Malaysia, Mauritius, Russia, Singapore, Korea, Thailand, Philippines, South Africa and Saudi Arabia.

SPREADING THE MESSAGE

Another reason why demand for HKIAC arbitration is also increasing is due to its targeted promotional work in the region. Last year, Grimmer's team began a three-year outreach project directed at emerging markets that are the recipients of Chinese outbound investment. This Hong Kong initiative seeks to encourage these jurisdictions to use HKIAC arbitration clauses to reduce risks associated with entering into large-scale projects and their associated foreign direct investment (FDI) risks. To date, ASEAN countries including Vietnam, Cambodia, Indonesia, Thailand and Myanmar are participating in this programme.