

What Hong Kong Offers Overseas Enterprises

World's freest economy

- Rated world's freest economy by Heritage Foundation since 1995; ranked first on Cato/Fraser ranking of economic freedom again in 2007, as it has since rankings were first published in 1996.
- Open, externally oriented economy. Trade-to-GDP ratio of 404% in 2007.
- Free trade, free market, free flow of capital. No foreign exchange controls.
- Free flow of information. Excellent communications infrastructure. Regional media centre.
- Stable and freely convertible currency.
- Adopts a liberal investment regime. Foreign investment migrants welcome.
- Named 'Asian City of the Future' by *fDi* magazine (December 2007/January 2008 Issue), part of Financial Times Business group, ranking first in economic potential and being praised for our high levels of Foreign Direct Investment (FDI), falling unemployment and a high standard of living.

Hong Kong's edge

- Low and stable tax: From 2008-09, maximum salaries tax rate lowered to 15% and profit tax to 16.5%. Unlimited carry-over of losses. No value-added or sales tax. No capital gains tax. No withholding tax on dividends and interest. Estate duty abolished February 2006. Off-shore funds exempted from profits tax. Only HK-sourced income taxable.
- Legal protection for contracts and intellectual property. Rigorous enforcement of intellectual property rights.
- Regional arbitration centre. More cases handled than Japan, Singapore, Malaysia and South Korea combined. Hong Kong arbitration awards enforceable in more than 130 jurisdictions.
- Arbitration awards made in Hong Kong and Mainland are reciprocally enforceable.
- English is one of Hong Kong's official languages. Mainland dialects are also widely spoken.
- Experienced in international business protocol and standards as well as Mainland's culture and procedures.
- Free flow of people. Nationals of 170 countries may visit Hong Kong visa-free.

Logistics hub of Asia

- World's busiest international air cargo hub. One of the world's busiest container ports.

- Well-connected international aviation hub and gateway to China. Within five-hour flight of half world's population. Flights to over 150 cities world-wide including 40 in China.
- Location at mouth of Pearl River Delta (PRD), 'Factory of the World' – unique advantage over other Asian cities.

Technologically advanced services and society

- Over 74% of the households have personal computers and 70% are connected to the Internet.
- Over 63% of business establishments use personal computers and nearly 60% have Internet connection.
- All schools connected to the Internet.
- Hong Kong telecommunications network is fully digitalised – a world first.
- Broadband networks cover nearly all commercial and residential buildings.
- 79% of households have choice of at least two self-built networks by fixed network operators as a result of successful facility-based competition.
- Mobile phone penetration rate reaches 152.1% - one of world's highest.
- More than 6 700 WiFi hotspots installed at around 4 200 locations in the territory, making Hong Kong a world leader in the provision of public WiFi services.

Mainland links

- Largest External Investor in Mainland, accounting for US\$290 billion at end-June 2007 – 40% of Mainland's total.
- Some 60 000 Hong Kong-invested enterprises employing 10 million people in Guangdong.
- Through stock market, Mainland enterprises raise capital and gain exposure to international standards of corporate governance.

Pan-PRD

- Pan-Pearl River Delta (PPRD) Regional Co-operation and Development Forum, launched in mid-2004, is a visionary undertaking designed to unleash potential of south China common market.
- Pan-PRD, or '9+2', involves nine southern provinces of China – Guangdong, Fujian, Jiangxi, Hunan, Guangxi, Hainan, Sichuan, Guizhou and Yunnan, plus the two Special Administrative Regions of Hong Kong and Macao.
- Aims to create a huge, integrated economy in southern China. Expected to grow into one of world's largest, most efficient regional economies.

- Ten areas of co-operation: Infrastructure; investment; commerce and trade; tourism; agriculture; labour; education and culture; information and technology; environmental protection; health and prevention of infectious disease.
- Area: Over 2 million square kilometres – one-fifth of Mainland – comparable to United Kingdom, France, Germany, Italy and Spain combined.
- Population: 470 million, 35% of Mainland total; equal to entire European Union.
- Hong Kong is the largest investor in PPRD.