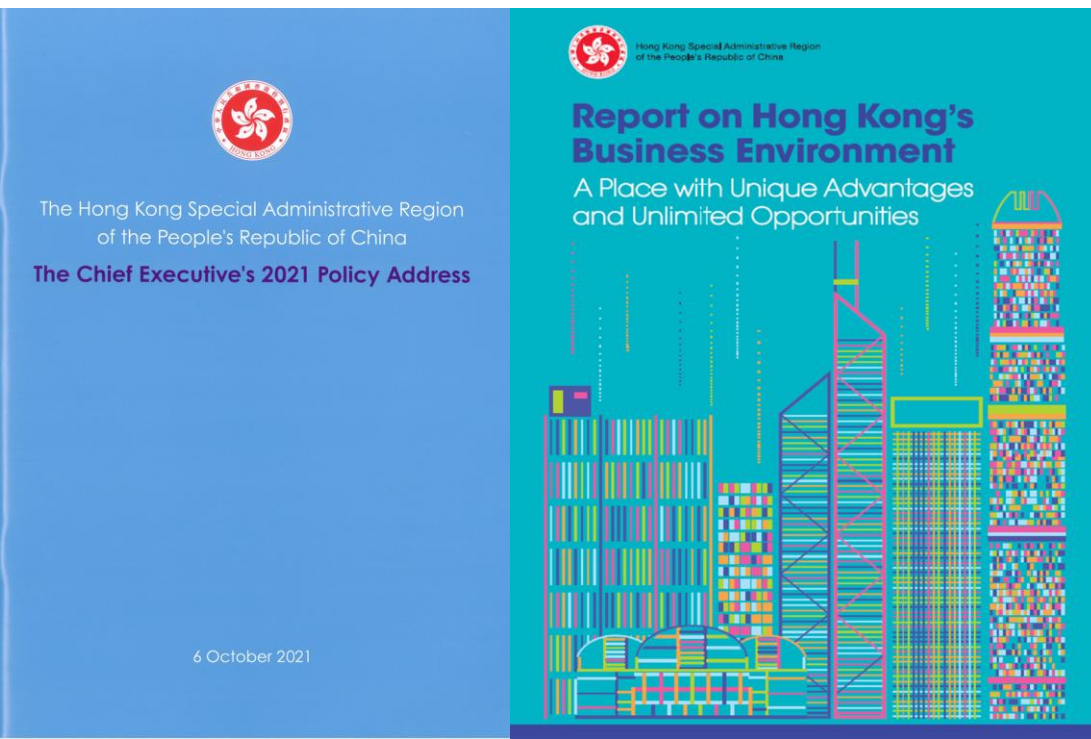


Update on Hong Kong's Business Environment

Stephen Phillips
Director General of Investment Promotion

7 & 8 October 2021



☐ Hong Kong's Business Environment

- Vibrant business environment
- Solid foundations
- Regional Headquarters and Startups Surveys 2021

☐ Unlimited opportunities

- Routes to growth
- 14th Five Year Plan
- Greater Bay Area
- Qianhai Shenzhen-Hong Kong Zone

☐ Policy Address 2021 Highlights

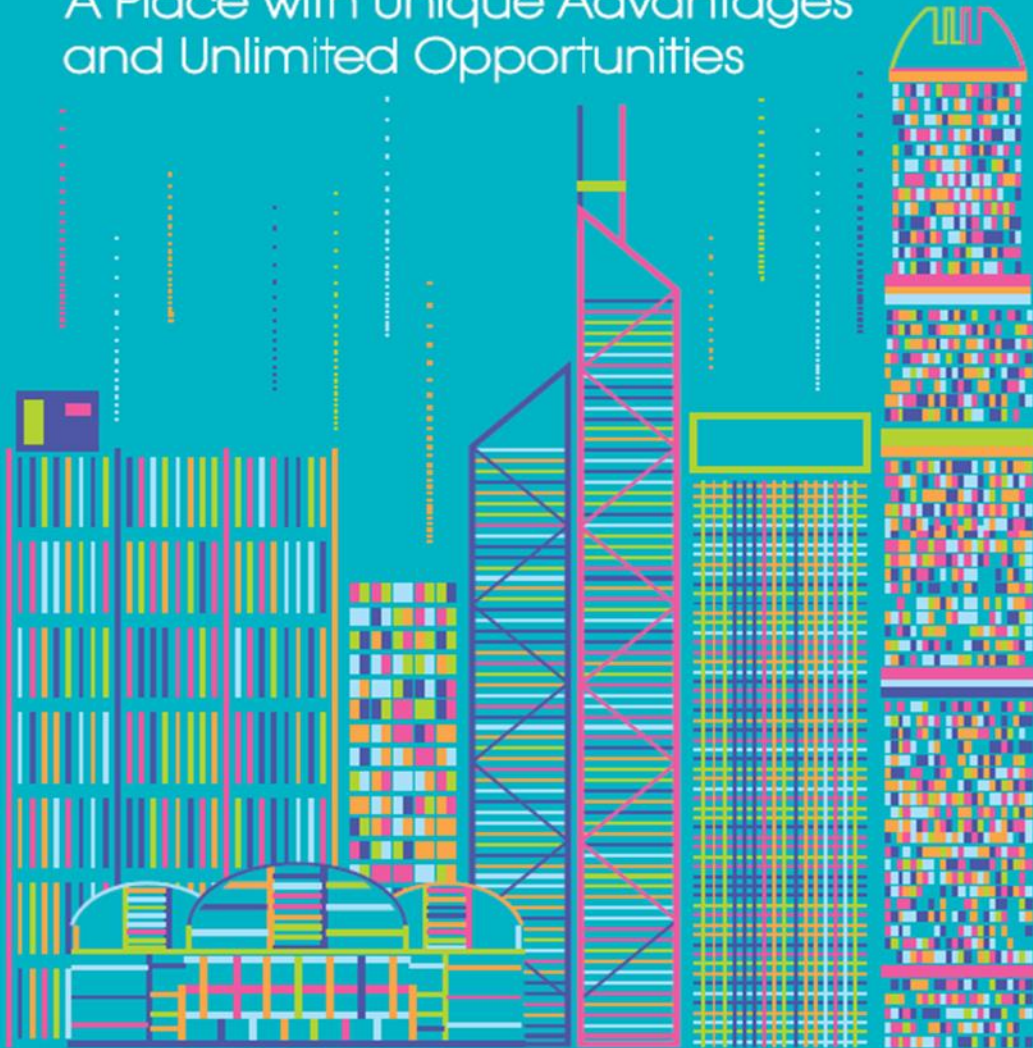
☐ Useful resources



Hong Kong Special Administrative Region
of the People's Republic of China

Report on Hong Kong's Business Environment

A Place with Unique Advantages
and Unlimited Opportunities



Hong Kong's vibrant business environment

- One country, two systems - cornerstone of our economic development
- Thrived as an international centre for finance, commerce and trade, home for corporate headquarters, major hub of investment, transportation and logistics
- Double safeguards to restore social stability and safeguarded the business environment
- Wide range of international organisations and foreign chambers of commerce confident in HK's future

<https://www.hkeconomy.gov.hk/en/environment/index.htm>

Our solid foundations and robust inherent strengths

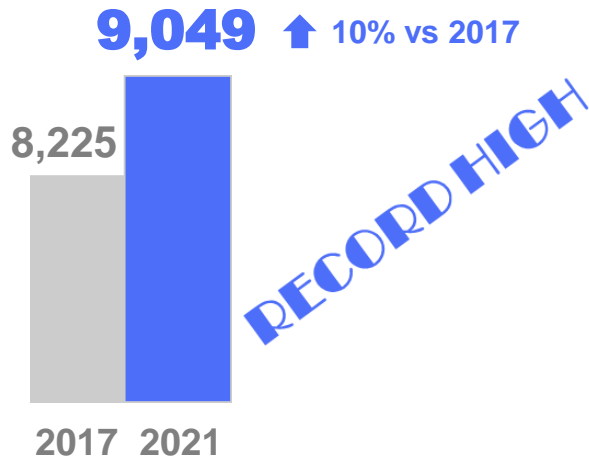
- Rule of law and judicial independence
- Free flows of goods, capital, talent and information
- Low and simple tax regime
- Robust financial system
- Sound regulatory frameworks
- World-class infrastructure and digital facilities
- Free port
- Wealth of talent
- Asia's international and cosmopolitan city
- Safe and quality environment

And much, much more.....

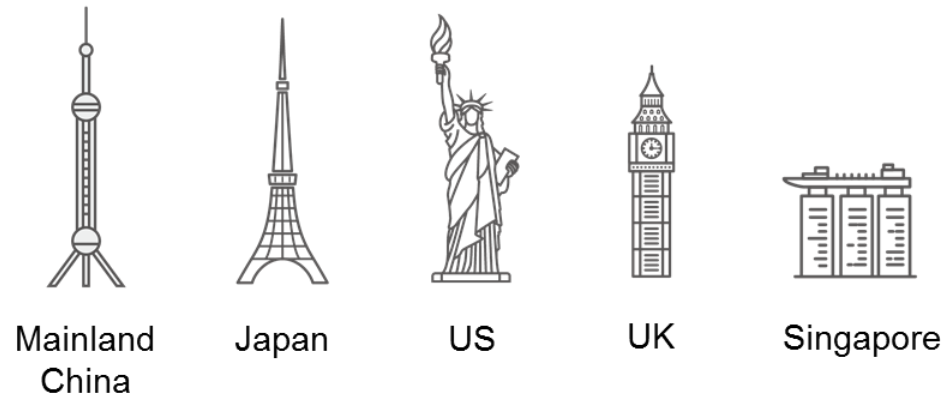


Strong and Robust Global Businesses Community

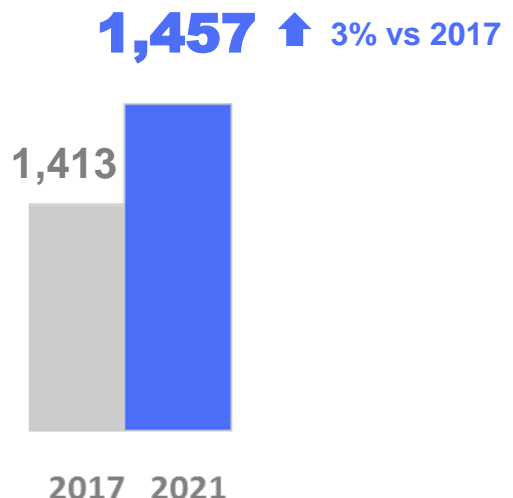
Companies with parent companies outside Hong Kong



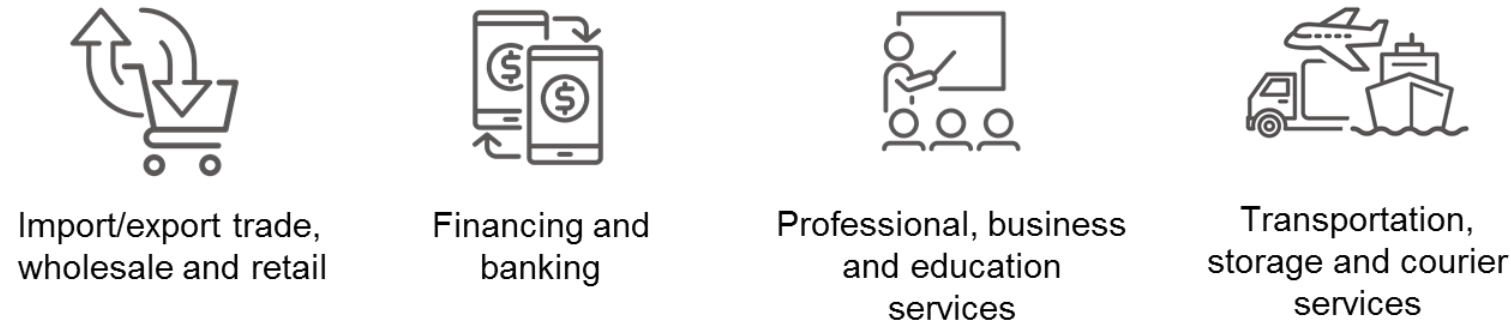
Major sources of the parent companies



Regional headquarters in Hong Kong



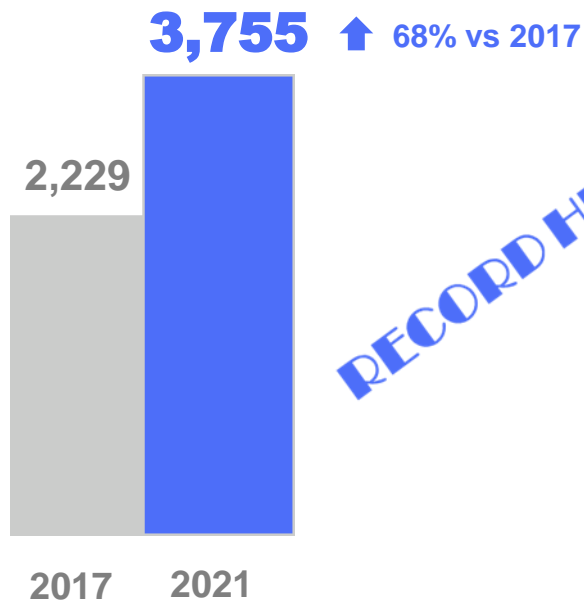
Major lines of business



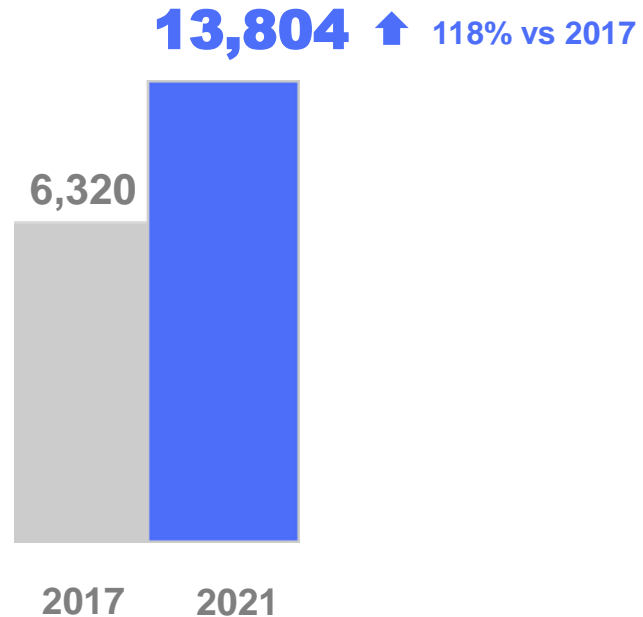
Source: 2021 Annual Survey of Companies Operating in Hong Kong with Parent Companies Located Outside Hong Kong

Hong Kong's Energised Startup & FinTech Ecosystem

Number of startups



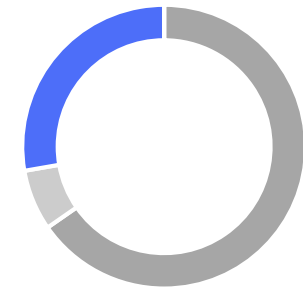
Number of staff employed



Top business sectors

- FinTech
- eCommerce / supply chain management / logistics technology
- Professional or consultancy services
- Information, computer and technology
- Design

Origin of founders



- Hong Kong
- HK returnees
- Outside HK

Number of FinTech companies

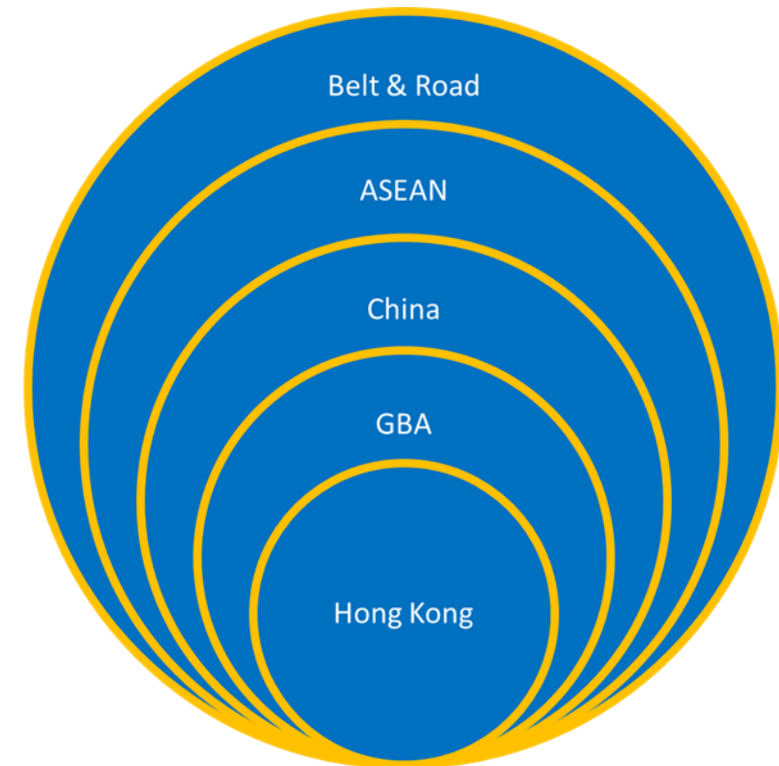
600+



The Future is one of Unlimited Opportunities



Routes to growth



Further fuelled by RCEP

'Hong Kong to continue to play an important and irreplaceable role in the development of the country'

Outline of the 14th Five-Year Plan for National Economic and Social Development of the People's Republic of China and the Long-Range Objectives Through the Year 2035

The 14th Five-Year Plan

4 Traditional Sectors

International Financial Centre

International Transportation Centre

International Trade Centre

Centre for International Legal and Dispute Resolution Services

4 Emerging Sectors

International Aviation Hub

International Innovation and Technology Hub

Regional Intellectual Property Trading Centre

East-meets-West Centre for International Cultural Exchange

Factsheets on 14th Five-Year Plan

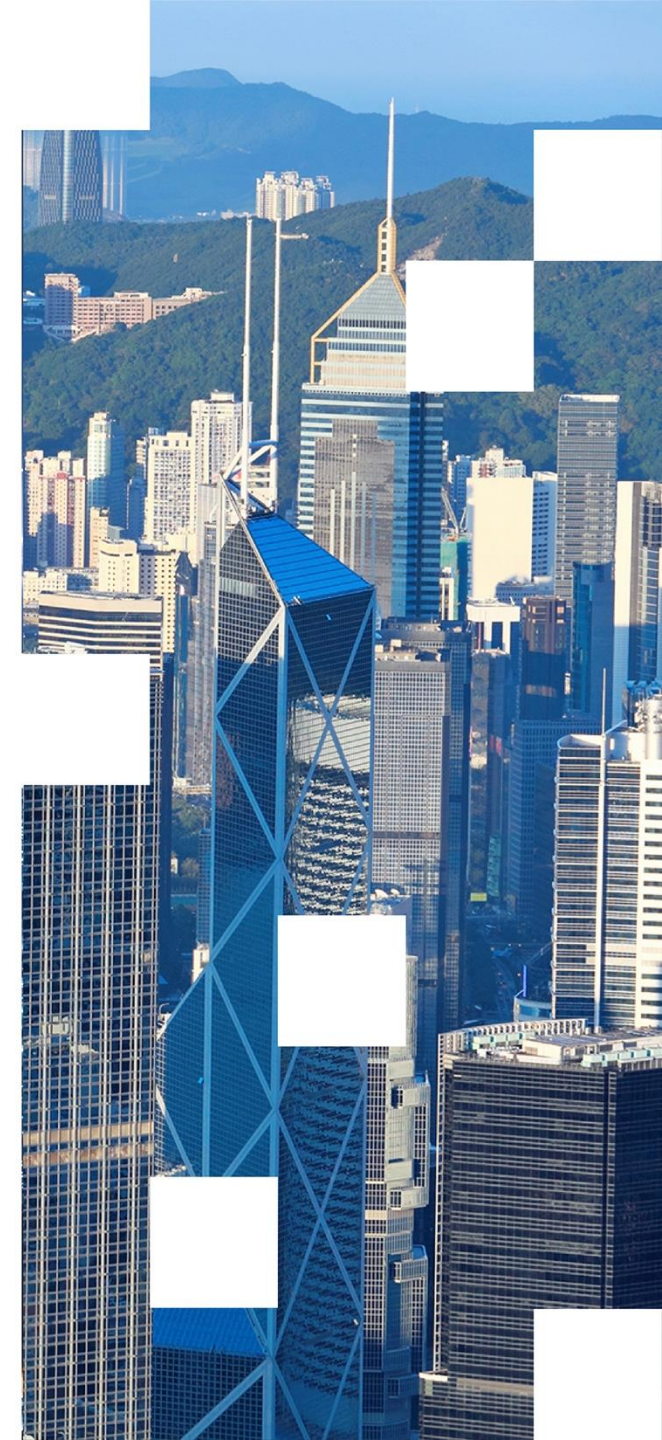
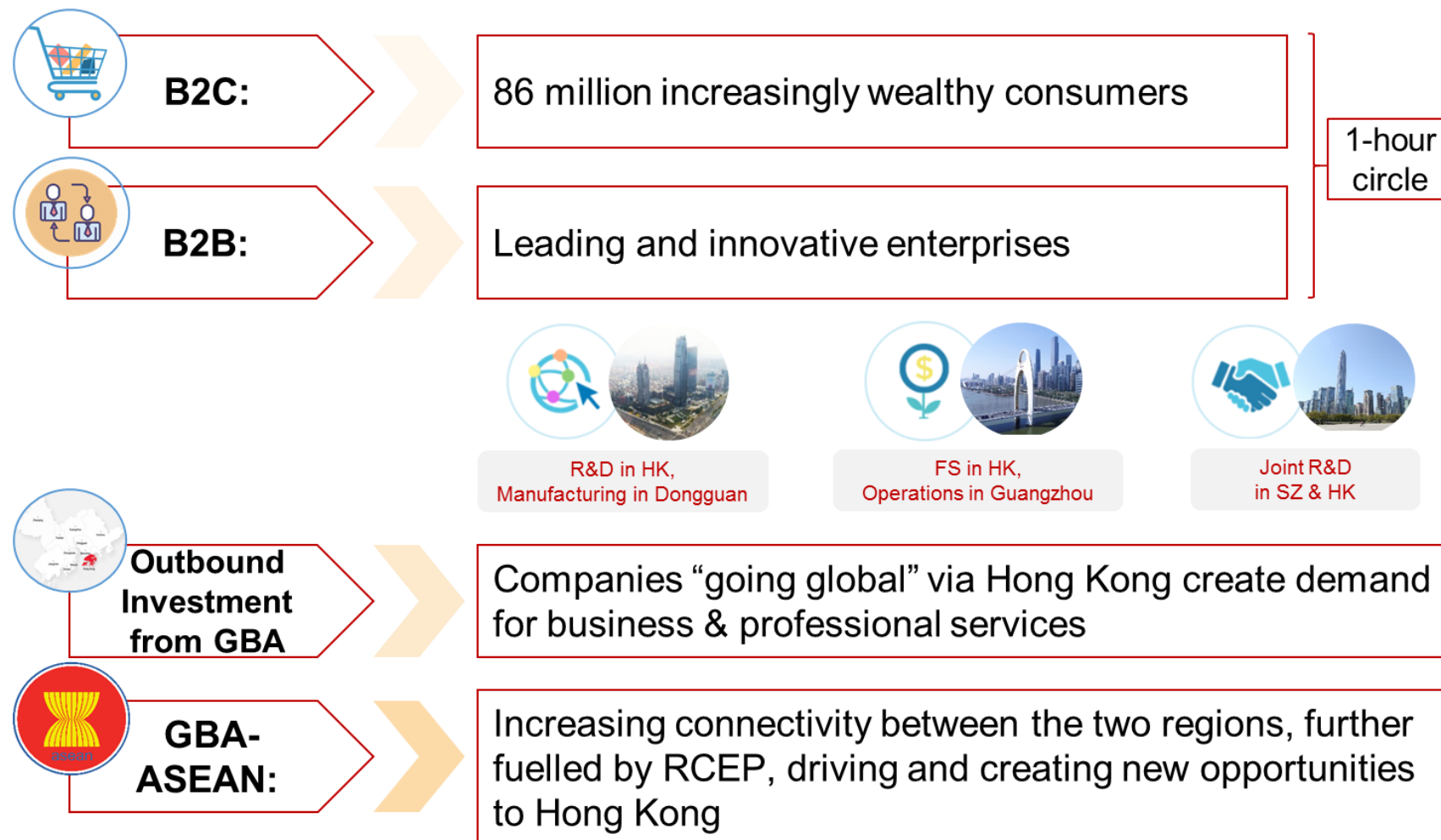
Topic	Link
International Financial Centre	https://www.policyaddress.gov.hk/2021/eng/pdf/publications/14-5/01_Factsheet-International-Financial-Centre.pdf
International Transportation Centre	https://www.policyaddress.gov.hk/2021/eng/pdf/publications/14-5/02_International-Transportation-Centre.pdf
International Trade Centre	https://www.policyaddress.gov.hk/2021/eng/pdf/publications/14-5/03_International-Trade-Centre.pdf
Centre for International Legal and Dispute Resolution Services in the Asia-Pacific Region	https://www.policyaddress.gov.hk/2021/eng/pdf/publications/14-5/04_Intl-Legal-and-Dispute-Resolution-Centre.pdf
International Aviation Hub	https://www.policyaddress.gov.hk/2021/eng/pdf/publications/14-5/05_Factsheet-Intl-Aviation-Hub.pdf
International Innovation and Technology Hub	https://www.policyaddress.gov.hk/2021/eng/pdf/publications/14-5/06_International-Innovation-and-Tech.pdf
Regional Intellectual Property Trading Centre	https://www.policyaddress.gov.hk/2021/eng/pdf/publications/14-5/07_IP-Trading-Centre.pdf
East-meets-West Centre for International Cultural Exchange	https://www.policyaddress.gov.hk/2021/eng/pdf/publications/14-5/08_Arts-and-Cultural-Exchange-Hub.pdf



Guangdong-Hong Kong-Macao Greater Bay Area (GBA)

- Hong Kong, Macao and nine cities in Guangdong
- One of the world's largest and most competitive bay areas
 - Population of 86 million
 - GDP US\$1.67 trillion in 2020
 - ~ 9th largest economy (Canada)
 - US\$20,000 GDP per capita
- World-renowned base for production and exports
- Home to some of country's most advanced Innovation & Technology and advanced services industries

Hong Kong's Strategic Position in the GBA



Opening up of Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone

- Support Hong Kong's economic development
- Lifting cooperation between Guangdong-Hong Kong-Macao to a higher level
- An important measure for opening-up
- Promote development in the GBA
- Create a test platform for deepening reform and innovation in the GBA
- Build a high-level gateway for opening-up



Qianhai Shenzhen-Hong Kong Cooperation Zone

8 Major Measures

Build a platform for deepening reform and innovation



Promote the innovative development of modern service industry



Speed up the reform for scientific innovation and technological development



Build a world-class business environment



Operate as an innovative cooperation zone

Building a high-level opening-up gateway hub



Achieve further liberalization of trade in Services in Hong Kong and Macao



Expand the opening up of the financial industry



Enhance the opening up of legal affairs



Participate in international cooperation



The Hong Kong Special Administrative Region
of the People's Republic of China

The Chief Executive's 2021 Policy Address

6 October 2021

- Ambitious policy blueprint for housing and the tech sector
- New metropolis near Shenzhen with an innovation and tech corridor as engine
- Integrate more closely with opportunities arising from national development
- 88 ha HKSTP expansion opens up opportunities for more tech ventures (56)
- InnoLife Healthtech Hub and enhanced clinical trials practices will spur drug R&D and clinical trials, attract global talent and leverage GBA (63, 64)
- 2050 Net Zero will bring in more waste reduction and green building and green transportation companies (99, 100, 103)
- Autonomous vehicles can leverage Hong Kong for R&D and field trials (113)



The Hong Kong Special Administrative Region
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The Chief Executive's 2021 Policy Address

Supplement

6 October 2021

- Ship leasing tax incentive and HK as arbitration venue by BIMCO will attract more ship leasing / financing and legal / arbitration companies to HK (44)
- Second advanced manufacturing centre and re-industrialization efforts on infrastructure, talent, capital, technology and research attractive to high value and tech intensive manufacturers (61)
- Leveraging cross boundary financial strengths for Stock Connect, Bond Connect and Wealth Management Connect cements HK's Global Financial Centre status (42)
- Tax concession provision will attract more family offices to the city (42)
- GBA sandbox network to test cross border Fintech applications is unique and a first (42)
- Big Data Monetisation and Open API Fintechs highly sought after in HK (50)



The Hong Kong Special Administrative Region
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The Chief Executive's 2021 Policy Address

6 October 2021

- New opportunities from international legal & dispute resolution centre in APAC (52, 53) and enhancement as an IFC (41, 42)
- Smart Port, cross-boundary connection and Commercial Data Interchange attractive for regional sourcing and e-commerce companies across Greater China and ASEAN (43, 46 & 50)
- Expansion of convention and exhibition facilities, development of new cultural initiatives and multi-destination tourism promotion provide strong retail opportunities with a pan-GBA strategy (48, 70 & 76)
- New Culture, Sports and Tourism Bureau will attract new tourism projects and additional Convention & Exhibition facilities will anchor more international events (32, 39 & 48)
- East-meets-West centre for cultural exchanges and formation of Culture Bureau will foster opportunities for arts and cultural businesses (32, 71)
- Leveraging technologies in cultural exchanges attractive to arts technologies companies to tap into Hong Kong and the Mainland market (70)

Useful resources

Resource	Link
Report on Hong Kong's Business Environment	https://www.hkeconomy.gov.hk/en/environment/index.htm
2021 Policy Address	https://www.policyaddress.gov.hk/2021/eng/index.html
Invest Hong Kong	http://investhk.gov.hk/
Greater Bay Area - short reads by David Wong on LinkedIn	https://gba.investhk.gov.hk/en.html https://www.linkedin.com/in/davidw-ihk/
Fintech	https://www.hongkong-fintech.hk/
StartmeupHK	https://www.startmeup.hk/
Family Offices	https://www.familyoffices.hk/
Talent Attraction	https://www.liveworkhongkong.gov.hk/
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<input type="text" value="Tel"/>	

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
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