

香港特別行政區政府
商務及經濟發展局
工商及旅遊科

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COMMERCE, INDUSTRY AND TOURISM BRANCH
**COMMERCE AND ECONOMIC
DEVELOPMENT BUREAU**
GOVERNMENT OF THE HONG KONG
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15 May 2019

Mr Desmond Lam
Clerk to Panel on Commerce and Industry
Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Mr Lam,

**Legislative Council Panel on Commerce and Industry
Meeting on 19 February 2019**

**Findings of the Survey of Companies in Hong Kong with
Parent Companies Located outside Hong Kong and
the Survey of Start-ups in Hong Kong**

At the Panel meeting held on 19 February 2019, Members requested, in respect of the findings of the Survey of Companies in Hong Kong with Parent Companies Located outside Hong Kong (the "Survey"), a breakdown and comparison of the favourable and unfavourable factors of Hong Kong's attractiveness as a place for setting up business over the past three years, as set out in paragraphs 6 and 7 of the LC Paper No. CB(1)562/18-19(06).

To recap, the top favourable factors identified are Hong Kong's "simple tax system and low tax rate" (67%), "free flow of information" (62%), "free port status" (59%), "geographical location" (59%) and "corruption-free government" (55%). The top unfavourable factors identified are "availability and cost of residential accommodation" (43%) and "availability and cost of business accommodation" (40%). Comparison tables of such factors according to the findings of the surveys conducted in 2016 to 2018 are at [Annex](#) for Members' reference.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Kilian Tung'.

(Kilian Tung)

for Secretary for Commerce and Economic Development

c.c. Invest Hong Kong

**Favourable and Unfavourable Factors identified in the Survey regarding
Hong Kong as a Place for Setting up Business (2016-2018)**

<u>Favourable Factors Identified</u>	Favourable			Neutral			Unfavourable			No Comment		
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Simple tax system and low tax rate	73%	72%	67%	17%	16%	21%	§	§	1%	10%	12%	11%
Free flow of information	66%	66%	62%	23%	21%	26%	§	1%	1%	10%	12%	11%
Free port status	62%	63%	59%	26%	25%	29%	1%	1%	1%	10%	12%	11%
Geographical location	63%	63%	59%	26%	25%	29%	1%	1%	1%	10%	11%	11%
Corruption-free government	57%	60%	55%	31%	27%	32%	2%	2%	2%	10%	12%	11%

<u>Unfavourable Factors Identified</u>	Unfavourable			Neutral			Favourable			No Comment		
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Availability and cost of residential accommodation	40%	41%	43%	35%	34%	35%	14%	14%	11%	10%	12%	11%
Availability and cost of business accommodation	38%	37%	40%	36%	35%	36%	16%	17%	14%	10%	12%	11%

Note:

§ denotes less than 0.5%