

Theme 4: Playing in the global market

Playing in the global market

Hong Kong SAR is well-positioned as a metropolitan city and a gateway into the Greater China region. The launch of the Greater Bay Area provides immense opportunities for international and domestic businesses alike, opening access to China's massive consumer market, increase in commercialisation of innovative technological products and acting as a launchpad into the rest of the China market. 40% of businesses in Hong Kong still designate the city as their regional headquarters in the coming years.¹

Hong Kong-based companies often work with multiple markets and jurisdictions. Challenges faced by an overseas partner, which could be triggered by an economic downturn, a pandemic, changing political landscape or even changes to local laws and regulations, may transform how Hong Kong businesses work with them. A slight mishandling could endanger the business and lead to reputation damage.

Many small- and mid-sized businesses seek – or already rely on – third-party digital partnerships to help access and transact with global customers. However, there is consensus among companies that collaboration with large commercial and social platform players comes with risks and challenges, as do other partnerships around data, technology, products, or services. A breach or breakdown of a third-party site or function could effectively shut down a business.

Businesses need to be aware of the duties and liabilities when setting up partnerships and ensure proper due diligence and protection is in place for sustainable businesses.



40%

of businesses expect Hong Kong to remain as their regional headquarters given the proximity to China¹

44%

say their biggest challenge is collaboration with large commercial and social platform players²

¹ The American Chamber of Commerce in Hong Kong, 2021 Hong Kong Business Outlook Survey

² Chubb/Accenture, Digital business accelerated

CASE STUDY

Meet David from Kingcast Electrical Laminates

HIS BUSINESS

David owns a medium-sized business that manages worldwide distribution of electrical laminates for printed circuit boards, generators and other electrical machinery. His company works with a few manufacturing partners in Mainland China.

WHAT HAPPENED

An accident that occurred while products were on route to their client's factory in Brazil caused not only a delay in delivery, but also significant financial losses as the Brazilian client could not meet their domestic orders. The laminates were also found to be faulty, causing one of the primary machines to break down which further delayed the client's production process. The Brazilian client deemed David's firm liable and filed a lawsuit against them in their country.

Chubb's Coverage

Covered by General Liability (including global extension), David got assistance from Chubb's claims team to coordinate a successful settlement and navigate the challenges in this multinational claim.



Please contact your insurance intermediary or Chubb for a tailored solution for your business.

chubb.com/digitalbusiness/hk

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