

LCQ6: Attracting strategic enterprises

Following is a question by the Hon Martin Liao and a reply by the Deputy Financial Secretary, Mr Michael Wong, in the Legislative Council today (June 14):

Question:

To attract enterprises and investments more proactively and aggressively with a view to enhancing Hong Kong's competitiveness and speeding up industry development, the 2022 Policy Address proposed the establishment of the Office for Attracting Strategic Enterprises (OASES). OASES commenced full operation on December 23 last year. In addition, to dovetail with the work of OASES, the Government has also set up Dedicated Teams for Attracting Businesses and Talents in the Mainland and overseas offices to proactively reach out to target enterprises. In this connection, will the Government inform this Council:

(1) of the promotion strategies adopted by OASES in the past six months since it came into operation, as well as the situation of its contacts with strategic enterprises, including the number of enterprises, the industries involved and the prime concerns of the enterprises about setting up their operations in Hong Kong, etc.;

(2) of the details of the special facilitation measures already implemented by OASES and being considered for adoption by the authorities, covering such aspects as land, financing, tax and investment, etc.; and

(3) whether it has formulated an evaluation mechanism to measure the effectiveness of the efforts to attract strategic enterprises; if so, of the details; if not, the reasons for that?

Reply:

President,

The Government has been attaching great importance to the work of attracting enterprises and investment. One of the key objectives is to make every effort to further advance the development of science and technology in Hong Kong and move towards high-quality development. The Chief Executive announced in his Policy Address in October 2022 to establish the Office for Attracting Strategic Enterprises (OASES), led by the Financial Secretary, to attract high-potential and representative strategic enterprises from around the globe, particularly those from industries of strategic importance, including life and health technology, artificial intelligence and data science, financial technology (Fintech), and advanced manufacturing and new-energy technology.

OASES commenced full operation in December 2022. Its main tasks include drawing up a list of target enterprises and providing steer to the Dedicated Teams for Attracting Businesses and Talents (Dedicated Teams) in Mainland and

overseas to reach out to and negotiate with these enterprises. OASES also formulates attractive special facilitation measures for the target enterprises, including premises for setting up their operations in Hong Kong, research and supporting facilities, financial subsidy and grants, recruiting and attracting talents, aiming to provide tailor-made proposals for these enterprises.

Our reply to the Hon Martin Liao's question is as follows:

(1) Over the years, Invest Hong Kong (InvestHK) has been the key Government department responsible for inward investment promotion. To speed up the development of the technology industry in Hong Kong and move towards high-quality development, OASES has immediately commenced work after its establishment to proactively meet with different companies and organisations from industries of strategic importance. In about six months since its establishment, OASES has met with more than 150 enterprises, many of which are leaders in their respective industries, as well as companies engaging in cutting-edge technologies. OASES and relevant bureaux are evaluating the business development proposals submitted by different strategic enterprises.

Looking forward, OASES will continue to engage and discuss with different strategic enterprises on the target list. It is estimated that OASES will meet with around 300 strategic enterprises by the end of 2023. At the same time, OASES has begun promotional work in Mainland and overseas markets to strengthen the promotion of new policies in attracting enterprises, as well as new measures, advantages and latest developments that will be of interest to the enterprises, such as the Loop, the Northern Metropolis, the development of Kau Yi Chau Artificial Islands, and the Guangdong-Hong Kong-Macao Greater Bay Area (GBA). Each Dedicated Team will also continue to persuade high-quality companies to set up their operations in Hong Kong through different methods and channels (such as organising or participating in different events, internet platforms and social media, etc.).

To further support and promote related work, the Government established the Advisory Committee on Attracting Strategic Enterprises in February 2023 and has since held two meetings. Its members comprise leaders from the business sector and community and they have provided advice to the Government on the overall strategy of the work on attracting strategic enterprises. Members discussed the upcoming work plan and priorities in attracting strategic enterprises, and emphasised the need to leverage on the many opportunities of the Mainland, especially the market size and other advantages of the GBA, during investment promotion activities.

Based on experience thus far, enterprises of different scale, industries and business plans have different areas of concerns when deciding whether to set up their operations in Hong Kong. These concerns include issues related to land, financing, talents and immigration facilitating measures. In terms of policy, companies in the life and health technology and artificial intelligence and data science place emphasis on cross-border data flow; Fintech companies are more concerned with licensing policies and requirements; and advanced manufacturing and new-energy technology are

interested to learn more about Government policies on new-energy and cargo clearance etc.

(2) As strategic enterprises would have various concerns on whether to set up their operations in Hong Kong, we would formulate tailor-made plans in accordance with their needs. In general, the \$30 billion Co-Investment Fund set aside and established by the Financial Secretary would consider co-investing in the enterprises, taking into account their potential to drive industry development in Hong Kong. In terms of land, OASES at present mostly recommends strategic enterprises to consider the Hong Kong Science and Technology Park and Cyberport when establishing their presence in Hong Kong. As more land will be available in the Northern Metropolis in the near future, more options would be available for the strategic enterprises. OASES also provides employees of target enterprises with one-stop facilitation services in areas such as visa application and education arrangement for their children, etc. In recent months, OASES, through the Immigration Department, has handled over 20 cases related to talent schemes or visa facilitation.

To ensure smooth negotiation and to secure the best interests for Hong Kong, the discussion process and contents must remain confidential. Relevant details would not be disclosed.

(3) According to the 2022 Policy Address, in respect of Hong Kong's overall efforts on attracting enterprises and investment, the Government aims to attract at least 1 130 companies to set up or expand their operations in Hong Kong from 2023 to 2025. OASES is working closely with InvestHK and other bureaux and departments to achieve this target. When attracting enterprises that will bring in relatively significant economic benefits to Hong Kong, quality and quantity are of equal importance. I would even say that quality is more important than quantity. We stress the importance of transparency and OASES will release the number of enterprises it has met and other information every year for public information. We believe this will also allow other strategic enterprises to understand more about the work of OASES and enhance their interest in investing in Hong Kong.

Thank you, President.