

Speech by Acting SCED at launch event of Business Climate Survey for Swedish Companies in Hong Kong SAR 2025 (English only)

Following is the speech by the Acting Secretary for Commerce and Economic Development, Dr Bernard Chan, at the launch event of the Business Climate Survey for Swedish Companies in Hong Kong SAR 2025 (Business Climate Survey 2025) today (May 22):

Secretary Jevrell (State Secretary to the Minister for International Development Cooperation and Foreign Trade of Sweden, Mr Håkan Jevrell), Consul General Bergholm (Consul General of Sweden in Hong Kong, Ms Louise Bergholm), distinguished guests, ladies and gentlemen,

Good evening. My pleasure to join you all today. This annual Business Climate Survey is indeed a valuable resource for understanding the perceptions and experiences of Swedish businesses in our city. I would like to sincerely congratulate Team Sweden for this initiative.

Hong Kong and Sweden have been enjoying a mutually beneficial relationship. Among the European Union member states, Sweden is our fourth-largest partner in services trade and 13th-largest partner in merchandise trade. In 2024, the merchandise trade between the two places amounted to HK\$6.6 billion, a testament to the robust economic ties between the two economies. Hong Kong is also home to several world-renowned Swedish companies, such as IKEA and H&M, whose high-quality products have become household names in our city. We deeply value their contributions to Hong Kong's economy and society.

The annual report reveals that Swedish businesses in Hong Kong perceive an improvement in the business climate compared to last year. This is indeed encouraging news, and it reaffirms Hong Kong's position as an important regional hub and an attractive destination for Swedish companies to establish and expand their operations. Hong Kong's competitive advantages, which include the rule of law, free flow of capital, a free trade and investment regime, and an efficient and clean government, all remain intact. Together with our low, simple and competitive tax system, open business environment, world-class infrastructure and multicultural talent pool, Hong Kong continues to offer unparalleled advantages for businesses from around the globe.

Like Sweden, Hong Kong is a staunch supporter of free trade. As a founding member of the World Trade Organization, we have never implemented any customs tariffs. We will continue to uphold the principle of free trade and firmly oppose any unilateral and bullying actions that undermine the global trading system.

Despite the challenges posed by the economic slowdown in overseas markets and the impact of geopolitics, the Hong Kong Special Administrative Region (HKSAR) Government has been actively working to consolidate our status as an international trade centre through diversified measures. Under "one country, two systems", Hong Kong has the unique advantage of connecting both the Mainland and the rest of the world. We are committed to seizing opportunities to strengthen our international ties, particularly through closer partnerships with the Guangdong-Hong Kong-Macao Greater Bay Area and the expansion of overseas markets. In the face of a complex and ever-changing global trade landscape, we will do our best to turn risks into opportunities, ensuring the sustainable development of Hong Kong as a global trade hub.

According to the latest annual survey in 2024, Hong Kong has a record high of 9 960 companies with overseas or Mainland parent companies, including around 100 from Sweden, representing a year-on-year increase of over 7 per cent. These figures underscore Hong Kong's growing attractiveness as a destination for global businesses, including those from Sweden.

As shown in the findings of this year's Business Climate Survey, our city's institutional fundamentals and core strengths, such as our common law system, regulatory regime aligned with international rules, as well as key national strategies like the Greater Bay Area development and the Belt and Road Initiative, are key reasons why so many Swedish companies have chosen to establish their presence here. The HKSAR Government will continue to work hard to maintain and enhance our favourable business environment.

To promote the development of strategic industries, Hong Kong is actively seeking technology partnerships in areas such as green tech, climate solutions and sustainable urban development, where Sweden excels. We believe that Swedish innovation in clean energy, circular economy and smart cities aligns perfectly with Hong Kong's development goals. Our investment promotion agency, Invest Hong Kong (InvestHK), along with its consultant office in Gothenburg, will continue to provide one-stop customised support services to Swedish businesses exploring opportunities in our city.

In short, Hong Kong is the only place in the world where the global advantage and the China advantage converge in a single economy. Our city is an ideal destination for Swedish businesses and investment, especially for those looking to enter the vast market of Mainland China.

Before I conclude, I would like to take this opportunity to invite you all to the upcoming European Community Networking Reception 2025, to be held on June 4. This event will provide a wonderful platform for you to connect, collaborate and explore new business opportunities with fellow European companies. Your presence would undoubtedly enrich our discussions and networking. For more information, please visit InvestHK's website. I look forward to seeing you there.

In closing, I would like to congratulate again Team Sweden on the successful launch of the 2025 Business Climate Survey. Hong Kong remains committed to fostering a business-friendly environment and strengthening our ties with Sweden. Together, we can unlock new opportunities and achieve

greater success in the years to come.

Thank you so much. Enjoy the evening.