Where Business Goes to Grow

Simon Galpin
Director-General of Investment Promotion
Heart of Asia
Proximity to China

Most of Asia’s key markets within four hours’ flight time

From half the world’s population
Greater Pearl River Delta

Population: 64 mn
Exports: US$527 bn
GDP: US$962 bn
Land Area: 56,000 km²

- UK, Italy, South Africa
- UK, Italy
- Indonesia, Netherlands, Turkey
- Ireland, Latvia, Panama, West Virginia (US)
One Country Two Systems
Low and Simple Tax System

<table>
<thead>
<tr>
<th>Location</th>
<th>Corporate Income</th>
<th>Personal Income</th>
<th>Employer Social Security</th>
<th>Employee Social Security</th>
<th>VAT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shanghai*</td>
<td>25</td>
<td>45</td>
<td>37</td>
<td>11</td>
<td>17</td>
</tr>
<tr>
<td>Singapore</td>
<td>17</td>
<td>20</td>
<td>16</td>
<td>20</td>
<td>7</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>16.5</td>
<td>15</td>
<td>5</td>
<td>5</td>
<td>0</td>
</tr>
</tbody>
</table>

* There is no standard rate across the Mainland China. Shanghai is used as an example

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

NO
World Class ICT Infrastructure

7th in the Global Innovation Index Report (INSEAD 2013)

2nd in Asia ICT Development Index (ITU Oct 2013)

2nd in Asia Networked Readiness Index (The Global Information Technology Report 2014, World Economic Forum)

The safest place in Asia for setting up data centres (Data Centre Risk Index, Cushman & Wakefield, 2013)

The world’s fastest speed for Internet access (Akamai Technologies, 2014)

Mobile phone penetration rate >237% (OFCA, Sep 2013)
Two universities in the world’s top 100
(Times Higher Education World University Rankings 2013/14)

HKUST MBA – 1st in Asia and 8th in the world
(Financial Times Global MBA Ranking 2013)

World’s Top EMBA 2013: Kellogg – HKUST EMBA Programme
(Financial Times 2013)

49 International schools

3rd in the Global Index of Cognitive Skills and Educational Attainment
(Economic Intelligence Unit 2012)

Hong Kong students ranked first in reading literacy globally
(Progress on International Reading Literacy Study 2011)
Business-to-Consumer

- Gateway to **3.7 million HNWIs in Asia-Pacific** with wealth totalling **US$12 tn**
- Wealth growth the strongest in Asia-Pacific at **12%**
- Hong Kong – HNWIs **up 36%**
- Asia-Pacific expected to lead robust global HNWI wealth growth. HNWI wealth expected to reach **US$16 tn by 2015**
  
  *Source: Capgemini World Wealth Report 2013*

- Asia-Pacific accounted for **50% of the growth in global wealth since 2010**
- By 2020, est. no. of millionaires in Mainland China & Hong Kong will reach **3.7 million**, an accumulated wealth of **US$14 trillion**

  *Source: James Davies, Rodrigo Lluberas and Anthony Shorrocks, Credit Suisse Global Wealth Databook 2011*
54.3 million visitors
Spending US$44.1 billion
US$1,044 per capita

Number of visitor arrivals

Source: Hong Kong Tourism Board
Total Retail Sales US$64 Billion +11%

84%

of the world’s leading luxury and fashion retailers are in Hong Kong

41%

of all international retail brands are in Hong Kong

No. of Shops

18 in Hong Kong
13 in Hong Kong
10 in Hong Kong

12 in London
5 in Milan
4 in Milan
797 listed Mainland enterprises on the HKEx; total market cap US$1.76 tn (as of Dec 2013) (Source: HKEX)

2,264 new investment projects approved; investment amount US$43.7 bn (as of 2013) (Source: MOFCOM)

RMB deposits in Hong Kong of RMB1,053 bn (~US$173 bn) (as of Dec 2013) (Source: HKMA)
### Prime Conduit for FDI

7,449 companies of which 3,835 are RHQs and ROs in 2013
(Source: 2013 Annual survey, HKSAR Government’s Census & Statistics Department)

<table>
<thead>
<tr>
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</tr>
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<tbody>
<tr>
<td>1</td>
<td>USA</td>
<td>168</td>
<td>USA</td>
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<td>China</td>
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<td>Brazil</td>
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<td>Hong Kong</td>
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<tr>
<td>5</td>
<td>British Virgin Islands</td>
<td>65</td>
<td>UK</td>
<td>71</td>
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<td>6</td>
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<td>Switzerland</td>
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<td>10</td>
<td>Canada</td>
<td>45</td>
<td>British Virgin Islands</td>
<td>42</td>
</tr>
</tbody>
</table>

Source: World Investment Report 2013, UNCTAD
Global Operations in Hong Kong

John Rice
Vice Chairman
(Global operations)

Jean-Pascal Tricoire
Global CEO

Johan de Nysschen
President
(Global headquarters)

Jeff Urwin
Global Head of Investment Banking

Christophe Roussel
Int’l Sourcing Director

Markus Kramer
President, Dispersions and Pigments Division
(Global headquarters)

Karen Fifer
Global Managing Partner, Consumer Markets Practice
Overview of Legal Services in Hong Kong
## Large Pool of Highly Competent Legal Professionals

<table>
<thead>
<tr>
<th>Category</th>
<th>Hong Kong</th>
<th>Singapore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members with practising certificate</td>
<td>7,859</td>
<td>4,486</td>
</tr>
<tr>
<td>Solicitors' firms</td>
<td>817</td>
<td>838</td>
</tr>
<tr>
<td>Registered foreign law firms</td>
<td>72</td>
<td>114</td>
</tr>
<tr>
<td>Registered association of law firms</td>
<td>34</td>
<td>11</td>
</tr>
</tbody>
</table>

*Sources: Dec 2013, The Law Society of Hong Kong; Hong Kong Bar Association; HK International Arbitration Centre; The Law Society of Singapore*
Some of InvestHK Clients

Mainland

USA

Europe

Australasia
How We Can Help

Networking events, introduction to service providers

Facilitation of visa applications, schooling

PR and marketing support for launch/expansion

Information to aid planning and evaluation
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sgalpin@investhk.gov.hk

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www.youtube.com/user/investhk  
www.flickr.com/photos/investhk

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8 Cotton Tree Drive  
Central, Hong Kong