

# Key Survey Insights: International Business in Hong Kong

April 15, 2019



*Presented by InvestHK*

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The Greater Bay Area development has created many new opportunities for businesses in the region's population of 70 million people.

Findings from the 2018 Annual Survey of Companies in Hong Kong with Parent Companies Located outside Hong Kong, jointly conducted by InvestHK and the Census and Statistics Department, show that Hong Kong continues to attract an array of leading companies from around the globe.

The results show there are 8,754 companies in the city with parent companies located outside of Hong Kong – a 6.4 percent increase from the year before. A third of these have parent companies based in the US. There are 1,530 companies using Hong Kong as their regional headquarters in Asia – an 8.3 percent increase from the year before.

Survey respondents cited the city's simple tax system and low tax rate, free flow of information, free port status and geographical location as favorable factors in their company's decision to set up HQ here.

*AmCham members selected to take part in our next survey are encouraged to complete and return the survey by June 2019.*

## **Robust startup ecosystem**

Hong Kong's startup ecosystem has skyrocketed in the last few years. The city's attractiveness to startup companies is supported by our 2018 Startup Survey findings, which showed there are 2,625 startups (an 18 percent increase from last year) currently operating in Hong Kong's various co-work spaces, private or government incubators. Subsequently, the number of new jobs created surged by 51 percent since the same period last year.

Findings showed the local startup community is highly international in nature with 35 percent of founders coming from outside the city. The US ranks as the top origin of non-local founders, followed closely by the UK, Mainland China, Australia and France. The findings also showed that startups in Hong Kong are actively engaged in a range of industries including fintech, e-commerce, supply chain management, logistics technology, professional and consultancy services.

InvestHK's last StartmeupHK Festival (21-25 January 2019) drew well over 17,000 delegates and more than 300 speakers this year. The annual startup and innovation conference event brings together multiple sectors within the technology and start-up community from Hong Kong and around the world, to exchange ideas and do business.

## **Collaboration on innovation and technology**

Hong Kong boasts world-class transport networks and a well-developed information and communications infrastructure. Employers can benefit from the city's talent pool of highly-educated and multilingual professionals with both mainland and international business expertise. There are also several admission schemes in place for attracting talent, entrepreneurs and professionals.

The HK-US collaboration on innovation and technology is going from strength to strength. At the start of 2019, HK Chief Executive Carrie Lam announced the partnership between the Chinese University of Hong Kong and Johns Hopkins University's Laboratory for Computational Sensing and Robotics to establish a Multi-Scale Medical Robotics Centre. And at the end of 2018, The University of Hong Kong and the Harvard John A. Paulson School of Engineering and Applied Science signed a Memorandum of Understanding to set up a Laboratory for Instrumentation for Precision Medicine.

Hong Kong has been exercising "Hong Kong people administering Hong Kong" and a high degree of autonomy in strict accordance with the Basic Law under the "One Country, Two Systems" principle. The city retains its common law system and independent judiciary, providing effective legal protection to individuals and businesses.

As one of the world's top financial centers, Hong Kong is also a strategic platform for fundraising and professional services that foreign companies increasingly leverage in their pursuit of projects along the Belt and Road.

It's an exciting time for American companies and entrepreneurs in Hong Kong. We would like to congratulate AmChamHK on turning 50 this year and look forward to working together to help American companies make the most of these new opportunities in Hong Kong.

**By Stephen Phillips**

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**Invest Hong Kong**



### **About Invest Hong Kong**

InvestHK is the department of the Hong Kong Special Administrative Region Government responsible for attracting foreign direct investment and supporting overseas and mainland businesses in setting up or expanding in Hong Kong. It provides free advice and customized services for overseas and mainland companies.

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