

"We have seen business grow substantially in Hong Kong – there's a progressive and growing public private partnership that actively helps companies succeed – and we expect this trend to continue to well into the future."

*Mr Michael J. Keppler –Managing Principal – Asia Pacific Region, Towers Perrin*

## Management Consulting Services

### Advantages

- Pool of experienced consultants
- The quality of consulting services in Hong Kong is considered to be the best in the Greater China region
- A centre for risk management for Mainland business
- A rich client base as Hong Kong is a renowned international business support centre for multinational headquarters in the region (1246 RHQs in Hong Kong as of end of 2007)
- The trend of outsourcing consultancy services by the private sector continues
- Restructuring of the Mainland financial sector, privatisation of Chinese SOEs and internationalisation of Chinese SMEs have created a huge demand for operations and process management and corporate and business strategy

### Sector Snapshot

Hong Kong is a regional management consultancy centre. There are approximately 3,800 consultancy firms based in Hong Kong. Most of them are export-oriented, in particular to mainland China. The total amount of export of business and management consultancy & public relations services was HK\$16.99 billion (US\$2.18 billion) in 2006.

The business of management consulting has shown unusual resiliency of late largely because Hong Kong remains Asia's international financial capital. The finance industry, with its some 250 banks, investment houses and related services, generates numerous opportunities for management consulting in the field's core disciplines including corporate strategy, organisational structure, finance management, information technology and product development.

Hong Kong's management consulting industry has enjoyed double-digit growth over the last 10 years, according to the recent survey by the Hong Kong Coalition of Service Industries. The Hong Kong offices of international management consulting firms earn between 40 and 50 percent of their revenues from projects in the Asia Pacific region outside Hong Kong according to a recent survey by Hong Kong University.

### Opportunities

Four new developments – increased government spending on public infrastructure, increased government outsourcing as a result of the privatisation of public assets, proposed banking deregulation and China's entry into the WTO – have transformed the prospects for management consulting firms in Hong Kong.

With the allocation on public works projects, infrastructure projects and accelerate delivery of professional services by outsourcing to information technology contracts from the Hong Kong Government, huge opportunities have created for management consulting firms.

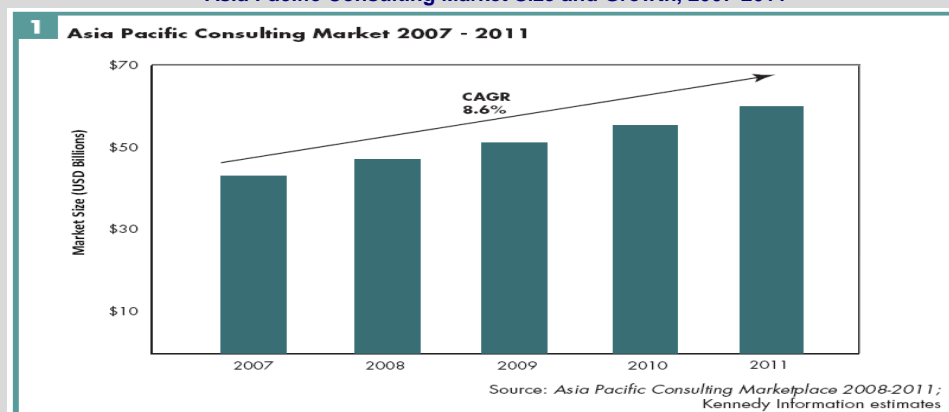
### China's Potential

The global consulting market is expected to have a moderate recovery after experiencing difficult times in the past few years. With the slow growth in the major economies in the Asia Pacific region, focuses will be on China, which has emerged as one of the most attractive markets for consulting firms.

To sharpen its edge to face the fierce competition with multinationals following the accession to the WTO, China is committed to improve its soft infrastructure. This leads to demand for professional services, particularly in the areas of corporate governance and restructuring, human resource management and staff enhancement

Under CEPA, Hong Kong management consultancy companies can establish wholly-owned enterprises in the Mainland 3 years ahead of China's WTO schedule. Minimum registered capital is RMB30,000.

**Asia Pacific Consulting Market Size and Growth, 2007-2011**



“Hong Kong consulting firms are well positioned to provide support to companies in China and North Asia. Hong Kong remains a leading centre for expertise on strategy, profitable growth, acquisitions and restructuring.”

*Mr Jim Hilderbrandt – Managing Director, Bain & Company, / Hong Kong*

#### Growth Areas by Client Industry

- Financial services
- Industrial manufacturing
- Public sector
- Communication and media

Source: 2008 Kennedy Information, Inc.

#### Leading Management Consulting Companies in Hong Kong

- McKinsey & Company
- Accenture Company Limited
- Deloitte Consulting (HK) Ltd
- KPMG Advisory Ltd
- PricewaterhouseCoopers Ltd
- Mercer Management Consulting
- The Boston Consulting Company
- A T Kearney
- Ernst & Young
- Molten Asia Ltd

## Case Study

**Organisation:** Leading management consulting company in USA

**Objective:** To open a regional office in Hong Kong to target potential clients in Greater China, Korea and Japan

**Assistance provided by InvestHK:**

- Provided general information on Hong Kong's business environment and procedures for registering a business.
- Provided updated market information on the Hong Kong management consulting sector.
- Advised on the business strategy for penetrating the Pan Pearl River Delta market.
- Provided advice on remuneration of Hong Kong staff and cost of leasing office space.
- Provided assistance with employment visa application.
- Provided contacts of potential clients and business alliances

## Useful Contacts

#### Companies Registry

14/F Queensway  
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66 Queensway, Hong Kong  
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Fax: (852) 2596 0585  
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#### Inland Revenue Department

Revenue Tower, 5 Gloucester Road  
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#### Management Consultancies Association of Hong Kong

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