

InvestHK surveys point to city's business attractions for overseas and Mainland companies and upward trend of startup communities in Hong Kong

The Director-General of Investment Promotion, Mr Stephen Phillips, said today (December 12) that recent surveys showed that the city remains a magnet for overseas and Mainland businesses while its start-up ecosystem is thriving.

Mr Phillips said, "Hong Kong continues to attract and retain leading overseas and Mainland companies, as well as entrepreneurs from around the globe setting up leading edge and innovative businesses. Factors that attract world-class investment include Hong Kong's strategic position in the region as well as its international status as a sophisticated business and financial city with a business-friendly environment. Companies are increasingly seizing new opportunities arising from the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development.

"Hong Kong's startup ecosystem has skyrocketed in the last few years. The results showed that as at November 2018, the number of startups grew by 18 per cent year on year, and jobs created surged by 51 per cent.

"The startup community is also highly international, with 35 per cent of founders coming from outside Hong Kong. Vibrant sectors include fintech, followed by e-commerce/supply chain management/logistics technology, professional or consultancy services, information, computers and technology."

According to the 2018 Annual Survey of Companies in Hong Kong with Parent Companies Located Outside Hong Kong jointly conducted by Invest Hong Kong (InvestHK) and the Census and Statistics Department, the number of business operations in Hong Kong with parent companies overseas and in Mainland China climbed 6.4 per cent to 8 754 in 2018, compared to 8 225 a year ago. The 8 754 respondent companies comprised 1 530 operating as regional headquarters (RHQs), 2 425 as regional offices (ROs) and 4 799 as local offices (LOs). The number of RHQs showed a robust growth of 8.3 per cent from 1 413 last year, revealing the key role Hong Kong plays for many businesses across Asia.

In terms of jobs, the number of people engaged by the companies reached an all-time high at 485 000, compared to 443 000 in 2017. In terms of source country/territory, Mainland China ranked first with 1 591 companies, followed by Japan (1 393), the United States (1 351), the United Kingdom (712) and Singapore (427).

The survey also collected views on the attractiveness of Hong Kong as a location for setting up businesses. Favourable factors included "simple tax system and low tax rate" (67 per cent), "free flow of information" (62 per cent), "free port status" (59 per cent) and "geographical location" (59 per cent).

In addition, InvestHK's 2018 Annual Start-up Survey found that there were 2 625 startups operating in major public and private co-work spaces and incubators, up 18 per cent from 2 229 in 2017. Together these startups employed 9 548 people, a 51 per cent rise over 6 320 in 2017. Of the founders, 62 per cent were from Hong Kong, and 35 per cent from outside Hong Kong, of whom 17 per cent came from the UK, 16 per cent from the US, 12 per cent from Mainland China and 9 per cent from Australia. Major sectors included fintech (16 per cent), followed by e-commerce/supply chain management/logistics technology (11 per cent), professional or consultancy services (11 per cent), information, computer and technology (10 per cent).

About InvestHK

InvestHK is the department of the Hong Kong Special Administrative Region Government responsible for attracting foreign direct investment and supporting overseas and Mainland businesses to set up or expand in Hong Kong. It provides free advice and customised services for overseas and Mainland companies. For more information, please visit www.investhk.gov.hk.