

PATRICK P. L. TSANG HONG KONG'S POSITION IN CHINA WILL BE VERY STRATEGIC AND IMPORTANT, EVEN MORE THAN BEFORE THE PANDEMIC

Patrick P. L. Tsang is heading his global family office, Tsangs Group, that is investing globally into tech companies. He is the Founder and Chairman of the Hong Kong Ambassadors Club and is also running a podcast "Anything is Possible with Patrick Tsang", interviewing the world's most successful people with today nearly 100 episodes. He talks to Diplomatic World Institute co-founder Dieter Brockmeyer about his investment strategy and, along with his outlook on the future of Hong Kong as a global business hub in a still globalized world that is increasingly "more regionalized than ever".

HOW DO ALL YOUR ACTIVITIES FIT TOGETHER?

Thank you very much for the interview! Generally, I am quite a curious person. I like to learn and in all kinds of ways from, you know, health to business to personal, and I just want to keep improving. Our family has evolved from starting restaurants in the UK, to evolving to do and invest into real estate in the UK, Hong Kong and China. And in the last 13 years or so we have diversified by investing into technology. We like to keep changing, improving, and doing better for ourselves.

The mission statement of the family business is to make investments globally. We invest mostly in technology, and we try to have a positive impact to create a better world. We do not touch fields like gambling, tobacco, alcohol, defence or weapons. That is why we have been doing things from AI to FinTech and more recently venturing into space tech, food tech, etc.

And then, in my spare time, I started a podcast called "Anything is Possible with Patrick Tsang", which is distributed via different kinds of media. It started during the pandemic. We decided to interview some of my friends to share their positive stories. Especially in Hong Kong at the time, with social protests and the economy as it was, this was one way to spread positive vibes. We have now done almost 100 episodes.

Last year when Hong Kong was in dire straits, we decided to

set up the Hong Kong Ambassadors Club, basically to promote Hong Kong's image. It is an organization for global investors, entrepreneurs, to try to deepen ties, build connections and to help showcase Hong Kong to the world, to bring business here and vice-versa. Tsangs Group has a Hong Kong office and others in London, Dubai and Singapore. We do not want to be restricted by geography. The world has become more and more complex. Even though there seems to be a kind of de-globalization, I actually think the world is still very globalized. At the same time, it has become more regionalized than it has ever been before.



Photo: Patrick P. L. Tsang



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THE WORLD DEFINITELY HAS BECOME MORE COMPLEX. INVESTING IN DIFFERENT REGIONS HAS BECOME MORE COMPLICATED. SO HOW ARE YOU HANDLING THIS?

Our business tag-line says "Think global. Be local." First of all, that means we are very flexible and agile. That is why we do not have restrictions as to where to invest. Obviously, we cannot invest in every single country or city because we do not have the manpower. Locations like the US and China have been the focus. One thing we learned during the pandemic was that we need to diversify. Because of the ongoing US-China tensions, we decided that we need to be more active in neutral places, such as the Middle East and Southeast Asia, where there are plenty of opportunities. It means that even though we think global, we still need local partners.

You need to understand the local markets, the culture and so forth, to be able not only to get access to deals, but also to be in a position to protect your assets and the value of your investments. In China, there are local versions of Uber, Airbnb, Google or Apple. None of these big brands has really been able to be successful in China. It took Coca Cola 19 years in China before they turned profitable. What I am trying to say is that the local guy always wins.

It is always good to have the right local partner. Otherwise we'd rather not enter the market, regardless how great the opportunity is. We have been to different places in Africa, Latin America and Asia. And in the end, unless you are willing to live there and be there more than six months a year, you are unlikely to come out profitable. Because as soon as you are out of sight, you are out of mind. The local partner may end up thinking that he's the owner even when you have put up all the money. This is also what I take from "The Prince", the book by Machiavelli: You need to send your own guys into a new place to govern. That is why I am a big proponent of saying, you have to have a local on the management or you need a local partner.

YOU'RE NOT GETTING INVOLVED DIRECTLY WITH THE COMPANIES YOU INVEST IN?

I would like to emphasize that I do not get involved in our ventures. We are now in the midst of doing a business combination with an existing company that does co-working spaces in Asia. I am not a manager or CEO type of person, not even an entrepreneur. But I am entrepreneurial, that is to say I know how to help curate the story and how to bring the right people together to make business better. In this particular case, we are bringing extra value to the board and the management team.



Photo: Patrick P. L. Tsang

We bring in money and we bring in our global network of investors or management to help bring more value to the company. That's why we've been successful so far.

THE HONG KONG AMBASSADORS CLUB YOU RECENTLY FOUNDED IS A GREAT NETWORKING OPPORTUNITY, BUT I UNDERSTAND THAT THE VISION BEHIND IT IS MUCH WIDER?

I started setting it up with a few like-minded people since August last year. It was the first time I had been in Hong Kong for almost two years. I was super excited and elated to be back to see family, friends and smell the Hong Kong air again. At the same time, I was very sad because the place had lost a lot of people due to emigration. The pandemic had hit the people very hard. A lot of the shops were closed, the energy of Hong Kong had dropped

significantly. We decided that we need to promote Hong Kong again. Hong Kong 1.0 is pre-1997, before the handover, Hong Kong 2.0 lasted from 1997 until the pandemic and now we're talking about Hong Kong 3.0, a new beginning.

China's opening up to the world has changed the dynamics and the entrepreneurship of Hong Kong. In Hong Kong, for instance, we have a new initiative called the Greater Bay Area, GBA. This is an area with around 90 million people. It encompasses 13 cities around the Hong Kong-Guangdong area, one of the most influential and wealthiest regions on the planet. Hong Kong's position in China will be very strategic and most important, even more than before the pandemic.

The macro opportunity of investing in China is still huge. The way to do it is to invest into Hong Kong, into the GBA area. You can invest in a Chinese company in the GBA according to Hong Kong

law, which is common law. This is very similar to the Dubai International Financial Centre (DIFC), where common law is applied (not local Arabic law), and the official language is English. That is what Hong Kong is trying to do.

I'm also confident that Hong Kong will not compete with Singapore or UAE. I believe that it is not about competition. And the reason for that is that all three cities are very similar and that the three very old cultural trading ports have become powerhouses and financial hubs.

All three cities have no resources, there is no oil, nothing. They have been developed purely through professional workforce. Singapore is the gateway to Southeast Asia. Dubai is the gateway into the Middle East. And Hong Kong is the gateway to China. To get into, China you have to go through Hong Kong.

IN YOUR PODCAST YOUR GUESTS ARE TELLING THE SECRETS OF SUCCESS. WHY ARE THEY DOING THIS? AND AS A CONSEQUENCE, WHAT IS YOUR PERSONAL SECRET OF SUCCESS?

I really believe in energy, I believe that the more you give, the more you get back. I am not talking about myself, I'm talking about the guests. These guys have achieved a lot. These guys are willing to share their knowledge. The older they get, the more they want to help young people. We want our next generation to do better. The best way to do this is to teach and to share all our knowledge, all the mistakes that we have made. Hopefully, they can learn from them and avoid these mistakes. They can do better than us. That is how the world and humanity have improved over centuries and millennia. I do not have a personal definition of success. I focus on doing something that I enjoy. Once you do a good job, rewards will come.



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