

Latest government surveys show city continues to attract multinationals and start-ups (with photo/video)

Invest Hong Kong (InvestHK) announced today (October 21) the results of two government surveys which showed continued increases in the numbers of overseas and Mainland companies and start-ups in Hong Kong.

The Director-General of Investment Promotion, Mr Stephen Phillips, said, "I am glad to see that Hong Kong continues to attract and retain leading overseas and Mainland companies, as well as entrepreneurs from around the globe who use Hong Kong as the base to set up leading-edge and innovative businesses." He cited a 9.9 per cent increase over the 2017 figure in the number of business operations in Hong Kong with parent companies overseas and in Mainland China, as revealed in a joint survey conducted by InvestHK and the Census and Statistics Department (C&SD). The number of start-ups in Hong Kong was found to have risen by 42.8 per cent over the 2017 figure in a separate survey conducted by InvestHK.

"Despite global uncertainties, I am confident that Hong Kong's enduring business advantages such as its strategic position in the region as well as its international status as a sophisticated business and financial city will continue to attract world-class investment. The Guangdong-Hong Kong-Macao Greater Bay Area development and the Belt and Road Initiative will also bring new opportunities," he added.

According to the 2019 Annual Survey of Companies in Hong Kong with Parent Companies Located Outside Hong Kong, the number of business operations in Hong Kong with parent companies overseas and in Mainland China was 9 040 in 2019. Among them, 1 541 had set up regional headquarters in Hong Kong, up 9.1 per cent over the number in 2017.

In terms of jobs, the number of people engaged by the overseas and Mainland companies reached an all-time high at 493 000, compared to 443 000 in 2017, recording an increase of 11.3 per cent. In terms of origin, Mainland China ranked the first with 1 799 companies, followed by Japan (1 413), the US (1 344), the UK (713) and Singapore (446).

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" (71 per cent), "free flow of information" (63 per cent), "geographical location" (61 per cent) and "free port status" (59 per cent).

In addition, the 2019 Annual Startup Survey found that there were 3 184 start-ups operating in major public and private co-work spaces and incubators in Hong Kong, up 42.8 per cent from 2 229 in 2017. These start-ups employed

over 12 400 persons, an increase of 97.4 per cent over the 2017 figure.

The start-up community was highly international. Of the founders, 34 per cent were from outside Hong Kong, of whom the US had the largest share (15.4 per cent), followed by Mainland China (14.0 per cent), the UK (12.5 per cent), France (7.0 per cent) and Australia (6.3 per cent). Major sectors of start-ups included "Fintech" (14.3 per cent), "E-commerce, supply chain management and logistics technology" (10.7 per cent), "Information, computer and technology" (10.1 per cent), "Design" (9.5 per cent) and "Professional and consultancy services" (9.0 per cent).

Mr Phillips said that the social unrest in Hong Kong in recent months has had a dampening effect on investment sentiment. InvestHK will devote more efforts to carrying out promotional work, particularly in strategic markets, to deepen investors' understanding of Hong Kong, rebuild their confidence and promote the city's crucial functions in the Guangdong-Hong Kong-Macao Greater Bay Area development and the Belt and Road Initiative.

