Service Sector Development as an Engine of Economic Growth: The Case of Hong Kong

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Commercial Services

1. Producer Services
   Intermediate service inputs into production of goods or other services, including banking, finance, insurance, real estate, engineering services, accounting, legal and computing services, etc.

2. Distributive Services
   Transport and storage, communication, wholesale and retail.
The Rise of Global Trade in Commercial Services

1. Trade and Investment Liberalization
   Globalization and Regionalization

2. ICT
   Making non-tradables more tradable
ICT

1. Microelectronics
   Flexible Manufacturing System

2. Internet
   Drastic decrease in information and communication cost
Impacts

1. Decreasing Importance of Scale
2. Increasing Importance of Scope
3. Shorter Product Cycles
4. Shorter Business Cycles
Implications

1. Fragmentation vs Integration in Production

2. Creativity vs Skills in Human Resources Development
A New Business Model

1. The Ford Model
2. Internationalization of Production
3. The Value Chain Model
The Logistics Industry

1. Land-intensive
2. Technology-intensive
3. Knowledge-intensive
4. Labour-intensive
5. Location-specific
The Future of Hong Kong

A Hong Kong – Pearl River Delta Logistics Hub
Thank You!