

Survey results show Hong Kong is preferred destination for enterprises to set up and expand businesses

The Government announced today (December 21) the results of the 2023 Annual Survey of Companies in Hong Kong with Parent Companies Located outside Hong Kong and the 2023 Startup Survey. According to the results of the 2023 Annual Survey of Companies in Hong Kong with Parent Companies Located outside Hong Kong, there were 9 039 companies in Hong Kong with parent companies overseas or on the Mainland in 2023, which saw a recovery to pre-pandemic high levels. The total number of people engaged by these companies was around 468 000.

In addition, according to the results of the 2023 Startup Survey, start-ups in Hong Kong continued to flourish, with the number of start-ups reaching a record high of 4 257, up 272 from last year, fully demonstrating the attractiveness of Hong Kong to start-up founders. These start-ups engaged 16 453 persons, up by 10 per cent compared to last year's figure. They spanned across different business sectors, such as financial technology, e-commerce, supply chain management and logistics technology.

A spokesman for the Commerce and Economic Development Bureau said, "The results of the two surveys demonstrated fully the favourable business environment in Hong Kong and that Hong Kong is an ideal destination for enterprises big and small to set up or expand their businesses. The current term Government attaches great importance to attracting enterprises and investment. The survey results showed that the investment promotion work of the Government is effective. They also showed that overseas and Mainland enterprises are fully confident about Hong Kong and have therefore chosen Hong Kong for setting up and expanding their businesses, fully utilising Hong Kong's distinctive advantages of enjoying strong support of the motherland and being closely connected to the world under 'one country, two systems', so as to better seize the opportunities arising from the post-pandemic recovery."

"Hong Kong is the only city in the world where the global advantages and the China advantages come together in a single economy. We will continue to proactively play the bridging role as the 'super connector' and 'super value-adder' between the Mainland and the world, attracting overseas enterprises to invest in the Mainland while assisting Mainland enterprises to tap into overseas markets, thereby creating strong impetus for growth in Hong Kong's trade and economic development," the spokesman added.

Following the lifting of all anti-epidemic measures early this year and the full resumption of normalcy, the number of overseas and Mainland enterprises set up in Hong Kong increased significantly. In the first 11 months of this year, Invest Hong Kong (InvestHK) attracted 351 overseas and

Mainland enterprises to set up or expand their businesses in Hong Kong, a substantial increase of 30 per cent when compared with the same period last year. These enterprises included a French semiconductor company setting up their regional headquarters in Hong Kong, a large catering group from the Mainland opening various restaurants in Hong Kong, and more. The spokesman pointed out that impacted by the pandemic and related travel restrictions in the past few years, a small number of multinational companies temporarily moved their offices in Hong Kong to other regions, while the survey results this year showed that the number of overseas and Mainland companies in Hong Kong already returned to the high level in 2019.

Meanwhile, since its establishment in December last year, the Office for Attracting Strategic Enterprises (OASES) has attracted over 30 strategic enterprises to establish a foothold in Hong Kong, including Hong Kong's first research and development (R&D) centre set up by a top-10 pharmaceutical company in the world, and a world-leading new energy innovative technology company. These enterprises are expected to invest a total of over \$30 billion in Hong Kong, and create over 10 000 employment opportunities with a majority of them being R&D or senior management positions. InvestHK, OASES and relevant bureaux and departments will continue to proactively attract overseas and Mainland enterprises, in particular strategic enterprises, to set up or expand their businesses in Hong Kong. In addition, the Chief Executive announced in his Policy Address this year the development of "headquarters economy" to attract enterprises from outside Hong Kong to set up headquarters and/or corporate divisions in Hong Kong, thereby bringing in more quality enterprises for Hong Kong.

According to the 2023 Annual Survey of Companies in Hong Kong with Parent Companies Located outside Hong Kong, there were 9 039 companies in Hong Kong with parent companies located outside Hong Kong in 2023, an increase of 61 companies when compared with last year.

Analysed by the location of parent company, same as the results of the past five years, in 2023, the Mainland of China was ranked first (2 177), followed by Japan (1 403), the United States of America (1 273), the United Kingdom (641) and Singapore (477).

Analysed by the major line of business in Hong Kong, in 2023, import/export trade, wholesale and retail sector topped the list (4 388), followed by financing and banking sector (1 659) and professional, business and education services sector (1 304).

The results of the two surveys have been uploaded to the websites of the Census and Statistics Department (www.censtatd.gov.hk/en/EIndexbySubject.html?pcode=B1110004&scode=360) and InvestHK (www.startmeup.hk/about-us/hong-kongs-startup-ecosystem/) respectively.