

# Hong Kong's Role in the Greater Bay Area

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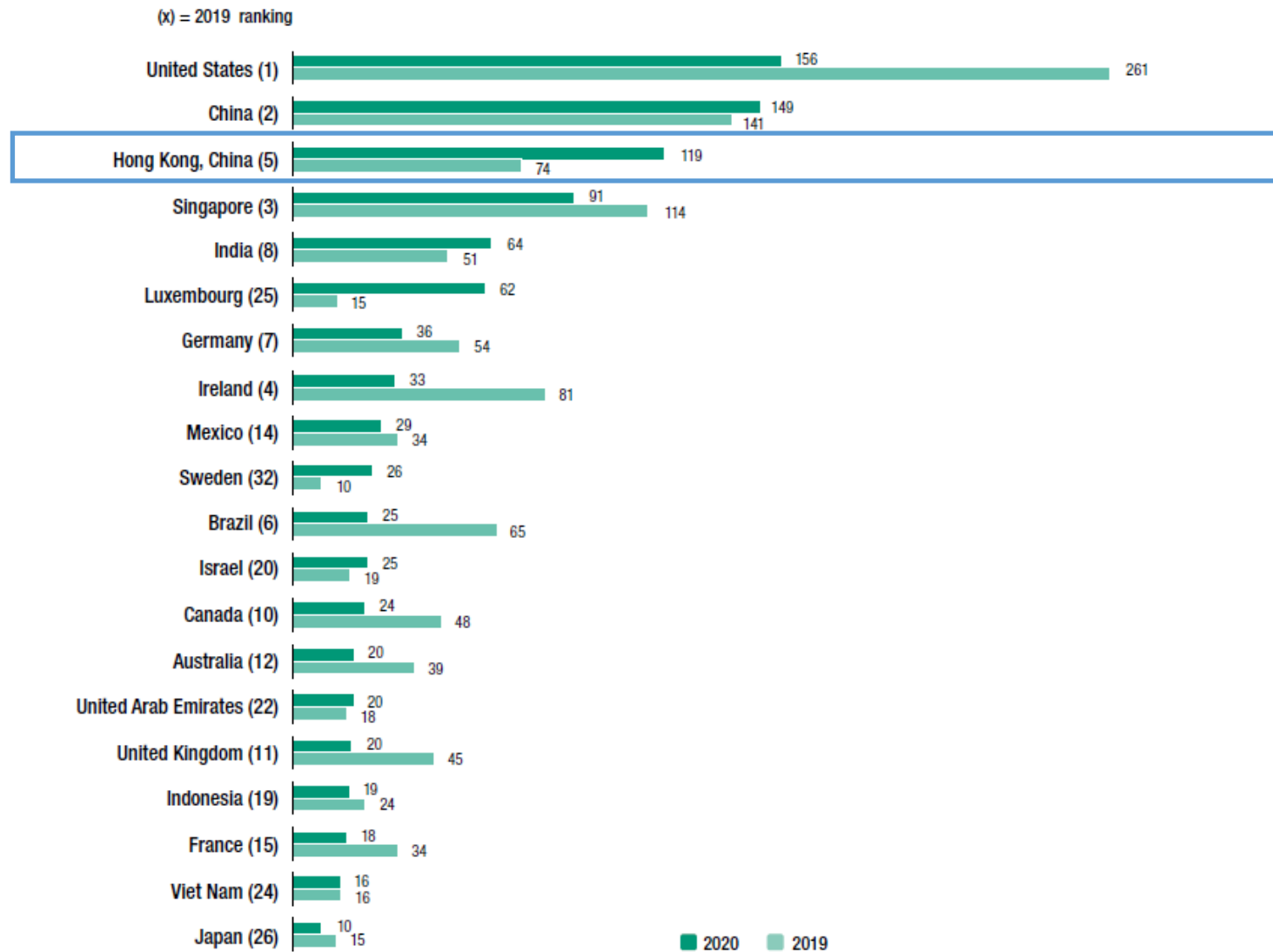
Invest**HK**





## **GBA Development and Specific Roles of Hong Kong**

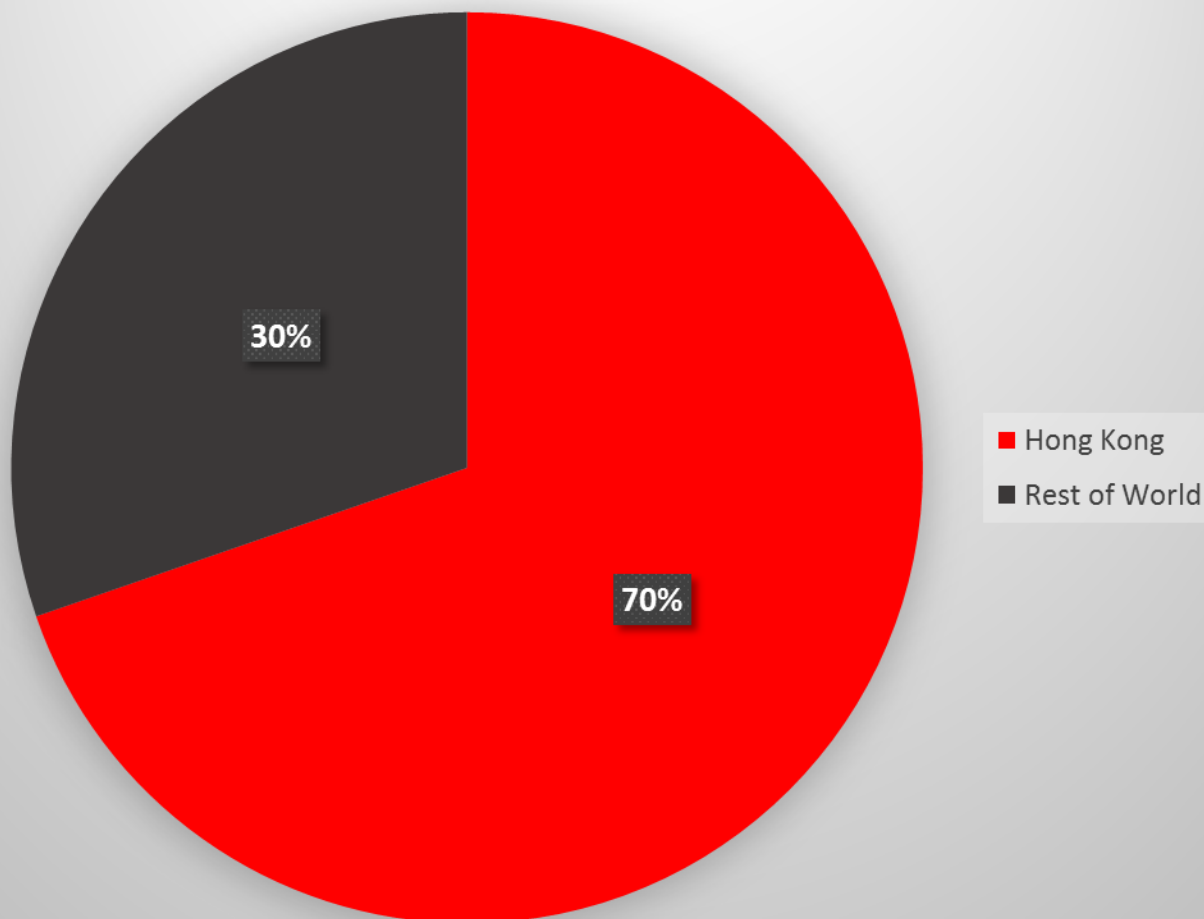
# Hong Kong Still an Attractive Destination for FDI



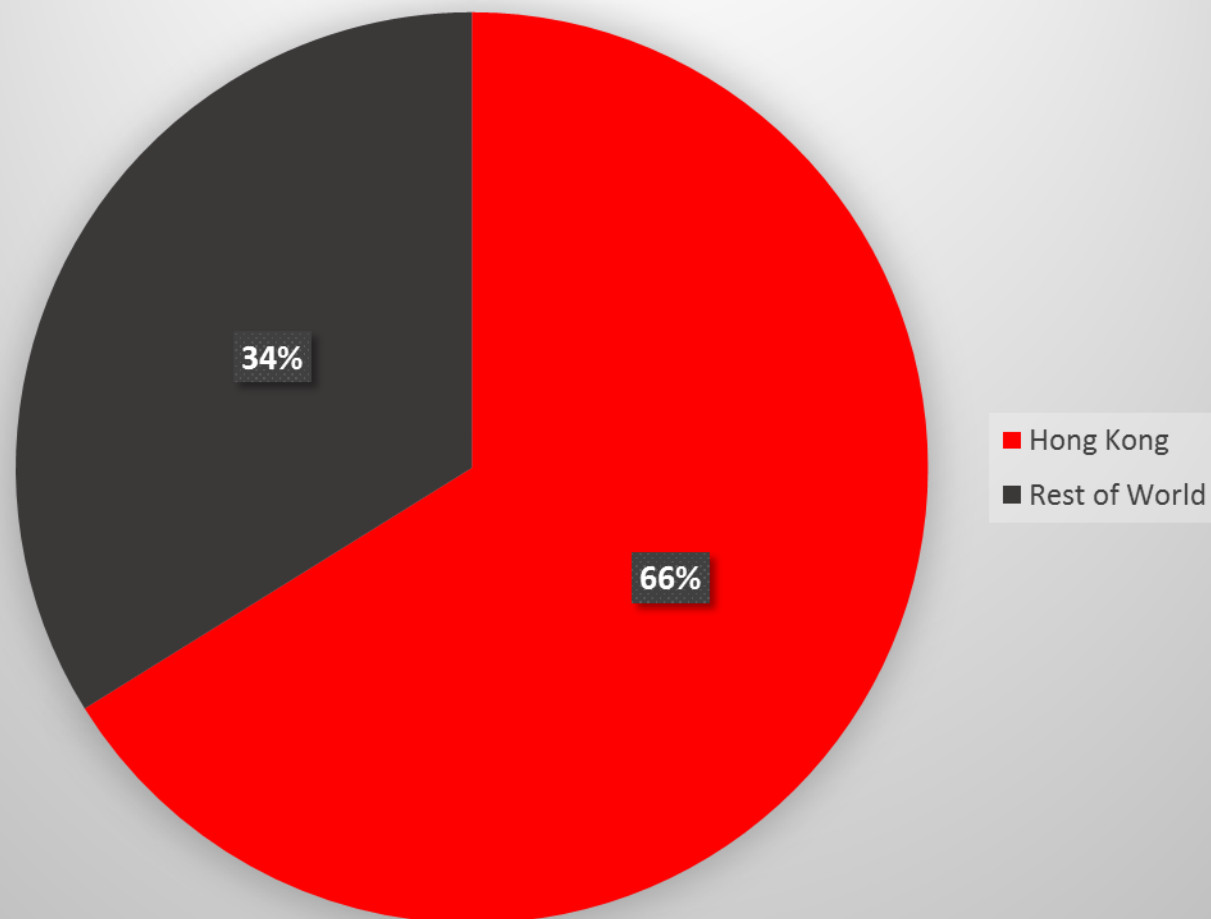
Source: UNCTAD, FDI/MNE database ([www.unctad.org/fdistatistics](http://www.unctad.org/fdistatistics)).

# Hong Kong Still a Major Investment Conduit

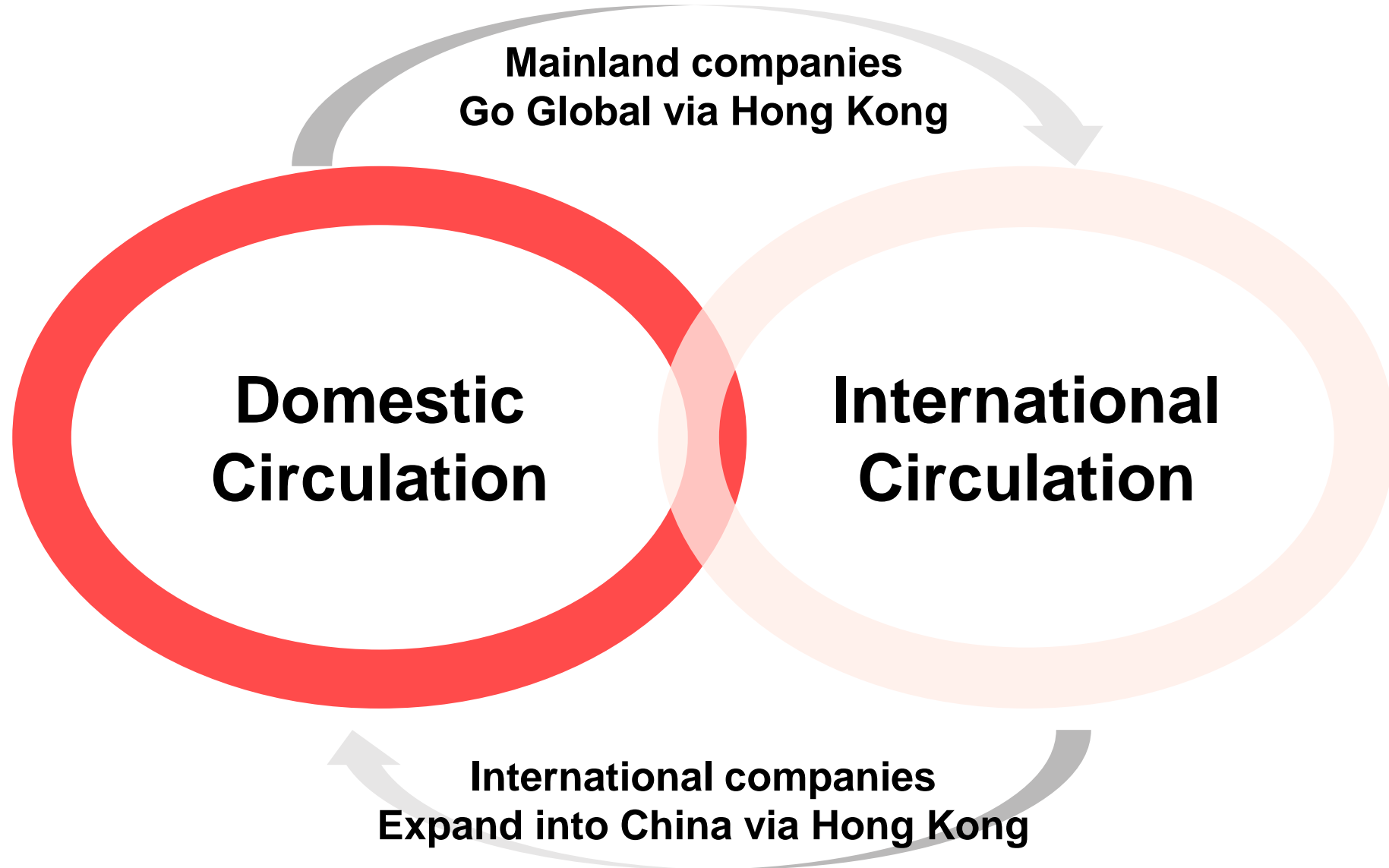
Origin of Mainland's Inbound Investment in 2019



Destination of Mainland's Outbound Investment in 2019



# China's Dual Circulation Strategy Enhances Hong Kong's Role as Investment Conduit





# Hong Kong – The Best Gateway to Access GBA

## Heart of Asia



## One Country, Two Systems



High degree of economic freedom

Common law system and  
independent judiciary

Robust financial system

## Competitive and Simple Tax System

16.5%  
Profits above HK\$2M

**8.25%**  
First HK\$2M of profits

**NO**

- VAT/GST/Sales tax
- Capital Gains tax
- Withholding tax on investments
- Estate duty
- Global taxation
- Wine duty

# Hong Kong's Unique Business Functions in GBA



## RHQ - Management Base



- 1504 foreign companies using HK to manage their regional operations
- Hong Kong as a prime investment destination

## Sales & Marketing



- Launchpad to access huge B2C and B2B markets in GBA, whole of Mainland, and rest of Asia (particularly ASEAN)

## R&D



- Intellectual property protection and trade
- Top universities
- Collaboration with Shenzhen

## Capital Raising



- Top IPO centre 7 times in last 12 years
- A total of 154 companies raised HK\$398 billion in 2020 – the highest amount raised in a single year since 2010



## **GBA Facilitation Measures and Business Opportunities**





# Supporting Measures to Promote Innovation & Technology in GBA



## Supporting the development of the Shenzhen -Hong Kong Innovation & Technology Co-operation Zone

- HK-Shenzhen Innovation & Technology Park at the Lok Ma Chau Loop
- Shenzhen Innovation & Technology Zone at the north side of Shenzhen River and adjacent to the loop



## Facilitating customs clearance of imported animal-derived biomaterials into the GBA

- Enabling HK researchers to conduct clinical research and experiments in the GBA



## Relax limitation on exporting Mainland human genetic resources to Hong Kong

- Enabling institutes and hospitals to export human genetic resources to HK independently under a trial scheme

# Major Science and Technology Zones in GBA

1. Foshan National Hi-tech Industrial Development Zone
2. Leping Intelligent Innovation Demonstration Park
3. Foshan National Torch Innovation Pioneering Park
4. Shunde High-tech Zone Intelligent Manufacturing Industrial Park

1. Cuiheng New District
2. Tanzhou Town Yuzhou Science and Innovation Island

1. THSP Zhuhai Zone
2. Zhuhai Southern Software Park
3. Zhuhai Smart Industrial Park



1. HEMC-International Innovation City
2. Sino-Singapore Guangzhou Knowledge City
3. Guangzhou Science City
4. Pazhou Internet Innovation Cluster
5. Guangzhou International Biological Island
6. Tianhe Intelligence City

1. Songshan Lake Hi-Tech Industry Development Zone
2. Dongguan Binhaiwan New Area
3. Dongguan Neutron Science Centre

1. Shenzhen-Hong Kong cooperation in scientific and technological innovation area
2. Hong Kong Science & Technology Parks
3. Cyberport

1. Shenzhen Airport New City
2. Shenzhen High-tech Industrial Development Zone
3. Shenzhen International Biological Valley Life Science Industrial Park
4. Ban Xue Gang High-Tech Zone



# Shenzhen/Hong Kong Innovation and Technology Cooperation Zone

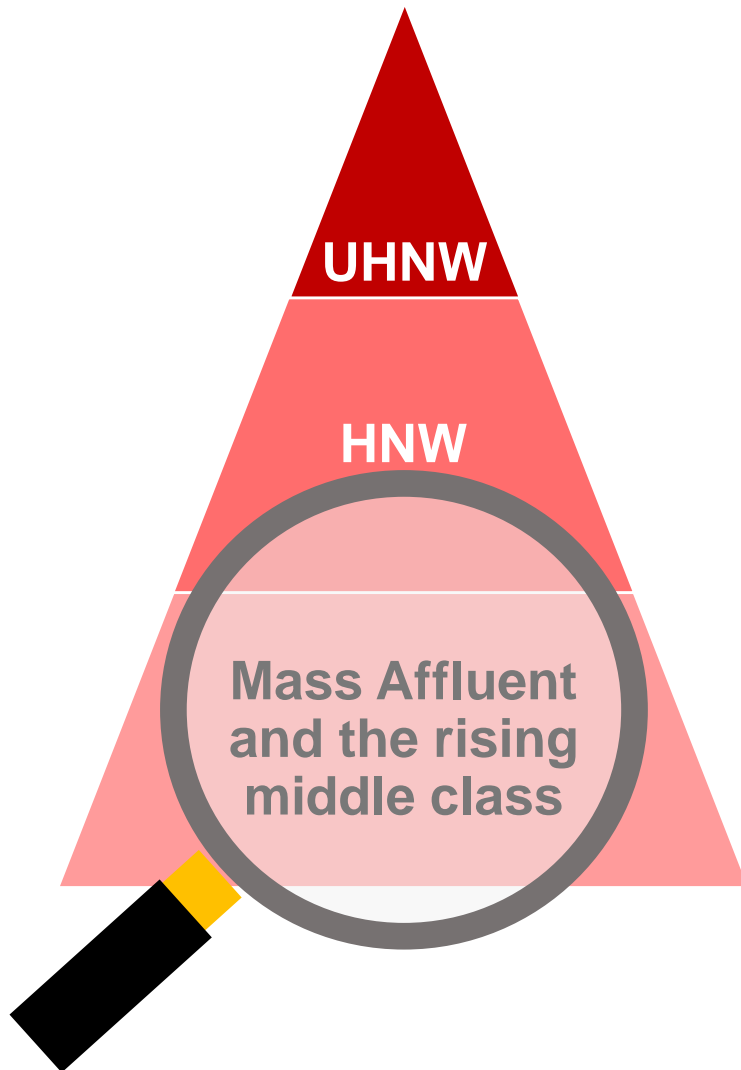
## Shenzhen Innovation and Technology Zone

(HKSTP can lease and manage certain areas of this Zone so that institutes and enterprises from Hong Kong can easily start their business in GBA)



**Hong Kong-Shenzhen Innovation and Technology Park**  
(first batch of 8 buildings to be completed in 2024-27 in phases)

# Fast Growing Mass Affluent and Middle Class in China



- **China's middle-class population\*** is expected to expand from **300 million in 2019 to 660 million in 2025**, representing 46% of the total population in China in 2025.
- The Mass Affluent\*\* is a key segment to wealth managers. **The Mass Affluent space is projected to show CAGR of over 7% from 2020 to 2025**, and account for 39% of total client assets across APAC.
- The two wealthiest cities **Guangzhou and Shenzhen** had roughly **394 and 527 UHNWIs** in 2018, respectively. **Hong Kong has 3,010 UHNWIs**.

\*National Bureau of Statistics put out an official definition for people earning a monthly income of RMB 2,000 (US\$295) to RMB 5,000 (US\$740) constituted as 'middle income' earners in China

\*\*Mass affluent segment is defined as those having wealth between US\$100,000 and US\$1 million





# GBA Opportunities – Financial Services

## Proposed Wealth Management Connect

### Mainland/ GBA

- Residents registered in the nine GBA cities, or record of 5 years + social security or individual income tax in the nine GBA cities, and
- 2 years+ experience in investment, and
- Net financial assets of RMB 1 million + over the past 3 months, or financial assets with a monthly balance of RMB 2 million + for the past 3 months
- The qualified products to be verified and announced by the regulators in Hong Kong and Macao
- Designated investment accounts
- Closed-loop through the bundling of designated remittance and investment accounts in RMB

Northbound  
@ RMB 1 million



*Aggregate quota of  
RMB 150 billion*



Southbound  
@ RMB 1 million

### Hong Kong

- Eligibility is subjected to further details from HK and Macao respective regulators
- Eligible northbound investor can invest in Class 1 – Class 3 non-guaranteed principal investment products issued by mainland wealth managers except cash management investment products, and R1-R3 mutual funds
- Closed-loop through the bundling of designated remittance and investment accounts in RMB



# GBA Opportunities – Business and Professional Services

## Legal

- Hong Kong and Mainland law firms can form partnership associations in the Mainland
- Hong Kong legal practitioners can obtain Mainland qualifications to practice in the nine Pearl River Delta municipalities in the GBA

## Architecture & Engineering

- Allow Hong Kong-registered companies to directly provide services in the GBA
- Simplify procedures for Hong Kong companies to start business in the GBA

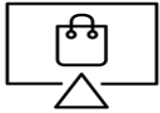
## Construction

- Mutual recognition of qualifications for construction professionals
- Expand liberalization measures for Hong Kong construction professionals to practice in the Mainland





# GBA Opportunities – Lifestyle & Creative Industries



**Retail, food services  
& hospitality**

Retail, food services and hospitality companies can use Hong Kong as the **management hub** (e.g. for financing, IP and brand management) to tap into the growing Mainland market while enjoying business advantages of Hong Kong.



**Import/export trade,  
wholesale and retail**

Trading and sourcing companies can use Hong Kong to further expand their B2B businesses in Asia and beyond with Hong Kong's status as an **international finance, logistics and trading hub** further strengthened under 14<sup>th</sup> 5-year plan, while benefiting from RCEP arrangements to benefit from simplified customs procedures and improved logistics.



**Business expansion for  
creative industries companies**

Hong Kong is Asia's **creative hub** where international fairs and events take place. It is also one of the largest export markets for design services with networks of well-established supply chains and enhanced inter-city collaboration opportunities in the Greater Bay Area.



# Pan-GBA Inward Investment Liaison Group

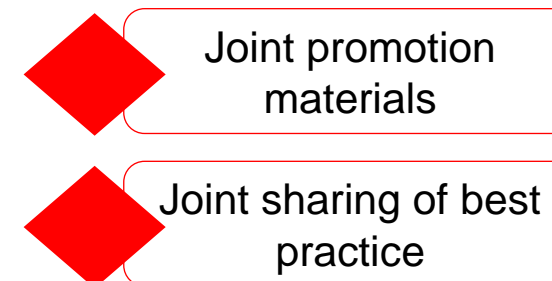
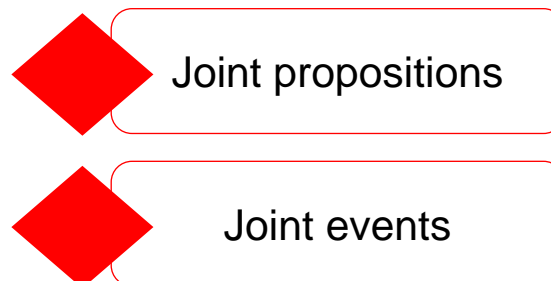


## The Chief Executive's 2020 Policy Address

Establishing the **Pan-Greater Bay Area Inward Investment Liaison Group** to enable InvestHK and its counterparts in other cities in the GBA to develop holistic and joint inward investment propositions with a view to enhancing synergy

## Strategic Development

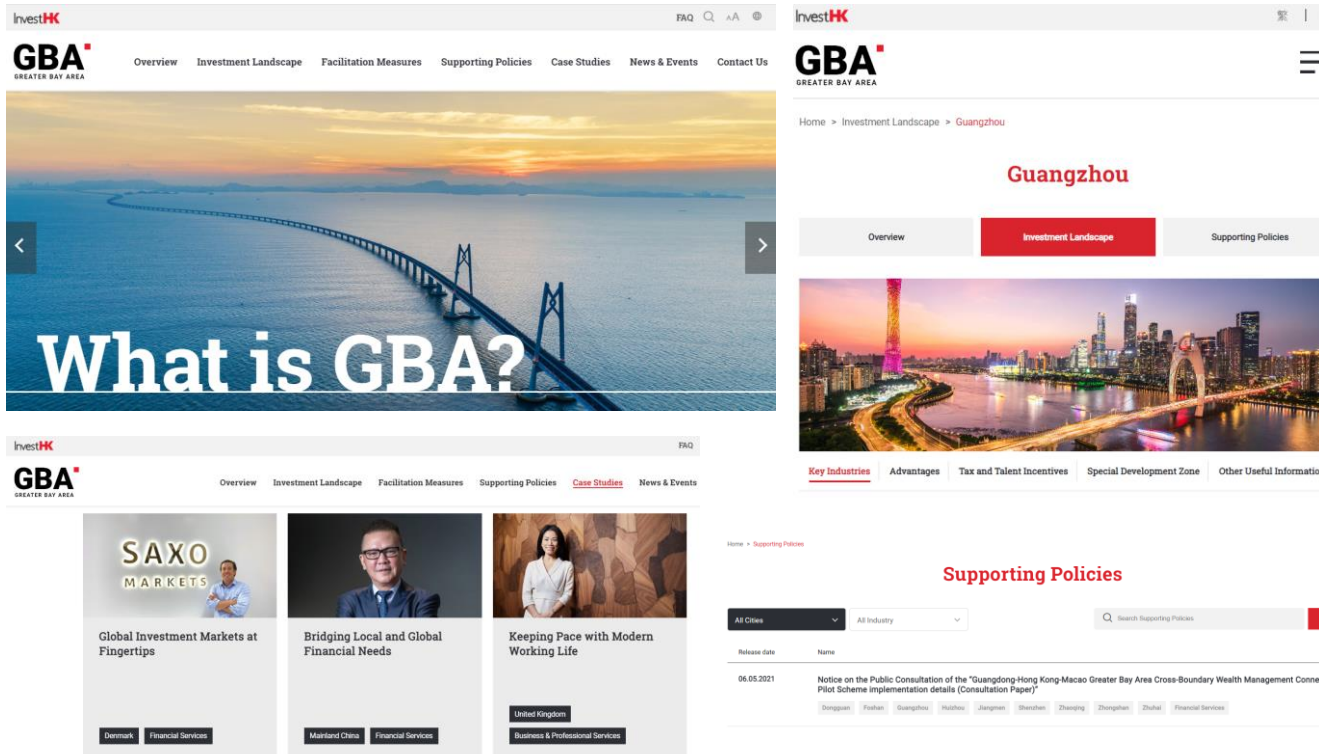
– Develop and execute investment promotion strategies and plans related to GBA business development, focusing on the four major areas of cooperation with GBA cities, including



# InvestHK GBA Website and LinkedIn Articles

## Dedicated GBA Website

- [www.gba.investhk.gov.hk](http://www.gba.investhk.gov.hk)
- Including overview, investment landscape for each GBA cities, supporting policies, FAQs and case studies



## LinkedIn Articles on GBA Insight/ Update

- Topics include:
  - Introducing GBA cities series
  - Policy updates related to the GBA
  - Opportunities in the GBA
- More articles coming soon



### 22nd Plenary of Hong Kong / Guangdong Co-operation Joint Conference

Published on May 17, 2021

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Head of Greater Bay Area Business Development at Invest Hong Kong

38 articles + Follow

The 22nd Plenary of Hong Kong/Guangdong Co-operation Joint Conference, co-chaired by HKSAR Chief Executive Mrs Carrie Lam and Governor of Guangdong Province Mr Ma Xingrui, was held on 14 May.

Some of the progress made and the directions for future co-operation are set out below:



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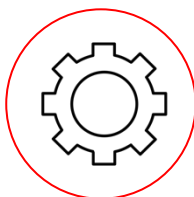
## **InvestHK's Support for Foreign Investors**

# How We Help Companies Grow



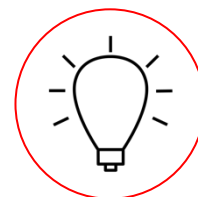
## Planning

- Guidance in strategic implementation and evaluation of business decisions, including opportunity identification
- Connecting with relevant Consulates, Chambers of Commerce and business associations
- Advising on living and working in Hong Kong (bank accounts, housing, healthcare, schooling and networking, etc)



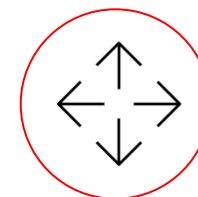
## Set-Up

- Providing support with business licences, visa applications, trademark registration, IP and trade regulations, etc
- Informing on tax and business regulations
- Arranging meetings with service providers, professional associations and government departments
- Advising on sector-specific industries and opportunities



## Launch

- Connecting with lawyers, accountants, human resource specialists, consultancies, designers, interior specialists and real estate companies, etc
- Providing marketing and public relations services




## Aftercare / Expansion

- Tools for continuous expansion
- Support in identifying growth opportunities
- Ensuring a sustainable foundation for growth
- Continuing to support across marketing and public relations


# Get in Touch

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