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TO THE BUSINESS / GENERAL EDITOR

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American Chamber of Commerce 2004 Business Outlook Survey

HONG KONG, December 14, 2004 – American Chamber of Commerce (AmCham) member companies continue to be optimistic about Hong Kong's economic future.

Close to 100% of AmCham respondents anticipate “good” or “satisfactory” overall company performance next year. Forty-eight percent intend to expand business in Hong Kong and 44% plan to increase their staffing levels over the next three years. Among the 71% of member companies with regional head offices in Hong Kong, 90% plan to maintain headquarters here, an 8% rise from 2001.

Commenting on the survey, AmCham Chairman Lucille Barale said: “Hong Kong continues to be a very attractive place to do business in the region. AmCham members are telling us that they “very satisfied” with Hong Kong's business environment. They value the convenience of Hong Kong's location and the strong legal and regulatory environment which Hong Kong offers. Hong Kong's economic fundamentals continue to be strong and we expect further economic growth by 2005.”

AmCham companies ranked the factors which are key to Hong Kong's business environment and then scored them; with Hong Kong's legal and regulatory systems, geographical location, communications network, free port status, well-developed infrastructure, and simple tax system all receiving approval ratings of 95% or higher. Nevertheless, companies surveyed would like to see improvements in the cost of office space and housing, quality of the natural environment, and cost of doing business to further enhance Hong Kong's competitive edge.

“Hong Kong possesses world-class standards for doing business in this part of Asia. With sophisticated financial markets, strong rule of law and the protection of intellectual property rights, to name just a few of the things which matter to our members, Hong Kong is once again proving itself to be the right platform for their China operations.” Ms. Barale noted.

Business continues to be booming in the Chinese market with high expectations for an improving business environment and strength in the economy. The number of member companies with operations on the Mainland has reached 85% and of those respondents, 93% intend to make additional investments over the next three years. Results also indicate that the nature of their business tends to focus on services, manufacturing, and sales & marketing. Beijing, Shanghai, and Guangdong province remains the location of choice for investments on the Mainland as suggested by most member companies.

AmCham's 2004 Business Outlook Survey, conducted by ACNielsen, was mailed to 833 corporate representatives and a total of 208 responses were received between October 11 to November 11, 2004, representing a 25.0% response rate.

About AmCham

The American Chamber of Commerce in Hong Kong is a non-partisan, non-profit business organization. Established in 1969, its mission is to foster commerce among the United States of America, Hong Kong and mainland China and to enhance Hong Kong's stature as an international business center. The chamber, with more than 2,000 corporate and individual members, espouses core values such as private enterprise, free trade, rule of law, ethical and responsible business practices, business and government transparency and the free flow of information.

For more information about the AmCham Annual Ball, please visit our Web site at www.amcham.org.hk/events/html.