

Hong Kong: Your Route to Growth in Asia

22nd of September, 2022

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Head of Investment Promotion

Invest**HK**

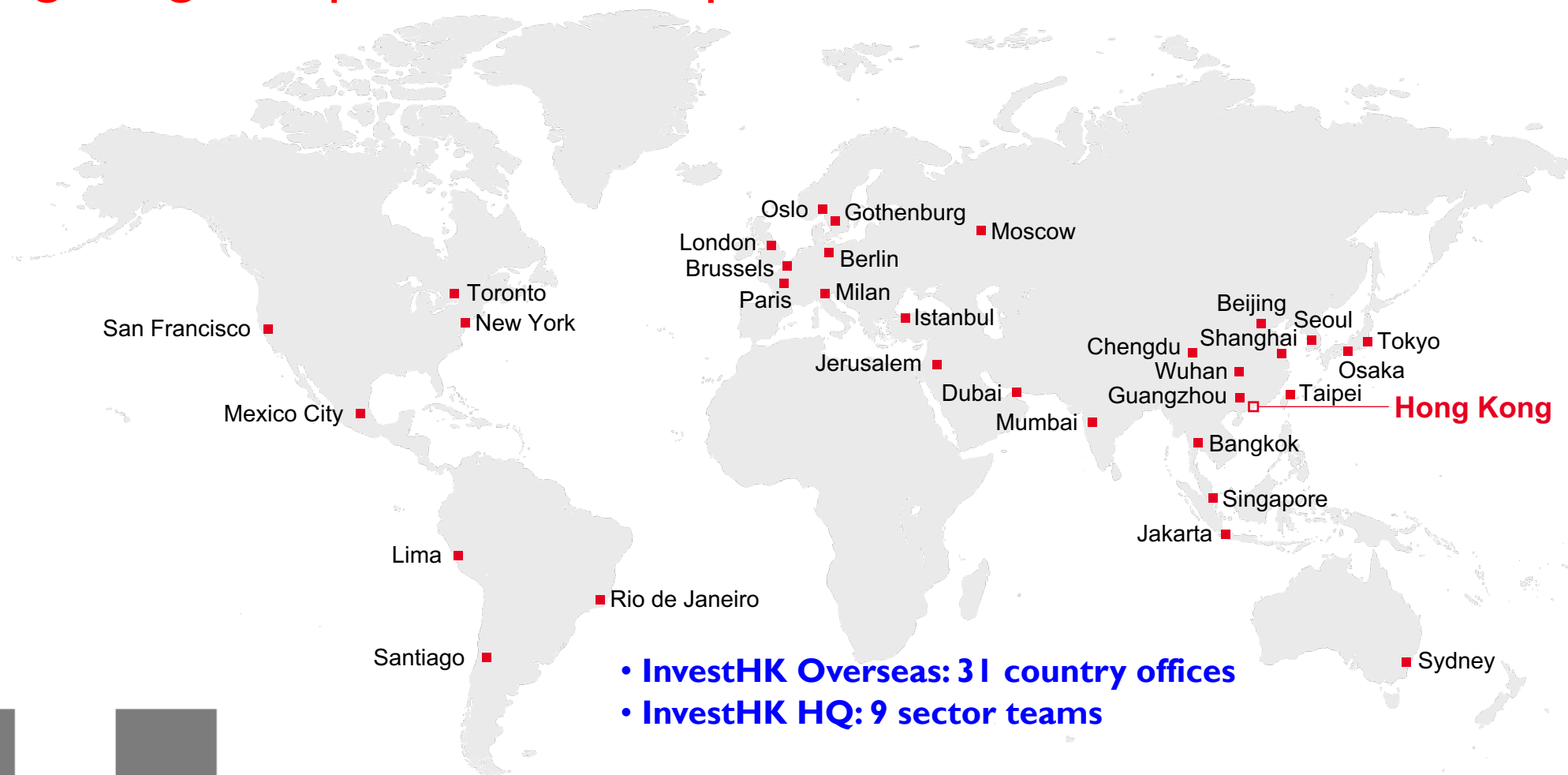
The three topics of today

1. InvestHK: Who we are and What we do
2. Hong Kong: Regional APAC hub & Gateway to GBA-China
3. Recent Success stories from Portugal, Belgium, and Spain



InvestHK: Gov Dept focused on attracting Foreign Direct Investment (FDI)

Helping foreign companies establish a presence in HK



- InvestHK Overseas: 31 country offices
- InvestHK HQ: 9 sector teams
- InvestHK's services are FREE!

Nine Sector Teams in HK

offering in-depth insights and support

Invest**HK**

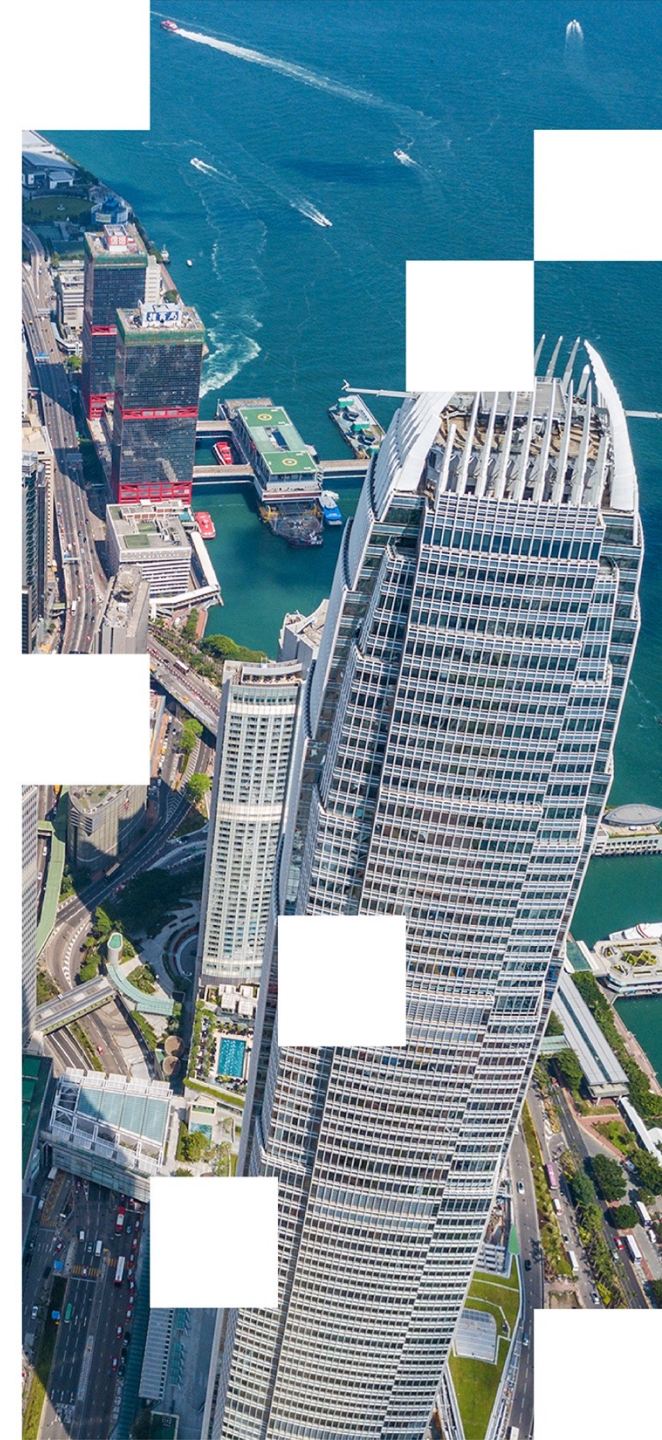
Nine Sector Teams	Priority Sub-sectors <u>2022</u>	Four Traditional Pillar Industries
Business & Professional Services (BPS)	<ul style="list-style-type: none">• Education	<ul style="list-style-type: none">• Professional services
Creative Industries (CI)	<ul style="list-style-type: none">• Digital Marketing, Design & Architecture	
Consumer Products (CP)	<ul style="list-style-type: none">• E-retail, Sourcing	<ul style="list-style-type: none">• Trading & logistics (trading)
Financial Services (FS)	<ul style="list-style-type: none">• Family Offices, Asset Management	<ul style="list-style-type: none">• Financial services
Financial Technology (FinTech)		
Innovation & Technology (I&T)	<ul style="list-style-type: none">• Biomedical Technology, Robotics & AI• Smart City	
Information & Communications Technology (ICT)	<ul style="list-style-type: none">• Big Data / AI	
Transport & Industrial (T&I)	<ul style="list-style-type: none">• Maritime, Aircraft Leasing	<ul style="list-style-type: none">• Trading & logistics (logistics)
Tourism & Hospitality (T&H)	<ul style="list-style-type: none">• Food trading (Green, Sustainable)	<ul style="list-style-type: none">• Tourism

*** And a special StartmeupHK team!**

2. **Hong Kong's** role as a Regional APAC business hub. Macro outlook.

- Economic recovery after Covid's impact → +6.3% GDP 2021 (-6.5% 2020)
- Tourism and retail still “frozen”
- Financial Services sector showing robust growth (Asia Hub)
- Trade hub role (2020 No.6 worldwide ranking)

Percentage share of value added in GDP (%)	2019	2020
Four Key Industries		
(I) Financial services	21.2	23.3
(II) Tourism	3.6	0.4
(III) Trading and Logistics	19.8	19.8
(IV) Professional Services and Other Producer Services	11.9	11.6



Our Solid Foundations and Robust Inherent Strengths

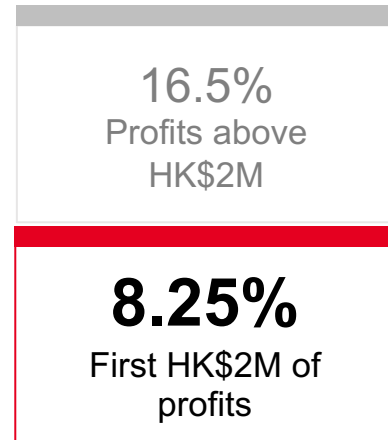
- One country, two systems
- Rule of law and judicial independence
- Free flows of goods, capital, talent and information
- Low and simple tax regime
- Robust financial system
- Sound regulatory frameworks
- World-class infrastructure and digital facilities
- Free port
- Wealth of talent
- Asia's international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

And much, much more.....

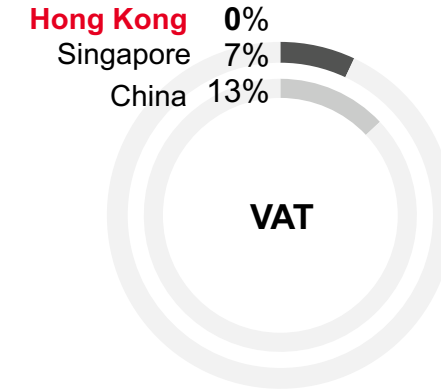
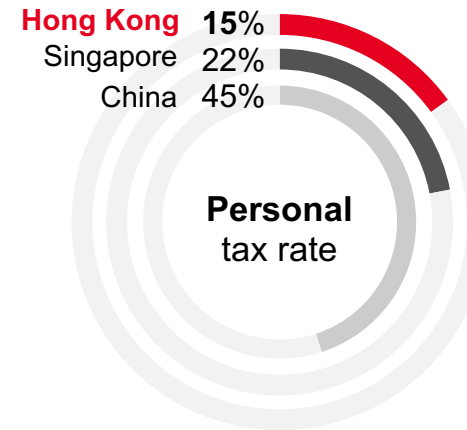
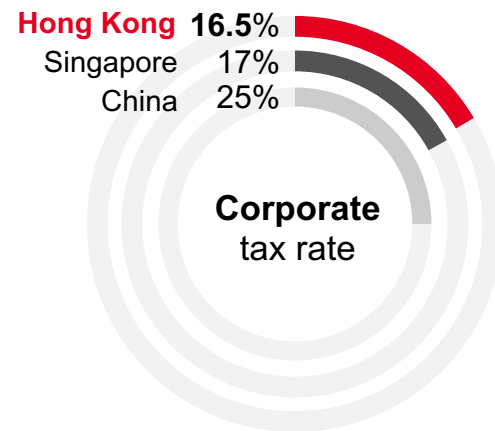


Competitive & Simple Tax System

Reducing tax burden on enterprises and fostering a favourable business environment with **two-tiered tax system**



- NO**
- VAT/GST/Sales tax
 - Capital Gains tax
 - Withholding tax on investments
 - Estate duty
 - Global taxation
 - Wine duty



Hong Kong has signed Comprehensive Double Taxation Agreements (CDTAs) with **45** jurisdictions

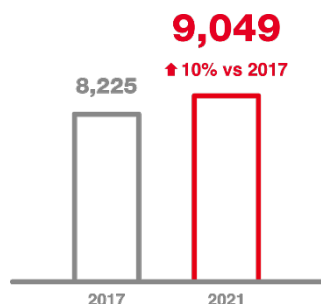


Negotiations with 14 jurisdictions are in progress

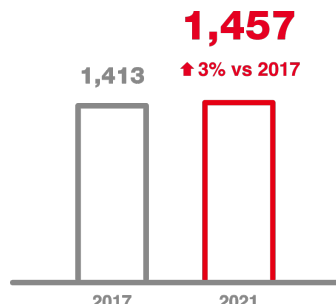
(as at May 2022)

Leading International Business Hub

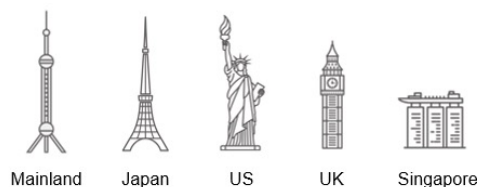
Companies with parent companies outside Hong Kong



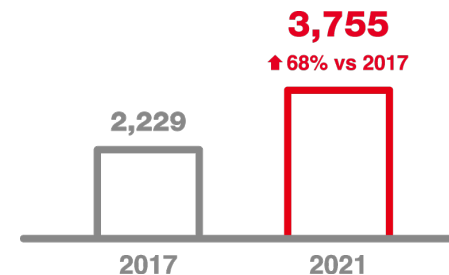
Regional headquarters in Hong Kong



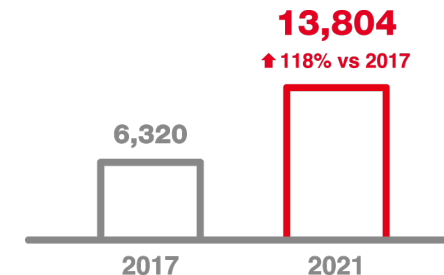
Major sources of the parent companies



Number of startups



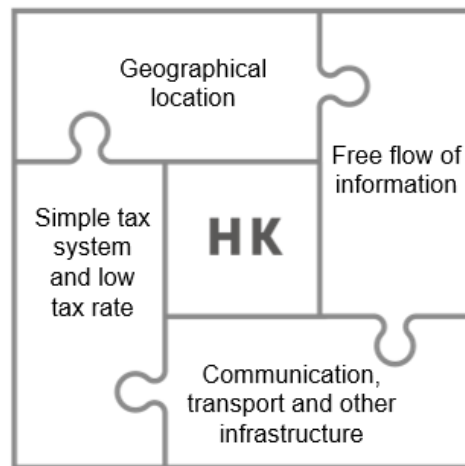
Number of staff employed



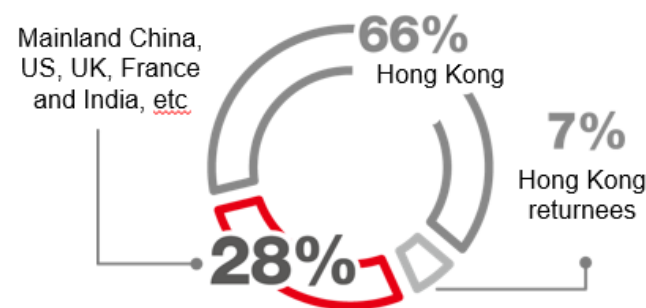
Major lines of business



Favourable factors



Origin of founders



Top business sectors

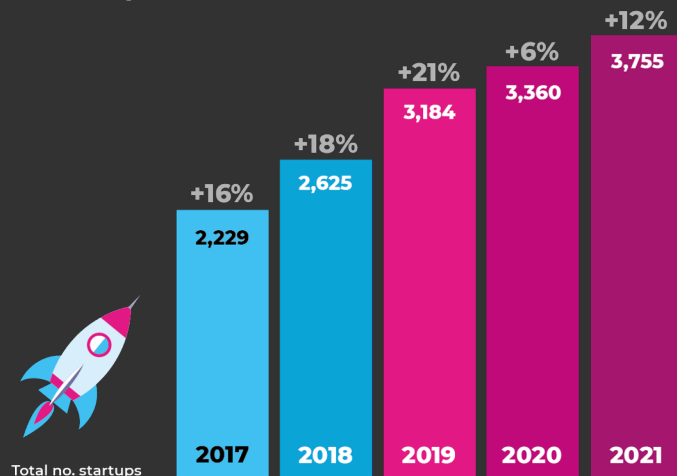
- FinTech
- eCommerce / supply chain management / logistics technology
- Professional or consultancy services
- Information, computer and technology
- Design

Number of FinTech companies



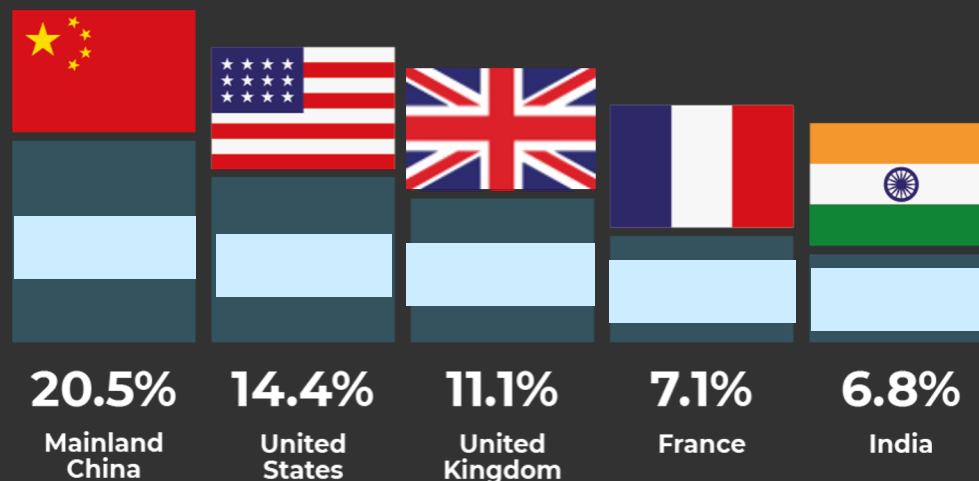
HK: A DIVERSE & VIBRANT STARTUP ECOSYSTEM

3,755 startups, +68% vs 2017



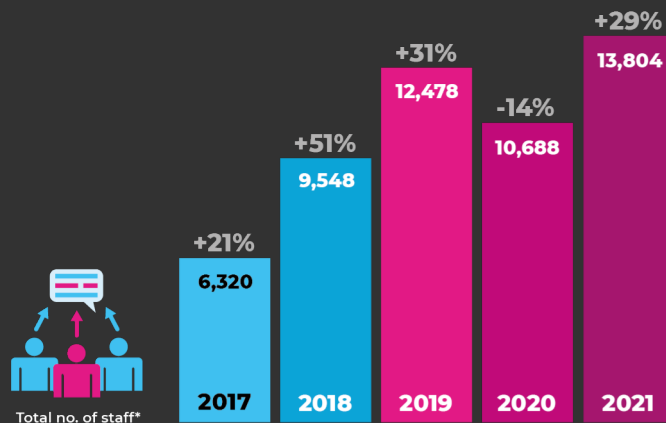
A diverse group of founders:

- 66% from HK, 7% HK returnees, 28% from overseas/Mainland China
- Overseas group - top countries of origins of founders:



Data from InvestHK's Startup Survey 2021

13,804 employees, +118% vs 2017



WESTERN AND CHINESE DIGITAL ECOSYSTEMS



4 Traditional Sectors

International Financial Centre

International Transportation Centre

International Trade Centre

Centre for International Legal and Dispute Resolution Services

International Aviation Hub

International Innovation and Technology Hub

Regional Intellectual Property Trading Centre

East-meets-West Centre for International Cultural Exchange

4 Emerging Sectors

Greater Bay Area

Population¹
86 million

Land Area²
56,000km²

GDP³
US\$1.9 tr



¹ Larger than that of Germany

² Greater than Ireland, Latvia, Panama

³ Larger than Australia, Spain

Zhaoqing

Guangzhou

Foshan

Huizhou

Dongguan

Zhongshan

Shenzhen

Hong Kong

Jiangmen

Macao

Zhuhai

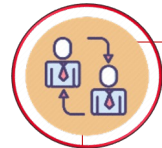


Hong Kong's Strategic Position in the GBA



B2C:

86 million increasingly wealthy consumers



B2B:

Leading and innovative enterprises

1-hour
circle



R&D in HK,
Manufacturing in Dongguan



FS in HK,
Operations in Guangzhou



Joint R&D
in SZ & HK



**Outbound
Investment
from GBA**

Companies “going global” via Hong Kong create demand for business & professional services



**GBA-
ASEAN:**

Increasing connectivity between the two regions, further fuelled by RCEP, driving and creating new opportunities to Hong Kong

Making it Happen

How InvestHK Can Help You

GBA Business Development Team

- Dedicated team
- Promote the business advantages of GBA in collaboration with GBA cities
- Sharing investment landscape, business supporting policies/updates and business opportunities in the GBA cities

LinkedIn Articles on GBA Insights



22nd Plenary of Hong Kong / Guangdong Co-operation Joint Conference

Published on May 17, 2021



David W.
Head of Greater Bay Area Business Development at Invest Hong Kong

38 articles

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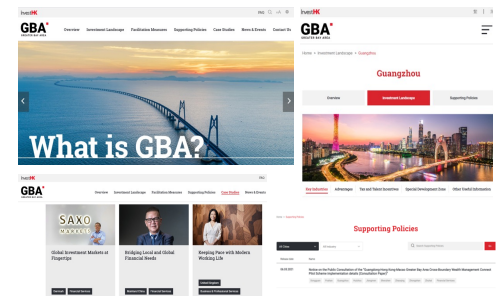
The 22nd Plenary of Hong Kong/Guangdong Co-operation Joint Conference, co-chaired by HKSAR Chief Executive Mrs Carrie Lam and Governor of Guangdong Province Mr Ma Xingrui, was held on 14 May.

Some of the progress made and the directions for future co-operation are set out below:

Pan-Greater Bay Area Inward Investment Liaison Group

- Enable InvestHK and its counterparts in other cities in the GBA to develop joint inward investment propositions
- Four major areas of cooperation with GBA cities including:
 - joint propositions
 - joint events
 - joint promotion materials and
 - joint sharing of best practices

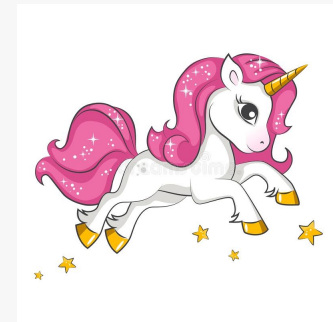
Dedicated GBA website
www.gba.investhk.gov.hk



3. **Success stories** by European innovative companies

Recent success story: **Feedzai (Portugal)** **Fintech, AI, Cybersecurity**

- Feedzai is AI, Cybersecurity, antifraud. The company is a spin off from Coimbra University in Portugal. Raised 200 mln USD at the end of March 2021 (previous financing round 50 mln USD in Series-C Funding Nov 2017)
- They have offices in Portugal, USA (Silicon Valley) and now in HK. Annual turnover 102 million Euros, 620 staff
- Feedzai team in HK (since 2018): 27 staff
- Why set up in Hong Kong? Be close to key clients, Regional APAC office
- InvestHK helped with:
 - Setting up a HK Ltd (by Company Service Providers)
 - Facilitate contact with Hong Kong Monetary Authority (HKMA)
 - Work Visa application
 - PR & Marketing; speaking slots at Fintech event.



Recent success story: Idrica (Spain)

ICT, software



- Idrica was awarded with a pilot project with Hong Kong's Water Supply Department (WSD) to use its water management software
- The success of their collaboration results in new contracts and services to further incorporate Idrica's technology in HK

* **Why set up in Hong Kong?** Public contract with a local institution looking for innovative solutions abroad

InvestHK helped with:

- Support in the communication with the WSD
- Setting up a HK Ltd
- Working Visas applications
- To navigate the changing restrictions due to COVID-19



Recent success story: **Keppel-Seghers (Belgium)**

Integrated Waste Management Facility

- Keppel-Seghers Engineering and Zhen Hua signed the HKD 31 billion (approx. 3 billion Euros) contract with the Environmental Protection Department (EPD) of the Government of the Hong Kong Special Administrative Region to design, build and operate Hong Kong's first Integrated Waste Management Facility (IWVMF) off the coast of Shek Kwu Chau and south of Lantau Island, Hong Kong.
- The IWVMF comprises a WTE (Waste to Energy) Plant, waste water treatment, and desalinization plant. Should be ready in 2024.
- Why set up in Hong Kong? Won tender from HK government for building & operations of Integrated Waste Management Facility
- InvestHK helped with:
 - Contacts HK Port Authority re. regulations for exceptional maritime transport
 - Work Visa application
 - PR & Marketing; speaking slots at various events



Get in Touch

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