

# Trade Opportunities between San Diego and China/ Hong Kong

Wednesday, May 11, 2005, 12 – 1:30 p.m.  
Handlery Hotel & Resort, 950 Hotel Circle North, San Diego



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On May 11, 2005, the CalCPA Global Opportunity Committee co-sponsored a presentation with the San Diego Chapter of the Hong Kong Association of Southern California on Trade Opportunities between San Diego and China/ Hong Kong. The presenter was Professor Alan Gin of USD, a well known economist with in-depth knowledge of the economic development trends in San Diego and China.

Professor Gin started with a GDP summary of the San Diego, China and Hong Kong. Then he discussed some similarities between San Diego and Hong Kong in economic trade with the Pacific Rim, especially Asia.

With San Diego transformed from a heavy military related economy prior to the late 1980s to a diversified technology economy now, San Diego has a lot of products and services to trade with China/ Hong Kong. He highlighted the major sectors of the SD economy with biotech 20.3%, aerospace 20.2%, telecommunication 15.7%, electronics 13.1%, software 11.3%...etc. These sectors will become a larger portion of the economy with increased international trade.

For the Chinese economy, Professor Gin summarized the growth rates from 1997 to 2003, averaging about 8%. He expected a GDP growth rate of 11% for 2004 and 9% for 2005. Regarding world trade, China has experienced 400% growth in exporting and importing to \$420 billion in 2003, with the net trade surplus balance stayed fair constant at \$40 billions. The World Trade Organization entry will cause China to import more products and service, thus presenting greater opportunities for many SD firms. Some of the business services need to support the continual rapid economic and trade growth are accounting, legal, taxation, architecture, engineering, computer/ software application, insurance, mutual fund investment...etc.

The role of Hong Kong can be a base for entry into the China market. With highly developed legal, communication, business practice, educated workforce and China business experience, Hong Kong can help small to medium size San Diego firms to penetrate the Chinese market. Also, there are real estate and tourism investment opportunities in Hong Kong.

Over 70 CalCPA and Hong Kong Association members attended the event. Attendees and reporters from two Asian newspapers participated in raffle drawings sponsored by the Wells Fargo Bank.