**SCMP Article**

**Hong Kong's route to success as a middleman**

Chief Executive Leung Chun-ying’s policy address last week attracted some praise and a fair amount of criticism. Most policy addresses do. Still, a couple of responses stand out this time.

One is the complaint that the government should have announced more policies to tackle poverty, housing and other social issues. Many politicians will always remind us that the government should do more. However, most people would probably agree that this administration has done a lot more to address social problems than its predecessors. At this stage of its term, the key thing is to stick with and implement ongoing long-term strategies – not to introduce big new initiatives year after year.

Also, I do not understand why some people made fun of small but real measures to help people – like upgrading facilities to make public toilets easier for the elderly to use. Would people prefer the government not to do that?

The biggest response to the policy address was about the emphasis on Beijing’s “One Belt, One Road” initiative. The reaction was mostly not positive, and again some commentators made fun of the subject.

There is a gap between official thinking and public understanding where “One Belt, One Road” is concerned. To many ordinary members of the community, the concept seems remote. Even many people in the business community feel it has nothing to do with them.

“One Belt, One Road” is probably not going to have a major – and certainly not immediate – impact on all individuals and businesses in Hong Kong. But it will have a big potential impact on some economic sectors here, and in the long term more eople and businesses could feel the indirect effects.

For those of us with family and business connections in some overseas regions – in my case, Southeast Asia – the initiative makes real sense.

The key thing to remember is that large parts of the Chinese economy are guided by central policy. State-owned enterprises control some major sectors, and this is likely to be the case for the medium-term future.

These large corporations tend to be quite prudent and unadventurous in activities that come outside state plans. But if central policy gives specific approval to particular activities – such as expansion into overseas markets – they will change priorities. They can potentially become very big players.

To us in Hong Kong, this might seem strange. Our businesses identify where the opportunities are, and they go out and chase them. They do not need a mandate from the government.

I do not know exactly what sort of opportunities will result from “One Belt, One Road” in any specific time or place. But I do know that the need for infrastructure development in many regions is considerable. And I am fairly sure that major mainland corporations will be energetic in seeking new business in these activities and places if policymakers encourage them to do so.

Hong Kong investors will not be asked to commit financial resources as part of this process. The main opportunities for Hong Kong lie in intermediary and business services. That means using our expertise in helping put together cross-border deals, and providing legal, accounting and other services.

It does not mean that every consultancy or services company in Hong Kong will suddenly see business double. But “One Belt, One Road” does potentially offer some sectors direct new opportunities.

And as local companies play their part in deals involving partners in new markets, such as central Asia, they will have the chance to forge new links for future business.

There is nothing for Hong Kong to lose here, and plenty to gain. For people who complain that officials and lobbyists pay too much attention to sectors like retail and tourism, this should be welcome. “One Belt, One Road” means opportunities for other Hong Kong export sectors to develop more high-value business and employment. These roles – middleman services like matchmaking – are our traditional core strengths. “One Belt, One Road” is a mandate for China’s biggest companies to significantly boost demand for these activities.