

Hong Kong Services Sector Set for Mainland Sustainability Windfall

*New HKTDC-ACCA research details China trends and
local opportunities*

5 September 2024 – A new report has found that 99% of mainland-based businesses have made a commitment towards sustainable investment over the next three years. Hong Kong has emerged as their first choice for sourcing the necessary range of related professional services.

The findings come as part of **Seizing Opportunities in China's Sustainable Investment**, a joint research report published today by the Hong Kong Trade Development Council (HKTDC) and the Association of Chartered Certified Accountants (ACCA).

Hong Kong: Key facilitator of sustainable development

The report was compiled after the two organisations surveyed 283 companies on their medium-term sustainability objectives. The research programme, which also included in-depth interviews with key industry representatives, aimed to evaluate the progress made by China-based businesses, as they align themselves with the Central Government's environmental priorities and explore the possibilities offered by green financing.

Commenting on the significance of the survey, **Irina Fan**, Director of HKTDC Research, said: 'As Asia's leading green finance hub, Hong Kong has the potential to make a significant and lasting impact on Mainland China's move to an ever more sustainable and environmentally friendly future.'

'With the city's own progress to establishing itself as an international green finance and technology centre gathering pace, it is gratifying to see that its success to date is being widely recognised across the mainland. This vote of confidence confirms we are on the right trajectory to work with businesses throughout the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), within China as a whole and along the Belt and Road countries/economies.'

Christina So, Head of ACCA Hong Kong and GBA Lead, said: 'This study has delivered invaluable insights into the evolution of sustainable business practices in China, making it an essential reference tool for anyone looking to explore business opportunities throughout the country. It also underscores the need for a high standard of competence and a clear understanding of the sustainability agenda among finance and accounting professionals, something that we at ACCA are committed to delivering.'

Healthy sustainable business practices

Another key research finding was that the vast majority of survey participants are prioritising meeting the government's policy objectives in the environmental impact space, especially with regard to substantially reducing carbon emissions.

Many companies also highlighted other benefits of adopting greener business practices, including enhanced access to green finance and establishing positive brand values on an international basis.

Barriers to sustainable investment

Despite the overwhelmingly upbeat sentiment with regard to adopting and implementing green protocols, many research respondents also reported ongoing challenges. These challenges are often slowing the rate at which agreed measures can be fully actioned. Chief among these concerns are cost pressures – cited by 82% of respondents – with an expectation that any return on investment in enhanced sustainability practices may not be evident in the short term.

While many respondents were enthusiastic about exploring green financing, there was also uncertainty over how best to access these channels. Regardless of this, some 70% of respondents agreed that they were considering using a green financing channel to meet their future needs.

Responding to the challenges facing the mainland business community, **Wing Chu**, Principal Economist of the HKTDC, said: ‘Despite the cost pressures highlighted, a major proportion of corporations is committed to investing in sustainability practices as a way to generate long-term value.’

‘Interestingly, only a smaller fraction currently perceives the lack of knowledge and talent as challenges. However, they are keen on tapping into green financing to address their future needs. This approach is especially noteworthy, as numerous corporations are set to expand their investment in China and are committed to executing this growth sustainably.’

Opportunities in green financing

The awareness of green financing options in China is still relatively low, with some 47%-56% of respondents indicating a lack of familiarity with many of the available options. Some 71% of respondents, however, maintained that they were willing to make wider use of green financing channels, including green loans and green bonds, while reducing their reliance on traditional financing options.

Detailing how the local professional services sector has evolved to meet these challenges, **Sam Chen**, Regional Lead, Policy & Insights for ACCA China, said: ‘As businesses increasingly prioritise sustainable practices, understanding the local context and utilising green funding and technology has become crucial. There is now a wider understanding that a comprehensive approach to sustainability is essential, if businesses are to progress towards a more sustainable future, while continuing to deliver in value terms.’

Respondents and interviewees for this research report were drawn from ACCA’s member community in China, which comprises finance professionals across a variety of key sectors, working at the forefront of an ever-changing business landscape.

To further capture the green opportunities along the region, the Government of the Hong Kong Special Administrative Region (HKSAR) and the HKTDC are organising the ninth edition of the Belt and Road Summit, which will be held at the Hong Kong Convention and Exhibition Centre on 11-12 September.

The event will gather green and ESG experts to facilitate knowledge exchange and cooperation on green development and sustainable finance, while showcasing Hong Kong's green industry capabilities globally. Under the theme of **Building a Connected, Innovative and Green Belt and Road**, there will be thematic breakout sessions on green development, infrastructure and financing.

Seizing Opportunities in China's Sustainable Investment (full report):

https://www.accaglobal.com/content/dam/ACCA_National/hk/PI/ACCAxHKTDC_China's-sustainable-investment_0905.pdf

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About HKTDC

The [Hong Kong Trade Development Council \(HKTDC\)](#) is a statutory body established in 1966 to promote, assist and develop Hong Kong's trade. With 50 [offices](#) globally, including 13 in Mainland China, the HKTDC promotes Hong Kong as a two-way global investment and business hub. The HKTDC organises [international exhibitions](#), [conferences](#) and [business missions](#) to create business opportunities for companies, particularly small and medium-sized enterprises (SMEs), in the mainland and international markets. The HKTDC also provides up-to-date market insights and product information via [research reports](#) and [digital news channels](#). For more information, please visit: www.hktdc.com/aboutus. Follow us on Twitter @hktdc and LinkedIn

About ACCA

We are ACCA (the Association of Chartered Certified Accountants), a globally recognised professional accountancy body providing qualifications and advancing standards in accountancy worldwide.

Founded in 1904 to widen access to the accountancy profession, we've long championed inclusion and today proudly support a diverse community of over 252,500 members and 526,000 future members in 180 countries.

ACCA now has over 29,000 members and 125,000 future members in China, with representative offices and contact points in 11 cities including Beijing, Shanghai, Guangzhou, Shenzhen, Chengdu, Shenyang, Qingdao, Wuhan, Changsha, Hong Kong SAR and Macau SAR.

ACCA's unwavering commitment to building sustainable economies is at the heart of our global vision. Through our policy positions and insights, we strive to inform and influence decision-makers, promote ethical and responsible business practices, and support the transition to a better future.

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