



fDi's Virus Diaries: “There are many people in business that are looking beyond the immediate”

InvestHK's Stephen Phillips believes Covid-19 should not stop long-term strategic thinking



Stephen Phillips, Director General of InvestHK.

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As the economic development community is stuck at home, fDi is reaching out to professionals on the FDI frontline, who are facing the biggest global challenge in recent memory. Hong Kong was hit early on by the coronavirus crisis, but some level of normality has now resumed, giving Invest Hong Kong (InvestHK) room to continue the conversation with prospective investors and strategic thinking, director general Stephen Phillips tells fDi.

Q: What has it been like in the past months for InvestHK?

A: The scale of what's going on a global level is unprecedented. It has impacted every single investor, or prospective investors, we were in touch with. It has undoubtedly had an impact on what we do day-to-day, particularly on the promotion side. That said, we have enhanced our aftercare services to continue to actively engage with existing investors. With regards to prospective investors, we continue to see a number of them completing and setting up. These are investors we have been talking to for the past 12 months and they were in the process of setting up already. We also keep talking with other prospective investors; we are preparing the ground for when things go back to normal. So it's not all bleak. It's increasingly challenging, but some level of conversion does continue.

Q: How are you continuing to engage with potential investors in these circumstances?

A: Things are beginning to resume in China, and we are making extensive use of communications tools to engage with potential investors. The fact itself that they want to have a conversation means they are engaged. Depending on where they are in terms of decision process, we help them across the whole spectrum – from granular paperwork issues to site selection. There are many people in business that are looking beyond the immediate.

Q: How is Hong Kong's business proposition changing with the social unrest seen in 2019, and now Covid-19?

A: The economic impact from Covid-19 is higher in order of magnitude and only now we are beginning to get a grasp of it. The world and business will not be the same after Covid-19 and the social unrest that the city experienced. There will be some big picture issues at play in terms of supply chain - the level of disruption we have seen will have a big impact on FDI globally. With specific regard to Hong Kong, a couple of sectors, such as hospitality and retail, have been particularly hard hit because people are not travelling any more. The chances are that the business landscape will be very different once this crisis is over, but it's too early to say how it's going to look.

Q: How has this crisis affected you as an individual and a professional?

A: I travel less and have the same day-to-day worries and concerns about family and friends like anybody else. It also made me very conscious that I need to be level-headed on this, take a step back and recognise how everybody is on the edge. It is also about being disciplined to keep the team focused. We have to deal with short-term issues, but not exclusively. We still need to look at what we need to do so that we can hit the ground running whenever possible. We need to keep our heads clear strategically.

Q: What do you see in the mid and long term?

A: The whole spectrum of potential outcomes is within the realm of possibilities at the moment. However, I'm an optimist, and I think things will bounce back. I continue to see Asia being the engine of global growth because of its demographic and the scale of transformation that is going on here. Investors will continue to look at some of the major initiatives in the region, such as the Greater Bay area or the Belt and Road Initiative.

Q: Any advice for other investment promotion agencies?

A: I think the advice is to stay focused on the day job, but keep an eye on the horizon – because as things return back to normal, you will need to get back in gear very quickly.

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