



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

A circular, fisheye-style image of the Hong Kong skyline, showing a dense collection of skyscrapers and buildings arranged in a circle against a blue sky with white clouds. The image is centered around the title text.

Report on Hong Kong's Business Environment

Unique Strengths under
“One Country, Two Systems”



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Introduction

In an era marked by an intricate global political and economic landscape, businesses and investors around the world are craving a stable business environment which enables them to open up greater opportunities abroad. With the strong backing of our country and as the world's freest economy, Hong Kong enjoys a unique position and unparalleled advantages that make it an ideal place for doing business. The Government of the Hong Kong Special Administrative Region (HKSAR) is striving to build a vibrant economy and foster a more favourable business environment to attract capital and talent to the city. Hong Kong is open to infinite possibilities in its development. Entrepreneurs from across the globe are welcome to do business and invest in Hong Kong, and work together for mutual benefit.

Over the years, Hong Kong has been a desirable location for businesses worldwide owing to our distinctive advantages of having strong support from the Motherland and being closely connected to the world under "One Country, Two Systems". Additionally, Hong Kong is a free market economy and has always maintained a simple and low tax regime. Our favourable geographical location, which offers access to the vast markets of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) and the rest of the Mainland, enables us to serve as a bridge between the Mainland and international markets. Since our return to the Motherland, Hong Kong has upheld its status as a free port and separate customs territory under the Basic Law, supporting a multilateral trading system with free flow of capital, goods, people and information. Hong Kong is also able to participate in international organisations and enter into trade agreements under the name "Hong Kong, China", thereby making its mark in the international arena. These robust systems

and favourable conditions have put Hong Kong in an irreplaceable position.

In fact, more and more global enterprises and talent, as well as international rating agencies, have cast a vote of confidence in Hong Kong, fully recognising our strength and competitiveness across multiple dimensions. Those who have visited Hong Kong are often impressed by the city's vibrancy and charm. They would agree that Hong Kong, apart from being safe, efficient and pluralistic, is also one of the most open and business-friendly cities in the world. Statistics show that the measures launched by the HKSAR Government to attract enterprises, investment and talent have achieved tangible results, indicating investors' full confidence in the prospects of both Hong Kong and our country.

Looking ahead, opportunities have come at an opportune time. Hong Kong's core competitiveness is solid and new strengths are emerging. Hit by the tariff war, places



around the world are actively seeking external investment opportunities, leading to a reallocation of global capital. Hong Kong is well-positioned to help countries diversify risks, and attract capital, enterprises and talent to the city. The HKSAR Government will make proactive efforts to understand, respond to and embrace changes in order to create a better investment and business environment, and to adopt different policies and measures in a timely manner to support the business sector in meeting challenges. We will adopt a bottom-line mindset in managing risks, and drive economic growth at full speed and yet with stability. While proactively integrating into the overall national development, Hong Kong will remain a highly internationalised city. As an important node in the domestic and international dual circulation of our country, Hong Kong will continue to enhance regional and international co-operation. We will actively participate in and promote national strategies - such as the GBA development and the Belt and Road (B&R) Initiative - in collaboration with

the business sector, with a view to upholding Hong Kong's well-established reputation as one of the most business-friendly cities.

The HKSAR Government has prepared this Report on Hong Kong's Business Environment with the aim of telling Hong Kong's stories and introducing to the international community the city's strengths under "One Country, Two Systems" as well as the vast opportunities and promising prospects for future development. As the world undergoes profound changes unseen in a century, Hong Kong is forging ahead tenaciously against the raging torrents and seeking breakthroughs through innovation. We sincerely hope to establish friendly relations and maintain communication and mutual trust with business communities and investors around the world, and help them better understand Hong Kong. No matter how unpredictable the external environment may be, Hong Kong remains the most reliable and ideal place for doing business.



CHAPTER

1

Leveraging the strengths of the Motherland and connecting business opportunities worldwide

The successful implementation of “One Country, Two Systems” has attracted global attention. Hong Kong’s strong and robust rule of law and high degree of autonomy have provided a solid safeguard for the city’s business environment. Today, Hong Kong is one of the most open and business-friendly cities in the world, ranking as the world’s freest economy. In the face of the bullying and protectionism of the United States (US), the HKSAR Government will continue to maintain its status as a zero-tariff free port, uphold the rules-based multilateral trading system, pursue a free trade policy, and strive to create a more enabling and efficient business environment. Investors from around the world are welcome to explore opportunities and open up new horizons in Hong Kong.



SECTION 1

The best place in the world to do business and the most preferred destination for corporate investment



Hong Kong is one of the cosmopolitan cities in Asia having the most advantages. It is also one of the most competitive economies in the world. Under “One Country, Two Systems”, Hong Kong is known for its robust legal and financial systems, simple and low tax regime, strategic location at the heart of Asia, advanced infrastructure, pool of top-notch talent, and high-quality professional services. With its close connectivity to leading global business centres, Hong Kong offers a dynamic, free and open, convenient and safe place for doing business, making it a preferred destination for corporate investment.

Hong Kong is the only city in the world where the China advantage and the global advantage converge. Hong Kong is also the best connector linking the Mainland and the rest of the world, giving full play to its dual roles of **assisting Mainland enterprises to “go global” and attracting overseas investment**. Enterprises from both traditional markets (such as the European and American markets) and developing countries are eager to tap into the huge Mainland (especially the GBA) market through Hong Kong. On the other hand, more and more Mainland enterprises see Hong Kong as a springboard for “going global” and a bridgehead for extending their reach to the B&R and other overseas markets.

According to the **Business Ready 2024 Report** recently published by the World Bank Group, Hong Kong is one of the top ten performers among the 50 economies covered. The city scores highest in three of the ten topics, namely “International Trade” (90.77 points), “Business Entry” (85.49 points) and “Utility Services” (77.71 points). Among the three pillars, Hong Kong ranks 5th in “Operational Efficiency” with a score of 78.52 points.

The Report recognises Hong Kong’s position as an international trading centre with simple and clear regulations in business entry as well as stable and efficient utility infrastructure and services. It highlights, among others,

that Hong Kong has few restrictions on the promotion of international trade in services and implements good practices in terms of information provision and regulations relating to company registration. The Report fully illustrates Hong Kong’s role as a “super connector” and a “super value-adder”, and as a two-way door in attracting overseas enterprises and assisting Mainland enterprises to “go global”. Such strengths will remain steadfast despite changes in the global landscape.



According to the Business Ready 2024 Report recently published by the World Bank Group, Hong Kong is one of the top ten performers among the 50 economies covered.

Resolute implementation of the “One Country, Two Systems” principle

The Central Government has all along been fully, faithfully and resolutely implementing the policy of “One Country, Two Systems”, thereby maintaining Hong Kong’s distinctive status and advantages and making the city an ideal place for doing business. General Secretary of the Central Committee of the Communist Party of China (CPC) and President Xi Jinping has affirmed time and again that “One Country, Two Systems” is a good policy which must be adhered to in the long run. The Central Government sets the direction for Hong Kong’s development, reinforcing the city’s confidence to stride forward, and allaying unnecessary concerns.

In 2017, President Xi stated at the celebrations of the 20th Anniversary of Hong Kong’s Return to the Motherland that “the Central Government will unswervingly implement the policy of ‘One Country, Two Systems’, and make sure that it remains unchanged and unshaken, and that it is fully applied in Hong Kong without being bent or distorted.”

In 2022, President Xi stressed again at the celebrations of the 25th Anniversary of Hong Kong’s Return to the Motherland that “‘One Country, Two Systems’ has been tested repeatedly in practice. It serves the fundamental interests of not only Hong Kong and Macao, but also the whole country and the nation. It has gained wide support from the 1.4 billion-plus Chinese people including the residents of Hong Kong and Macao. It is also widely accepted by the international community. There is no reason for us to change such a good policy, and we must adhere to it in the long run.”

In 2024, at the Meeting Celebrating the 25th Anniversary of Macao’s Return to the Motherland, President Xi reiterated that “the cause of ‘One Country, Two Systems’, with its distinctive institutional strengths and strong vitality, is a good system that sustains the long-term prosperity and stability of Hong Kong and Macao. It is a good system that facilitates endeavors to build China into a great country and achieve national rejuvenation, and it is a good

system for ensuring peaceful coexistence and mutual benefit between different social systems. So we must stay committed to this cause.” President Xi’s series of important speeches, which are convincing, emphatic and earnest, have set a definitive tone on Hong Kong’s unique role and positioning under “One Country, Two Systems”.

Indeed, “One Country, Two Systems” is not only the cornerstone of Hong Kong’s long-term prosperity and stability, but also a pillar of the ocean underpinning the further development of the city. In the face of intensifying global trade tensions, Hong Kong will continue to fully, faithfully and resolutely implement the principles of “One Country, Two Systems”, “Hong Kong people administering Hong Kong” and a high degree of autonomy. We will continue to maintain our status as a free port and pursue a free trade policy in accordance with the Basic Law. The HKSAR Government will not waver in its determination and commitment to supporting free trade. We have the ability and resolve to assist the business sector in redeployment and in exploring new and strategic development paths, thereby helping to restructure global industrial and supply chains for enterprises, as well as to provide more pathways and options for global investors.



Robust legal and financial systems

The rule of law has not only laid a solid foundation for the vibrant development of various sectors, but has also been regarded as the cornerstone of Hong Kong's success in becoming an international business and trade hub. Under “One Country, Two Systems”, Hong Kong continues to practise **the common law system**, place equal emphasis on the use of Chinese and English, and ensure that laws relating to investment and business are aligned with those of the world's major economies. All these elements serve to provide enterprises with a fair, open and predictable business environment, which commands great confidence of international businesses and investors.

The Basic Law protects the rights and freedoms of the residents of the HKSAR and of other persons. Private property rights, intellectual property (IP) and data are also legally protected. Hong Kong is vested with independent judicial power, including that of final adjudication, with its courts exercising judicial power independently without any interference. Our Government is clean, efficient and transparent.

Hong Kong, with respect to its rule of law, ranks 23rd out of 142 countries and jurisdictions covered in the **2024 World Justice Project Rule of Law Index**. Its global rankings in respect of “Regulatory Enforcement” and “Civil Justice” moved up one place, while its score and global ranking in “Open Government” stayed the same as in 2023. This clearly demonstrates that Hong Kong has a comprehensive regulatory enforcement mechanism and civil justice

system under “One Country, Two Systems”. The continuous advancements in these areas are conducive to the construction of the rule of law and the business environment.

In respect of “Absence of Corruption”, Hong Kong fares better than it did in 2023, ranking 10th globally. This shows that Hong Kong remains one of the world's most corruption-free places, and the effectiveness of its anti-corruption efforts has won global recognition.

As a major international financial centre, Hong Kong's financial institutions and markets are closely connected, providing a wide range of investment products and services for both local and overseas customers and investors. The city's financial markets operate under effective and transparent regulations which are **in line with international standards**, creating a business environment that is open, fair and conducive to the financial market development.

The implementation of the **Linked Exchange Rate System** in Hong Kong through a Currency Board system maintains the Hong Kong dollar exchange rate against the US dollar within a stable range, which greatly reduces the foreign exchange risk for investors. Despite uncertainties surrounding the US interest rate policies, the Hong Kong dollar market continues to operate smoothly under the Linked Exchange Rate System. The HKSAR Government will, in the light of the latest international developments, continue to work with the Securities and Futures Commission (SFC), the Hong Kong Monetary Authority (HKMA) and Hong Kong Exchanges and Clearing Limited (HKEX) in adopting a “round-the-clock, co-ordinated and cross-market” monitoring mechanism. We will remain highly vigilant to guard against financial risks.

Thanks to **substantial foreign exchange reserves** with official foreign currency reserve assets amounting to US\$431.9 billion as at end-June 2025, which is more than five times the currency in circulation, along with a stable and fully convertible currency, as well as free flow of capital and investment return, Hong Kong can provide favourable conditions for foreign investments.





Simple tax regime and level playing field

As a **separate customs territory**, Hong Kong imposes no tariffs and pursues free trade policies. Hong Kong's status as a free port is one of our most important and fundamental strengths under "One Country, Two Systems". In the face of the so-called tariff policy imposed by the US on various countries earlier, it is all the more apparent that, at this juncture, maintaining our status as a free port with zero tariff is crucial. The HKSAR Government has taken a clear stance that it will continue to implement resolutely free trade policies and ensure the free and convenient movement of goods, capital and information. We welcome more trade and business activities to come to Hong Kong, and go global with us to open up new horizons.

Furthermore, the Basic Law stipulates that the HKSAR shall have independent finances and practise an independent taxation system. Hong Kong has a **simple tax regime with low tax rates**, only levying taxes on business profits under profits tax, property rental income under property tax and employment income under salaries tax.

For profits tax, the rate for the first \$2 million of profits of corporations is 8.25%, whereas the remaining part of the profits is subject to a rate of 16.5%. Salaries tax payable is calculated at progressive rates¹ from 2% to 17% or at

standard rates², whichever is lower. There is no estate duty, capital gains tax, goods and services tax, or tax on dividends in Hong Kong, and tax incentives are provided with respect to the strategic areas committed for development.

Hong Kong offers a **level playing field** for businesses. There is no differential treatment between Hong Kong-based foreign service suppliers and local enterprises, nor is there any foreign ownership restrictions in the territory. For instance, under the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA), enterprises with business registration in Hong Kong, including foreign enterprises, can enjoy zero tariff preference for their Hong Kong products complying with the relevant rules of origin upon importation into the Mainland market. Hong Kong's service industries, including wholly-owned foreign enterprises incorporated in Hong Kong, can connect with the Mainland market likewise.

¹ Calculated at progressive rates on net chargeable income where Net Chargeable Income = Total Income – Deductions – Allowances.

² Calculated at standard rates on net income where Net Income = Total Income – Deductions. A two-tiered standard rates regime starting from the year of assessment 2024/25, with the first \$5 million of net income subject to the standard rate of 15% and the portion of the net income exceeding \$5 million subject to the standard rate of 16%.



Convenient and efficient external connection

Hong Kong has strong international connectivity. The fast, convenient and efficient flow of people, goods, capital and information provides enterprises with great business facilitation. Situated at the heart of Asia, Hong Kong is within a four-hour flight of major Asian cities and a five-hour flight of half the world's population, making it an ideal place for multinational enterprises to set up their regional headquarters or distribution centres in Asia.

In fact, visitors from over 170 countries and regions may now enter Hong Kong visa-free for a stay ranging from 7 to 180 days. Hong Kong also offers a range of visa and entry permit options to meet the diverse needs of people who wish to work and reside in the city.

Besides, Hong Kong has **world-class infrastructure**, with its public transport system being ranked No.1 worldwide in the 2025 Time Out magazine index survey.

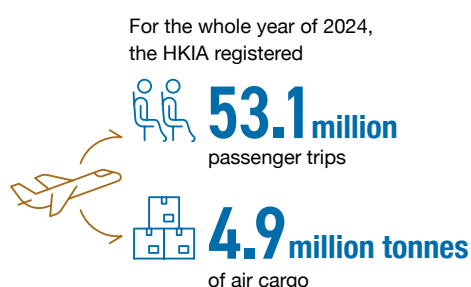


Hong Kong's public transport system being ranked No.1 worldwide in the 2025 Time Out magazine index survey



On cross-boundary infrastructure, Hong Kong enjoys extensive links with the Mainland by road, rail, air and sea. We have eight land boundary control points³, including the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL) which connects Hong Kong to 96 short-and long-haul destinations in the Mainland's high-speed rail network, as well as the 55-kilometre-long Hong Kong-Zhuhai-Macao Bridge (HZMB) connecting Hong Kong, Zhuhai and Macao.

The Hong Kong International Airport (HKIA) is **one of the world's busiest cargo and passenger airports**. In 2024, the HKIA was home to around 140 airlines serving around 200 destinations worldwide including about 40 destinations in the Mainland. For the whole year of 2024, the HKIA registered 53.1 million passenger trips. It has been named the world's busiest cargo airport for the 14th time since 2010, handling 4.9 million tonnes of air cargo in 2024.



In addition, Hong Kong is **one of the world's busiest and most efficient ports**. Ranking 4th in the International Shipping Centre Development Index (ISCDI), the port of Hong Kong handled about 13.7 million twenty-foot equivalent units (TEUs) of containers in 2024. The average length of stay of container vessels in the Hong Kong port is 1.0 day, about half the average of 1.94 days for the world's top 20 container ports, earning our city the reputation as a “catch-up port” for vessels to make up for delays in other ports.

Hong Kong has been actively seeking to expand its **free trade agreement (FTA)** and **investment agreement (IA)** networks to secure favourable conditions for Hong Kong's trade in goods and services, as well as investment, to enter the Mainland and international markets. So far, Hong Kong has signed nine FTAs with 21 economies, including Mainland China, New Zealand, member countries of the European Free Trade Association (EFTA)⁴, Chile, the Macao Special Administrative Region, ASEAN, Georgia, Australia and Peru, as well as 24 IAs with 33 overseas economies. Hong Kong is working actively to enter into FTAs and IAs with more overseas economies. In particular, IA negotiations with Qatar are making good progress, and signing of IAs with Saudi Arabia, Bangladesh, Egypt and Peru are being explored. In addition, we are seeking early accession to the Regional Comprehensive Economic Partnership (RCEP) to open up markets and business opportunities for enterprises.

³ Excluding the Sha Tau Kok Control Point, the passenger and cargo clearance services of which have been suspended to facilitate the Sha Tau Kok Control Point redevelopment project.

⁴ The EFTA currently has four member countries, namely Iceland, Liechtenstein, Norway and Switzerland.

As a **global and regional telecommunications hub**, Hong Kong is recognised internationally for its world-class telecommunications infrastructure and has attached great importance to the security and integrity of its telecommunications networks. Freedom of the press and flow of information in Hong Kong are protected by law. This, coupled with a sophisticated information and communications technology infrastructure, provides enterprises with fast and reliable data transmission and communications services.

Hong Kong continues to rank among the top in digital readiness and Internet access capabilities. Our broadband networks currently cover nearly all commercial and residential buildings across the territory, with the household broadband penetration rate reaching 97%. On mobile network, the fifth generation (5G) mobile network coverage has now reached over 90% of the Hong Kong population, covering major locations in urban areas and all MTR lines of 99 stations, and achieving nearly full coverage in core business districts. There are about 8 million

5G users in Hong Kong, while subscriptions to local mobile telecommunications services have exceeded 27 million, accounting for a penetration rate of about 360% over our population, which is among the highest in the world.

In addition, Hong Kong has a vibrant external telecommunications market, with a total of 11 external submarine optical fibre cable systems, 25 overland optical fibre cable systems and 10 communications satellites connecting Hong Kong with places around the world. Our world-class telecommunications infrastructure, high penetration rate and advancements in telecommunications technology not only support a wide range of innovative applications, but also bring new business opportunities to various industries.



First-class financial and business services with high-calibre talent

Hong Kong is a service-based economy and the service industries account for over 90% of our gross domestic product (GDP). We offer a **wide spectrum of world-class professional and business services**, covering finance, insurance, asset management, tourism, food and beverages, trade and logistics, architecture, design, marketing, healthcare, legal and dispute resolution services, as well as creative and cultural industries. The total value of commercial services trade of Hong Kong in 2024 reached US\$199 billion, ranking 21st globally.

Through years of endeavour and development, Hong Kong has become an international financial centre, bringing together capital, ideas and talent from all over the world and providing premier financial services to best meet the needs of individuals and corporations, big or small. Various financial services, ranging from banking, capital raising, asset and wealth management, Renminbi (RMB) business, bond issuance, insurance, risk management to newly emerged fields such as green finance and financial technology (fintech), have been thriving in Hong Kong, alongside our highly transparent and robust regulatory regime that adheres to the best international practices and standards.

The city's trading system plugs fully into the round-the-clock global financial trading cycle and provides stable and seamless connectivity with major financial hubs, facilitating the integration of Mainland and foreign capital for investors. Market data shows that Hong Kong holds leading position in the stock market, bond market, insurance industry, asset and wealth management, green and sustainable finance, and offshore RMB business.

Hong Kong also offers **world-class business services**. We have a pool of well qualified professionals specialising in trading and logistics, legal and dispute resolution, construction and related engineering, accounting and more. These professionals are flexible, highly efficient and adaptable. They are well-educated and equipped with innovative spirit, international market acumen and business skills. In addition, many local professionals can enter the Mainland market through measures under CEPA, including the opening up of Mainland professional qualification examinations, mutual recognition of professional qualifications, and facilitation of registration and practice, providing quality professional services and promoting exchanges between professionals in Hong Kong and the Mainland.

The total value of commercial services trade of Hong Kong in 2024





Furthermore, Hong Kong, as a **leading education hub** in the region, is renowned for its excellence in higher education. In the Quacquarelli Symonds World University Rankings 2026, five of our universities are ranked among the global top 100, accounting for 56% — the highest concentration of top-ranked universities in the world. The University of Hong Kong rose six places to 11th in the world, The Chinese University of Hong Kong climbed four spots to 32nd, and The Hong Kong University of Science and Technology advanced three positions to 44th. The Hong Kong Polytechnic University and City University of Hong Kong also achieved outstanding results, ranking 54th and 63rd respectively. Also, Hong Kong's institutions have performed far better than the international average in the International Faculty Ratio and International Student Ratio, with the International Faculty Ratio of six universities ranks among the top 50 in the world.

This has added confidence and cohesion to the HKSAR Government's commitment to developing Hong Kong into an international education hub and a cradle of future talent. We will continue to promote vigorously the "Study in Hong Kong" brand to attract talent from all over the world to study here, as well as actively entice people from around the globe to come to Hong Kong for career development and settlement so as to bolster the growth of a high value-added and sustainable economy.

Quacquarelli Symonds World University Rankings 2026

five of our universities
are ranked among

the top 100
globally



Forging a better integration of a “capable government” and an “efficient market”

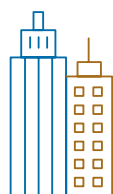
Apart from the city's stable business environment, the HKSAR Government's economic management philosophy of integrating a “capable government” with an “efficient market” also enables Mainland and overseas enterprises to achieve better development. In areas where government leadership is needed, we lead and push forward at an accelerated pace; in areas where market forces are required, we foster a conducive environment and favourable conditions for market forces to unleash their potential.

Faced with uncertainties brought about by the tariff wars, the HKSAR Government will continue to enhance Hong Kong's business environment and competitiveness, enabling us to fully leverage our advantages under “One Country, Two Systems” and better fulfill our unique positioning and roles in national development. As the country is advancing modernisation in all respects and continues to open up, these efforts will enable Mainland and overseas enterprises expanding in Hong Kong to seize the historic opportunities arising and pursue stronger development.

Support for enterprises in meeting challenges

The HKSAR Government has all along been formulating policies based on the principles of consolidating our strengths, seizing opportunities, and preventing and resolving risks, and these strategies have proven to be correct. In response to the US's imposition of tariffs, the Government will strengthen its strategy in the following seven areas, including:

- (1) fully seizing the opportunities presented by our country's development, and actively integrating into national development;
- (2) strengthening international exchanges and deepening regional ties and co-operation;
- (3) accelerating industrial transformation by developing a high value-added, innovation-driven economic model;
- (4) intensifying efforts to develop technological innovation, attract top-tier talent, enhance productivity and efficiency, and further strengthen Hong Kong's competitiveness;
- (5) vigorously advance international financial co-operation to attract investments and capital, giving full play to our position as an international financial centre;
- (6) seizing the world's major trend of geographical diversification, proactively attracting foreign companies and capitals to establish in Hong Kong; and
- (7) continuing to provide various support to help Hong Kong enterprises to cope with the challenges.



areas to support enterprises in meeting challenges





Among others, the HKSAR Government is providing support to the trade through various measures, including co-ordinating the banking sector through HKMA to provide capital flow assistance; offering support in respect of export credit insurance for enterprises through Hong Kong Export Credit Insurance Corporation (ECIC); supporting enterprises in branding, upgrading, transformation and developing new markets through the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund); launching funding schemes for enterprises to expedite digital transformation, leverage the opportunities brought about by electronic commerce (e-commerce) to expand their sales networks, thereby reducing reliance on the US and other traditional markets; and assisting enterprises in making better use of market resources and improving their risk management.

ECIC has been providing credit insurance services to support export trade. To support Hong Kong exporters (especially small and medium enterprises (SMEs)) in coping with the current challenges, ECIC introduced **three enhanced measures** in April 2025: extending free pre-shipment cover for holders of the Small Business Policy (SBP); offering a 50% discount on pre-shipment risks to cover premiums for non-SBP holders; and aligning premium rates for new markets with those for traditional major markets to support enterprises in tapping into emerging markets. The industry generally welcomes ECIC's swift implementation of these measures and the feedbacks has been positive.

In addition, to offer **greater export protection** for enterprises, the statutory maximum indemnity percentage of ECIC has been increased from 90% to 95%, and more buyer credit checks with extended geographical coverage (i.e. emerging markets in the Mainland, ASEAN and along the B&R) are provided for free. Other measures include collaborating with various financial institutions to provide financing support for e-commerce, and providing credit insurance for export services relating to multinational supply chain to render more comprehensive support to enterprises seeking to go global. ECIC will continue to closely monitor the latest development and needs of the market and introduce appropriate policy measures.



SECTION 2

Serving as a hub connecting
the Mainland and the world;
Starting a new chapter
through win-win co-operation

Amid today's complex international landscape, it is all the more crucial for us to **deepen international exchanges and co-operation**. As a connecting platform under the national "dual circulation" strategy, Hong Kong attaches great importance to its promotional efforts in attracting enterprises and investment from around the globe, as well as from major cities across the Mainland. Under "One Country, Two Systems", Hong Kong can fully leveraging its advantages of **having connections to both the Mainland and the world**, and serving as a **"super connector"** and **"super value-adder"**.

The HKSAR Government has been active in visiting various countries and regions to step up external promotion of the city's strengths and opportunities and expand its "circle of friends". The Chief Executive and a number of government officials have led delegations to cities in the Mainland, ASEAN, the Middle East, Europe and others, making every effort to foster economic and trade co-operation with

emerging markets while further reinforcing ties with traditional ones. Such visits also enable those who have not come to Hong Kong in person to learn more about the city and, in turn, arouse their interest in coming here to invest, explore business opportunities, or travel.



Connecting with the Mainland



Hong Kong and the Mainland have always been each other's **major trading partner**. As regards enterprises established in Hong Kong with parent companies located outside the city, the Mainland has the most of them, with over 2 600 such enterprises in Hong Kong. Besides, there are over 1 500 Mainland enterprises listed in Hong Kong, representing over half of the total number of listed companies in the city, underscoring Hong Kong's role as an important platform for Mainland enterprises. The HKSAR Government will adopt a more proactive approach to strengthening ties with the Mainland, and will step up collaboration with sister cities in the GBA to conduct external roadshows and joint investment promotion, with a view to exploring new business opportunities for mutual benefit.

Serving as the best springboard for entry into the vast Mainland market

The Mainland and Hong Kong signed the **CEPA** on 29 June 2003. Over the years, CEPA has created unprecedented business opportunities for various industries and sectors, facilitating the two-way flow of people, goods and capital between the Mainland and Hong Kong, bringing huge benefits to trade and economic development of both places, and fully embodying the close relationship of strength complementarity and win-win collaboration. Through CEPA, Hong Kong has been a testing ground for the opening up of the country. CEPA has not only embodied the successful implementation of "One Country, Two Systems" in Hong Kong, but also reinforced Hong Kong's unique status and advantages of having strong support from the Motherland and closely connected to the world.

While the global economy is facing unprecedented uncertainties, Hong Kong remains highly resilient and can provide investors with a stable and predictable market. Hong Kong will take full advantage of the preferential arrangements under CEPA, and at the same time attract more foreign companies to set up operations

in Hong Kong and utilise CEPA to enter the Mainland market. Hong Kong's strength in professional services can also help global investors seize opportunities and support their entry into the Mainland market while driving the city's economic growth. As of the end of 2024, the accumulated tariff concessions on goods under CEPA exceeded RMB10.2 billion.

To further enhance liberalisation and facilitate trade in services in response to the aspirations of the business community for greater participation in the development of the Mainland market, the HKSAR Government and the Ministry of Commerce signed the **Second Agreement Concerning Amendment to the CEPA Agreement on Trade in Services (Amendment Agreement II)** in October 2024. The Amendment Agreement II, which has been implemented since 1 March 2025, introduces new liberalisation measures across several service sectors where Hong Kong enjoys competitive advantages, such as financial services, construction and related engineering services, testing and certification, telecommunications, motion pictures, television and

tourism services. This makes it easier for Hong Kong service suppliers to establish enterprises and develop business, and enable more Hong Kong professionals to obtain qualifications to practise in the Mainland, allowing more of Hong Kong's quality services to reach the Mainland market, and contributing to and serving the country's development.

Besides, Hong Kong and Shanghai signed the **Action Plan for Collaborative Development of Shanghai and Hong Kong International Financial Centres** in June 2025. The Action Plan covers six areas with a total of 38 measures, including deepening mutual

access between Mainland and Hong Kong financial markets, enhancing the connectivity and co-operation of the two places' capital markets, supporting eligible Shanghai enterprises to list and raise funds in Hong Kong, and strengthening collaboration in areas such as commodity trading, reinsurance, green finance and fintech. The aim is to further leverage the financial opening up, development and risk management advantages of the two cities, enhance cross-boundary and offshore financial co-operation, and promote the co-ordinated development of the two international financial centres.

GBA serving as a primary entry point for businesses

With a total population of over 87 million, the GBA is one of the most open and economically vibrant regions in the country. It has outperformed many developed economies in terms of its gross domestic product, which exceeded RMB 14.5 trillion (over US\$2 trillion) in 2024, and is anticipated to rise to the top among the four major bay areas in the world one day. Hong Kong, being one of the core cities of the GBA and a core engine for regional development, will continue to leverage its institutional advantages under "One Country, Two Systems", and strengthen the radiating effect in leading the development of nearby regions.

The development of the GBA has entered a new phase of acceleration with greater breadth and depth. Hong Kong will continue to fully participate on this front by taking forward the development of major co-operation platforms including Qianhai, Nansha and the Loop to enhance "hard connectivity" in infrastructure; and facilitating the

efficient and convenient flow of key production factors such as people, goods, capital and information in the GBA, and promoting closer alignment of rules and mechanisms to promote "soft connectivity". These efforts serve to provide greater convenience for Hong Kong enterprises in conducting their business in the GBA.

As a matter of fact, Hong Kong enterprises are actively expanding their business in the GBA. According to the findings of the annual **Business Prospects Survey** conducted by the Hong Kong General Chamber of Commerce at the end of 2024, sentiment regarding investment in the GBA was relatively positive. Among the respondent companies already operating in the region, 34% said they would increase their investment over the next 12 months.





Complementary development with other GBA cities

By continuously deepening close co-operation among Guangdong, Hong Kong and Macao, fully leveraging Hong Kong's distinctive advantages of having strong support from the Motherland and being closely connected to the world under "One Country, Two Systems", actively promoting a higher level of connectivity and integrated development in the GBA, and striving for more policy innovations and breakthroughs in different areas, the HKSAR Government has created new opportunities. These opportunities open up new horizons for the sustainable development of Hong Kong enterprises and industries with competitive strengths in the GBA. At the same time, the HKSAR Government will support Mainland enterprises in the GBA to tap into overseas markets through Hong Kong as an internationalised platform for "going global" and attracting foreign investment.

There are ongoing improvements in "**hard connectivity**" in infrastructure between the two places. Three major cross-boundary infrastructure facilities, namely the Hong Kong Section of XRL, the HZMB and the Liantang/Heung Yuen Wai Boundary Control Point, are already in operation. These, together with the transport infrastructure connecting both sides of the Pearl River in Guangdong Province, such as the Nansha Bridge and the Shenzhen-Zhongshan Bridge, will further facilitate transport connectivity within the GBA. In accordance with the vision of developing the "Greater Bay Area on the Rail", Hong Kong and Shenzhen are jointly taking forward two cross-boundary railway projects, namely the Hong Kong – Shenzhen Western Rail Link (Hung Shui Kiu – Qianhai) and the Northern Link Spur Line projects, through the Task Force for Hong Kong-Shenzhen Co-operation on Cross-Boundary Railway Infrastructure.

Besides, "**Northbound Travel for Hong Kong Vehicles**" has been implemented since 1 July 2023. Eligible Hong Kong private cars can travel between Hong Kong

and Guangdong Province via the HZMB without the need to obtain regular quotas, thereby providing a convenient way for Hong Kong residents to self-drive to Guangdong Province for business, visiting families or sightseeing on a short-term basis. As of April 2025, the number of inbound and outbound vehicular trips via the HZMB Zhuhai Port has exceeded 16 million. For "**Southbound Travel for Guangdong Vehicles**", the HKSAR Government is working closely with relevant Mainland authorities on planning the relevant arrangements for target implementation in November 2025.

We also see a continuous acceleration in the development of "**soft connectivity**". As far as financial co-operation is concerned, the China Securities Regulatory Commission announced in April 2024 a series of measures to further expand mutual access between the capital markets of the Mainland and Hong Kong. Such measures include expanding the eligible product scope of equity exchange-traded funds (ETFs) under Stock Connect; including real estate investment trusts (REITs) under Stock Connect; supporting the inclusion of RMB stock trading counter under Southbound trading of Stock Connect; enhancing the arrangements for mutual recognition of funds; and encouraging leading enterprises of industries in the Mainland to list in Hong Kong. The scope of mutual access between the capital markets of the two places will continue to widen with the implementation of the above measures.

On accelerating the development of major co-operation platforms including Qianhai, Nansha and the Loop, the Central Government promulgated in end-2023 the **Overall Development Plan for the Qianhai Shenzhen-Hong Kong Modern Service Industry Co-operation Zone**, which included various policy initiatives benefiting Hong Kong and contributing to the

development of the GBA and the country. Such initiatives will also further deepen the collaboration between Hong Kong and Shenzhen. Hong Kong will co-operate with Qianhai in developing the modern services industry through promoting co-operation in financial services, modern logistics, legal services, professional services and information technology services. Furthermore, more Qianhai enterprises will be encouraged to tap into overseas markets via Hong Kong. At the same time, assistance will be rendered to Hong Kong enterprises to develop their business in the Mainland through Qianhai.

To facilitate the alignment of standards, the governments of Guangdong, Hong Kong and Macao signed a Memorandum of Understanding in April 2023 on jointly promoting the development of the GBA Standards as a committed effort to formulate the GBA Standards for various products and services for relevant trades to adopt on a voluntary basis, with a view to improving product and service quality, promoting the interconnectivity and integrated development of the three places. To date, a total of 244 GBA Standards have been developed and promulgated, covering items in the fields of food quality and safety, Cantonese cuisine, prepared dishes, transportation, mechanical and electrical products, as well as medical care, nursing care, education, e-sports, etc.

Hong Kong is actively promoting the development and application of the GBA Standards. For instance,

the governments of Guangdong, Hong Kong and Macao have been working together to establish the GBA Standards for construction technology, construction materials and skill levels for workers and technicians in the construction sector. At the same time, a number of projects have been launched to promote industry co-operation in the GBA, including promoting applied research and development, overseas market promotion, training exchanges and collaboration, etc., in order to foster high-quality development of the construction sector in the GBA. The formulation and promotion of the GBA Standards will provide facilitation for Hong Kong enterprises to tap into the GBA market.

The HKSAR Government has also established the **“Guangdong-Hong Kong-Macao Greater Bay Area Development Promotion Centre”** in Guangzhou. By forging strategic co-operation with the Hong Kong Trade Development Council (HKTDC), Invest Hong Kong (InvestHK) and relevant Mainland organisations and institutions, the Promotion Centre further strengthens publicity and promotion in Mainland cities of the GBA and provides practical assistance to Hong Kong residents and enterprises interested in pursuing development in the GBA. Moreover, the HKTDC, together with its Mainland partners, has set up the **“GoGBA Business Support Centres”** in the GBA to offer enhanced support to Hong Kong enterprises.





Visits to the Mainland

Delegations comprising the HKSAR Government officials and senior representatives of the business sector have paid a number of visits to the Mainland. For instance, a delegation visited five Mainland cities of the GBA - namely Guangzhou, Foshan, Dongguan, Huizhou and Shenzhen - in November 2024. The delegation to Guangzhou was led by the Chief Executive, Mr John Lee, to attend the Guangdong-Hong Kong Deepening Economic, Trade and Investment Co-operation Conference, where they met with leaders of Guangdong Province and various cities to exchange views on enhancing economic, trade and investment co-operation and promoting high-quality development in the GBA.

The Third Plenary Session of the 20th CPC Central Committee emphasised the need to deepen co-operation in the GBA, promote closer alignment of rules and mechanisms, and better leverage the GBA as a source of energy for high-quality development. The HKSAR Government will continue deepening ties with Guangdong Province and other GBA cities, seizing the latest developments and opportunities in the region to further promote high-level economic, trade and investment co-operation.

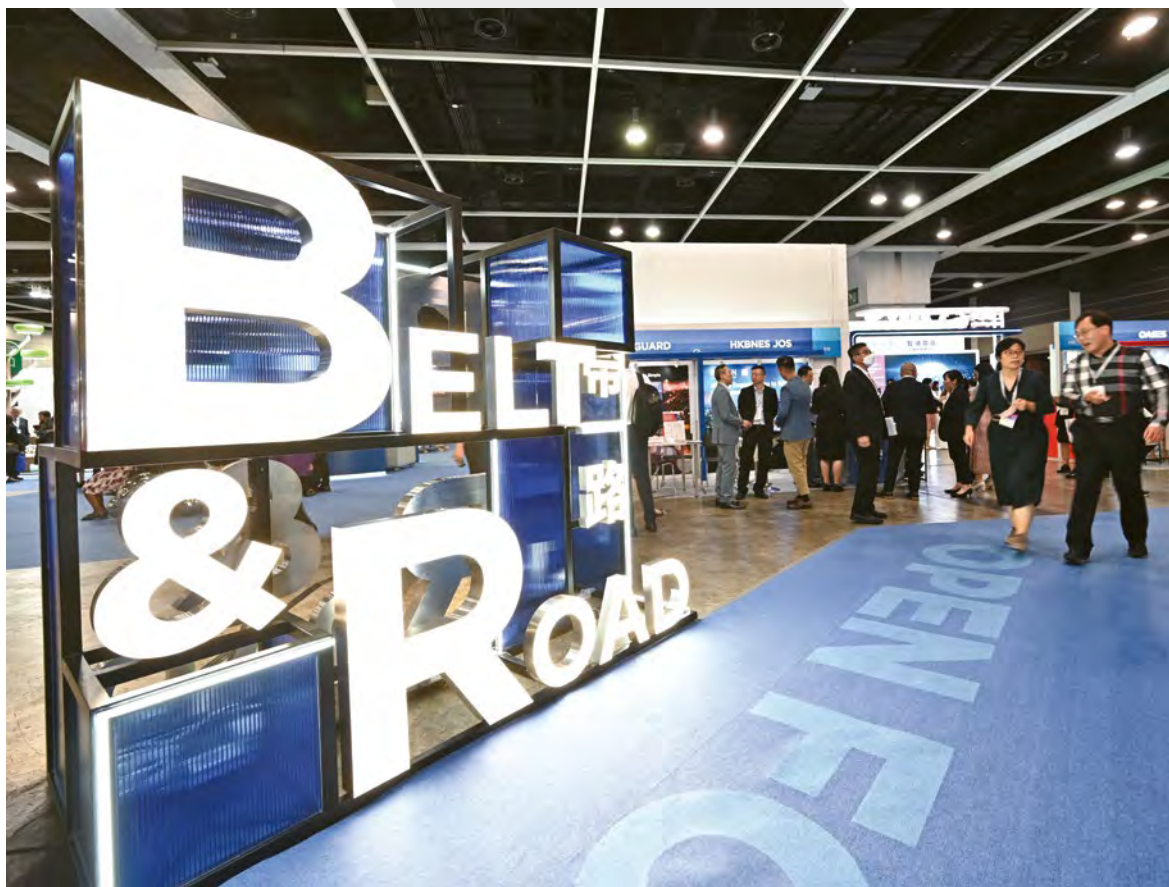
Furthermore, the HKSAR Government and the HKTDC organised the Hong Kong Investment Promotion Conference in Beijing, Shanghai and Ningbo in September 2024, November 2024 and April 2025

respectively. These conferences brought together business leaders from various sectors including finance, supply chain, innovation and technology (I&T) and professional services to share insights on the advantages and opportunities that Hong Kong offers. Mainland enterprises were encouraged to set up business in Hong Kong, as well as to engage and co-operate with local Hong Kong enterprises and utilise the city as a platform to expand into both Hong Kong and global markets.

At the Hong Kong Investment Promotion Conference - Zhejiang (Ningbo) Forum, the Chief Executive, Mr John Lee, said that the US tariff measures have brought challenges and uncertainties to the global economy and changed the trade landscape. Many major international financial institutions and capital from other regions are attaching greater importance to the Hong Kong market. In addition to using Hong Kong as a springboard to explore the vast Mainland market, they may also see it as a way to mitigate potential risks associated with the US market. Hong Kong's rich experience in international trade, as well as its diversified talent pool and world-class professional services, can help Mainland enterprises redeploy their multinational supply chains. Mainland enterprises may also utilise Hong Kong, an international trade centre, to tap into emerging markets, breaking through the blockade imposed by the US and other western countries.

Connecting with the World

Hong Kong has been actively deepening and expanding international exchanges and co-operation, strengthening connection with the world. The B&R Initiative, an important development strategy of the country, aims to promote connectivity among B&R countries, including policy co-ordination, facilities connectivity, unimpeded trade, financial integration, people-to-people bond and co-operation in new areas. Amid rising uncertainty in the global landscape, the development of “three centres and a hub” and the “eight centres” clearly underlines Hong Kong’s position and vision as an international city, enabling us to serve as an important functional platform for high-quality B&R development. For Mainland and international enterprises interested in developing their business in countries and regions along the B&R, Hong Kong can provide all-encompassing and diversified support not only in international project financing, but also in the fields of offshore RMB business, professional service support, regional legal and dispute resolution services, green development, I&T, and transport and logistics.





Serving as an important functional platform for the Belt and Road (B&R) Initiative

First of all, as a **world-class financing platform under the B&R Initiative**, Hong Kong not only provides Mainland enterprises with diversified financing channels and options for their infrastructure projects along the B&R, but also helps meet the keen demand for infrastructure, green and sustainable finance of B&R countries and regions, including ASEAN countries and the Arab States of the Gulf. In many financial segments - such as risk management, asset management and corporate treasury centres - Hong Kong is well positioned to offer more comprehensive services to enterprises of B&R countries. As far as fintech is concerned, since Hong Kong outperforms a number of advanced economies in areas such as electronic payment, digital banking and insurtech, we are able to offer services to B&R countries and regions in terms of innovation and leapfrog development in the financial field.

As the **offshore RMB centre under the B&R Initiative**, Hong Kong not only provides crucial liquidity support to the increasing transactions and financial activities in RMB, but also offers countries and regions along the B&R more investment options for their RMB funds,

including products related to interest rate and exchange rate risk management. Meanwhile, the continuous widening and deepening of mutual access between the financial markets of Hong Kong and the Mainland can facilitate the flow of these funds into the Mainland market.

Hong Kong has a well-established legal system, along with a pool of diverse legal talent well-versed in international practices. With considerable experience in negotiating international commercial and trading contracts with foreign businesses and handling international disputes, this pool of talent is capable of rendering professional support to clients along the B&R. Apart from the above professional services sectors such as financial investment and international legal and dispute resolution, Hong Kong also has a wealth of talent in other professional services like architecture, engineering, insurance, shipping and logistics, and I&T, who can provide high-quality support for projects under the B&R Initiative with their extensive knowledge, experience and international connection.

Visits to the Middle East

As an **important functional platform for the B&R Initiative**, the HKSAR Government is committed to fostering ties with B&R countries, including the Middle East, and tapping into the emerging markets. In an increasingly complicated global environment, countries in the Middle East are actively diversifying their investments by investing in areas such as smart city, I&T, renewable energy and green finance, which coincide with the development directions of Hong Kong. Middle Eastern enterprises may also utilise Hong Kong as a two-way springboard linking the Middle East and the Mainland market, especially in seizing the enormous opportunities of the GBA. In 2024, the number of Middle Eastern enterprises in Hong Kong has increased by more than 20% year-on-year.

Following the first delegation led by the Chief Executive, Mr John Lee, to Saudi Arabia and the United Arab Emirates (UAE) in 2023, Hong Kong's co-operation with the Middle East has made significant progress and the relationship between the two places has become closer. For instance, Hong Kong and the Middle East are deepening financial and economic ties, creating powerful synergies for cross-border investment and shared growth. In recent years, significant development has been seen on various fronts, including cross-listing of exchange-traded funds (ETFs) and the recognition of key Middle Eastern stock exchanges as Recognised Stock Exchanges, demonstrating the growing integration of capital markets between the two places.





Hong Kong boasts considerable strength in Islamic finance. For instance, we have successfully issued three government sukuk and provided a level playing field for Shariah-compliant products through tax neutrality measures. Apart from the Economic and Trade Office (ETO) set up in Dubai, the HKSAR Government is actively pursuing the plan to set up an ETO in Riyadh with the government of Saudi Arabia, so as to strengthen ties between Hong Kong and the Middle East.

The Chief Executive led a business delegation in May 2025 to Qatar and Kuwait, two economically vibrant and fast-growing countries in the Middle East. The business delegation comprising representatives from Hong Kong and Mainland enterprises and the visit has yielded fruitful results. The Middle East trip has made achievements in six areas, namely further strengthening the relationship between the HKSAR Government and the governments of Qatar and Kuwait, and building consensus for collaboration; reaching a total of 59 memoranda of understanding (MOUs) and agreements, and laying a diversified foundation; leveraging Hong Kong's strengths under the "One Country, Two Systems" principle in connecting the Mainland and the world, deepening international exchanges and co-operation, and demonstrating the synergistic power of the complementary advantages between Hong Kong and the Mainland; further building relations with countries of the Cooperation Council for the Arab States of the Gulf (GCC) to explore greater business opportunities; deepening mutual understanding

and strengthening commercial and trading networks; and further enhancing cultural exchanges with the GCC countries.

On immigration facilitation, the HKSAR Government announced during the visit that Qatar and the UAE had granted visa-free travel to HKSAR passport holders for a stay of up to 30 days, and that the visa-free period for visiting Oman had been extended from a maximum of 10 days to 14 days. All the six member states of the GCC have now granted visa-free access or visa-on-arrival to HKSAR passport holders. Such initiatives will help strengthen tourism, cultural and economic ties between Hong Kong and these countries in the Middle East.

During the two visits to the Middle East, Hong Kong signed a number of MOUs or letters of intent with enterprises and organisations in Saudi Arabia, the UAE, Qatar and Kuwait, covering such areas as finance, I&T, business, transportation and energy. In fact, ever since the visit in 2023, fruitful results have been achieved, with many Hong Kong enterprises establishing a presence and accepting orders in the Middle East. The people there think highly of our various industries, professional services and experience and greatly appreciate our distinctive advantages of having strong support from our country and closely connected with the world. They are also actively considering increasing their investment in Hong Kong or enhance co-operation with us in trade and commerce, fintech, green economy and other areas.

Visits to ASEAN

In 2024, ASEAN was Hong Kong's **second-largest trading partner**. The total merchandise trade between Hong Kong and ASEAN reached \$1,289.6 billion, equivalent to 13.6% of Hong Kong's global merchandise trade. Between 2020 and 2024, an average annual growth rate of 5.7% was recorded, suggesting the huge economic potential of these emerging markets.

The delegations led by the Chief Executive, Mr John Lee, to seven member states of ASEAN have facilitated the signing of some 90 MOUs or agreements, creating an abundance of business opportunities. As regards the most recent visit in July 2024, the Chief Executive led a delegation to three ASEAN member states, namely Laos, Cambodia and Vietnam, to present Hong Kong's strengths and latest developments to local political and business communities, with a view to exploring

business opportunities and establishing broader connections and networks. This is the Chief Executive's third visit to ASEAN countries since he took office, demonstrating that Hong Kong values co-operation with ASEAN.

During the visit, Hong Kong signed with Laos, Cambodia and Vietnam a total of 55 MOUs or agreements. The visit has proved fruitful with five key results achieved, namely strengthening government-to-government relations and communication; reaching consensus on areas of development and co-operation; consolidating and expanding business networks and injecting new impetus to open up new horizons and opportunities; enhancing a shared strong will to jointly promote the B&R Initiative; and reconfirming the three countries' continuous support for Hong Kong's accession to the RCEP.





Visits to Europe

In 2024, Hong Kong's trade with the European Union (EU) accounted for 5.2% of its total trade, with Germany, the Netherlands, France, Italy and Belgium being Hong Kong's major trading partners. There are over 1 600 EU companies in Hong Kong.

The Financial Secretary, Mr Paul Chan, attended the World Economic Forum Annual Meeting in Davos, Switzerland, in January 2025, where he held bilateral meetings with government officials and business leaders from different countries. Among other topics, they discussed strategies to prevent a new, non-co-operative normal. On other occasions, Mr Chan also introduced the latest economic situation and development strategies of Hong Kong, particularly on its advantages of being well connected to the Mainland and to the world under "One Country, Two Systems". For example, in the area of I&T, he emphasised collaboration with sister cities in the GBA and attracting businesses and talent from around the globe to Hong Kong. While attending the Annual Meeting of the Asian Development Bank (ADB) in Milan, Italy, in May 2025. Mr Chan highlighted that under "One Country, Two Systems", Hong Kong maintains its status as a free port, implements free trade policies and ensures the free flow of capital, goods, people and information. He reiterated Hong Kong's steadfast support for a rules-based multilateral trading system.

Earlier, Mr Chan visited the United Kingdom (UK) in September 2024. During which, he made a keynote speech to an audience of British political and business leaders, as well as professionals. In his speech, Mr Chan stressed that Hong Kong has long maintained strong economic and cultural ties with the UK and continues to be one of the largest sources of foreign investment for the country. Noting Hong Kong's promising development outlook, he welcomed British businesses and talent to explore opportunities in the city. He looked forward to maintaining connections with different sectors in the UK and advancing co-operation for mutual benefit. Mr Chan stated

that the HKSAR Government is actively working to reinforce and enhance Hong Kong's status as an international financial centre, and he looked forward to strengthening co-operation with the UK financial sector to promote mutual development.

In recent months, other senior Government officials have also been visiting Europe to broaden international exchanges and co-operation. For instance, in June, the Secretary for Commerce and Economic Development, Mr Algernon Yau, visited France; the Secretary for Financial Services and the Treasury, Mr Christopher Hui, visited the UK and Norway; the Secretary for Labour and Welfare, Mr Chris Sun, visited Germany; the Secretary for Innovation, Technology and Industry, Professor Sun Dong, visited Netherlands and France. In July, the Secretary for Justice, Mr Paul Lam, SC, visited the Netherlands, France and Italy; the Secretary for Culture, Sports and Tourism, Miss Rosanna Law, visited France; the Secretary for Housing, Ms Winnie Ho, visited Portugal and Spain. While in May, the Secretary for Education, Dr Choi Yuk-lin, visited the UK; and the Secretary for Constitutional and Mainland Affairs, Mr Erick Tsang Kwok-wai, visited Hungary. Government officials will continue to vigorously promote Hong Kong's strengths and attract talent and capital on all fronts.



Visits to the United States (US)

In 2024, the US was **the third largest trading partner** of Hong Kong, with the total merchandise trade value amounting to US\$64.3 billion. At the same time, Hong Kong is the US's 28th largest trading partner. During the past 10 years, the US has realised a trade surplus of US\$271.5 billion with Hong Kong, the largest among its global trading partners. These figures clearly demonstrate the close economic interaction between Hong Kong and the US, as well as the vast business interests of US businesses in Hong Kong. Even if the geopolitical tension further intensifies, the HKSAR Government has already made it clear that Hong Kong will not impose retaliatory tariffs on the US so as not to jeopardize Hong Kong's free port status and undermine the city's "success DNA".

The Financial Secretary, Mr Paul Chan, visited San Francisco in May 2024 and New York in October 2024, during which he gave keynote addresses at forums and met with members of the political, business and financial communities to promote Hong Kong's advantages and opportunities. In his speeches, he highlighted that Hong Kong places great importance on strengthening ties with traditional markets and welcomes continued investments from the US business community. The HKSAR Government will continue to present the real situation of Hong Kong through objective facts and data, and will maintain

communications and connections with the US's political and business sectors. He also pointed out that recent inflows of investment from the US and European investors have reflected their confidence in Hong Kong. He noted that with the long-term adherence to the "One Country, Two Systems" arrangement, and our country's pursuit of high-level opening-up, Hong Kong's unique advantages will only be more evident, and the city will better fulfil its role as a "super connector."

In recent years, besides the aforementioned places, officials of the HKSAR Government have also visited other Asian cities and countries in South America, showing to the international community that Hong Kong has reconnected with the world after the pandemic. Leveraging its unique institutional strengths under "One Country, Two Systems", Hong Kong is further consolidating its position as a "super connector" and "super value-adder". Enterprises from all over the world are welcome to gain a deeper understanding of Hong Kong's economic resilience and the opportunities the city offers, and use the city as a springboard for tapping into the huge market of the GBA, the Mainland and even Asia. Meanwhile, exchanges and communication help us better understand how overseas political and business communities see Hong Kong. This enables us to more accurately formulate promotional strategies, address the concerns of international investors, minimise misunderstandings, and tell the good stories of Hong Kong.



Strengthened communication through Economic and Trade Offices (ETOs)

Hong Kong has been promoting economic, trade and cultural ties and exchanges with other places through the establishment of ETOs in the Mainland and overseas. At present, the HKSAR Government has five offices and 11 liaison units in the Mainland and 14 ETOs overseas. The HKSAR Government is actively following up the plans to set up ETOs in Kuala Lumpur, the capital of Malaysia, and in Riyadh, the capital of Saudi Arabia, with a view to helping Hong Kong enterprises tap into the ASEAN and Middle East markets.

In the light of the latest international developments, the ETOs have strengthened liaison with the overseas offices of the HKTDC, InvestHK and the Hong Kong Tourism Board (HKTB), and are exploring co-operation opportunities with foreign

chambers of commerce in Hong Kong, so as to mobilise the political and business communities to help promote Hong Kong's strengths and tell the good stories of Hong Kong overseas. At present, the HKTDC has 51 offices worldwide dedicated to promoting Hong Kong as a two-way global investment and business hub.

The HKSAR Government will continue to visit and lead business and professional services delegations to priority markets such as B&R countries. We have successfully organised the B&R Cross-professional Forum to promote Hong Kong's professional services and will carry on promoting Hong Kong as a functional platform for the B&R Initiative.

The HKSAR Government will continue to organise “Hong Kong Week” in the Mainland and overseas to showcase the unique East-meets-West arts and cultural ambience of Hong Kong. Our ETOs in the Mainland and overseas will also step up their promotional efforts in arts and culture, promoting cultural exchanges and fostering people-to-people bonds.



Having the strong backing of our country

On 1 July 2022, the General Secretary of the CPC Central Committee and President Xi Jinping said in his speech at the celebrations of the 25th Anniversary of Hong Kong's Return to the Motherland, "Hong Kong's close connection with the world market and strong support from the motherland are its distinctive advantages. Such favorable conditions are cherished by the people of Hong Kong and by the central government as well. The central government fully supports Hong Kong in its effort to maintain its distinctive status and edges, to improve its presence as an international financial, shipping, and trading centre, to keep its business environment free, open, and regulated, and to maintain the common law, so as to expand and facilitate its exchanges with the world."

On 19 November 2024, Member of the Political Bureau of the CPC Central Committee and Vice Premier of the State Council, Mr He Lifeng, attended the Global Financial Leaders' Investment Summit in Hong Kong and delivered a keynote speech. He stated, "President Xi Jinping and the Central Government have always cared for and attached much importance to the development of Hong Kong. With the strong support of the Central Government, effective leadership of the HKSAR Government, and joint efforts from all sectors of the Hong Kong society, Hong Kong has achieved new accomplishments in economic and social development, and its financial system remains vibrant. In practice, it is proven that with the safeguard of 'One Country, Two Systems', the strong support from the country,

and the joint efforts from all sectors, Hong Kong's status as an international financial centre will be further consolidated, and Hong Kong will maintain long-term prosperity and stability."

On 21 June 2025, speaking at the 5th Anniversary of Promulgation and Implementation of Hong Kong National Security Law Forum, the Director of Hong Kong and Macao Work Office of CPC Central Committee and Hong Kong and Macao Affairs Office of State Council, Mr Xia Baolong, said "In the five years since the implementation of the Hong Kong National Security Law, Hong Kong's business environment has continued to improve, attracting investors from around the world. The implementation of the Hong Kong National Security Law has fully protected the legal rights and interests of investors from both the Mainland and overseas. It provides a strong security safeguard for Hong Kong's development and injects stability, certainty, and predictability into the market." He also noted that "Global investors are 'putting real money' into Hong Kong, casting a strong vote of confidence in its future. To believe in Hong Kong is to believe in opportunity; to invest in Hong Kong is to invest in the future."





Over the years, the country has steadfastly supported Hong Kong in pursuing prosperous and stable development, building bridges and creating unlimited opportunities for the business sector. Despite a volatile and ever-changing global landscape, China’s economic fundamentals remain solid among major economies and there is ample room for policy buffers. As long as we stand united with unwavering confidence and ride on the rapid development of the country, Hong Kong, with its inherent advantage of proximity, will be able to navigate external challenges with ease and head towards a promising future with boundless opportunities. The HKSAR Government will continue to proactively integrate into the overall development of the country, accelerate the promotion of high-quality development, and give full play to the role as a “super connector” and “super value-adder” under “One Country, Two Systems”. We welcome global investors to seize the opportunities and invest in Hong Kong.

SECTION 3

Having promising prospects which allow business sector to share development dividends



Hong Kong is one of the safest, most open and diverse metropolises in Asia. With its vibrant lifestyle, world-class infrastructure, quality healthcare and education systems, unsurpassed natural environment and boundless economic potential, the city has long been successful in attracting talent from the Mainland and overseas to pursue career development here. However, amid ongoing global political and economic instability, the rise of unilateralism and protectionism, and the intensifying competition among economies, some misunderstandings about Hong Kong may still persist in the international community. The HKSAR Government is making every effort to promote Hong Kong's advantages and multifaceted appeal, in order to reinforce confidence in the city. The business sector may seize the opportunities arising and share the dividends generated.

Distinctive strengths of the “eight centres”

Our country has set a clear strategic positioning for Hong Kong, which is to function as **“three centres and a hub”**. Hong Kong is to consolidate and enhance its status as international financial, shipping and trade centres while stepping up efforts to attract talent and develop itself into an international hub for top talent.

The National 14th Five-Year Plan has also established Hong Kong's position as the **“eight centres”**, comprising four traditional centres, namely international financial centre, international shipping centre, international trade centre and centre for international legal and dispute resolution services in the Asia-Pacific region, as well as four emerging centres, namely international aviation hub, international I&T centre, regional IP trading centre and East-meets-West centre for international cultural exchange. These areas are not only where Hong Kong's strengths and the country's needs lie, they also give full play to Hong Kong's pivotal role and function as an international hub.

Hong Kong's overall strategy for developing the “eight centres” is, on the one hand, to reinforce and enhance its status as international financial, shipping and trading centres as well as an international aviation hub, strengthen its position as a global offshore RMB business hub and its role as an international asset management centre and risk management centre, and promote high-end and high value-added development in finance, business and trade, logistics and professional services. On the other hand, great efforts will be made to develop I&T industries, nurture emerging industries, and establish the city as the centre for international legal and dispute resolution services in the Asia-Pacific region. The city will also seek to develop new business areas and new markets through IP trading, facilitate the development of creative industries and promote cultural exchange between the East and the West in the GBA, thereby developing Hong Kong into an international metropolis with enhanced competitiveness. This strategy will support the growth and prosperity of Hong Kong in the long run, and bring enormous opportunities to businesses.





Ranking among the top international financial centres

As one of the leading international financial centres, Hong Kong offers a wide range of financial services, and its regulatory regime is aligned with major overseas markets, making it the country's gateway to financial markets and investors around the globe, as well as an ideal fundraising hub for enterprises in the Mainland and overseas. As a "super-connector", Hong Kong has the core advantage of mutual market access mechanisms with the Mainland, which promote the two-way opening of capital markets with proper risk control in a safe and reliable manner. This facilitates diversified asset allocation by domestic investors and provides more choices and opportunities for global investors to enter the Mainland market.

Hong Kong has a **strong competitive edge in various areas of financial services**, namely: 70 of the world's top 100 banks operate in Hong Kong (as at end-March 2025); Hong Kong is a leading bond hub in Asia which ranked 1st in the market in terms of arranging the issuance of international bonds by Asian entities for nine years in the past decade; it has a stock market which is the third largest in Asia and the sixth largest in the world (as at end-May 2025); it is one of the world's leading healthcare fundraising hubs which attracted 73 pre-revenue or pre-profit biotechnology companies to list in Hong Kong, raising a total of about US\$16 billion through Initial Public Offerings (IPOs) (as at end-June 2025) since a new listing regime was launched in April 2018; the industry has predicted that it will become the world's largest cross-boundary wealth management centre in a few years' time; it has 158 authorised insurers, with the highest and second highest insurance density in Asia and the world respectively, and ranks top in both Asia and globally in terms of insurance penetration; and 11 of the world's top 20 insurers operate in Hong Kong (as at end-April 2025).

Hong Kong, being the world's largest **offshore RMB business hub** and assuming a leading position in RMB settlement, financing and asset management, currently

handles nearly 80% of cross-border RMB payment outside the Mainland. In 2024, the RMB Real-Time Gross Settlement system achieved a record-high average daily turnover of RMB 3.1 trillion, reflecting Hong Kong's increasing prominence as the global offshore RMB business hub. As at end-March 2025, the total amount of RMB deposits (including certificates of deposit) reached RMB 1.0774 trillion. Hong Kong has become the place where the demand for RMB by enterprises can best be met outside the Mainland.

There are a number of **mutual market access schemes** in Hong Kong, including Shanghai-Hong Kong Stock Connect, Shenzhen-Hong Kong Stock Connect, the mutual recognition of funds arrangement between the Mainland and Hong Kong, Bond Connect, the Cross-boundary Wealth Management Connect Scheme and Swap Connect. They effectively link up the Mainland and global capital markets, providing more asset allocation and risk management options for Mainland and international investors. In July 2025, the HKMA announced enhancements to facilitate the participation of Northbound Bond Connect investors in offshore RMB bond repurchase business.

The scale of mutual access between the two capital markets continues to expand. Hong Kong offers an offshore A-share index futures product formally approved by the Mainland authorities which serves as a useful risk management tool for offshore investors participating in the A-share market. The **"HKD-RMB Dual Counter Model"** (Dual Counter Model) and the Dual Counter Market Making Programme have also been introduced in Hong Kong's securities market, facilitating trading and clearing of RMB-denominated stocks in Hong Kong while laying the foundation for Mainland investors to trade Hong Kong stocks in RMB through the Southbound Trading of Stock Connect. Mainland investors will be able to trade Hong Kong stocks in RMB as conveniently as investing in Mainland A-shares.

Despite continued global uncertainties, the sentiment about Hong Kong's **stock market has steadily improved**. In the first half of 2025, the Hang Seng Index has risen by more than 4,000 points, registering an increase of about 20%. It is among the top performers of major global indices. The **amount of IPO fundraising** has reached over \$107 billion, placing Hong Kong in a leading position among major global exchanges for the time being. Meanwhile, follow-on fundraising has exceeded \$150 billion. It is worth noting that many of the cornerstone investors in large IPOs hail from regions such as Europe, the US, the Middle East and other parts of Asia. Investors from these places are increasingly allocating funds to Hong Kong stocks. Moreover, bank deposits have continued to rise, and interbank rates remain low. These developments underscore the strengthening confidence of international investors in Hong Kong's financial markets.

The financial services of Hong Kong are constantly growing. In particular, **family offices** are a key growth segment of the wealth and asset management industry. Hong Kong has more than 2 700 single family offices and over 12 500 ultra-high-net-worth individuals (UHNWIs), i.e. people with a net worth of US\$30 million in investible assets, which makes it the city with the most UHNWIs in Asia. To enhance Hong Kong's status as a family office hub, we have provided tax concessions for qualifying transactions of single family offices⁵, and streamlined suitability assessment when dealing with sophisticated professional investors.

On **asset and wealth management**, the HKSAR Government is making every effort to attract more global capital to be managed in Hong Kong. Specific measures include encouraging alternative asset funds to be listed in Hong Kong; enhancing the Mainland-Hong Kong Mutual Recognition of Funds arrangement; promoting

the inclusion of real estate investment trusts (REITs) under Stock Connect; and seeking to collaborate with large-scale sovereign wealth funds in regions such as the Middle East in financing the setting up of funds to invest in assets in the Mainland and other regions. In particular, the HKMA signed a memorandum of understanding with the Public Investment Fund of Saudi Arabia in October 2024 to jointly anchor a new investment fund with a target size of US\$1 billion, which aims to support companies connected to Hong Kong and the GBA in developing their business in Saudi Arabia. By exploring investment opportunities in manufacturing, renewable energy, fintech and healthcare, the fund will help reinforce Hong Kong's position as a leading global financial hub, fully leveraging its diverse talent pool, efficient financial infrastructure and deep liquidity.

⁵ The Legislative Council passed in May 2023 the Inland Revenue (Amendment) (Tax Concessions for Family-owned Investment Holding Vehicles) Bill 2022, under which family-owned investment holding vehicles managed by single family offices in Hong Kong meeting the minimum asset threshold of \$240 million and substantial activities requirement can enjoy profits tax exemption for qualifying transactions. The HKSAR Government has completed an industry consultation on the measures to enhance the preferential tax regimes for funds, single family offices and carried interest, and is formulating the relevant enhancement measures with financial regulators based on the feedback received. The HKSAR Government targets to work out the details of the proposals by 2025 and submit the legislative proposals to the Legislative Council for consideration in 2026. Subject to approval by the Legislative Council, the relevant measures will take effect from the year of assessment 2025/26.





The HKSAR Government also launched the **New Capital Investment Entrant Scheme (New CIES)** in March 2024 to facilitate high-net-worth individuals to make investments and pursue development in Hong Kong. Eligible investors who invest \$27 million or more in permissible investment assets and place \$3 million into a new CIES Investment Portfolio may apply to reside and pursue development in Hong Kong. It was further announced in the 2024 Policy Address that the New CIES be enhanced to expand the scope of eligible investments, allowing investment in residential properties provided that the transaction price of the single residential property concerned is no less than \$50 million. The total investment amount in real estate (the aggregate of all residential and non-residential properties) that counts toward fulfilling the minimum investment threshold is subject to an aggregate cap of \$10 million. Starting from 1 March 2025, the net asset assessment and calculation requirements have been relaxed and investments made through an eligible private company wholly owned by an applicant can be counted towards the applicant's eligible investment.

Furthermore, Hong Kong ranks among the world's largest **import and export markets for gold by volume**. The current complicated geopolitical landscape underscores Hong Kong's edge in security and stability, making the city an attractive location for investors to store gold and spurring activities such as gold trading, clearing and delivery. We will capitalise on our strengths as an international financial centre to build Hong Kong into an international gold trading centre. Moreover, the HKSAR Government will proactively facilitate an international commodity exchange to set up approved warehouses in Hong Kong, as well as introduce measures such as a preferential tax regime to attract enterprises to expand their business in Hong Kong, and to increase storage and trade volume of commodities.

According to the **Global Financial Centres Index Report** published in March 2025 by Z/Yen from the UK and the China Development Institute from Shenzhen, Hong Kong ranked 3rd among 119 financial centres worldwide, and continued to top the list in the Asia-Pacific, with its overall rating increasing by 11 points.

The report fully recognised Hong Kong's leading status and strengths as an international financial centre. Hong Kong's rankings in the areas of "human capital", "infrastructure", and "financial sector development" rose to 2nd in the world, while rankings in "business environment" and "reputational and general" rose to 3rd globally. Hong Kong also ranked among the top in various financial industry sectors. In particular, Hong Kong ranked 1st in "investment management", "insurance" and "finance", and 3rd in "banking" globally. In addition, the report assessed the financial centres' fintech offering, and Hong Kong's ranking leapt further by five places to 4th in the world.

In response to the latest international trade order, the economies within the region will probably seek new economic and trade agreements or preferential trade and investment treatment on a mutual basis among themselves to offset the impact brought by the decline in trade with the US. The bilateral and regional economic and trade ties among ASEAN, the Middle East and other B&R countries and regions may foster a new landscape and new business models that facilitate the development of corridor business, hence creating new opportunities for financial services. Hong Kong's well-established reputation as an international financial centre is a confidence booster in this regard.

The HKSAR Government is showcasing Hong Kong's strengths in the financial market while **proactively exploring "new markets" and making "new friends"**. Under the HKMA's initiative, the Hong Kong Association of Banks has established a committee on corridor business to strengthen promotion and publicity in key markets in collaboration with the HKMA, leveraging financial services to foster economic and trade co-operation between Hong Kong and these regions. In the future, Hong Kong will continue to serve as a "testing ground" and "firewall" as our country deepens its financial reform.



According to the Global Financial Centres Index Report published in March 2025, Hong Kong ranked 3rd among 119 financial centres worldwide, and continued to top the list in the Asia-Pacific.

A world-leading international trade, aviation and shipping centres

Hong Kong is a globally acclaimed free port. With efficient customs clearance, zero tariff, strategic location at the heart of Asia and the gateway to South China, and a full range of professional and business services, Hong Kong has developed into an international trade centre. The city is home to a deep pool of experienced, high-quality talent and extensive networks in international trade and supply chain management. It plays an important role in global trade. According to the World Trade Organization (WTO), Hong Kong ranked as the world's 7th largest trading entity in merchandise trade and 21st largest in commercial services in 2024.

As a founding member of the WTO, Hong Kong remains firmly committed to the rules-based **multilateral trading system** with the WTO at its core. Hong Kong will also continue its active participation in and support the work of the Asia-Pacific Economic Cooperation (APEC), demonstrating to international trading partners its commitment to regional economic co-operation and sharing the good stories of Hong Kong with the world.

The global trade landscape and geopolitics are constantly changing, with parts of the supply chain shifting to the Global South and B&R countries and region, while Mainland enterprises are proactively establishing their presence abroad. In December 2024, InvestHK and the HKTDC set up a **high value-added supply chain services mechanism** to jointly attract Mainland enterprises to establish international or

regional headquarters in Hong Kong for managing offshore trading and supply chain, and to provide one-stop professional advisory services for enterprises in Hong Kong looking to “go global” and re-deploy their global supply chains. The mechanism will also help Hong Kong deepen international exchanges and co-operation.

InvestHK and the HKTDC have accumulated a lot of successful experience, and under the above mechanism, many Mainland enterprises are eager to leverage Hong Kong's unique advantages in various aspects and develop **multinational supply chain management businesses** through the city. For instance, a leading provider of supply chain solutions and logistics services from the Mainland has recently announced the opening of its fifth operation centre in Hong Kong, further expanding its business in Hong Kong and enhancing its supply chain efficiency. In addition, a construction machinery enterprise from the Mainland has set up a clearing platform in Hong Kong to utilise the city's financial and professional services to serve various purposes of its multinational business, such as international clearing, cross-boundary financing and risk management. These two examples demonstrate that Hong Kong has great potential to develop into a multinational supply chain management centre. We will continue to step up promotions in this regard in the future.



A large white commercial airplane is parked on a tarmac. Ground service equipment, including a blue and yellow scissor lift and a yellow belt loader, is positioned near the aircraft. The aircraft's tail and part of its fuselage are visible. The background shows other airport infrastructure and a clear sky.

Mainland enterprises with operations in Hong Kong can, through the **Hong Kong Export Credit Insurance Corporation (ECIC)**, insure goods shipped or re-exported from Hong Kong, as well as goods procured or produced overseas and then directly shipped to buyers by Hong Kong policyholders. Since 2012, the ECIC has extended its policy coverage to include subsidiaries in the Mainland or overseas in which Hong Kong policyholders have an ownership of over 50%. These enterprises may gain easier access to export finance through insurance policies, and make use of ECIC's buyer credit check and market information sharing services to develop their business. Moreover, they may use the Commercial Data Interchange to obtain trade financing services at a lower cost.

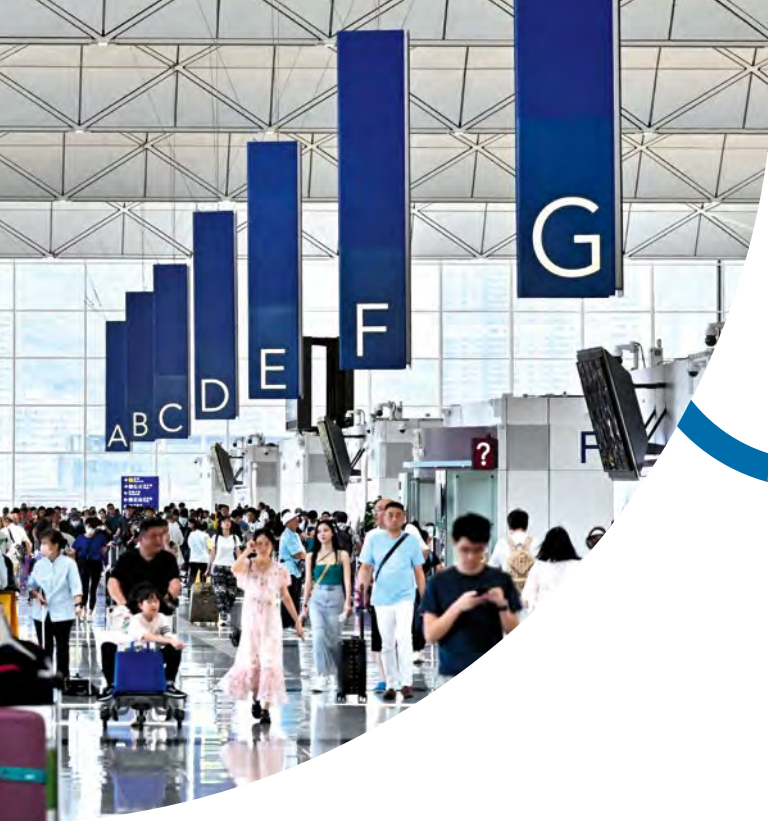
On **developing non-local markets**, the HKSAR Government has launched a number of support and incentive measures, such as the SME Export Marketing Fund, which provides funding support for enterprises to participate in export promotion activities, and the **Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund)**, which supports enterprises in developing their business in 40 economies. Apart from “E-commerce Easy” launched in July 2024 under the BUD Fund, we also assisted enterprises to expand their e-commerce business through a number of initiatives implemented by the HKTDC, i.e. organising the Hong Kong Shopping Festival, launching the new “E-Commerce Express” service and setting up Hong Kong Pavilions at more overseas exhibitions to enhance the exposure and competitiveness of Hong Kong brands in non-local markets.

The HKTDC has been supporting Mainland enterprises in Hong Kong to “go global” and establish a foothold in countries including those along the B&R through various schemes. For instance, the **Transformation Sandbox (T-box)** offers one-stop consulting services covering business operations, production and supply chain solutions, and market information, along with workshops and exchange sessions, to help Mainland enterprises operating in Hong Kong enhance their

competitiveness in areas such as branding, digital transformation, manufacturing and supply chain solutions, market development, and sustainability.

To **accelerate the development of digital trade**, the HKSAR Government is pushing forward reforms in the digitalisation of enterprises and trade. Measures include fostering participation in discussions among the international community on the development of digital economy and exploring the inclusion of relevant provisions in bilateral trade agreements in the negotiation process, with a view to promoting digital trade and cross-boundary e-commerce. We are going all out to develop the Trade Single Window, with the target of rolling out Phase 3 service in batches starting from 2026. The Trade Single Window provides a one-stop electronic platform for the trade to lodge import and export trade documents for trade declaration and cargo clearance.

Hong Kong is also an **international aviation hub**. The HKIA is one of our most important infrastructures. With a robust aviation network, the HKIA has been named the world's best airport more than 80 times over the years. Under the Basic Law, Hong Kong shall be responsible on its own for matters of routine business and technical management of civil aviation (including the management of airports and, under the authorisations from the Central People's Government, negotiation and conclusion of air service agreements with other countries or regions).



To address market demand and seize the opportunities brought by the **Three-Runway System (3RS)**, the HKSAR Government has adopted a more forward-looking approach in the development and expansion of the aviation network. This includes supporting the HKIA in strengthening services on major routes and planning ahead for civil aviation co-operation, with particular focus on current major routes and B&R countries with potential, such as destinations in North America, Europe, Africa, South America and Southeast Asia, with a view to negotiating and enhancing air service agreements and strengthening aviation services with these regions.

The HKIA has become a major gateway connecting the Mainland and other parts of the world with its **intermodal transport network**. For passenger traffic, the SkyPier Terminal of the Airport Authority Hong Kong (AAHK) enables transit passengers from Macao and the Mainland to enter the restricted area of the HKIA via the HZMB for direct boarding onto their connecting flights to overseas destinations upon arrival in Hong Kong, without the need to go through Hong Kong's immigration clearance; and vice versa. As for cargo traffic, Hong Kong has signed **Mutual Recognition Arrangements on Authorized Economic Operators** with individual B&R-related economies to facilitate cargo clearance.

In February 2023, the AAHK and the Dongguan Municipal Government signed a co-operation agreement on “**sea-air intermodal cargo transshipment**”, under

which export cargo from the Mainland can go through security screening, palletisation and cargo acceptance in advance in the HKIA Dongguan Logistics Park, and then be transported in compliance with Hong Kong's air cargo security regulations to the “intermodal pier” in the HKIA's restricted area for direct transshipment to overseas destinations. Cargo from overseas may also be imported into different provinces and cities of the Mainland via Hong Kong through the reverse process.

Following the commissioning of DHL's expanded hub facility and the Cainiao Smart Gateway in 2023, the AAHK reached an agreement with the United Parcel Service (UPS) to develop a new hub facility at the HKIA with a view to strengthening the HKIA's position as a leading global air cargo and e-commerce fulfilment hub. Expected to be completed in 2028, the new hub facility is designed for a handling capacity of close to 1 million tonnes per year.

Hong Kong has also adopted a proactive approach in developing into an important **international aircraft leasing and financing hub** in the GBA and the Asia-Pacific region. Qualifying aircraft lessors and aircraft leasing managers not only enjoy a concessionary tax rate equivalent to 50% of the prevailing profits tax rate for corporations (8.25%), but also receive a one-off deduction of the full acquisition cost of aircraft.

The HKIA is set to develop into a **green airport**. Sustainable Aviation Fuel (SAF) is considered by the International Civil Aviation Organization as the main tool for achieving the goal of net zero carbon emissions by 2050. The AAHK has completed a consultancy study on SAF and the HKSAR Government is reviewing the study report to chart the way forward for the adoption of SAF in Hong Kong, in order to enhance the competitiveness of the HKIA internationally and attract more flights between Hong Kong and the rest of the world by promoting SAF adoption. In particular, the HKSAR Government will set an SAF usage target for flights departing from the HKIA within 2025.



Hong Kong is also an international shipping centre, ranked 4th globally in the 2024 Xinhua-Baltic International Shipping Centre Development Index Report



The Hong Kong Shipping Register is the fourth largest register in the world in terms of gross tonnage

Hong Kong is also an **international shipping centre**, ranked 4th globally in the 2024 Xinhua-Baltic International Shipping Centre Development Index Report, and is one of the world's busiest container ports. The Hong Kong Shipping Register is the fourth largest register in the world in terms of gross tonnage. The fleet owned or managed by Hong Kong shipowners accounts for about 10% of the deadweight tonnage of the world's merchant fleet. In the area of international maritime arbitration, the Baltic and International Maritime Council (BIMCO) has designated Hong Kong as one of the four arbitration venues, alongside London, New York and Singapore.

Hong Kong is now home to over 1 200 port and shipping-related companies, providing quality and high value-added maritime services. Between 2020 and 2022, the HKSAR Government introduced a series of **tax concession measures for the shipping industry**, including providing tax exemption (i.e. at a tax rate of 0%) for the ship leasing and ship leasing management business and half-rate tax concession (i.e. at a tax rate of 8.25%) for shipping commercial principals (i.e. ship managers, ship agents and ship brokers). The HKSAR Government will commence studies on further enhancement of tax concession measures, so as to attract more shipping enterprises to establish a presence in Hong Kong. Furthermore, the HKSAR Government offers block registration incentives to attract shipowners to register their ships in Hong Kong extensively.

Given the **shipping industry's vast market potential for green transformation**, the HKSAR Government has provided incentives for Hong Kong-registered ships that have attained high ratings under the international standards on decarbonisation formulated by the International Maritime Organization. The

Action Plan on Green Maritime Fuel Bunkering has also been promulgated to promote the development of Hong Kong into a high-quality green maritime fuel bunkering and trading centre. Regular commercial bunkering services involving biodiesel and liquefied natural gas are now available in Hong Kong.

Since the International Chamber of Shipping established its first-ever overseas office in Hong Kong in 2019, the HKSAR Government has been active in attracting more international maritime organisations to set up offices in the city, with a view to consolidating the local maritime industry's ties with global maritime businesses and organisations. Hong Kong is where Mainland shipping enterprises can connect and communicate with international maritime organisations, and international maritime organisations and enterprises can meet shipping enterprises from Mainland China to explore the Mainland market.

The HKSAR Government established the Hong Kong Maritime and Port Development Board in July 2025 to create a stronger impetus for the development of the industry. In 2023, we promulgated the **Action Plan on Maritime and Port Development Strategy** and the **Action Plan on Modern Logistics Development** respectively to enhance the competitiveness of the Hong Kong port and promote high-quality development of the logistics industry. One of the measures is to provide funding support for technology adoption projects (including those involving ESG-related technology solutions) of eligible enterprises through the **Pilot Subsidy Scheme for Third-party Logistics Service Providers**, subject to a cumulative subsidy ceiling of \$2 million for each enterprise. The aim is to facilitate the transformation of Hong Kong's modern logistics industry towards smart, green and sustainable development.

Leading the way to future as an international innovation and technology (I&T) centre

Without I&T, there is no future. Hong Kong is going full steam ahead to develop itself into an international I&T centre. The HKSAR Government has promulgated the **Hong Kong Innovation and Technology Development Blueprint** (I&T Blueprint), formulating clear roadmaps and strategic plans for Hong Kong's I&T development over the next five to ten years, and the business sector is welcome to participate in and contribute to the process. The I&T Blueprint puts forward, among others, the focused development of strategic technology industries such as life and health technology, AI and robotics, as well as advanced manufacturing and new energy technology. Following the directions and strategies set out in the I&T Blueprint, we are implementing a series of measures to comprehensively enhance the I&T ecosystem, covering areas such as scientific research capabilities, support for technology start-ups, infrastructure, and talent development.

In addition to a thriving I&T ecosystem, Hong Kong, as a bridge connecting the Mainland and the rest of the world, can provide more opportunities for the business sector. In particular, the HKSAR Government has been fully committed to promoting the development of the GBA, strengthening co-ordinated development among the industry, academic and research sectors across Guangdong, Hong Kong and Macao. By combining Hong Kong's strengths in I&T with the sophisticated manufacturing industries and vast markets of the Mainland cities in the GBA to form an integral industrial cluster, we can create synergies that promote the high-quality development of the region.

According to the **Global Innovation Index** 2024 published by the World Intellectual Property Organisation (WIPO), the "Shenzhen-Hong Kong-Guangzhou" science and technology cluster was ranked 2nd globally for the fifth consecutive year, highlighting the unlimited

potential for I&T development in the GBA. Hong Kong's ranking remains 5th in Asia, and is 18th globally among 133 economies.

The **Hetao Shenzhen-Hong Kong Science and Technology Innovation Co-operation Zone** (the Co-operation zone) is one of the major co-operation platforms in the GBA under the National 14th Five-Year Plan. It consists of the 87-hectare Hong Kong Park and the 300-hectare Shenzhen Park. The Hong Kong Park will be developed in two phases from west to east. Under the current planning, the first phase of the Hong Kong Park has a total floor area of up to 1 million square metres, consisting of a life and health technology zone, a research, academic and industry zone, an AI and data science zone, a new technology and advanced manufacturing zone, and ancillary facilities. Batch 1 of Phase 1 of the Hong Kong Park comprises eight buildings. With the completion of the first three buildings, the park will officially enter its operational phase, receiving the first batch of tenants who will move in starting from the second half of 2025. The construction works of the other five buildings are being carried out at an enhanced speed, and they are expected to be completed progressively from 2027 onwards.

The HKSAR Government has promulgated the **Development Outline for the Hong Kong Park of the Hetao Shenzhen-Hong Kong Science and Technology Innovation Co-operation Zone**. It sets out innovative policies which facilitate the flow of personnel, materials, capital and data between the Hong Kong Park and the Shenzhen Park, including facilitating cross-boundary travel of designated personnel of the two Parks; enabling the cross-boundary movement of materials by using low-altitude unmanned aerial vehicles; and facilitating cross-boundary fund transfers by Mainland enterprises settling in the Hong Kong Park, with a view to making the Co-operation zone a crucial source of new quality productive forces for our country.



According to the Global Innovation Index 2024, the "Shenzhen-Hong Kong-Guangzhou" science and technology cluster was ranked 2nd globally for the fifth consecutive year

To further promote the development of life and health technology in Hong Kong, the HKSAR Government has earmarked \$10 billion for the provision of more comprehensive support in the long run. This includes \$2.2 billion for setting up the **InnoLife Healthtech Hub** in the Hong Kong Park to attract top-notch scientific research teams and talent from around the world to settle in the Park and focus on research in life and health sciences. Among which, \$2 billion has been earmarked for supporting the InnoHK research clusters to establish a presence in the Hong Kong Park, and \$200 million for assisting startups engaging in life and health technology in the Park in the form of incubation and acceleration programmes. Moreover, the opening of the **Greater Bay Area International Clinical Trial Institute** in the Loop has provided a one-stop support platform for more local, Mainland and overseas pharmaceutical and medical device enterprises to conduct clinical trials in Hong Kong. Meanwhile, the HKSAR Government has allocated \$6 billion for subsidising local universities in setting up life and health technology research institutes in Hong Kong, with a view to fostering multi-disciplinary collaboration among universities/research institutes from Hong Kong, the Mainland and overseas.

Located in the **Northern Metropolis, the San Tin Technopole** will serve as a strategic key for the I&T industry planning and the base for developing new quality productive forces of Hong Kong in the future. It is set to become a hub for clustered I&T development that fosters synergy with Shenzhen, while supporting Hong Kong's development into an international I&T centre under the new industrial pattern of "South-North dual engine (finance-I&T)". We hope that through the new I&T sites around San Tin at the San Tin Technopole, we can provide strategic technology enterprises, especially Mainland and overseas businesses intending to settle in Hong Kong, with an option of quality I&T sites to set up relevant industrial research and development (R&D) and design centres, as well as pilot transformation bases and/or mass production facilities, forging a vibrant I&T industry chain. This, in turn, will provide solid support for accelerating the development of new quality productive forces and achieving new industrialisation in Hong Kong.





Continuously consolidating Hong Kong's position as a regional intellectual property (IP) trading centre

With a robust IP protection regime and a pool of experts and specialists familiar with the IP systems of different countries, Hong Kong can play the unique roles as a “participant” in domestic circulation and a “facilitator” in international circulation by providing professional services in IP management, assisting Mainland enterprises in connecting with overseas and domestic buyers and sellers, and expanding their business portfolios and opening up new markets through IP trading. In particular, Hong Kong can help promote further development of I&T, creative industries and high-end IP services industries in the GBA, giving full play to its position as a **regional IP trading centre**. This aligns with the national strategies of building an IP powerhouse and developing new quality productive forces, while opening up new pathways for growth.

Mainland China is the world's largest trading economy with rich IP resources, and is also the world's largest source of filing of patent, trade mark and design applications. To assist Hong Kong patent applicants in obtaining a patent for their inventions in the Mainland, a pilot project for prioritising examination of qualified invention patent applications filed by Hong Kong applicants in the Mainland has been launched in January 2023.

To expedite Hong Kong's development into a regional IP trading centre, the HKSAR Government implemented the “**patent box**” **tax incentive** in July 2024 to reduce substantially the tax rate for profits derived from eligible IP to a very competitive rate of 5%. This incentive aims to encourage local enterprises to devote more resources to R&D and to make use of patents and other IP rights for commercialisation and trading.

In addition, the HKSAR Government is supporting the Hong Kong Productivity Council in planning for the establishment of a **World Intellectual Property Organization (WIPO) Technology and Innovation Support Centre (TISC)**, which will provide local SMEs, start-ups and entrepreneurs with high quality IP (especially patents) information and services to assist them in exploring their innovation potential and creating, protecting, managing and commercialising their IPs. This will help protect research outcomes, promote IP trading, and nurture local I&T talent well versed in patent knowledge. The TISC will become fully operational by the end of 2025.



Clear positioning as an international legal and dispute resolution services centre in the Asia-Pacific region

Hong Kong is determined to develop itself into a **global “capital for mediation”**. The Ministry of Foreign Affairs has established the International Organization for Mediation (IOMed) Preparatory Office in Hong Kong, and upon the establishment of the **IOMed**, its headquarters will be located in Hong Kong as well. At the end of May 2025, Member of the Political Bureau of the CPC Central Committee and Minister of Foreign Affairs, Mr Wang Yi, paid a special visit to Hong Kong to attend the **Signing Ceremony of the Convention on the Establishment of the IOMed**, showing great support from the country for maintaining the city’s unique status under “One Country, Two Systems”.

The IOMed, upon establishment, will be the world’s first intergovernmental international legal organisation dedicated to resolving international disputes through mediation. As an important mechanism for upholding the principles of the Charter of the United Nations, it will provide friendly, flexible, economical and efficient mediation services for international disputes, responding to the shared aspiration of countries worldwide for peace, stability and development, and echoing the call of this era for co-operation and mutual benefit.

On the other hand, the HKSAR Government has been supporting the **Electronic Business Related Arbitration and Mediation (eBRAM) International Online Dispute Resolution Centre** in the establishment of online dispute resolution platform which provides an efficient, secure and cost-effective way for resolving

disputes among individuals or enterprises in any part of the world (including B&R countries). In May 2022, eBRAM was listed as the first and only provider from Hong Kong to offer online dispute resolution services for APEC economies under the APEC Collaborative Framework for Online Dispute Resolution of Cross-Border Business-to-Business Disputes. After launching its online mediation platform and online arbitration platform in October 2022, eBRAM introduced its online deal-making platform in December 2023, which provides end-to-end, secure and efficient services to assist enterprises (especially SMEs) in conducting cross-boundary deals.

In October 2024, Hong Kong and the Mainland entered into the **Second Agreement Concerning Amendment to the CEPA Agreement on Trade in Services**, under which the measures of “allowing Hong Kong-invested enterprises to adopt Hong Kong law” and “allowing Hong Kong-invested enterprises to choose Hong Kong as the seat of arbitration” were, for the first time, incorporated into CEPA. Express provisions were also made supporting the extension of the measures’ scope of application in the GBA. On 14 February 2025, according to a judicial interpretation promulgated by the Supreme People’s Court and the “Opinion on Fully Leveraging the Functions of Arbitration to Serve the High-Quality Development of the Guangdong-Hong Kong-Macao Greater Bay Area” issued jointly with the Ministry of Justice, the scope of the two measures were extended.

The **measure of “allowing Hong Kong-invested enterprises to adopt Hong Kong law”**, originally applicable to Qianhai, Shenzhen, has been extended to cover the entire Shenzhen and Zhuhai. After the extension, where either party or both parties are Hong Kong-invested enterprises registered in Shenzhen or Zhuhai, the parties may agree to choose Hong Kong law as the law applicable to the contract. As for the **measure of “allowing Hong Kong-invested enterprises to choose Hong Kong as the seat of arbitration”**, it has been further extended from the Pilot Free Trade Zones in the Mainland to include the nine Mainland municipalities in the GBA. Upon extension, where either party or both parties are Hong Kong-invested enterprises established and registered in the Pilot Free Trade Zones in the Mainland or any of the nine municipalities in the GBA, the parties may, in the absence of Hong Kong-related elements, choose Hong Kong as the seat of arbitration. A wider definition of Hong Kong-invested enterprises has also been provided for. Under the relaxed definition, Hong Kong-invested enterprises registered in municipalities such as Shenzhen and Zhuhai, irrespective of the ratio of investment by Hong Kong shareholders, can enjoy more choices under the two measures.

The measures of “allowing Hong Kong-invested enterprises to adopt Hong Kong law” and “allowing Hong Kong-invested enterprises to choose Hong Kong as the seat of arbitration” provide greater flexibility to enterprises by allowing them to adopt Hong Kong law, which is aligned with international standards, as the applicable law in their civil and commercial contracts, and to choose Hong Kong as the seat of arbitration, thereby enhancing enterprises’ confidence in cross-boundary investment.

Hong Kong has a rich pool of legal and dispute resolution practitioners who are multi-lingual and with extensive international experience, including Hong Kong solicitors and barristers with dual qualification to practise in Hong Kong and the Mainland. Currently, over 580 legal practitioners from Hong Kong (including solicitors, barristers and in-house legal counsel employed by Hong Kong companies) and Macao have obtained the Lawyer’s License (Guangdong-Hong Kong-Macao Greater Bay Area) to provide legal services in the nine Mainland municipalities in the GBA on specified civil and commercial matters to which Mainland laws apply.

Moreover, the HKSAR Government has officially launched the **Hong Kong International Legal Talents Training Academy**, which regularly organises legal practice training courses, seminars, international exchange programmes and so forth. The academy aims to nurture legal talents with an international perspective and a good knowledge of different legal systems, thereby providing sound judicial and legal protection for B&R-related projects and promoting high-quality development.



Over **580**

legal practitioners from Hong Kong and Macao have obtained the Lawyer’s License (Guangdong-Hong Kong-Macao Greater Bay Area)



East-meets-West centre for international cultural exchange

Hong Kong has its unique charm of being a melting pot of Chinese and Western cultures. Over the years, we have maintained close partnerships with world-class cultural institutions and promoted cultural exchange with the Mainland and overseas through various policy initiatives and arts and cultural activities. The HKSAR Government has promulgated the **Blueprint for Arts and Culture and Creative Industries Development**, which clearly sets out the vision, principles and strategic directions for promoting the development of the arts, culture and creative industries. To build Hong Kong's brand as Asia's World City, we will continue to develop high-quality arts, culture and creative sectors by promoting Chinese culture, organising a diverse array of arts and cultural activities, and facilitating cultural exchanges between the Mainland and the rest of the world.

Create Hong Kong has been restructured as the **Cultural and Creative Industries Development Agency**, which takes on a more proactive role in further fostering the development of the arts, culture and creative sectors as industries under the industry-oriented principle.

The development of facilities for the arts, culture and creative industries is equally important. Being one of the most important cultural infrastructure of Hong Kong, the **West Kowloon Cultural District** blends characteristics of traditional local culture with international and contemporary elements, showcasing Hong Kong's unique charm as a metropolis where East meets West, and promoting the development of the city into one of the most vibrant arts and cultural hubs in the world.

Hong Kong's zero tariff on art trading has made the city an **art trading hub**. It is now one of the largest art auction hubs in the world. Many internationally renowned art auction houses have established their presence in Hong Kong. This has facilitated the adoption of more standardised procedures with higher transparency in the auction process. In 2023, the total trade value of artworks, collectors' pieces and antiques in Hong Kong amounted to about \$105.5 billion, almost five times the value recorded in 2017. Looking ahead, Hong Kong will further build its strengths in arts trading, promote the creation of a comprehensive arts trading ecosystem, and set up storage, restoration and exhibition facilities for high-end private art collections.





Strong recovery of tourism

Tourism is one of the major driving forces of Hong Kong's economy. Visitors from all over the world, including business travellers, are attracted to the city every year. The HKSAR Government is joining hands with the trade to enhance the competitiveness of Hong Kong's tourism industry. Efforts include exploring and making good use of the city's rich tourism resources, organising various kinds of mega events, improving tourism facilities and so on, showcasing the unique charm of Hong Kong as a metropolis and bringing vibrant experiences to both local residents and visitors.



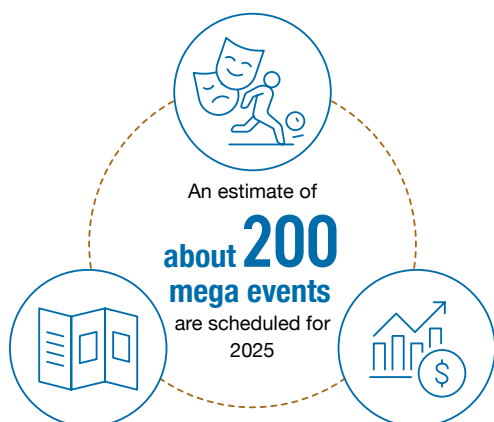
Creating opportunities through mega event economy

The HKSAR Government is committed to promoting mega event economy. Policy bureaux, departments and statutory bodies have been reaching out proactively to secure and attract more international mega events to be held in Hong Kong, so that visitors and local residents can see and experience for themselves the unique charm, vibrancy and cultural ambience of the city. The HKSAR Government has stepped up publicity efforts and enhanced the effectiveness of mega event promotion both at home and abroad. HKTb has enhanced its official website to present mega events that are appealing to tourists throughout the year more clearly and in a more focused manner. This facilitates tourists to better plan their visit to Hong Kong, and at the same time enables operators of different sectors to better seize the business opportunities brought about by mega events and turn popularity into prosperity.

An estimate of about 200 mega events are scheduled for 2025, covering areas such as cultural, arts and creative events, conventions and exhibitions, sports, finance, economy and I&T related events and more. These events bring together elites from around the globe, and provide the business community with an excellent platform for exchanges and doing business. They not only reinforce Hong Kong's international status and boost visitor arrivals, but also benefit the overall consumption market and create business

opportunities for various sectors such as hotel, catering, retail and transport. It is estimated that some 2.3 million visitors would participate in the mega events throughout 2025 with a spending of about \$8.1 billion, bringing a value added of about \$4.6 billion to our economy.

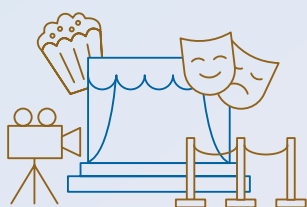






Different types of mega events

The HKSAR Government has been supporting different types of mega events through various programmes, such as:



Mega arts and cultural events: The Mega Arts and Cultural Events Fund has been open for application since April 2023. The fund aims to attract and support international and large-scale arts and cultural events to be held in Hong Kong, with targeted funding for those organised by the private sector or non-governmental organisations, with a view to developing Hong Kong into an arts and cultural metropolis. As at May 2025, 21 projects were approved, 20 of which have been completed. The events attracted over 5.08 million participants and gained wide social media coverage with the relevant posts reaching over 100 million local, Mainland and overseas viewers.



Major sports events: The HKSAR Government supports local National Sports Associations in hosting major international sports events by providing matching fund and direct grants through the “M” Mark System launched by the Major Sports Events Committee of the Sports Commission in 2004. In the 2024-25 financial year, a record high of 30 major international sports events receiving support under the “M” Mark System were held in Hong Kong. Attracting over 900 000 participants, these sports events have not only fostered a sustainable sports culture in Hong Kong, but also enhanced the city’s image as a centre for mega international sports events and brought tangible economic benefits to the community.

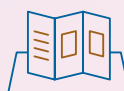
The HKSAR Government is vigorously promoting **Meetings, Incentives, Conventions and Exhibitions (MICE) tourism** to attract more high-end business visitors to Hong Kong. The Commerce and Economic Development Bureau has rolled out a \$1.4 billion Incentive Scheme for Recurrent Exhibitions to provide financial incentives for staging exhibitions of different scales, particularly international trade shows, on a recurring basis, in Hong Kong. International exhibitions bring in high-spending business visitors, and will boost business and generate benefits for other sectors such as accommodation, catering, retail and entertainment. As at end-June 2025, the scheme supported over 200 exhibitions, drawing exhibitors and buyers from around the globe.

HKTB has been committed to promoting Hong Kong as a premier MICE tourism destination. In 2024, Hong Kong received approximately 1.42 million overnight MICE visitors, and their per capita spending was around \$7,800, 40% higher than that of overall overnight visitors. It is estimated that MICE events supported by HKTB in 2025-26 will attract more than 183 000 high value-added overnight MICE visitors to Hong Kong, generating a total spending of about \$1.4 billion.



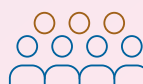
\$1.4 billion

Incentive Scheme for Recurrent Exhibitions



As at end-June 2025,
the scheme supported

over 200 exhibitions



In 2024, Hong Kong received

approx. 1.42 million
overnight MICE visitors





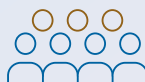
Art Basel Hong Kong 2025

galleries from



42 countries
and regions

attracted



91 000 visitors

ComplexCon



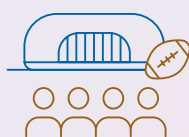
drew
approx. 35 000
pop culture enthusiasts

Mega events hosted in Hong Kong during the first half of 2025 were concluded with great success, including:

On arts and culture, Art Basel Hong Kong 2025 under “**Art March**”, featuring 240 galleries from 42 countries and regions, attracted 91 000 visitors, with satisfactory sales recorded by participating galleries. In addition, ComplexCon, the international pop culture festival, made a grand return to Hong Kong. This is the second time the festival was held in Hong Kong. It brought in the most influential leading creators and brands from across the globe, and drew approximately 35 000 pop culture enthusiasts from around the world, more than half of whom were visitors to Hong Kong. It was a celebrated event promoting exchanges between Chinese and Western cultures while blending modernity with tradition. The series of fabulous programmes under “Art March” has presented a real feast of cultural and art delights to both locals and visitors.

As for sports events, the renowned **Hong Kong Sevens** was held at Kai Tak Stadium for the first time, and a total of over 110 000 fans flocked to the stadium for the three-day matches. In addition, **LIV Golf Hong Kong 2025**, an international golf tournament, was successfully staged in the city, featuring over 50 players from around the world and drawing spectators from 40 countries and regions. The event attracted over 38 000 spectators and was broadcast in multiple countries and regions globally. Through these sports events, Hong Kong gets to showcase its vibrancy and vitality to the world.

Hong Kong Sevens



a total of

over 110 000 fans

flocked to the stadium for the three-day matches

On financial forums and conventions, both the **Asian Financial Forum** and the **Consensus Hong Kong 2025**, one of the largest and most influential conferences for digital assets, blockchain and Web3 communities, are examples of huge success, showcasing to the world that Hong Kong is a “super treasure bowl” where global capital converges. The Asian Financial Forum 2025 brought together over 130 heavyweight speakers from around the world and attracted over 3 600 attendees from 60 countries and regions. Participants included financial officials, representatives of central banks, regulatory authorities and international and multilateral organisations, as well as business leaders and prominent economists, who shared insights on global financial and economic issues and explored the latest development opportunities in Hong Kong. Among other mega financial events was the **Wealth for Good in Hong Kong Summit**, which drew together decision makers and asset managers of family offices. Participants were influential decision makers and professionals, reflecting their immense interest in the business environment and investment opportunities in Hong Kong, and their desire to establish commercial partnerships, expand business and pursue new opportunities through participation.



Completion of new “hardware facilities” in infrastructure

The successive completion of new infrastructure relating to sports, culture and tourism in Hong Kong is bringing fundamental changes to related industries. While open to the public, these facilities will also offer novel experiences to tourists. We welcome investors from around the world to re-discover Hong Kong and explore more of the city’s charm.

Kai Tak Sports Park

Kai Tak Sports Park (KTSP) is **the largest sports infrastructure** ever built in Hong Kong. It will boost sports development and related industries such as recreation, entertainment and tourism, as well as mega event economy. Since its official commissioning on 1 March 2025, KTSP has become a new hub for major sports and entertainment events, including the Hong Kong Sevens 2025 and multiple concerts by internationally and locally renowned bands and singers. KTSP features a 50 000-seat

Kai Tak Stadium with a retractable roof and spectator seating with air conditioning. In addition, there are over 700 000 square feet of retail, dining, and leisure and entertainment facilities, providing a one-stop destination for sports, leisure, dining and shopping experiences for locals and tourists.



Airport City

The HKSAR Government has planned with the AAHK to expand the scale of the Airport City. The AAHK has promulgated a development plan for the expansion, unveiling the new brand “SKYTOPIA”. With the aviation industry as its focal point, the Airport Island as well as the land and waters in its vicinity will be utilised for the development of a new world-leading landmark encompassing high-end commercial, arts, tourism and leisure activities.

The new projects include creating an ecosystem for the arts industry, building AsiaWorld-Expo Phase 2, developing a yacht bay with ancillary facilities, opening a food market for air-imported fresh produce, and providing more public spaces. These projects will attract business and leisure travellers from our country and all over the world to stay, transit or transfer in Hong Kong, thereby showcasing the city’s role as a “super connector” between our country and the rest of the world in commerce, trade, culture, and tourism.

AsiaWorld-Expo Phase 2 expansion

The AsiaWorld-Expo Phase 2 expansion will provide an additional 33 600 square metres of rentable convention and exhibition (C&E) spaces, and a multi-purpose indoor arena with a seating capacity of over 20 000 people, providing venues for large-scale international C&E, entertainment and sports events. The AAHK has commenced the expansion works, which are expected to be completed in 2028.



Experiencing unforgettable moments in Hong Kong

Hong Kong is a **culinary capital**, featuring an impressive line-up of world delicacies. We have around 17 000 restaurants offering a wide variety of cuisines from across the globe. In 2025, there are close to 80 Michelin-starred restaurants in Hong Kong, seven of which are on the Asia's 50 Best Restaurants list, with two of them making to the top three. In addition, the city is home to four of Asia-Pacific's 50 best pizzerias and six of Asia's 50 best bars in 2025 and one bar top the list consecutively.

Hong Kong is a place where a **stunning natural environment and towering skyscrapers co-exist**. Hong Kong UNESCO Global Geopark is lauded as a unique “Geopark in the City”, with the city centre a mere one-hour car ride away. Hong Kong also has 25 country parks, other protected areas and over 260 outlying islands. The verdant countryside and scenic mountains make up about 70% of the total land area of Hong Kong. For those who wish to take a break from the hustle and bustle of city life, it only takes a short while to get to the countryside for a hike and enjoy the tranquility. We also have Victoria Harbour, which is an iconic tourist spot we are all proud of.





Hong Kong is a unique **melting pot of Chinese and Western cultures**. In 2024, the Leisure and Cultural Services Department staged over 6 800 performances or activities. Hong Kong is also home to more than 1 000 arts groups, including nine major performing arts groups, covering orchestras, ballet companies, Chinese orchestras and drama troupes. The HKSAR Government has been adhering to the principle of “shaping tourism with cultural activities and promoting culture through tourism” in fostering the development of cultural tourism. We will organise a wide range of activities on various festive occasions. To enable visitors to experience the city’s distinctive local culture, we will also step up efforts to promote characteristic tourism and encourage the tourism sector to design more diverse thematic itineraries.

The 40-hectare West Kowloon Cultural District is an integrated arts and cultural district with world-class facilities, including M+, the Hong Kong Palace Museum, the Xiqu Centre, Freespace and the Art Park, which have been popular with both locals and visitors in recent years. Another major venue, the WestK Performing Arts Centre, is scheduled for completion in 2026.

SECTION 4

Attracting talent and enterprises to create boundless potential for development

Continuous expansion of economic capacity and enhancement of competitiveness

Hong Kong is rolling out policies and initiatives on all fronts to attract and nurture talent, and to attract investment from Mainland, overseas and local enterprises. Meanwhile, efforts are made to expand economic capacity by taking forward land development projects and infrastructure investment. The HKSAR Government is also striving to promote fintech and I&T, and nurture new quality productive forces to achieve high-quality development, which will foster new growth areas while empowering the transformation and upgrading of traditional industries.

In addition to expanding overall economic capacity and raising competitiveness, these strategies will create more room for development, more opportunities and a better business environment for enterprises.





Pooling international talent

Manpower shortage is currently a worldwide problem. Therefore, the supply and competitiveness of local talent is one of the most important factors for enterprises to consider in choosing where to invest. In the light of geopolitical developments, academics or talent from other countries or regions may be more eager to engage in exchange or research in places outside of the US. We welcome talent from around the world to settle in Hong Kong.

Since late 2022, the HKSAR Government has implemented a series of measures to enrich the talent pool in sectors such as finance, trade and I&T in Hong Kong, in an attempt to alleviate the difficulties of enterprises in talent recruitment on the one hand, and to consolidate Hong Kong's position as an international hub for high-calibre talent on the other.

At present, employers can admit outside talent through the following employment-tied schemes:

- Non-Mainland residents and Mainland residents who possess special skills, knowledge or experience of value to and not readily available in Hong Kong may apply to come to work under the **General Employment Policy (GEP)** and the **Admission Scheme for Mainland Talents and Professionals** respectively. Non-Mainland entrepreneurs who plan to start or join a business in Hong Kong can also apply for entry under the **GEP**.
- The **Technology Talent Admission Scheme** provides a fast-track arrangement for eligible companies to admit overseas and Mainland technology talent to undertake R&D work in 14 specified technology areas⁶ in Hong Kong.

⁶ The 14 technology areas concerned are biotechnology, AI, cybersecurity, robotics, data analytics, fintech, material science, advanced communication technologies, Internet-of-Things, integrated circuit design, microelectronics, digital entertainment, green technology and quantum technology.

Talent worldwide who wish to pursue career development in Hong Kong may also apply for visas under the schemes below, and they are not required to have secured offers of local employment at the time of application:

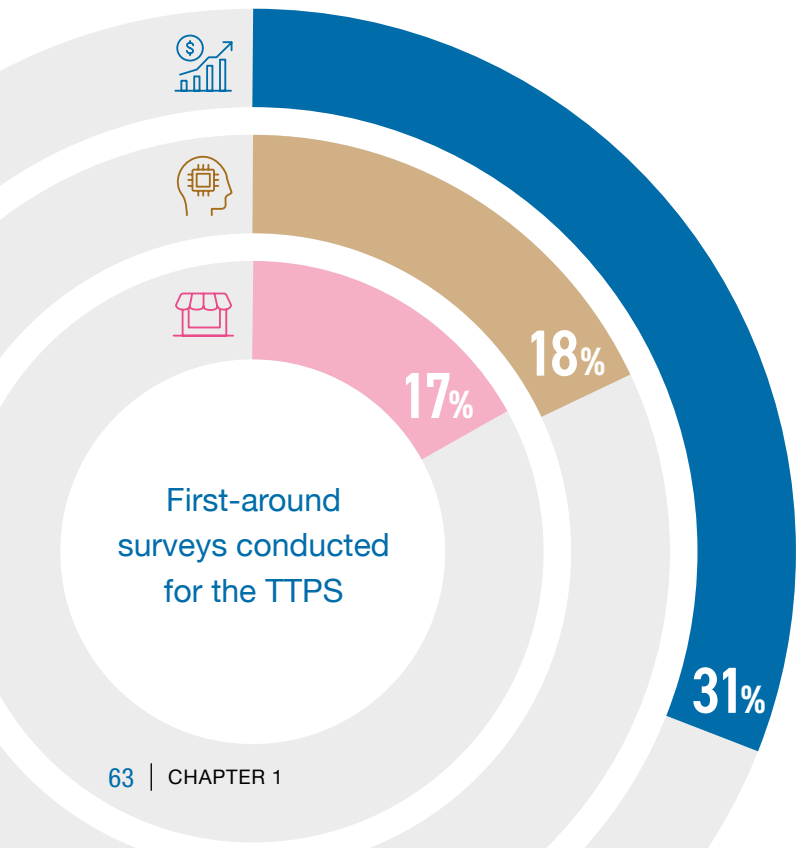
- The **Top Talent Pass Scheme (TTPS)** seeks to attract talent with high income or graduates of eligible universities or institutions from all over the world⁷ to explore opportunities in Hong Kong.
- The **Immigration Arrangements for Non-local Graduates** allow non-local graduates to stay and work in Hong Kong.
- The **Quality Migrant Admission Scheme** seeks to attract highly skilled or talented persons to settle in Hong Kong in order to enhance Hong Kong's economic competitiveness.

Since the implementation of a series of talent attraction measures in late 2022, up to end-June 2025, a total of nearly 500 000 applications under various talent admission schemes were received; nearly 330 000 of them were approved and nearly 220 000 talents arrived in Hong Kong. As at June 2025, there were around 135 000 applications under the TTPS, of which more than 108 000 were approved. According to the first-around surveys conducted for the TTPS in 2023, approved applicants who have been in employment mainly engaged in industries such as financial services (31%), innovation, information and communication technology services (18%) and commerce and trade (17%), taking up managerial and professional posts.

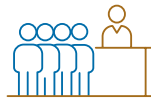
Besides, the online platform (www.hkengage.gov.hk) and physical office of **Hong Kong Talent Engage (HKTE)** have been established. The HKTE is committed to promoting Hong Kong's advantages, opportunities, and various talent admission schemes in different global markets, as well as providing comprehensive one-stop support services for incoming talent to facilitate their settlement and integration into the new environment for long-term development.

People who move to Hong Kong through the above immigration schemes **enjoy certain protection measures** when they invest and operate their business in Hong Kong. They would benefit from treatment or convenience in areas such as business operations, taxation, education, healthcare, transport, and more. In addition to Hong Kong's efficient and convenient business environment, such as the simple and quick process of company incorporation; the low cost of company incorporation; and simple and low tax rates, many people have praised Hong Kong as a very convenient place to live with excellent facilities in transport, shopping, dining and entertainment, and so on.

Hong Kong's excellent education system offers a wide range of school choices for people coming to Hong Kong or their children, and the education system is highly compatible with the rest of the world and internationally recognised. In addition, Hong Kong has a world-class healthcare system that provides access to public healthcare services in the public sector, as well as a wide range of healthcare services in the private sector. Hong Kong has long been recognised as a gateway to



Up to end-June 2025, a total of



nearly 500 000 applications

under various talent admission schemes were received



nearly 220 000 talents arrived in Hong Kong

- Financial services
- Innovation, information and communication technology services
- Commerce and trade

the Mainland and Asia due to its strategic geographical location. Our well-connected transport network and efficient logistics system reinforce our position as an international business hub. Other advantages of Hong Kong have already been mentioned and will not be repeated here.

While proactively attracting talent from around the world, Hong Kong spares no effort in nurturing local talent. Apart from supporting post-secondary institutions in enhancing their quality and expanding their capacity, the HKSAR Government will continue to take forward a number of sector-specific talent training programmes covering areas such as I&T, healthcare, maritime and aviation services, patent and international law.

Meanwhile, the Mainland has implemented an exit endorsement for talent to facilitate the “southbound” flow of Mainland talent⁸ from the GBA, Beijing and Shanghai to Hong Kong for exchanges and visits. At the same time, the duration of stay in Hong Kong of an exit endorsement for business visit has been doubled from seven days to 14 days, and applications are accepted nationwide⁹. These measures facilitate visits to Hong Kong by Mainland businessmen and traders for business purposes and serve to bring more Mainland talent to Hong Kong for exchanges.

As regards “northbound” travelling, since October 2023, foreign staff of Hong Kong-registered companies can make applications in Hong Kong for multiple-entry visas to visit the Mainland for a period of two years or more with priority processing. Starting from 16 October 2024, the validity period of multiple-entry visas for all foreign staff of Hong Kong-registered companies (including non-Chinese Hong Kong non-permanent residents) has been extended to five years. This multiple-entry measure, targeting Hong Kong residents of non-Chinese nationality, is not limited to any particular nationality, industry or talent category. By offering great convenience and incentive to enterprises and investors, this measure serves to attract more overseas companies to set up business in Hong Kong and facilitate business visits to the Mainland by foreign staff.

In addition, the Mainland authorities introduced Mainland Travel Permit for Hong Kong and Macao Residents (non-Chinese Citizens) in July 2024. It allows non-Chinese Hong Kong permanent residents to make multiple trips to and from the Mainland within the five-year validity period. The permit is not limited to any nationality. Individuals holding the permit enjoy self-service clearance at control points of the Mainland without the need to apply for a separate visa, thereby greatly enhancing clearance efficiency.

According to **World Talent Ranking 2024** published by the International Institute for Management Development (IMD) in September 2024, Hong Kong’s ranking rose visibly from 16th in 2023 to 9th, returning to top 10 for the first time since 2016. Hong Kong’s performance improved across all the three talent competitiveness factors. As compared with 2023, its position rose from 6th to 4th in “readiness”, from 15th to 13th in “investment and development”, and from 32nd to 28th in “appeal”. As for the indicators, Hong Kong topped the ranking in the percentage of graduates in sciences, and was among the global top five in the availability of finance skills, effectiveness of management education and remuneration of management. Such rankings show that the HKSAR Government has made remarkable achievements in its work in the area of education and talent admission.

⁷ The TTPS is applicable to the following three categories of persons: Category A: persons with annual income reaching \$2.5 million or above in the year immediately preceding the date of application; Category B: full-time bachelor’s degree graduates of the universities/institutions prescribed in the aggregate list of eligible universities with at least three years of work experience over the past five years immediately preceding the date of application; and Category C: full-time bachelor’s degree graduates of eligible universities/institutions in the past five years immediately preceding the date of application with less than three years of work experience.

⁸ The Mainland authorities implemented, on a pilot basis, the exit endorsement for talent in the Mainland cities of the GBA in February 2023, and expanded its application to Beijing and Shanghai on 6 May 2024. The six categories of talent (i.e. outstanding talent, scientific research talent, education talent, healthcare talent, legal talent and other talent) who meet the eligibility criteria set by the Mainland authorities can apply to the Mainland authorities for a talent exit endorsement with a validity period of five years, three years or one year respectively. They can travel to and from Hong Kong multiple times within the validity period of the exit endorsement and stay in Hong Kong for a duration not exceeding 30 days during each visit.

⁹ Applications are accepted at any of the relevant offices across the country, irrespective of the applicant’s place of household registration or place of residence.





Drawing in a stream of target enterprises

In the face of keen global competition, attracting overseas and Mainland enterprises to set up or expand their operations in Hong Kong has become a priority of the HKSAR Government. Hong Kong's **Office for Attracting Strategic Enterprises (OASES)** is dedicated to attracting high-potential and representative strategic enterprises from around the globe, particularly those from industries of strategic importance such as life and health technology, AI and data science, fintech, and advanced manufacturing and new energy technology. In response to the needs of strategic enterprises, OASES will work with relevant bureaux and various stakeholders to explore policies and measures that can facilitate their business development and provide them with tailor-made proposals.

OASES has reached out to more than 500 strategic I&T enterprises and successfully attracted four batches of 84 strategic enterprises to set up or expand their operations in Hong Kong. Many of them are I&T companies with a market capitalisation or valuation of over \$10 billion, or engaging in cutting-edge technologies. It is expected that they will invest a total of around \$50 billion and create more than 20 000 jobs in Hong Kong in the coming few years. It is a general belief among these enterprises that Hong Kong boasts a mature financial

system, a wealth of talent from all over the world and a solid academic and R&D foundation, and can act as a base to tap into the Mainland and global markets.



OASES has reached out to **more than 500** strategic I&T enterprises



84 strategic enterprises to set up or expanded their operations in Hong Kong

Apart from OASES, **InvestHK** has also been actively attracting and assisting enterprises that are interested in setting up or expanding their business in Hong Kong by offering one-stop customised support services throughout from planning to implementation. InvestHK had assisted over 1 300 overseas and Mainland companies to set up or expand their business in Hong Kong from January 2023 to the first six months of 2025, bringing in foreign direct investment of more than \$160 billion and creating over 19 000 jobs within the first year of operation or expansion. Through its global network of 17 Dedicated Teams for Attracting Businesses and Talents in the Mainland Offices and overseas ETOs of Hong Kong, as well as 17 consultant offices¹⁰, InvestHK will make proactive endeavours in promoting Hong Kong. Moreover, InvestHK also provides enterprises that have established their business in Hong Kong with aftercare support as an active tool to encourage their further expansion here.

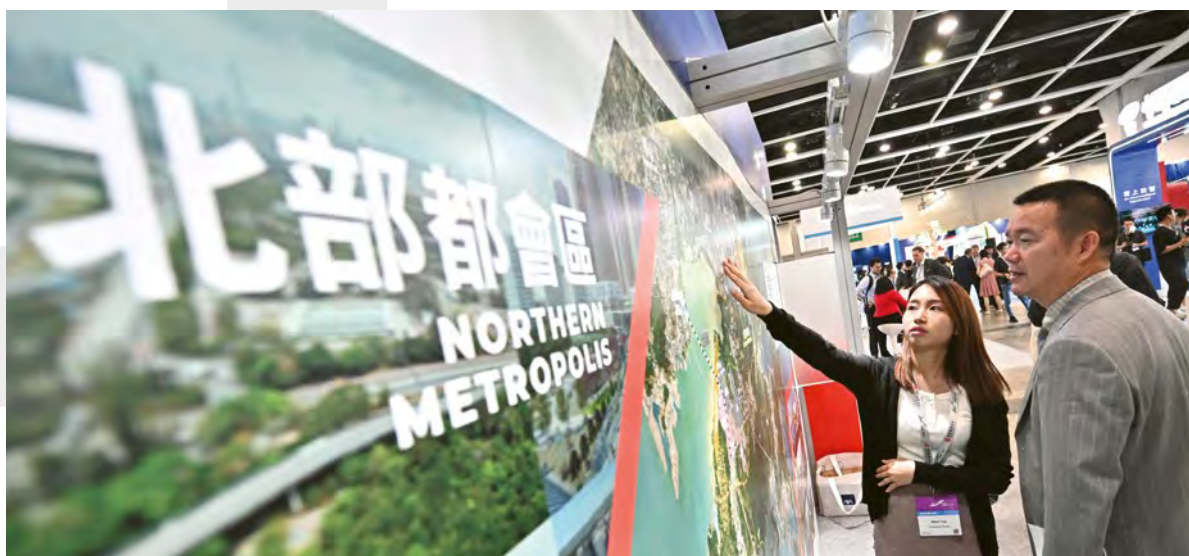
The **Hong Kong Investment Corporation Limited (HKIC)**, established in 2022, manages a total of \$62 billion under the Hong Kong Growth Portfolio, Greater Bay Area Investment Fund, Strategic Tech Fund, and Co-Investment Fund. The HKIC is wholly owned by the HKSAR Government with the aim of enhancing the long-term competitiveness and economic vitality of Hong Kong while generating investment return. Performing its role of channelling capital and leveraging market resources, the HKIC will attract more I&T companies to establish their presence in Hong Kong, thereby accelerating the development of strategic

industries. The HKIC will also encourage enterprises in its investment portfolio to engage actively in local, Mainland and overseas I&T networks, where they can explore more application scenarios and development opportunities, while identifying potential investors and their target clientele.

The growth in the number of enterprises establishing operations in Hong Kong provides impetus for overall economic development and brings about more business opportunities. It will also attract the upstream, midstream and downstream partners of the respective industry chains to Hong Kong. The clustering effect achieved will promote the vibrant development of the ecosystems and supply chains of various sectors, which will in turn facilitate the operation of enterprises and boost their operational efficiency.

¹⁰ The 17 overseas consultant offices under InvestHK are located in Cairo of Egypt, Nairobi of Kenya, Rio de Janeiro of Brazil, Paris of France, Mumbai of India, Jerusalem of Israel, Milan of Italy, Seoul of Korea, Mexico City of Mexico, Gothenburg of Sweden, Oslo of Norway, Moscow of Russia, Almaty of Kazakhstan, Santiago of Chile, Lima of Peru, and Istanbul and Izmir of Türkiye.





Steadily taking forward land development projects and infrastructure investment

Hong Kong is continuing its work to create land and strengthen transport and other infrastructure to facilitate future economic development through providing space for more effective development of business by more enterprises. According to an updated forecast in 2024, the estimated supply of spade-ready sites will reach around 3 000 hectares in the next decade (i.e. 2025-26 to 2034-35), with nearly 60% (about 1 700 hectares) coming from the Northern Metropolis. It is expected that industrial land will be delivered successively over the next few years, mostly from the Northern Metropolis.

The HKSAR Government is moving full steam ahead with the **Northern Metropolis**, which covers a total area of 30 000 hectares, i.e. around one-third of Hong Kong's total landmass, including around 3 000 hectares of new development land. With the locational advantage of having seven boundary control points, the Northern Metropolis which is adjacent to Shenzhen will be the engine driving Hong Kong's development and an essential platform for our co-operation with other GBA cities, forging a major node for Hong Kong's integration into the overall development of our country.

The Northern Metropolis is divided into four zones, namely, from west to east, the High-end Professional Services and Logistics Hub, the Innovation and Technology Zone, the Boundary Commerce and Industry Zone and the Blue and Green Recreation, Tourism and Conservation Circle. It will provide a large amount of land for the development of different industries and its

planning will be closely aligned with the development of Shenzhen and other GBA cities. Construction projects relating to the Northern Metropolis have commenced successively, and the HKSAR Government's target is to form 40% of the new development land and complete 40% of the new flats therein by 2032.

Furthermore, the HKSAR Government will adopt a more diversified development approach with an innovative mindset, including piloting "**large-scale land disposal**". The HKSAR Government will identify sizable land parcels, including those with commercial value and public facilities, for integrated development by successful tenderers. This approach aims to better leverage private market forces to expedite the development of the Northern Metropolis while reducing the Government's financial outlay.

Promoting I&T enablement to create new opportunities

I&T is a key impetus for high-quality economic and social development. Hong Kong is at the dawn of a golden era for I&T development, and the business sector could grasp the new opportunities created. In fact, with robust capability in scientific research, Hong Kong is the only city across the globe with **five world top-100 universities**¹¹ and two world top-40 medical schools. Hong Kong has so far established 15 State Key Laboratories, six Hong Kong Branches of Chinese National Engineering Research Centres and 22 Joint Laboratories with the Chinese Academy of Sciences, reflecting the wide recognition of our local scientific research standard. At the same time, Hong Kong's strengths, including its advanced technological infrastructure, sound legal and IP systems as well as active financial market, are also conducive to I&T development.

¹¹ According to the World University Rankings 2026 published by Quacquarelli Symonds.





Fostering a vibrant I&T ecosystem

With the increasingly vibrant I&T ecosystem, Hong Kong has maintained its leading position as a global hub for start-ups. The number of start-ups surged from around 1 000 in 2014 to around 4 700 in 2024. Hong Kong has also witnessed the birth of over 20 unicorns over the same period. Additionally, Hong Kong's performance in international I&T rankings has been encouraging. In the IMD's **World Digital Competitiveness Ranking 2024**, Hong Kong was ranked 7th worldwide, with its performance in the "Technology" category ranking 3rd in the world.

In recent years, the HKSAR Government has invested heavily in enhancing technological research infrastructure, subsidising R&D activities, supporting collaboration among the industry, academia and research sectors, pooling and nurturing technology talent, etc. In addition, we proactively attract strategic enterprises to set foot in Hong Kong, with a view to accelerating and boosting the vibrant development of our I&T ecology.

In the IMD's World Digital Competitiveness Ranking 2024, Hong Kong was ranked:



The HKSAR Government is working to enhance the local I&T ecosystem through multi-pronged measures, including:



Supporting scientific research: Located at the Hong Kong Science Park (Science Park), the **InnoHK research clusters** are committed to promoting global research collaboration by pooling together seven local universities and research institutes as well as over 30 top-notch universities and research institutes from 12 economies to establish 30 research laboratories, and involving over 2 500 local, Mainland and overseas researchers. The first two established research clusters focus on healthcare technologies, and AI and robotics technologies respectively. In addition, the HKSAR Government will continue to take forward the establishment of the third research cluster, which focuses on advanced manufacturing, materials, energy and sustainable development. Meanwhile, to enhance basic research in frontier technology fields such as AI and quantum information, the HKSAR Government will launch a **Frontier Technology Research Support Scheme** to provide funding for universities to conduct basic research projects on frontier technologies led by international top-notch scientists.



Promoting collaboration among the industry, academic and research sectors: The \$10 billion **Research, Academic and Industry Sectors One-plus Scheme** will fund, on a matching basis, research teams from universities for the transformation and commercialisation of R&D outcomes, so as to incentivise collaboration among the industry, academic and research sectors. Moreover, the HKSAR Government will continue to provide funding to the Technology Transfer Office of the eight funded universities, enabling those universities to strengthen their support for technology transfer and expand marketing services.



Fostering the development of the I&T industry: The 2024 Policy Address proposed to set up a \$10 billion **I&T Industry-Oriented Fund**, under which a fund-of-funds will be formed to channel more market capital to invest in specified emerging and future industries of strategic importance, including life and health technology, AI and robotics, semi-conductors and smart devices, as well as advanced materials and new energy. The goal is to systematically build an I&T ecosystem and promote the long-term development of related industries.





Supporting technology start-ups: The HKSAR Government helps local technology enterprises meet their capital needs through various programmes under the **Innovation and Technology Fund**. For example, we have launched a \$2 billion **Innovation and Technology Venture Fund (ITVF)** to co-invest with selected private venture capital funds on a matching basis in local I&T start-ups. So far, the ITVF has invested around \$450 million in 45 local I&T start-ups and attracted about \$3.7 billion of private investment. We have also optimised the ITVF by redeploying \$1.5 billion to set up funds jointly with the market, on a matching basis, to invest in start-ups in strategic industries. In addition, we are preparing to launch the **Pilot I&T Accelerator Scheme**, which aims to attract more professional start-up service agencies with international experience to set up their operations in Hong Kong for providing incubation services and development guidance. In parallel, the Hong Kong Science and Technology Parks Corporation (HKSTPC) and Cyberport, being I&T flagships in Hong Kong, are committed to provide I&T start-ups with infrastructure facilities, incubation programmes and one-stop support services.

Home to around 1 300 technology companies, the **Science Park** provides I&T enterprises with infrastructure facilities and one-stop support services. HKSTPC supports I&T enterprises at their different stages of development through various support programmes. In addition, the **Corporate Venture Fund** under HKSTPC has invested in 38 companies with a total investment of about \$460 million, and attracted about \$12.76 billion of private investment.

Cyberport provides start-ups with financial and professional assistance through an array of incubation, accelerator and support programmes such as the **Cyberport Incubation Programme**, and has pooled together over 2 200 community enterprises to date. In addition, the Cyberport Macro Fund has invested nearly \$190 million in 28 companies and attracted over \$1.7 billion of private investment.





Increasing I&T land supply and upgrading supporting infrastructure:

The HKSAR Government is actively planning for and developing new land and facilities to provide room for the development of the I&T industry. For example, Batch 1 of Stage 2 of the Science Park Expansion Programme, which provides a gross floor area of about 13 000 square metres, was completed in the first quarter of 2025. The Cyberport 5 expansion project, which provides a floor area of about 66 000 square metres for co-working spaces, offices, etc., is expected to be completed by end-2025 at the earliest. Together with the San Tin Technopole (including the Hetao Hong Kong Park), which provides about 300 hectares of I&T land and puts together Hong Kong's strengths in scientific research and the Mainland's advanced manufacturing technologies and market advantages, these projects will ensure the provision of vast development opportunities for I&T enterprises.



Nurturing and pooling technology talent: Hong Kong's robust capability in scientific research, coupled with its global network established over the years, are conducive to drawing together I&T talent from all over the world. Apart from its ongoing efforts to nurture local talent, the HKSAR Government has implemented various talent admission measures to draw in talent from around the world, with a view to enlarging the local I&T talent pool through a multi-pronged approach.

The HKSAR Government has set up the **Committee on Education, Technology and Talents** to drive the integrated development of education, technology and talents, expand connections, formulate policies to attract and cultivate talent, foster the development of technologies, as well as promote Hong Kong as an international hub for high-calibre talent. I&T development does not only boost productivity, build new competitive strengths and impetus, but also catalyses the upgrading and transformation of traditional industries and develops emerging areas of business, hence achieving high-quality development and opening up business opportunities.

Integrating into the overall national development to open up new horizons for the business sector

Hong Kong is proactively integrating into the overall national development. The **Steering Group on Integration into National Development**, chaired by the Chief Executive, works vigorously to dovetail with national strategies such as the National 14th Five-Year Plan, development of the GBA and high-quality development of the B&R Initiative, and strengthens co-operation with different regions in the Mainland, thereby assisting Hong Kong businesses in seizing the unlimited opportunities that come along with national development, and injecting strong impetus into the economy of Hong Kong. In fact, businesses across the globe are eyeing the vast Mainland market, which boasts a population of 1.4 billion and a middle-income group exceeding 400 million. They are looking for opportunities in certain new areas of development, hoping to share the fruits of our country's development.

Against the backdrop of the tariff wars, the increasing fragmentation of the world economy may foster closer co-operation among Asian economies. Our country, with its manufacturing sector enjoying a distinctive advantage, is set to participate actively in the redeployment of the industry and supply chains in the region, thus driving the demand for related professional services. We will, in the light of these developments, assist businesses in their efforts to expand their presence in various markets to seize the development opportunities arising.



中華人民共和國香港特別行政區政府
The Government of the Hong Kong Special Administrative Region
of the People's Republic of China



BELT AND ROAD SUMMIT

一帶一路高峰論壇



Speeding up high-quality development in Hong Kong



Our country is advancing Chinese modernisation with the pursuit of high-quality development, and Hong Kong will closely follow this theme. I&T is the key engine driving our economy and society towards high-quality development. The Report on the Work of the Government delivered during the Two Sessions in 2025 reiterated that it is imperative to develop new quality productive forces in the light of local conditions and accelerate the development of a modernised industrial system. We should pursue integrated advancements in technological and industrial innovation, press ahead with new industrialisation, expand and strengthen advanced manufacturing, and actively develop modern services. This will enable us to build up the momentum of new growth drivers while upgrading and reviving traditional ones.

Riding on its own strengths, Hong Kong is making strenuous efforts in keeping abreast of the global trend to develop new technology fields, including fintech, green finance, green technology, digital economy, AI, low-altitude economy, Web3, new industrialisation development and R&D of microelectronics. We will actively enhance the ecosystems for the development of these fields and render support to the relevant enterprises, with a view to achieving high-quality development in Hong Kong.

Financial technology

Having built a vibrant fintech ecosystem, Hong Kong is an ideal destination for fintech development. The dedicated fintech team under InvestHK provides one-stop service for Mainland and overseas fintech enterprises looking to establish a foothold in Hong Kong, and organises an array of activities to promote fintech. Currently, there are over 1 100 fintech enterprises operating in Hong Kong with a scope of business covering mobile payment, cross-boundary wealth management, AI financial consultancy, wealth and investment management, regulatory technology, etc. Among them are eight digital banks, four virtual insurers and 11 licensed virtual asset (VA) trading platforms.

The development of fintech in Hong Kong provides considerable convenience to enterprises. On financing, the **Commercial Data Interchange** effectively facilitates the sharing of commercial data from different data sources by enterprises (in particular SMEs) with banks,

thereby enhancing enterprises' access to more financial services. As at March 2025, the Commercial Data Interchange attracted the participation of 26 banks and 14 data providers, concluding over 50 000 loan applications and reviews, with an estimated credit approval amount totalling \$41.9 billion.

Hong Kong has been studying way to take forward the application of central bank digital currency and to explore new use cases at the retail and wholesale levels. Such work includes examining the feasibility of issuing **e-HKD** in Hong Kong from technical and policy perspectives, conducting a project named **Multiple Central Bank Digital Currency Bridge (mBridge)** with several central banks (including the People's Bank of China, the Bank of Thailand, the Central Bank of the United Arab Emirates and the Saudi Central Bank) and so forth.



Green finance

Green transformation creates huge business opportunities and financing needs around the world. As estimated by the Asia Securities Industry and Financial Markets Association, the Asian region will require US\$66 trillion of climate investment over the next three decades.

Hong Kong, as a leading player in green finance in Asia, is moving steadily towards the goal of building itself as an **international centre for green technology and finance**. With a deep and broad capital market, Hong Kong has the capacity to serve as a green financing platform for enterprises at different stages of development, and to channel international capital to sustainable projects in the region. Moreover, Hong Kong is committed to achieving alignment with international standards so as to provide a set of internationally recognised and transparent standards for the compliance of market participants in sustainability disclosure of information about their businesses. By doing so, it helps bolster the confidence of investors. For instance:

- In 2024, around US\$43 billion worth of **green and sustainable bonds** were arranged for issuance in Hong Kong, accounting for about

45% of the total bonds issued in the region. Hong Kong has topped the Asian market for seven consecutive years since 2018 on this front. As at end-June 2025, the HKSAR Government issued government green bonds (GGBs) with an equivalent value of around US\$31 billion in total, setting an important benchmark for potential bond issuers. Furthermore, Hong Kong is the issuer of both the world's inaugural tokenised GGBs and multi-currency tokenised green bonds.

- As at end-March 2025, around 220 ESG (environmental, social and governance) funds were authorised by the SFC of Hong Kong, with assets under management totalling over US\$139 billion.
- In end-2024, the HKSAR Government launched the **Roadmap on Sustainability Disclosure in Hong Kong**, setting out a well-defined pathway for publicly accountable entities to adopt the International Financial Reporting Standards - Sustainability Disclosure Standards (ISSB Standards) no later than 2028. This makes Hong Kong one of the first jurisdictions to align local standards with the ISSB Standards.

- The Stock Exchange of Hong Kong Limited has introduced a **new set of climate disclosure requirements** formulated based on the ISSB Standards S2 Climate-related Disclosures. Implementation reliefs, including proportionate application and phasing-in measures will also be in place. The amended Listing Rules have taken effect in phases since 1 January 2025.
- In early May 2024, the HKMA published the **Hong Kong Taxonomy for Sustainable Finance**, which provides the industry with a clear and transparent assessment tool for green finance to facilitate the identification of green economic activities, thereby preventing greenwashing behaviour.
- The **Green and Sustainable Finance Grant Scheme** has been extended to 2027 with the scope of subsidies also expanded to cover transition bonds and loans. The Scheme encourages relevant industries in the region to make use of Hong Kong's transition financing platform as they move towards decarbonisation.
- The HKSAR Government launched the **Green and Sustainable Fintech Proof-of-Concept Funding Support Scheme** in June 2024 to provide early-stage funding to support collaboration of relevant technology companies or research institutes with local enterprises, with the aim of enabling wider adoption of green and sustainable fintech solutions with potential in the business landscape.

Green technology

At present, more than 210 green technology companies are present in Hong Kong, with some equipped with globally competitive technologies and having successfully tapped into Mainland and overseas markets. Coupled with the strong strengths of the GBA cities in scientific research, advanced manufacturing and commercialisation, Hong Kong can form a complete industrial chain and become Asia's leading green technology hub.

The HKSAR Government's **Green Tech Fund** funds R&D projects which help Hong Kong decarbonise and enhance environmental protection, and encourages their subsequent practical applications. So far, 33 projects from local universities, public research institutes and enterprises have been approved, involving a total grant of about \$147 million. In addition, various funding schemes that support R&D under the **Innovation and Technology Fund** administered by the Innovation and Technology Commission have funded over 150 R&D projects related to green technology so far, with a total funding of about \$480 million.

Green Tech Fund

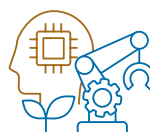


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Digital economy

Digital economy has emerged not only as a new engine of economic development, but also a major component of new quality productive forces. The Mainland is a leader in this area, with the value-added output of core industries in the digital economy accounting for around 10% of its GDP. With the rapid development of such technologies as AI, big data and cloud computing, digitalisation enables enterprises to enhance their productivity and competitiveness by improving their efficiency and reducing their costs. In fact, digitalisation empowers traditional industries while spurring the development of new industries, thereby creating diversified growth areas for the economy. As an international financial centre, Hong Kong has made forward planning in the light of accelerating digital transformation, and is striving to become an international I&T centre as well.

The **Digital Economy Development Committee**, established by the HKSAR Government in 2022, has put forward 12 core recommendations under five pillars: (1) strengthening Hong Kong's overall digital policy, (2) bolstering digital infrastructure, (3) promoting data as a key driver of digital economy, (4) expediting digital transformation and (5) developing a sustainable talent strategy. The HKSAR Government has implemented or is following up the recommendations, which include:

- Established the **Digital Policy Office**, which is responsible for formulating and promoting digital policies;
- Promulgated the **Policy Statement on Facilitating Data Flow and Safeguarding Data Security in Hong Kong** to put forward 18 specific action items to promote the consolidation, application, opening up and sharing of data on the one hand, and enhance safeguards for data security and planning of related infrastructural facilities on the other;
- **Strengthening digital infrastructure**, such as enhancing the utilisation and coverage of 5G networks, preparing for the 6G era, further promoting electronic payments, establishing the Digital Corporate Identity platform, and so forth;
- Facilitating the cross-boundary flow of personal information from the Mainland cities in the GBA to Hong Kong and streamlining relevant arrangements upon the signing of the Memorandum of Understanding with the Cyberspace Administration of China and the joint announcement of the facilitation measure on the **Standard Contract for the Cross-boundary Flow of Personal Information Within the Guangdong-Hong Kong-Macao Greater Bay Area (Mainland, Hong Kong)**;
- Promoting local data flow and expanding the scope of the **Commercial Data Interchange**; and
- Implementing the **Digital Transformation Support Pilot Programme** starting from 2024 to assist SMEs in the food and beverage, retail, tourism and personal services sectors to apply ready-to-use basic digital solutions to expedite their digital transformation.



Artificial Intelligence

AI is at the core of accelerating the development of new quality productive forces. Leveraging the advantages enjoyed under “One Country, Two Systems” and its internationalised character, Hong Kong can develop into an international exchange and co-operation hub for the AI industry. Through frontier research and real-world application, we will endeavour to develop AI as a core industry and empower traditional industries in their upgrading and transformation.

The HKSAR Government has been proactively enhancing the strategy and planning for AI development. The first-phase facility of Cyberport’s **AI Supercomputing Centre (AISC)** has commenced operation, and the computing power will be ramped up gradually to 3 000 petaFLOPS in 2025 with a view to supporting the huge demand for computing power from the technological research and relevant sectors, thus enhancing Hong Kong’s R&D capabilities in various technological research and application fields and promoting industry development.

In addition, Hong Kong has set aside \$1 billion for the establishment of an **AI Research and Development Institute** to facilitate upstream R&D, promote midstream and downstream transformation of R&D outcomes and expand application scenarios. To promote the development of the local AI ecosystem, the HKSAR Government has allocated \$3 billion for the launch of an **AI Subsidy Scheme**, mainly to subsidise local institutions, R&D centres and enterprises in leveraging the computing power of Cyberport’s AISC, thereby expediting the all-round development of the local AI ecosystem as well as attracting Mainland and overseas AI experts, enterprises and R&D projects to Hong Kong.

To bring together top talent in the industry to explore the development and application of AI, Hong Kong will host the first International Young Scientist Forum on Artificial Intelligence and the first International Conference on Embodied AI Robot to promote research of AI technology and its development as an industry, including Open Source technology, in particular the design and application of the open-source chip architecture RISC-V.

Web3

Web3, currently at its start up stage, has a huge potential to spearhead innovation development. Hong Kong is developing into a **Web3 hub**. At present, Cyberport hosts around 280 blockchain/Web3 enterprises, including unicorns and licensed VA trading platforms, with founders coming from around 20 countries and regions. These enterprises actively apply blockchain-related technologies across different aspects of life and business, such as payment systems, blockchain cybersecurity, digital entertainment, smart living, fintech, and art technology.

Embracing the principle of “same activity, same risks, same regulation”, the SFC has since June 2023 implemented a licensing regime for **VA trading platforms**, which enables investors to conduct trading on licensed trading platforms in compliance with the relevant international standards and in a protected environment. The SFC has since granted licenses to ten VA trading platforms. There are now three ETFs linked to virtual currency futures (dealing in Bitcoin or Ether futures) and six VA spot ETFs in Hong Kong, making us the first market in Asia to offer similar products.

Also, the **Stablecoins Ordinance** will come into effect in August 2025. It will establish a licensing regime for fiat-referenced stablecoins issuers in Hong Kong, to further enhance Hong Kong’s regulatory framework on VA activities, thereby fostering financial stability and encouraging financial innovation. In June, the HKSAR Government issued the **Policy Statement 2.0 on the Development of Digital Assets in Hong Kong**, reinforcing its commitment to establishing Hong Kong as a global hub for innovation in the digital asset field.

Blockchain technology features characteristics in respect of disintermediation, security, transparency, and low cost. It has the potential to solve many difficulties encountered in finance, trade and business operations. As an international financial and I&T centre, Hong Kong is well-positioned to develop into a **blockchain technology hub** as it seeks to embrace the megatrend of Web3 development, lead and drive innovative development and create more new application models, thereby building a thriving ecosystem.





Low-altitude economy

Accelerating the development of new quality productive forces is a major task of our country, and the need to proactively develop low-altitude economy as one of the new growth engines is highlighted. Low-altitude economy has enormous potential. Low-altitude flying activities can be applied widely to different areas and help foster the growth of various industries, such as logistics, I&T and tourism, while also driving the development of telecommunication technologies, AI, digital industries and more.

The HKSAR Government has established the **Working Group on Developing Low-altitude Economy** to formulate development strategies and inter-departmental action plans. The Working Group is actively taking forward the Regulatory Sandbox pilot projects. The first batch of 38 projects, involving the participation of the Government, relevant industries, start-ups, universities, etc., covers a wide range of areas. The Working Group will ensure the smooth implementation of the first batch of projects. In the meantime, the HKSAR Government is reviewing the existing civil aviation legislation and regulatory regimes. The first phase of legislative amendments took effect starting from 18 July 2025. In the long term, the HKSAR Government has started studying the introduction of new and dedicated legislation to align with future technological and application developments.

New industrialisation development

In recent years, the HKSAR Government has been proactively promoting new industrialisation and facilitating the upgrading and transformation of traditional industries through I&T in areas such as infrastructure, scientific research, technology, capital and talent. The information-driven new industrialisation leverages advanced technologies such as AI, data analytics, new energy and new materials to support enterprises in moving towards smart production and develop emerging industries with high value-adding potential and economic efficiency.

On infrastructure, the three **InnoParks** in Tai Po, Yuen Long and Tseung Kwan O focus on promoting the development of new industrialisation through developing specialised multi-storey industrial buildings and granting land to suitable tenants and grantees. At present, the InnoParks are home to about 170 enterprises engaging mainly in such industries as biotechnology and pharmaceutical, information and telecommunications, as well as food and beverages.

As for financial assistance, the **New Industrialisation Funding Scheme** provides funding support on a matching basis to manufacturers for setting up smart production lines in Hong Kong, with the goal of increasing the number of subsidised smart production lines to no fewer than 130 by 2027. The HKSAR Government has also launched the \$10 billion **New Industrialisation**

Acceleration Scheme (NIAS), which provides funding support on a matching basis of up to \$200 million for each eligible enterprise engaging in industries of strategic importance (i.e. life and health technology, AI and data science, and advanced manufacturing and new energy technologies) to set up new smart production facilities in Hong Kong.

Apart from the above financial assistance, enterprises participating in the NIAS may receive funding support under the Research Talent Hub to engage 36 additional research talent and flexibly employ a small number of non-local technical personnel to work in Hong Kong through the **TechTAS-NIAS** under the Technology Talent Admission Scheme for accelerating the setting-up and operation of new production facilities in Hong Kong.

Moreover, to further enhance the support for the development of new industrialisation, the HKSAR Government will launch the **Pilot Manufacturing and Production Line Upgrade Support Scheme** in 2025, under which funding of up to \$250,000 will be provided on a matching basis to enterprises operating production lines in Hong Kong, with a view to supporting the formulation of smart production strategies and introduction of advanced technologies into existing production lines.

Research and development of microelectronics

Hong Kong offers a range of world-class infrastructure and services. To support and facilitate Hong Kong's transformation into a microelectronics hub and industry development, the HKSTPC is developing the **Microelectronics Centre (MEC)** in Yuen Long InnoPark to provide the industry with dedicated facilities and shared ancillary facilities for the development, testing and trial production/prototype production of microelectronic products.

In addition, the HKSAR Government set up the **Hong Kong Microelectronics Research and Development Institute (MRDI)** in September

2024, with the objective of spearheading and facilitating R&D of the third-generation semiconductors by universities, R&D centres and the industry, thereby making it one of the leading institutions for supporting microelectronics development in the Asia-Pacific region. The MRDI will set up two advanced third-generation semiconductor pilot production lines in the MEC in 2025. The pilot lines, targeted to commence operation in 2026, are meant to serve as a bridge between innovative research and mass production and promote the "1 to N" transformation of scientific research outcomes.



CHAPTER

2

Safeguarding the long-term prosperity and stability of Hong Kong and making the city a safe haven for the business community

International landscape is ever-changing, and multiple risks exist every day. Without security, development is out of the question. Investors worldwide are all looking for a place with political stability, a robust legal system, a transparent business environment and effective regulation to engage in various business activities at ease. Hong Kong's economic and social development is premised on a safe and stable business environment which can attract foreign investors, enterprises and talent to settle here, thereby fostering continuous economic growth and enhancing the city's overall competitiveness. By fully implementing the principle of "One Country, Two Systems" and seizing the development opportunities in various areas, the HKSAR Government will safeguard the long-term prosperity and stability of Hong Kong. We will strive to create a favourable, secure and stable business environment and make the city a safe haven where global investors feel assured about establishing a presence here.





SECTION 1

Without stability,
there is no
development





In 2019, Hong Kong saw the outbreak of the “legislative amendment turmoil”, a Hong Kong version of a “colour revolution”, which led to a period of grave circumstances for the city. In June 2020, the Central Authorities acted decisively and enacted the Hong Kong National Security Law (HKNSL), which was then promulgated for implementation by the HKSAR Government. This addressed the shortcomings and plugged the loopholes in the legal system and enforcement mechanism of the HKSAR in safeguarding national security.

With the Safeguarding National Security Ordinance (SNSO) taking effect upon gazettal on 23 March 2024, the HKSAR has fulfilled its constitutional duty as stipulated in Article 23 of the Basic Law to enact local legislation to safeguard national security. This legislation has positively impacted Hong Kong’s business environment and helped maintain its prosperity and stability.

The HKNSL and the SNSO are compatible and complementary, jointly establishing a comprehensive and effective legal system and enforcement mechanism for safeguarding national security and ensuring the effective protection of national security, building a strong line of defence to maintain security and stability in the HKSAR, providing solid institutional safeguards to promote good governance.





The laws of the HKSAR on safeguarding national security attach great importance to human rights, stipulating that rights and freedoms enjoyed under the Basic Law and the provisions of the two international covenants as applied to Hong Kong shall be protected in accordance with the law. The principle of protecting human rights and freedoms is enshrined in statute and is in line with international standards, and is concretely and meticulously covered by various provisions in both the HKNSL and the SNSO. These laws strictly adhere to the principles of the rule of law, fully align with international law and practice, and ensure that law-abiding persons will not unintentionally violate them.

It is each and every sovereign state's inherent right and also an international practice to enact laws safeguarding national security. As a matter of fact, legislating to safeguard national security is a basic governance strategy for countries around the world, as it provides greater protection for the entire community and the business sector. Many common law jurisdictions,

such as the US, the UK, Canada, Australia and New Zealand in the West and Singapore, have enacted various laws to safeguard national security and established relevant governing and enforcement bodies.

Security and development work together like the two wings of a bird. Hong Kong is an international city having close contact and communication with other countries, regions and relevant international organisations. These normal interactions are protected by the Basic Law and the local laws of the HKSAR. Since the



implementation of the HKNSL, our society has resumed stability, and investors' confidence in Hong Kong has strengthened further. The SNSO has formed a comprehensive legal system for safeguarding national security, building a better safety net for Hong Kong and providing stronger protection for the business community.

Development and security are interwoven issues. In the face of various challenges, no country can stay immune. It is imperative that countries co-operate in an open and inclusive manner to ride out the storm. China has always been a builder of world peace, a contributor to global development, and a defender of the international order. People are keen to see a steady recovery

of the global economy which is pursued in a pragmatic manner, and investors all over the world are eager for a safe and stable business environment. It is time for the international community to reflect on how we should seek common ground and respect differences instead of engaging in vicious competition. Hong Kong is always a welcoming city offering business facilitation support. We are confident that Hong Kong, the Pearl of the Orient, will continue to shine with all its glamour.



International organisations recognising Hong Kong's competitiveness

Hong Kong's competitiveness continues to improve and international organisations have continuously recognised Hong Kong's premier business environment and robust financial system. In the latest **World Competitiveness Yearbook (WCY) 2025** published by the **International Institute for Management Development (IMD)** in Lausanne, Switzerland in June, Hong Kong's global competitiveness rises by two places further to 3rd globally in 2025, after improving by two places to 5th in 2024. This marks Hong Kong's return to the global top three for the first time since 2019. Hong Kong's total competitiveness score of 99.2 out of 100 represents an increase of 7.7 points, the largest increase among the top 10 economies.

Among the four competitiveness factors in WCY 2025, Hong Kong rises to 2nd globally in "Government efficiency" and "Business efficiency". Its respective rankings in "Economic performance" and "Infrastructure" also improve to 6th and 7th globally. As regards the competitiveness sub-factors, Hong Kong tops the rankings in "Tax policy" and "Business legislation", and ranks 2nd globally in "International investment", "Education" and "Finance", and 3rd globally in "International trade" and "Management practices". Hong Kong's scores, both in overall terms and in many specific areas, have improved and it showed that the HKSAR Government's policy course is the right one and various policies are already yielding clear results. Hong Kong ranked 2nd globally on business efficiency, reflecting business leaders' positive views of Hong Kong's competitiveness and acknowledgment of Hong Kong's various strengths.

According to the **World Investment Report 2025** released by the **United Nations Trade & Development** in June 2025, global foreign direct investment inflows to Hong Kong reached US\$126 billion in 2024, ranking Hong Kong 3rd globally, behind only the US and Singapore. In the same year, Hong Kong's foreign direct investment outflows reached US\$87 billion, placing it 5th globally. The top four were the US, Japan, Mainland China and Luxembourg.

In May 2025, three rating agencies namely **Fitch, S&P and Moody's**, affirmed Hong Kong's credit rating, all with "**stable**" outlooks, demonstrating Hong Kong's resilience in maintaining stability amid increasing global economic and financial uncertainties. The positive evaluations of Hong Kong's credit profile highlight its substantial fiscal buffers and foreign exchange reserves, a strong external balance sheet, and the resilience of its economy and financial system.

The International Monetary Fund, in its Staff Report released in January 2025, reaffirmed Hong Kong's position as a major international financial centre while recognising that Hong Kong's financial system has remained resilient, supported by robust institutional frameworks, ample policy buffers, and the smooth functioning of the Linked Exchange Rate System. The IMF commended the HKSAR Government for prioritising policies to support economic recovery, manage financial stability risks, and address structural challenges, and reckoned that the HKSAR Government's direction and path of gradual medium-term fiscal consolidation are appropriate. The IMF also considered that the Linked Exchange Rate System remains an appropriate arrangement for Hong Kong given the city's highly open economy with a large and globally integrated financial services industry.

In the **Economic Freedom of the World 2024 Annual Report** published by the **Canadian think-tank Fraser Institute** in October 2024, Hong Kong was ranked the world's freest economy among 165 economies. Among the five areas of assessment, the city ranked top in "Freedom to Trade Internationally" and "Regulation", while its ranking in "Sound Money" rose to 3rd globally. Hong Kong has long been fully leveraging the advantages of being a free market economy with a free, open, efficient and fair business environment. The rankings fully reflect international recognition of these advantages.

In terms of investment environment, Hong Kong has always been among the top-most competitive economies in the world. According to the **2023 Legatum Prosperity Index** published by the

Legatum Institute of the UK, Hong Kong ranked 1st in the world for investment environment, and 1st in the Asia-Pacific region and 2nd in the world for enterprise conditions. International enterprises continue to regard Hong Kong as a preferred destination for investment. The HKSAR Government is actively extending its overseas connections and encouraging more enterprises to establish a presence in Hong Kong.

Foreign business chambers in Hong Kong remaining confident about Hong Kong's prospects

Globally, a safe and stable business environment is of critical importance to enterprises. In this regard, the American Chamber of Commerce in Hong Kong (AmCham) released its 2024 Members Business Sentiment Survey Findings Report in January 2024. The results showed that nearly 80% of the surveyed corporate representatives expressed full confidence in Hong Kong's rule of law, an increase of six percentage points over the previous year. When asked about the impact of the implementation of the HKNSL on their companies' operations, 69% of the corporate representatives reckoned that they had not been affected, an increase of seven percentage points from 62% in 2023 and a marked increase of 22 percentage points from 47% in 2022.

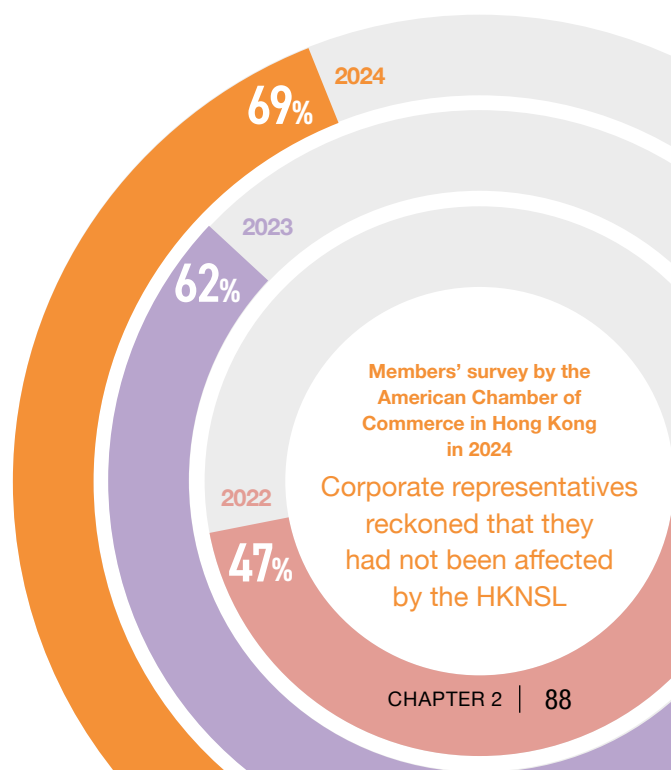
Moreover, 96% of the US companies in Hong Kong surveyed then assessed their business performance over the past 12 months to be fair-to-excellent. In fact, 81% recorded a similar or an increased revenue in 2023 compared to 2022, and 76% regarded Hong Kong as a competitive international business hub in Asia, citing its international connectivity, free flow of capital, low and simple tax regime, and sound legal and regulatory system. Additionally, 78% indicated that they had no plans to relocate their regional headquarters away from Hong Kong in the next three years.

AmCham released another Business Sentiment Survey in January 2025. The results showed that 75% of the respondents viewed Hong Kong as a competitive international business hub, and 83% were confident in Hong Kong's rule of law. Besides, 79% expressed that they had no plans to move their regional headquarters away from Hong Kong in the next three years. The above figures show that foreign investors remain confident about Hong Kong's business outlook.

Of note is that some foreign business communities told officials of the HKSAR Government that in view of the thriving Mainland

market, Hong Kong can play a crucial role as an intermediary platform in helping their companies tap into the vast Mainland market. The GBA currently has a population of about 87 million, of which over 7 million are in Hong Kong. As an international business and trade platform, as well as a two-way bridge linking the GBA and companies across the globe, Hong Kong has enormous potential for development in the future.

The Chairman of the European Chamber of Commerce in Hong Kong also remarked in a media interview that Hong Kong, being a gateway to the Mainland China, is attractive to European investors. While being positive that Hong Kong will continue to leverage its strengths as an Asian hub, the Chamber opined that Hong Kong shall maintain its uniqueness and keep enhancing its distinctiveness in the international community. Such uniqueness comes from the city's distinctive geographical location, ability to embrace and integrate elements of various kinds, as well as its highly competitive industries, markets and more.



SECTION 2

Factual data reflecting
enterprises' full confidence
in Hong Kong





The general recognition of Hong Kong's unique strengths by the international community suggests that the HKSAR Government is heading in the right direction in its implementation of policy measures. In respect of the amount of direct investment, according to the **World Investment Report 2025** released by the United Nations Trade and Development, Hong Kong's foreign direct investment inflow amounted to US\$126 billion in 2024, higher than US\$113 billion in 2023, making it the third-largest foreign direct investment recipient in the world.

On investment promotion, in 2024, the number of companies in Hong Kong with overseas or Mainland parent companies was 9 960 while the number of start-ups in Hong Kong was nearly 4 700, both reaching a record high. In 2024, InvestHK assisted 539 Mainland or overseas enterprises in establishing or expanding their business in Hong Kong, representing a year-on-year growth of over 40%. In addition, as of the end of June 2025, the total number of local companies registered reached nearly 1 500 000, while the total number of registered non-Hong Kong companies reached 15 509. Both figures represent all-time highs. Such data demonstrate the great confidence Mainland and overseas enterprises have in Hong Kong's future.

The tariff war has prompted a global reallocation of capital. The HKSAR Government will capitalise on the prevailing trend in which many countries seek to diversify their regional risks, and will strive to attract foreign enterprises and capital to Hong Kong. As the world's freest economy, Hong Kong under "One Country, Two Systems", offers a safe and stable investment environment. Combined with our unique advantage of connecting to the vast Mainland market, this gives us an irreplaceable appeal for asset hedging and supports the growth of areas such as family offices, asset and wealth management, and risk management.

Enterprises moving in from around the world

In respect of the **number of enterprises**, according to the 2024 statistics from the HKSAR Government, there were 9 960 companies in Hong Kong with parent companies located outside the territory, a year-on-year increase of about 10%. Among them, 1 410 were regional headquarters, 2 410 were regional offices and 6 140 were local offices (RRLs). In terms of the location of parent companies, the top five countries with the highest number of RRLs in Hong Kong were the Mainland (2 620), followed by Japan (1 430), the US (1 390), the UK (720) and Singapore (520). The figures

reflected that a large number of overseas and Mainland enterprises still choose to establish their presence in Hong Kong.

Among these RRLs, 4 730 mainly engaged in the import/export, wholesale and retail trades in Hong Kong, followed by financing and banking (2 020) and professional, business and education services (1 530). In 2024, Hong Kong's simple and low tax regime was considered by 61% of the surveyed RRLs as a favourable factor for choosing Hong Kong to set up RRL, followed by geographical location (50%), free port status (50%) and free flow of information (49%).

InvestHK has been actively attracting Mainland and overseas enterprises to Hong Kong and assisting them to establish or expand their business here. In 2024, InvestHK successfully assisted 539 Mainland or overseas enterprises to establish or expand their business in the city, a year-on-year increase of more than 40%, and such efforts are expected to bring in more than \$67.7 billion of direct investment. These numbers show that Hong Kong, as a leading business hub in Asia, is becoming increasingly attractive to businesses. Analysed by source of enterprises, the Mainland topped the list (273 enterprises), followed by the US (52 enterprises), France (24 enterprises), the UK (24 enterprises) and Singapore (23 enterprises). The figures demonstrate the strong appeal of Hong Kong's ideal business environment to Mainland and overseas enterprises.

From January to June 2025, InvestHK assisted 380 Mainland and overseas enterprises, representing an increase of 18 per cent as compared with the same period last year. These enterprises are expected to bring in direct investment of over \$39.1 billion and create over 8 165 jobs within their first year of operations or expansion. Over one-third of these enterprises indicated their setup of international or regional headquarters in Hong Kong. The top five places of origin of those enterprises are the Mainland, the US, Singapore, UK and Japan; and the top five sectors are the financial services and fintech sector, I&T sector, family office,

tourism and hospitality sector, and business and professional services.

On attracting **strategic enterprises**, since the establishment of OASES in December 2022, the HKSAR Government has so far attracted about 84 enterprises to set up or expand their business in Hong Kong, many of which are competitive and representative strategic I&T enterprises with market capitalisation or valuation exceeding \$10 billion and possessing cutting-edge technologies. They include Hong Kong's first R&D centre set up by a top-ten pharmaceutical company in the world, a world-leading new energy innovative technology company, a leading digital bank in the Asia-Pacific region, and a giant multinational company engaging in integrated communications and consumer electronics technology. These enterprises are expected to invest about \$50 billion in Hong Kong and create more than 20 000 jobs in the next few years.

As a well-recognised premier international financial centre and wealth management centre, Hong Kong offers many unique advantages for the operation and growth of **family offices**. A market study has estimated that around 2 700 single-family offices are operating in Hong Kong, over half of which were set up by UHNWIs having a wealth of US\$50 million or above.

During the period from June 2021 to end-May 2025, the FamilyOfficeHK team of InvestHK assisted 192 family offices to set up or expand business in Hong Kong, including





124 single-family offices and 68 multi-family offices. Around 150 family offices have indicated that they are preparing or have decided to set up or expand business in Hong Kong. The Mainland and Taiwan, China account for the largest share (88 offices), followed by Europe and Americas (32 offices), Asia-Pacific and Oceania (22 offices), and the Middle East (10 offices). These figures show that the Government's policies and support measures have received overwhelming response, reflecting the great confidence of high-net-worth individuals in the prospects of Hong Kong.

In addition, Hong Kong is the largest **international asset management centre** in Asia. It is also the largest cross-boundary private wealth management and hedge fund centre in Asia, and the second largest private equity centre in Asia (after the Mainland). It is common for corporates to use corporate treasury centres to centralise and simplify their treasury activities. Being an international financial centre with a full range of services available, Hong Kong has been an ideal hub for corporate treasury activities. As at end-2024, the asset and wealth management business of Hong Kong amounted to about \$35.1 trillion, notching a year-on-year gain of 13%. The number of registered funds reached 976 as of March 2025. Overall net inflows exceeding US\$44 billion, an year-on-year increase of 285%. In a few years' time, Hong Kong is expected to become the world's largest cross-boundary wealth management hub.

Meanwhile, **start-ups** in Hong Kong are on the rise. In 2024, there are around 4 700 local start-ups in the city, a record high and an increase of 10% over a year earlier. More than a quarter of these start-ups have their founders from places outside Hong Kong. These start-ups, spanning a wide spectrum of industries, including fintech, e-commerce, and information, computer and technology, hired over 17 000 people, up by 7% over a year earlier. These are all testament to Hong Kong's strong appeal to start-up entrepreneurs.

Over the years, Hong Kong has been consistently ranked top globally on economic freedom and competitiveness. The free flow of capital within, into and out of Hong Kong is guaranteed under Article 112 of the Basic Law. The free flow of information and people also facilitates the conduct of business activities in the city. Total deposits in the Hong Kong banking system have remained largely stable, with a continuous inflow of capital. Total deposits in Hong Kong banks stood at \$18 trillion in April 2025, an increase of more than 9% over the amount in April 2024.



As at end-2024, the asset and wealth management business of Hong Kong amounted to

**about
\$35.1 trillion**



Concluding Remarks

In the face of disruptions to the international order and economic globalisation, fostering peace, development, co-operation and win-win relationship is not only the trend of the times but also the real way out. With its institutional advantages under “One Country, Two Systems” and its highly internationalised character, Hong Kong has always found itself in an unparalleled position. However volatile and turbulent the world may be, we remain firmly committed to the rules-based multilateral trading system with the WTO at its core, while actively participating in and supporting regional economic co-operation. With the strongest backing of our country, we have every strength and confidence to ride out the storm and lead the business community in turning crises into opportunities.

In Asia, Hong Kong stands out with its multitude of advantages, including a highly internationalised business environment, a flexible and sound financial system, a simple and certain tax regime with low tax rates, a robust and independent legal system, sophisticated and top-notch infrastructure, an open and inclusive society, a full range of professional services, the role as a hub connecting the Mainland and the world, and the huge development potentials of different industries, which have helped attract enterprises, talent and capital. With all these advantages, Hong Kong is definitely an ideal place for businesses to flex their muscles and entrepreneurs to realise their ambitions.

In addition, Hong Kong continues to be one of the world’s premier international financial centres. Our strategies to attract enterprises and investment have been successful. Strategic enterprises, family offices and start-ups alike continue to come to Hong Kong to set up and expand their business. With global economic gravity shifting eastward, Mainland and overseas enterprises are eager to explore the Asian markets and identify locations for setting up their regional headquarters. Being the only world-class city which capitalises on both the China advantage and the global advantage, Hong Kong serves as the springboard for overseas enterprises to access the huge Mainland market and for Mainland enterprises to go global. Hong Kong is undoubtedly the best destination for Mainland and overseas enterprises looking to establish their presence.



As regards talent, Hong Kong is an integral part of the world economy and functions as an incubator where global talent can thrive and grow. The HKSAR Government has devoted substantial resources to attracting, nurturing and retaining talent. As countries across the globe have been competing for talent by offering incentives, the HKSAR Government has set up the Hong Kong Talent Engage to formulate strategies to proactively trawl for diverse talent with different academic and professional backgrounds from around the world, and provide those who have chosen to pursue development in Hong Kong with comprehensive support services. To date, a total of nearly 500 000 applications have been received under various talent admission schemes, nearly 330 000 of which have been approved. In respect of the applications approved, nearly 220 000 individuals have arrived in Hong Kong, providing new impetus for the city's future development.

From a global perspective, Hong Kong enjoys an unparalleled advantage in terms of timing and geographic location. China is among the world's fastest-growing major economies, allowing Hong Kong to share the fruits of its high-quality development. International organisations and foreign business chambers in Hong Kong are confident in the future prospects of Hong Kong. There is no cause for concern about some overly pessimistic sentiments. In fact, the HKSAR Government is creating new impetus and expanding capacity for sustaining Hong Kong's economic growth, thereby enhancing its overall competitiveness and achieving high-quality development. The city's many strengths and advantages will, as a matter of course, bring an abundance of opportunities to businesses.

The HKSAR Government will stay abreast of global developments and stay tuned to national strategic deployment, publicise widely the success of "One Country, Two Systems", and fulfil the role of a "super connector" and "super value-adder". Leveraging our strategic positioning as the "three centres and a hub", Hong Kong will keep breaking new ground and focus our efforts on accelerating the development of new quality productive forces, with a view to opening up more opportunities for businesses and investors. We trust that international investors, with their sharp acumen, will surely approach Hong Kong for its business opportunities. Despite a volatile global environment, we will remain proactive in identifying, responding to and embracing changes, enabling Hong Kong to start its new chapter of development and leading the business community in working together for a brighter future.





[http://www.hkeconomy.gov.hk/
en/environment/index.htm](http://www.hkeconomy.gov.hk/en/environment/index.htm)