

CONTROLLING OFFICER'S REPLY**CEDB(CIT)261****(Question Serial No. 5132)**Head: (79) Invest Hong KongSubhead (No. & title): (-) -Programme: Investment PromotionControlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)Director of Bureau: Secretary for Commerce and Economic DevelopmentQuestion:

How many overseas companies were facilitated by Invest Hong Kong to set up business operations in Hong Kong in the past year? Please set out the figures by overseas country involved and type of business investment.

Asked by: Hon CHAN Chi-chuen (Member Question No. (LegCo use): 265)Reply:

In 2017, Invest Hong Kong ("InvestHK") completed a total of 402 investment projects^{Note}. The breakdowns by market and sector are as follows:

(i) Breakdown by market

Market	Number of investment projects completed
Mainland	86
United States	47
United Kingdom	35
Australia	23
Japan	22
Singapore	20
France	19
Germany	16
Italy	15
India	14
Taiwan	13
Korea	9
Canada	8
Russia	7

Market	Number of investment projects completed
Switzerland	6
Belgium	5
Spain	5
Sweden	5
Brazil	4
Netherlands	4
Cayman Islands	3
Turkey	3
United Arab Emirates	3
Argentina	2
Czech Republic	2
Denmark	2
Ireland	2
Israel	2
New Zealand	2
Others	18
Total	402

(ii) Breakdown by sector

Sector	Number of investment projects completed
Transport and Industrial	61
Tourism and Hospitality	59
Innovation and Technology	53
Business and Professional Services	48
Consumer Products	45
Information and Communications Technology	42
Financial Services	41
Creative Industries	40
Financial Technology	13
Total	402

Note: Investment projects each resulting in an overseas, Mainland or Taiwan company setting up or undergoing a significant expansion in Hong Kong with the assistance of InvestHK. The figures do not include companies set up in Hong Kong without such assistance.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)262

(Question Serial No. 0597)

Head: (79) Invest Hong Kong
Subhead (No. & title): (-) -
Programme: Investment Promotion
Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Matters Requiring Special Attention in 2018-19, it is mentioned that Invest Hong Kong (InvestHK) will continue to focus investment promotion efforts on the priority sectors, with emphasis on financial services, transport and logistics as well as information and communications technology sectors. With respect to the financial services sector, how many investment promotion activities will be organised by InvestHK this year? What are the details of these activities respectively, and what are the expenditure and manpower resources involved?

Asked by: Hon CHAN Chun-ying (Member Question No. (LegCo use): 33)

Reply:

Invest Hong Kong (“InvestHK”) collaborates closely with relevant bureaux and departments to support Government’s policy objectives. In 2018-19, InvestHK will accord priority to promote business opportunities in the financial services, transport and logistics, innovation and technology as well as creative industries sectors. In respect of financial services, InvestHK will step up its promotion efforts in the following areas –

- (a) To promote Hong Kong as a major asset management centre and investment platform in Asia-Pacific, InvestHK will conduct investment promotion visits to key financial markets including London, Dublin, Paris, Zurich, Tokyo, Seoul, Tianjin, Beijing, Shanghai, Guangzhou, and Shenzhen. Through participating in and sponsoring international events, InvestHK will reach out to a diverse range of financial companies with the potential and interest in setting up in Hong Kong. Specifically, InvestHK will sponsor SuperReturn Asia conferences to be held in the Mainland and Hong Kong in May and September 2018 respectively, and the Asian Venture Capital Journal (AVCJ) Private Equity and Venture Forum to be held in Hong Kong in November 2018. InvestHK also plans to organise a thematic seminar on corporate treasury centre in Guangzhou in May 2018.

- (b) To showcase the strengths of Hong Kong as a leading aircraft leasing and aviation finance hub, InvestHK will work closely with the Transport and Housing Bureau, Inland Revenue Department and the Hong Kong Aircraft Leasing and Aviation Finance Association to develop flyers introducing the tax concessions as well as case studies on prominent aircraft leasing companies having been set up in Hong Kong, and organise seminars/workshops in Shanghai, Beijing and Hong Kong in June, September and October 2018 respectively. InvestHK will also participate in and/or sponsor signature events, such as the International Society of Transport Aircraft Trading (ISTAT) aircraft leasing event to be held in London in July 2018, and the Airline Economics conferences to be held in Hong Kong in October 2018.
- (c) InvestHK will continue to work closely with the Economic and Trade Offices in promoting the advantages of Hong Kong as platform for financial services and provide supporting services to attract and assist overseas companies in the sector to set up and expand their businesses in Hong Kong.

The estimated expenditure of InvestHK on investment promotion work in 2018-19 is about \$41 million. The figure does not include staff cost and administrative overhead expenses which cannot be separately quantified. As the investment promotion activities are at times of cross-sector nature, we are unable to provide separate breakdowns by sectors.

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CONTROLLING OFFICER'S REPLY

CEDB(CIT)263

(Question Serial No. 1074)

Head: (79) Invest Hong Kong

Subhead (No. & title): (-) -

Programme: Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Programme of the Invest Hong Kong (InvestHK) that InvestHK will strengthen investment promotion efforts to encourage multinational companies to set up or expand their businesses in Hong Kong, in particular on the Mainland, in Taiwan and other emerging markets, so as to capitalise on the business opportunities arising from the Belt and Road Initiative and Bay Area development. Will the Government inform this Committee of the promotion efforts in detail, and the results of the promotion efforts made in different regions in the past? Also, how will InvestHK make specific promotion efforts in the light of the Belt and Road Initiative and Bay Area development?

Asked by: Hon CHAN Kin-por (Member Question No. (LegCo use): 24)

Reply:

Invest Hong Kong (“InvestHK”) reaches out directly to potential companies through its network of Investment Promotion Units (“IPUs”) and consultants, and promotes the business advantages of Hong Kong through various forms of marketing activities.

In 2017, InvestHK assisted a total of 402 companies to set up or expand their businesses in Hong Kong, of which 155 companies came from the Mainland, Taiwan and emerging markets (including the Association of Southeast Asian Nations (“ASEAN”), India, Middle East, Russia and South America).

For the Mainland market, InvestHK will continue to collaborate with Mainland authorities and business associations to promote Hong Kong as an ideal platform for Mainland companies to go global. In 2018-19, InvestHK plans to organise investment promotion seminars in various high-growth Mainland cities such as Beijing, Chengdu, Guangzhou and Xiamen, etc..

As regards the Taiwan market, InvestHK will continue to reach out to a wide spectrum of Taiwan companies to provide them with the necessary support in setting up or expanding their operations in Hong Kong. InvestHK will maintain its close partnership with the Taiwan business community and conduct investment promotion visits in various Taiwan cities, with the support of its Investment Promotion Unit stationed in the Hong Kong Economic, Trade and Cultural Office in Taiwan.

InvestHK also plans to conduct a series of investment promotion events in target markets including Southeast Asia, India and the Middle East to underline Hong Kong's business advantages and to attract more companies to set up businesses in Hong Kong. InvestHK will also maintain liaison with consulates and chambers of commerce to connect with those overseas companies that have set up in Hong Kong to facilitate their business expansion.

When conducting investment promotion activities, assisting companies to take advantage of the 'Belt and Road' initiative as well as the Bay Area development is always one of our primary proposition and we will continue to step up our efforts in this direction arising from the increasing business opportunities ahead.

The estimated expenditure for InvestHK on investment promotion work for 2018-19 is about \$41 million. The figure does not include staff cost and administrative overhead expenses which cannot be quantified separately.

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CONTROLLING OFFICER'S REPLY

CEDB(CIT)264

(Question Serial No. 1075)

Head: (79) Invest Hong Kong

Subhead (No. & title): (-) -

Programme: Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Programme of Invest Hong Kong (InvestHK) that it will strengthen the aftercare services for overseas and Mainland enterprises and investors in Hong Kong. Will the Government inform this Committee of the aftercare support services currently provided by InvestHK to overseas enterprises in Hong Kong? What are the strengthened services? There are considerable views from the business sector that the support services provided by the Singapore government to overseas enterprises are among the best in the world in terms of service quality and effectiveness. Will InvestHK consider sending staff to Singapore on a study trip with a view to enhancing the effectiveness of the relevant support service in Hong Kong?

Asked by: Hon CHAN Kin-por (Member Question No. (LegCo use): 25)

Reply:

Hong Kong is an international business hub with distinct advantages as a place for multinational firms to establish their presence or expand business.

Invest Hong Kong (“InvestHK”) has an established programme to conduct aftercare contacts with investors who had previously been assisted by InvestHK and other multinational companies already set up in Hong Kong, to keep track of their developments and to help them identify and seize opportunities to grow, expand and create new jobs in Hong Kong. Specifically, InvestHK provides latest market information, advice on business regulations, Government’s funding and support schemes, as well as publicity and networking opportunities, etc..

In 2018-19, InvestHK will set up a small dedicated team to enhance the provision of aftercare services for overseas and Mainland companies. The dedicated team will develop a structured and systematic outreach programme to reach out to strategic overseas and Mainland companies. It will also proactively hold strategic discussions with key investors to help them consider new areas for growth and at the same time promote Hong Kong’s

unique advantages and opportunities arising from the Belt and Road Initiative and Guangdong-Hong Kong-Macao Greater Bay, and facilitate their business establishment or expansion in Hong Kong. Focused events for strategic companies such as high-level conferences/roundtables will be organised locally and overseas, in order to effectively engage key corporate decision makers. These events would be themed according to the specific interests and needs of strategic companies.

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CONTROLLING OFFICER'S REPLY**CEDB(CIT)265****(Question Serial No. 1076)**

Head: (79) Invest Hong Kong

Subhead (No. & title): (-) -

Programme: Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Last year, the number of overseas enterprises in Hong Kong rebounded. Will the Government inform this Committee of the latest situation of overseas enterprises in Hong Kong as at the end of last month? Is the number of enterprises continuously on the rise? How does Invest Hong Kong (InvestHK) attract overseas enterprises to set up regional headquarters or regional offices in Hong Kong? Moreover, did InvestHK examine whether it is feasible for Hong Kong to further promote headquarters economy? What are the difficulties?

Asked by: Hon CHAN Kin-por (Member Question No. (LegCo use): 26)

Reply:

The Census and Statistics Department ("C&SD"), in collaboration with Invest Hong Kong ("InvestHK"), conducts an annual survey, the response to which is voluntary in nature, on the number of overseas and Mainland companies with business operations in Hong Kong. As shown in the table below, the number of companies in Hong Kong (including regional headquarters ("RHQs"), regional offices ("ROs") and local offices) with parent companies in the Mainland or overseas have been on the rise in the past few years:

Year ^{Note}	Number of companies in Hong Kong	Year-on-year change
2013	7 449	-
2014	7 585	136
2015	7 904	319
2016	7 956	52
2017	8 225	269

Note:

Since this is an annual survey, monthly figures are not available.

InvestHK is committed to promoting Hong Kong as a prime investment destination, and to encourage overseas and Mainland enterprises and investors to establish operations in Hong Kong, in particular setting up their RHQs and ROs in Hong Kong. Enterprises are also encouraged to leverage on Hong Kong's professional services, particularly by using Hong Kong as a centre for fund-raising, financing, bond issuance, wealth management. InvestHK also liaises closely with the relevant bureaux, departments and overseas and Mainland Economic and Trade Offices, to identify potential multinational companies and attract them to set up operations in Hong Kong.

In addition, InvestHK has an established programme to conduct aftercare contacts with investors who had previously been assisted by InvestHK and other multinational companies already set up in Hong Kong, to keep track of their developments and to help them identify and seize opportunities to grow, expand and create new jobs in Hong Kong. Specifically, InvestHK provides latest market information, advice on business regulations, Government's funding and support schemes, as well as publicity and networking opportunities etc..

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CONTROLLING OFFICER'S REPLY

CEDB(CIT)266

(Question Serial No. 0165)

Head: (79) Invest Hong Kong

Subhead (No. & title): (-) -

Programme: Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Matters Requiring Special Attention in 2018-19, Invest Hong Kong will continue to focus investment promotion efforts on priority sectors, with emphasis on financial services, transport and logistics, innovation and technology as well as creative industries sectors. What are the specific measures and expenditure to be involved? In the last financial year, financial services, transport and logistics as well as the information and communications technology sectors were among the priority sectors. How was the effectiveness of the promotion efforts in this regard? What was the expenditure involved? Please provide the figures in respect of key priority sectors.

Asked by: Hon CHUNG Kwok-pan (Member Question No. (LegCo use): 16)

Reply:

In 2018-19, Invest Hong Kong ("InvestHK") will continue to adopt a sector-focused approach in attracting overseas, Mainland and Taiwan companies in priority sectors and industries where Hong Kong has a clear competitive edge through its global network of Investment Promotion Units and overseas consultants. Specific target industries include financial services, transport and logistics, innovation and technology as well as creative industries sectors.

InvestHK will continue to work in close partnership with other organisations responsible for promoting Hong Kong overseas, including the Economic and Trade Offices, Hong Kong Trade Development Council, Hong Kong Tourism Board, Hong Kong Science and Technology Parks Corporation, Cyberport and Create Hong Kong through regular meetings and joint promotion events, as well as to organise sector-focused receptions and sponsor major local and overseas events, with a view to promoting the business opportunities in priority sectors. In 2017, InvestHK completed a total of 402 investment projects, including 41 investment projects from financial services, 32 from transport and logistics and 53 from innovation and technology.

InvestHK will continue to reach out to companies in various sectors, and to provide supporting services to companies which have interest to start or expand business in Hong Kong. Particularly, in 2018-19, InvestHK will set up a dedicated team to strengthen promotion to attract more renowned maritime enterprises to operate in Hong Kong, step up efforts in the innovation and technology sector to dovetail with the policy objectives of the Government as well as strengthen the digital marketing and social media strategy to attract more Mainland and international companies to set up in Hong Kong.

In 2017-18, the estimated actual expenditure for organising and sponsoring sector-focused events is around \$3.7 million while the estimated expenditure in 2018-19 is around \$4.7 million. The figure does not include staff cost or general marketing and promotion expenses which cannot be separately quantified.

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CONTROLLING OFFICER'S REPLY

CEDB(CIT)267

(Question Serial No. 0391)

Head: (79) Invest Hong Kong
Subhead (No. & title): (-) -
Programme: Investment Promotion
Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in Matters Requiring Special Attention in 2018-19 under this Programme that Invest Hong Kong will, inter alia, continue to attract global start-ups to set up business in Hong Kong and to promote Hong Kong as a leading hub for start-ups and entrepreneurship. Please advise this Committee of the effectiveness of such work in the past year. What was the expenditure involved? Which global start-ups were attracted to Hong Kong to start their business? What are the specific work plans for the new financial year? How will Invest Hong Kong promote Hong Kong as a leading hub for start-ups and entrepreneurship? What is the promotion focus and what types of trades are expected to be attracted to Hong Kong for development? What is the estimated expenditure? Please explain in table form.

Asked by: Hon CHUNG Kwok-pan (Member Question No. (LegCo use): 34)

Reply:

Invest Hong Kong (“InvestHK”) launched its StartmeupHK programme in 2013 to provide a one-stop service platform to global start-ups. The objective of the initiative is to promote Hong Kong as a leading hub for entrepreneurship, and to encourage innovative and scalable start-ups to use Hong Kong as a launch pad to grow their businesses.

In 2017, InvestHK assisted 47 innovation-driven and technology-driven start-ups to set up their business operations in Hong Kong. They come from different sectors including innovation and technology, information and communications technology, financial technology (“fintech”), etc..

To track the growth of the start-up ecosystem, InvestHK conducted its fourth annual survey in 2017 to poll operators of major co-work spaces, incubation and accelerator programmes in Hong Kong. The results showed that as at November 2017, a total of 2 229 start-ups were operating in these premises, representing an increase of 16% (or 303 start-ups) over the past year, and the number of people employed by start-ups also increased by 21% to about 6 320.

To showcase the vibrant environment of Hong Kong as a leading hub for start-ups, the annual StartmeupHK Festival (“the Festival”) has been organised since 2016. In 2017-18, the week-long Festival was held from 29 January to 2 February 2018 to promote key start-up sectors in which Hong Kong has a distinct competitive advantage, such as financial technology (“fintech”), smart city, Internet of things (IoT), health technology and retail technology. The Festival attracted over 6 000 participants. In 2018-19, InvestHK will continue to organise the Festival covering different verticals.

In addition, InvestHK will continue to step up its outreach work to start-up communities in other locations through attendance and sponsorship of international events, regular meetings with multipliers such as incubators, accelerators and co-work spaces, direct contact with entrepreneurs, hosting its own events and working in conjunction with the Economic and Trade Offices and organisations such as Cyberport, the Hong Kong Science and Technology Parks Corporation to promote Hong Kong as a major start-up hub.

In 2018-19, InvestHK plans to stage/sponsor start-up events in Lisbon, Amsterdam, Helsinki, San Francisco, Singapore and Mainland China to reach out to potential entrepreneurs.

The estimated actual expenditure for conducting the related investment promotion activities for 2017-18 is around \$5.9 million; while the estimated expenditure for 2018-19 is around \$7.4 million. The figures do not include general marketing and promotion expenses which cannot be separately quantified. As the investment promotion activities are at times of cross-sector nature, we are unable to provide separate breakdowns by sectors.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)268

(Question Serial No. 0393)

Head: (79) Invest Hong Kong

Subhead (No. & title): (-) -

Programme: Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Matters Requiring Special Attention in 2018–19, it is stated that Invest Hong Kong will, inter alia “strengthen investment promotion efforts to encourage multinational companies to set up or expand their businesses in Hong Kong, in particular on the Mainland, in Taiwan and other emerging markets including those along the Belt and Road, so as to capitalise on the business opportunities arising from the Belt and Road Initiative and Bay Area development.” Please advise this Committee of the effectiveness of such work in 2017-18 and the expenditure involved. Please provide specific figures or cases for illustration. What are the specific plans for the new financial year? How much funding will be allocated to implement the related measures? What is the expected outcome?

Asked by: Hon CHUNG Kwok-pan (Member Question No. (LegCo use): 38)

Reply:

Invest Hong Kong (“InvestHK”) conducts marketing campaigns and seminars as well as investment promotion visits, in order to attract and assist more companies from the Mainland, Taiwan and emerging markets (including markets along the Belt and Road) to set up or expand their business operations in Hong Kong. In 2017, InvestHK assisted 155 companies from the Mainland, Taiwan and emerging markets (including Russia, India, the Association of Southeast Asian Nations (ASEAN), Middle East and South America).

On the Mainland market, InvestHK has been partnering with the Ministry of Commerce and other relevant local authorities such as provincial or municipal bureau of commerce as well as local industrial and commercial organisations to conduct investment promotion seminars in the Mainland, with a view to introducing to the business sector the competitive edges of Hong Kong. In 2017, these seminars were held in Mainland cities including Beijing, Changsha, Chengdu, Jinan, Shenyang, Taiyuan and Xiamen. We also partnered with the Hong Kong Trade Development Council and other organisations to participate in major trade fairs and conferences held in the Mainland, such as the China International Fair for Investment and Trade in Xiamen. Furthermore, we organised two study missions in Hong

Kong for Mainland enterprises and conducted briefing sessions for more than 30 incoming Mainland delegations on Hong Kong's investment environment.

In 2017, InvestHK continued to attract inward investment from Taiwan through its investment promotion unit in the Hong Kong Economic, Trade and Cultural Office in Taipei. Its work included organising promotion campaigns and seminars in partnership with different business associations in Taiwan, and maintaining close liaison with Taiwan business organisations and businessmen in Hong Kong to support their expansion plans.

To better seize the business opportunities arising from the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Bay Area development, in 2018-19, InvestHK will continue its efforts in reaching out to potential companies through marketing campaigns, seminars and investment promotion visits. We are planning to organise investment promotion seminars in various high-growth Mainland cities such as Beijing, Chengdu, Guangzhou and Xiamen, etc.. We will also continue to collaborate with Mainland authorities and business associations to promote Hong Kong as an ideal platform for Mainland companies to go global.

InvestHK's estimated expenditure in 2018-19 for organising various investment promotion activities is around \$41 million. The figure does not include staff cost or general marketing and promotion expenses which cannot be separately quantified.

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CONTROLLING OFFICER'S REPLY

CEDB(CIT)269

(Question Serial No. 5946)

Head: (79) Invest Hong Kong

Subhead (No. & title): (-) -

Programme: Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The importance of aftercare services in investment promotion has been stressed time and again by both the Administration and members at LegCo. Please provide details in relation to such aftercare services, including but not limited to the type of aftercare services given, the operation of such services (whether only offered by the government, or can be actively sought by companies), and operational expenses.

Asked by: Hon KWOK Wing-hang, Dennis (Member Question No. (LegCo use): 5)

Reply:

Invest Hong Kong (“InvestHK”) has an established programme to conduct aftercare contacts with investors who had previously been assisted by InvestHK and other multinational companies already set up in Hong Kong, to keep track of their developments and to help them identify and seize opportunities to grow, expand and create new jobs in Hong Kong. Specifically, InvestHK provides latest market information, advice on regulatory requirements, Government’s funding and support schemes, as well as publicity and networking opportunities, etc..

In 2018-19, InvestHK will set up a small dedicated team to enhance the provision of aftercare services for overseas and Mainland companies. The dedicated team will develop a structured and systematic outreach programme to reach out to strategic overseas and Mainland companies. It will also proactively hold strategic discussions with key investors to help them consider new areas for growth and at the same time promote Hong Kong’s unique advantages and opportunities arising from the Belt and Road Initiative and Guangdong-Hong Kong-Macao Greater Bay, and facilitate their business establishment or expansion in Hong Kong. Focused events for strategic companies such as high-level conferences/roundtables will be organised locally and overseas, in order to effectively engage key corporate decision makers. These events would be themed according to the specific interests and needs of strategic companies.

Provision of aftercare services is one of the regular duties of the nine sector teams and new dedicated team in the Head Office of InvestHK. The staff cost cannot be separately quantified.

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CONTROLLING OFFICER'S REPLY

CEDB(CIT)270

(Question Serial No. 3193)

Head: (79) Invest Hong Kong

Subhead (No. & title): (-) -

Programme: Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

One of the aims of Invest Hong Kong (InvestHK) is to provide an opportunity for start-ups to meet with potential investors, business partners and other stakeholders. In 2018-19, what are the plans for InvestHK to attract global start-ups to set up business in Hong Kong and to promote Hong Kong as a leading hub for start-ups and entrepreneurship? Will it deploy additional resources to help start-ups in enhancing competitiveness? If yes, what is the estimated expenditure? If no, what are the reasons?

Asked by: Hon LAM Kin-fung, Jeffrey (Member Question No. (LegCo use): 14)

Reply:

Invest Hong Kong (“InvestHK”) launched its StartmeupHK programme in 2013 to provide a one-stop service platform to global start-ups. The objective of this initiative is to promote Hong Kong as a leading hub for entrepreneurship, and to encourage innovative and scalable start-ups to use Hong Kong as a launch pad to grow their businesses.

To showcase the vibrant environment of Hong Kong as a leading hub for start-ups, the annual StartmeupHK Festival (“the Festival”) has been organised since 2016. In 2017-18, the week-long Festival was held from 29 January to 2 February 2018 to promote key start-up sectors in which Hong Kong has a distinct competitive advantage, such as financial technology (“fintech”), smart city, Internet of things (IoT), health technology and retail technology. The Festival attracted over 6 000 participants. In 2018-19, InvestHK will continue to organise the Festival covering different verticals.

In addition, InvestHK will continue to step up its outreach work to start-up communities in other locations through attendance and sponsorship of international events, regular meetings with multipliers such as incubators, accelerators and co-work spaces, direct contact with entrepreneurs, hosting its own events and working in conjunction with the Economic and

Trade Offices and organisations such as Cyberport, the Hong Kong Science and Technology Parks Corporation to promote Hong Kong as a major start-up hub.

In 2018-19, InvestHK also plans to stage/sponsor start-up events in Lisbon, Amsterdam, Helsinki, San Francisco, Singapore and Mainland China to reach out to potential entrepreneurs.

The estimated expenditure for conducting the related investment promotion activities for 2018-19 is around \$7.4 million. The figure does not include general marketing and promotion expenses which cannot be separately quantified.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)271

(Question Serial No. 5758)

Head: (79) Invest Hong Kong

Subhead (No. & title): (-) -

Programme: Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding attracting start-ups to set up business in Hong Kong, please inform this Committee of the following:

- (a) the expenditures and project items relating to the efforts of encouraging and attracting global start-ups to establish their business in Hong Kong over the past 3 years;
- (b) the number of foreign start-ups eventually set up business in Hong Kong and the number of such start-ups setting up business in Hong Kong with the assistance of Invest Hong Kong (please provide the information in table form by year);
- (c) on the basis of the figures provided in (b), the number and percentage of start-ups which have been set up for over 2 years and over 3 years respectively;
- (d) on the basis of the figures provided in (b), the number and percentage of start-ups which have been set up, with the assistance of Invest Hong Kong, for over 2 years and over 3 years respectively;
- (e) the materials available, if any, showing the difficulties encountered by foreign start-ups in setting up business in Hong Kong; if yes, of the details and the follow-up actions taken by Invest Hong Kong.

Asked by: Hon MOK Charles Peter (Member Question No. (LegCo use): 139)

Reply:

- (a) Invest Hong Kong (“InvestHK”) launched the StartmeupHK campaign in 2013 to promote Hong Kong as a leading hub for entrepreneurship and to encourage innovative and scalable start-ups to use Hong Kong as a launch pad to grow their

businesses. A dedicated team was established in September 2014 to implement the StartmeupHK programme.

The annual StartmeupHK Festival has been organised since 2016. In 2017-18, the week-long StartmeupHK Festival was held from 29 January to 2 February 2018 to promote key start-up sectors in which Hong Kong has a distinct competitive advantage, such as financial technology (“fintech”), smart city, Internet of things (IoT), health technology and retail technology. The Festival attracted over 6 000 participants.

Apart from hosting major events, InvestHK also actively reaches out to overseas start-up communities through attendance and sponsorship of international events, regular meetings with multipliers such as incubators, accelerators and co-work spaces, direct contact with entrepreneurs, and working in conjunction with the Economic and Trade Offices and organisations such as Cyberport, the Hong Kong Science and Technology Parks Corporation (“HKSTPC”) to promote Hong Kong as a major start-up hub.

The actual expenditure for conducting related investment promotion activities was \$5.8 million in 2015-16, and \$5.9 million in 2016-17. The estimated actual expenditure for 2017-18 is around \$5.9 million. The figures do not include administrative overhead expenses as well as expenditure and staff cost and general marketing and promotion expenses which cannot be separately quantified.

- (b) To track the growth of the start-up ecosystem, InvestHK has been conducting an annual survey since 2014 with operators of co-work spaces, incubators and accelerators in Hong Kong. The number of start-ups recorded in the surveys and the number of start-ups that InvestHK assisted are as follows –

Year	No. of start-ups recorded in the surveys <i>(including those with foreign and/or local founders)</i>	No. of start-ups assisted by InvestHK
2015	1 558	69
2016	1 926	35 ^{Note}
2017	2 229	47 ^{Note}

Note: In order to tie in more closely with the common understanding of the business community of the term “start-up”, InvestHK adopted a revised definition in 2016 for start-ups assisted by InvestHK in setting up their business in Hong Kong. Instead of defining a start-up as “a company without a parent company outside of Hong Kong”, under the revised definition, a start-up project assisted by InvestHK should meet the following conditions –

- the company should be not more than five years of age, counting from the date of its incorporation. If it has a parent company, both companies should be incorporated within the last five years;
- innovative-driven, which can be manifested through the start-up’s products, services, business model, processes, etc.;

- technology based or enabled (with technology element);
 - scalable, which exhibits high growth potential to capture regional or global markets; and
 - self-funding or funding rounds from seed funding to later stage Venture Capital funding, but exclude those which have been acquired or gone public.
- (c) Since respondents of the annual survey are only asked to provide the number of start-ups under their programme and operating on their premises, the major sectors involved and the total number of staff employed, the survey results do not include information on the number and percentage of start-ups which have been set up for over two or three years.
- (d) For the 104 start-up projects assisted by InvestHK in 2015 and 2016, we conducted aftercare contacts for 47 of them in 2017 and 40 (or 85%) were still in operation.
- (e) Start-ups often seek advice on opening of bank accounts, introduction to investors, Government funding, business registration, visa application, hiring of staff and connecting to the start-up ecosystem. To assist them in setting up operations in Hong Kong, InvestHK provides a wide range of services, including providing bank contacts, signposting them to relevant Government funding schemes, guidance on visa application, and introducing them to ecosystem stakeholders, etc..

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CONTROLLING OFFICER'S REPLY

CEDB(CIT)272

(Question Serial No. 1724)

Head: (79) Invest Hong Kong

Subhead (No. & title): (-) -

Programme: Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

(a) Please provide the numbers of companies that have set up or expanded their business in Hong Kong with the assistance of Invest Hong Kong, including (i) place of origin and (ii) investment value. Please provide the information by sector.

	2013 i, ii	2014 i, ii	2015 i, ii	2016 i, ii	2017 i, ii
Business and Professional Services					
Consumer Product					
Creative Industries					
Financial Services					
Information and Communication Technology					
Innovation and Technology					
Tourism and Hospitality					
Transport and Industrial					

(b) Please provide figures of foreign direct investment in Hong Kong (including Taiwan, Mainland China and Macao) in the past 5 years, including (i) position at end of year, (ii) inflow in year, (iii) number of companies. Please provide the information by country or territory.

	2013 i, ii, iii	2014 i, ii, iii	2015 i, ii, iii	2016 i, ii, iii	2017 i, ii, iii
Major investor country/territory					
...					
Total of all countries/territories					

(c) Please provide figures of foreign direct investment in Hong Kong (including Taiwan, Mainland China and Macao) in the past 5 years, including (i) position at end of year, (ii) outflow in year, (iii) inflow in year. Please provide the information by “major investor country/territory” and “industry”.

(Relevant year)

	(Major investor country/territory) e.g. China i, ii, iii	e.g. U.S. i, ii, iii	e.g. U.K. i, ii, iii	
Investment and holding, real estate, professional and business services				
Banking				
Import/export, wholesale and retail trades				
Financing (except banking, investment and holding companies)				
Construction				
Transport, storage, postal and courier services				
Insurance				
Information and communications				

Manufacturing				
Accommodation and food services				
Other activities				
Total				

Asked by: Hon TAM Man-ho, Jeremy (Member Question No. (LegCo use): 534)

Reply:

(a) In the past five years (2013-2017), Invest Hong Kong (“InvestHK”) completed a total of 337, 355, 375, 391 and 402 investment projects^{Note} respectively. These investment projects involved direct investment of around HK\$12.5 billion, HK\$8.9 billion, HK\$10.1 billion, HK\$16.3 billion and HK\$16.6 billion respectively. The breakdowns are as follows –

Breakdown by major markets

	2013	2014	2015	2016	2017
	Markets (number of investment projects completed)				
Business and Professional Services	UK (6) US (6) Japan (5) Mainland (5) Malaysia (2) Netherlands (2) Others (13)	UK (7) France (5) Japan (5) Mainland (5) US (5) Singapore (4) Others (10)	Mainland (11) US (6) Spain (5) Others (22)	Mainland (11) UK (10) US (10) Germany (3) Others (13)	Mainland (8) UK (7) Germany (5) Others (28)
Creative Industries	UK (7) Germany (5) Mainland (5) France (4) Others (13)	France (5) Australia (4) Italy (4) UK (4) US (4) Japan (3) Mainland (3) Others (9)	UK (9) France (8) Japan (5) Others (16)	UK (11) US (8) Germany (4) Others (17)	UK (11) US (6) Australia (5) Others (18)
Consumer Products	Italy (6) Japan (6) France (5) Mainland (4) Others (18)	US (6) Italy (4) Japan (4) Australia (3) France (3) India (3) UK (3) Others (15)	Japan (7) Italy (6) UK (5) Others (25)	Taiwan (8) Mainland (5) Japan (4) Others (28)	India (9) US (5) Australia (3) France (3) Germany (3) Japan (3) Taiwan (3) Others (16)

	2013	2014	2015	2016	2017
	Markets (number of investment projects completed)				
Financial Services	Mainland (10) US (8) UK (7) Others (17)	Mainland (16) UK (5) US (5) Korea (3) Switzerland (3) Others (14)	Mainland (16) UK (5) Japan (4) US (4) Others (19)	Mainland (22) Japan (4) UK (4) US (4) France (3) Others (13)	Mainland (20) UK (4) Australia (3) Others (14)
Financial Technology	--	--	--	--	Mainland (3) Singapore (3) US (2) Australia (1) Czech Republic (1) France (1) Korea (1) UK (1)
Innovation and Technology	Mainland (14) US (10) Japan (5) Others (16)	Mainland (20) US (9) UK (4) Others (15)	Mainland (19) US (10) Australia (3) Germany (3) UK (3) Others (13)	Mainland (15) US (9) Singapore (4) Others (25)	Mainland (17) US (10) Singapore (5) Others (21)
Information and Communications Technology	Mainland (9) US (9) France (3) Australia (2) Japan (2) UK (2) Others (9)	US (9) France (5) Germany (3) Japan (3) Singapore (3) Others (15)	US (10) Mainland (6) Australia (3) France (3) Taiwan (3) Others (15)	US (11) UK (7) Mainland (5) Others (19)	US (11) Mainland (4) UK (4) Australia (3) France (3) Taiwan (3) Others (14)
Tourism and Hospitality	Japan (12) US (7) Mainland (5) Others (30)	Japan (8) Australia (6) Italy (6) Mainland (6) Singapore (5) Taiwan (5) Others (18)	US (9) Japan (6) Mainland (6) France (4) India (4) UK (4) Others (24)	US (8) Mainland (6) France (5) Italy (5) Japan (5) Others (27)	Japan (10) Mainland (8) US (6) Others (35)
Transport and Industrial	Mainland (19) UK (4) US (4) Australia (3) Others (18)	Mainland (21) Korea (4) UK (4) US (4) Germany (3) Japan (3) Others (12)	Mainland (18) US (5) Japan (4) Korea (4) Others (23)	Mainland (17) US (6) France (4) Germany (4) Korea (4) Others (23)	Mainland (22) Italy (5) Germany (3) Korea (3) US (3) Others (25)

Breakdown by investment amount

	2013	2014	2015	2016	2017
	Number of investment projects completed (investment amount (in HK\$ million))				
Business and Professional Services	39 (168.1)	41 (223.5)	44 (432.6)	47 (765.4)	48 (294.4)
Creative Industries	34 (249)	36 (731.1)	38 (239.9)	40 (2,316.1)	40 (2,345.7)
Consumer Products	39 (362.7)	41 (402.4)	43 (163)	45 (2,244.9)	45 (200.5)
Financial Services	42 (2,073.7)	46 (1,492.3)	48 (3,784)	50 (6,180)	41 (2,276.3)
Financial Technology	--	--	--	--	13 (110.2)
Innovation and Technology	45 (2,266.7)	48 (2,618.2)	51 (1,017)	53 (1,939.5)	53 (6,955.4)
Information and Communications Technology	36 (4,296.2)	38 (1,357.8)	40 (502.6)	42 (1,048.7)	42 (1,261.1)
Tourism and Hospitality	54 (825.2)	54 (397.5)	57 (582.7)	56 (419.9)	59 (981.9)
Transport and Industrial	48 (2,306)	51 (1,697.9)	54 (3,454.4)	58 (1,466)	61 (2,258.2)
Total*	337 (12,547.7)	355 (8,920.7)	375 (10,176.1)	391 (16,380.3)	402 (16,683.6)

* Individual figures may not add up to the total due to rounding.

Note: Investment projects each resulting in an overseas, Mainland or Taiwan company setting up or undergoing a significant expansion in Hong Kong with the assistance of InvestHK. The figures do not include companies set up in Hong Kong without such assistance.

(b) & (c)

Based on the figures provided by the Census and Statistics Department, from 2012-2016, the position and flow of inward direct investment of Hong Kong (including Taiwan, the Mainland China and Macao) by selected major investor country/territory and major economic activity of Hong Kong enterprise groups are provided at Tables 1 and 2 respectively.

Table 1: Position and flow of inward direct investment (DI) of Hong Kong at market value by selected major investor country/territory[#], 2012 - 2016

HK\$ billion

Major investor country/territory	Position of inward DI at end of year					DI inflow during the year				
	2012	2013	2014	2015	2016	2012	2013	2014	2015	2016
British Virgin Islands	3,154.8	3,537.0	4,123.4	4,325.5	4,316.0	191.9	341.9	476.7	437.5	240.7
The mainland of China	3,568.3	3,341.6	3,493.5	3,270.3	3,241.4	232.7	46.6	221.8	200.8	256.8
Cayman Islands	136.1	262.6	397.1	861.7	970.0	12.6	34.4	16.7	404.3	136.0
Netherlands	671.1	696.6	745.9	778.7	795.3	37.8	16.1	44.8	34.4	50.4
Bermuda	615.8	613.8	612.9	569.7	586.5	73.0	45.7	-4.7	59.4	14.9
United States of America	294.9	347.5	385.0	314.6	313.7	-120.8	21.2	8.3	3.0	47.6
Singapore	204.5	225.9	318.5	343.1	291.5	17.1	14.0	59.0	23.3	-18.1
United Kingdom	129.7	159.6	131.9	256.4	282.2	43.9	23.1	44.4	55.9	64.9
Japan	173.8	205.8	226.5	225.8	220.7	7.7	6.3	10.8	22.5	14.4
Taiwan	64.2	67.1	68.6	79.4	108.9	5.3	2.2	0.8	-2.6	-1.3
Other countries/territories	633.5	1,025.4	1,099.4	1,310.6	1,481.9	43.1	24.8	-2.0	113.1	104.8
Of which:										
<i>Macao</i>	78.3	113.4	72.8	46.7	45.0	0.7	-3.1	-6.7	-10.7	-7.3
Total of all countries/territories	9,646.6	10,482.9	11,602.9	12,335.9	12,608.1	544.3	576.2	876.5	1,351.5	911.2

Notes :

[#] Selected based on the position of Hong Kong's inward DI from individual investor countries/territories in recent years.

(1) Compiled based on the "directional principle" in accordance with the international statistical standards.

(2) Individual figures may not add up to the total due to rounding.

(3) Country/Territory here refers to the immediate source economy. It does not necessarily reflect the country/territory from which the funds are initially mobilised.

(4) Negative inflow does not necessarily relate to equity withdrawal. It may be the result of repayment of loans owed to non-resident affiliates.

Source: Census and Statistics Department

Table 2: Position and flow of inward direct investment (DI) of Hong Kong at market value by major economic activity of Hong Kong enterprise groups, 2012 - 2016

HK\$ billion

Major economic activity	Position of inward DI at end of year					DI inflow during the year				
	2012	2013	2014	2015	2016	2012	2013	2014	2015	2016
Investment and holding, real estate, professional and business services	6,628.7	7,153.0	7,779.2	8,321.6	8,505.7	441.9	358.0	496.8	1,144.4	509.2
Banking	1,121.7	1,235.0	1,305.9	1,372.7	1,496.3	60.2	110.6	130.4	116.7	143.3
Import/export, wholesale and retail trades	885.5	1,052.5	1,312.7	1,303.7	1,244.3	101.5	57.1	138.3	33.7	98.3
Financing (except banking, investment and holding companies)	294.1	271.5	319.9	331.5	354.2	21.3	13.3	29.1	5.7	60.8
Construction	167.1	171.7	198.8	308.6	262.6	7.9	9.6	12.4	37.1	27.5
Transportation, storage, postal and courier services	196.6	200.1	191.5	166.9	192.2	-4.7	0.7	6.6	-5.5	-1.1
Insurance	121.8	114.5	148.1	154.7	180.9	-100.1	5.1	38.5	7.9	31.8
Information and communications	55.8	75.0	93.1	85.5	86.4	2.6	4.6	8.0	-0.9	15.3
Manufacturing	72.5	82.2	77.0	98.3	71.6	7.2	8.2	3.3	11.4	3.3
Accommodation and food services	34.1	31.9	29.2	33.1	36.4	7.0	2.6	0.1	-12.2	2.7
Other activities	68.7	95.6	147.4	159.3	177.5	-0.4	6.5	13.1	13.2	20.0
Total of all economic activities	9,646.6	10,482.9	11,602.9	12,335.9	12,608.1	544.3	576.2	876.5	1,351.5	911.2

Notes :

- (1) Compiled based on the "directional principle" in accordance with the international statistical standards.
- (2) Individual figures may not add up to the total due to rounding.
- (3) A Hong Kong enterprise group (HKEG) mainly consists of a Hong Kong parent company, its Hong Kong subsidiaries, associates and branches.
- (4) For an enterprise group, economic activity here refers to the major economic activity of the whole enterprise group in Hong Kong. If an HKEG is engaged in a wide variety of activities, its economic activity is determined on the basis of the economic activity in respect of which the operating revenue is predominant.
- (5) Negative inflow does not necessarily relate to equity withdrawal. It may be the result of repayment of loans owed to non-resident affiliates.

Source: Census and Statistics Department

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)273

(Question Serial No. 0539)

Head: (79) Invest Hong Kong

Subhead (No. & title): (-) -

Programme: Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Invest Hong Kong (InvestHK) will focus investment promotion efforts on priority sectors, with emphasis on financial services, transport and logistics, innovation and technology as well as creative industries sectors. Will more resources be allocated to innovation and technology and how will it complements the Government's policy of strengthening the development I&T industries by introducing relevant enterprises and institutions to Hong Kong to promote I&T development and facilitate economic growth? If yes, what are the details? If no, what are the reasons?

Asked by: Hon WONG Ting-kwong (Member Question No. (LegCo use): 25)

Reply:

In 2018-19, to complement the Government's policy of supporting the development of innovation and technology ("I&T"), Invest Hong Kong ("InvestHK") will continue to accord priority to promote business opportunities in the sector with a view to attracting overseas, Mainland and Taiwan I&T companies to set up in Hong Kong. We will sponsor and participate in local and overseas business events to identify potential investors and to promote the advantages of investing in Hong Kong.

InvestHK will put particular efforts into promoting Hong Kong's four areas of strength, namely biotechnology, artificial intelligence, smart city and financial technologies to encourage related companies to set up or expand their businesses in Hong Kong. The latest government policy initiatives in infrastructure enhancement and financial policies, and the availability of world class research resources and fund raising platforms in Hong Kong, provide solid support for strengthening the development of Hong Kong's I&T industries. InvestHK will ride on these advantages to further reinforce its promotion efforts. In March 2018, InvestHK, in collaboration with Hong Kong Science and Technology Parks Corporation, Hong Kong Applied Science and Technology Research Institute Company Limited and other organisations, conducted investment promotion activities in the Guangdong-Hong Kong-Macao Bay Area, including business roundtables and company

visits. In September 2018, InvestHK will organise a delegation visit for Mainland I&T enterprises and institutions to Hong Kong, including a sector-focused reception, with a view to further promoting the business advantages in Hong Kong and exploring business collaboration. In 2018-19, InvestHK will also redeploy its resources to further focus on the I&T sector, including dedicated manpower support for biotechnology.

In addition, InvestHK will continue to work in close partnership with other stakeholders, including the Hong Kong Economic and Trade Offices, Hong Kong Science and Technology Parks Corporation, Cyberport, and the Hong Kong Trade Development Council through regular meetings and joint promotion events. Locally, we will also step up our collaboration with overseas chambers/consulates in Hong Kong to further our reach to foreign businesses.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0540)

Head: (79) Invest Hong Kong

Subhead (No. & title): (-) -

Programme: Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government will strengthen investment promotion efforts to encourage multinational companies to set up or expand their businesses in Hong Kong, in particular on the Mainland, in Taiwan and other emerging markets including those along the Belt and Road, so as to capitalise on the business opportunities arising from the Belt and Road Initiative and the Bay Area development.

Regarding attracting companies from the Mainland and Taiwan to set up or expand their businesses in Hong Kong so as to capitalise on the business opportunities arising from the Belt and Road Initiative and the Bay Area development, what are business opportunities involved? What were the results of the Government's efforts in attracting investments from Taiwan to Hong Kong last year? What are the specific promotion plans targeted at Taiwan in this financial year?

Asked by: Hon WONG Ting-kwong (Member Question No. (LegCo use): 26)

Reply:

The opportunities brought by the Belt and Road Initiative and the development of the Guangdong-Hong Kong-Macao Bay Area will further enhance Hong Kong's role as a two-way development base for "going global" and attracting foreign investment. With Hong Kong's unique business advantages as well as its strategic location and status as an international financial, maritime and trading centre, Hong Kong is an effective springboard for Mainland companies to go global and for overseas companies to tap the resources as well as markets in the Belt and Road countries as well as Mainland cities in the Bay Area.

Invest Hong Kong ("InvestHK") will actively attract Mainland companies to set up or expand their operations in Hong Kong, in particular, to make use of Hong Kong's one-stop and internationally-recognised professional services, including accounting, legal, surveying, certification, etc., to gear up their projects, while enjoying the high standards of our

high-end professional services to reduce risks. Similarly, overseas companies can take advantage of Hong Kong's professional services in making investment in Hong Kong and the Mainland.

InvestHK reaches out directly to potential companies through its network of Investment Promotion Units ("IPUs") and consultants, and promotes the business advantages of Hong Kong through various forms of marketing activities. In 2017, InvestHK assisted 13 companies from Taiwan to set up or expand their businesses in Hong Kong.

In 2018-19, InvestHK, with the support of its IPU based in the Hong Kong Economic, Trade and Cultural Office in Taiwan, will maintain its partnership with the Taiwan business community and conduct investment promotion events in various Taiwan cities to encourage them to set up business in Hong Kong as well as to seize the business opportunities arisen from the Belt and Road Initiative and Bay Area development. It will also continue to reach out to a wide spectrum of Taiwan companies to provide them with the necessary support in setting up or expanding their operations in Hong Kong.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)275

(Question Serial No. 3574)

Head: (79) Invest Hong Kong

Subhead (No. & title): (-) -

Programme: Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the efforts to “attract global start-ups to set up business in Hong Kong and to promote Hong Kong as a leading hub for start-ups and entrepreneurship”,

1. has Invest Hong Kong conducted studies on start-ups regularly, for example, stocktaking the number of start-ups that have set up their business in Hong Kong and the total number of start-ups every year? If yes, what were the respective numbers of start-ups and newly established start-ups in Hong Kong in each of the past 3 years? Please provide a breakdown by sector;
2. further to the above questions, what were the corresponding figures for local start-ups and non-local start-ups? Please provide a breakdown by place of origin; and
3. what will be done by Invest Hong Kong to attract start-ups to Hong Kong in the coming year?

Asked by: Hon WU Chi-wai (Member Question No. (LegCo use): 122)

Reply:

- (1) To track the growth of the start-up ecosystem, Invest Hong Kong (“InvestHK”) has been conducting an annual survey since 2014 with major operators of co-work spaces, incubators and accelerators in Hong Kong. InvestHK has no information on start-ups other than those operating in the premises of these operators. The number of start-ups recorded and the major sectors involved in past three years are as follows:

No. of start-ups

Year	No. of start-ups
2015	1 558
2016	1 926
2017	2 229

Breakdown by major sectors (based on the top 3 major sectors in 2016 survey)

	2015	2016
	No. of start-ups (percentage of total)	
Information, Computer & Technology	273 (17.5%)	401 (20.8%)
E-commerce, Supply Chain Management and Logistics Technology	142 (9.1%)	249 (12.9%)
Professional or Consultancy Services	137 (8.8%)	180 (9.3%)

Note:

1. Some start-ups were engaged in more than one sector.
2. As some operators had not provided relevant breakdown by sectors, the survey results in 2017 therefore did not include information on sector distribution.
- (2) Since respondents of the annual survey are only required to provide the number of start-ups under their programme or operating on their premises, the major sectors involved and total number of staff employed, the survey results therefore do not include information on the numbers of local and non-local start-ups, and their respective places of origin.
- (3) In 2018-19, InvestHK will continue to organise the inaugural StartmeupHK Festival as its main platform to attract overseas investors and start-up ecosystem stakeholders to Hong Kong, to inspire them by what is happening in the region and provide networking opportunities for them to collaborate with local counterparts.

In addition, InvestHK will continue to step up its outreach work to start-up communities in other locations through attendance and sponsorship of international events, regular meetings with multipliers such as incubators, accelerators and co-work spaces, direct contact with entrepreneurs, hosting its own events and working in conjunction with the Economic and Trade Offices and organisations such as Cyberport, the Hong Kong Science and Technology Parks Corporation to promote Hong Kong as a major start-up hub. InvestHK also plans to stage/sponsor start-up events in Lisbon, Amsterdam, Helsinki, San Francisco, Singapore and Mainland China to reach out to potential entrepreneurs.

- End -