

New report finds that women-targeted initiatives are needed to boost the prospects of women entrepreneurs in Hong Kong

Hong Kong, March 18, 2014 – The Women's Foundation, one of Hong Kong's leading NGOs dedicated to the advancement of women, today launched a new report on women's economic empowerment through entrepreneurship in Hong Kong.

The report, published in collaboration with social policy consultant Louisa Mitchell and supported by Goldman Sachs Gives, spotlights the specific challenges that female entrepreneurs and women-owned businesses face in Hong Kong and recommends targeted policies, training, and funding initiatives to address these challenges.

The study found that

- Only scant data is available on the breakdown of SME owners by gender
- Over 80% of high-growth enterprises in Hong Kong are founded by men, with Hong Kong trailing behind China and the United States
- Women are more risk averse when it comes to seeking external funding. At the same time, banks are not offering tailored financing assistance to women-owned businesses while the private equity and venture capital sector in Hong Kong continues to be largely male-dominated which may be off-putting to women entrepreneurs looking for funding
- The biggest challenges for women owned businesses are attracting and retaining suitably qualified staff, getting relevant and timely advice on how to overcome hurdles, and leveraging R&D and technology to scale up
- There is very little evidence that Hong Kong's large conglomerates are embracing supply chain diversity
- There is potential for mutual learning between Hong Kong and China where women entrepreneurs are successfully launching and running technology, manufacturing and professional services businesses, with the support of state-funded micro-financing initiatives to help women-owned start-ups

Key recommendations emerging from the study include

- Establishing a Women's Entrepreneurship Centre, possibly within the Trade and Industry Department – This would provide the capacity to apply a gender lens to the development of the SME sector and business ownership in Hong Kong. The new Centre would be tasked with the systematic collection of gender-disaggregated data and detailed analysis of the needs of women entrepreneurs, leading to a policy framework for women business owners
- Encouraging more Hong Kong companies to embrace supply chain diversity with a particular focus on supporting and providing opportunities to women-owned businesses – A greater commitment by MNCs and major Hong Kong companies to procure goods and services from women-owned businesses while offering support, training and mentoring would provide valuable business and development opportunities for women entrepreneurs
- Launching targeted programmes to provide women entrepreneurs with vital access to venture capital, business advice, training and mentoring
- Building women's representation and networks within the angel investor, venture capital and private equity community
- Facilitating hiring and access to R&D and technology by women-owned SMEs
- Improving the dialogue between Hong Kong and China over initiatives and programmes that seek to empower women entrepreneurs and fostering cross-border opportunities for business development

According to Su-Mei Thompson, CEO of The Women's Foundation, "Despite the relatively favourable environment for entrepreneurs in Hong Kong, there is a heavy gender skew especially when it comes to higher growth enterprises. Hong Kong has no shortage of women entrepreneurs but women owned businesses tend to start and stay small. Our study identifies the kind of targeted initiatives female entrepreneurs need to build and scale their businesses. We hope to see a new generation of female entrepreneurs emerging and launching innovations in wearable technology, eco-affordable products, new healthfoods, and new forms of transportation that potentially harness Hong Kong innovation alongside Chinese engineering. Basically, women entrepreneurs represent untapped potential as drivers of sustainable growth which is key to Hong Kong's future."

Florence Hui, Under Secretary for Home Affairs, said "Engaging more women in the workforce is a critical imperative for Hong Kong given our rapidly ageing population and for us to stay globally competitive. Encouraging more women to become entrepreneurs is a viable and critical part of the solution. There are many examples of Hong Kong women starting successful social enterprises and new ventures which can serve to inspire others. We congratulate The Women's Foundation on this important report and its continuing efforts to spotlight role models and recommend new approaches that will help accelerate the economic and social contributions of women entrepreneurs in Hong Kong."

Stephanie Hui, Head of Merchant Banking Division in Asia Pacific ex-Japan with Goldman Sachs, said, "We are very proud to partner with The Women's Foundation on its latest research. Its earlier work has raised awareness among policymakers and the society about issues faced by women in Hong Kong. Research conducted by Goldman Sachs' economists, the World Bank, and others suggests that investing in the education of women and their economic empowerment can have a significant positive impact on GDP growth and per capita income."

Goldman Sachs has worked closely with The Women's Foundation since its inception in 2004, sponsoring a number of earlier research reports on the status of women, the gender gap and the demographic change of women in Hong Kong. The firm is also partnering with the Foundation on its Women on Boards initiatives to stimulate demand for, and promote the supply of, board-ready women in Hong Kong. The funding for the new report was provided through Goldman Sachs Gives, a donor-advised fund through which Goldman Sachs and its senior employees can recommend grants.

Since its launch in March 2008, Goldman Sachs 10,000 Women has provided 10,000 women across 43 countries with a business and management education and access to networks and mentors. Thirty months after completing the programme, 82% of surveyed graduates have increased their revenue

and 71% have added new jobs. On March 5, 2014, Goldman Sachs Foundation and the International Finance Corporation, a member of the World Bank Group, announced a joint partnership to create the Women Entrepreneurs Opportunity Facility, the first-ever global finance facility dedicated exclusively to women-owned small and medium enterprises that will enable approximately 100,000 women to access capital.

To read the Executive Summary in English, click [here](#).

To read the Executive Summary in Chinese, click [here](#).

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