

# **立法會**

## ***Legislative Council***

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### **Panel on Commerce, Industry, Innovation and Technology**

**Meeting on 15 October 2024**

### **Background brief on the work of Invest Hong Kong in promoting inward investment**

#### **Purpose**

This paper provides background information on the work of Invest Hong Kong (“InvestHK”) in promoting inward investment, as well as a summary of views and concerns expressed by members of the Panel on Commerce, Industry, Innovation and Technology<sup>1</sup> (“the Panel”) on the subject in recent years.

#### **Background**

2. Attracting and retaining foreign direct investment (“FDI”) are primarily the work carried out by InvestHK. InvestHK works closely with other members of the “Hong Kong Inc.”<sup>2</sup> to attract and retain FDI that is of strategic importance to Hong Kong’s economic development in terms of, among others, the development of innovation and technology (“I&T”) and fintech, strengthening Hong Kong’s status as the asset and wealth management hub.

3. Through members of the “Hong Kong Inc.”, the 17 Dedicated Teams for Attracting Businesses and Talents (“Dedicated Teams”) based in

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<sup>1</sup> Formerly known as Panel on Commerce and Industry and renamed since 26 October 2022.

<sup>2</sup> Including the Hong Kong Trade Development Council, the Hong Kong Tourism Board, the Hong Kong Airport Authority, Cyberport, the Hong Kong Science and Technology Parks Corporation, the Hong Kong Productivity Council, the Hong Kong Monetary Authority, the Securities and Futures Commission, the Insurance Authority and the Financial Services Development Council.

the Mainland Offices and the overseas Hong Kong Economic and Trade Offices, as well as 16 consultant offices in key locations not covered by the Dedicated Teams, InvestHK has reached out to a wide spectrum of companies in different sectors and industries around the world to attract, and provide assistance for, them to set up operations or expand their businesses in Hong Kong, offering one-stop customized support services, including provision of market information and guidance on laws and regulations in relevant sectors, office search and staff hiring, facilitation of visa and licence applications, information about funding and other support schemes, introduction to business partners and service providers, and marketing support

#### Attracting enterprise and investment

4. The Chief Executive proposed in the 2022 Policy Address three initiatives, namely stepping up efforts to attract enterprise and investment, establishing the Office for Attracting Strategic Enterprises (“OASES”) and attracting overseas family offices to set up operations or expand their businesses in Hong Kong.

#### *Attracting overseas enterprises to set up operations or expand their operations in Hong Kong*

5. The Administration’s target is to **attract at least a total of 1 130 companies to set up operations or expand their businesses in Hong Kong from 2023 to 2025**, an increase of 16% over the annual average number in 2020 and 2021, thereby bringing in direct investment of at least HK\$77 billion and creating at least 15 250 job opportunities. In 2023, InvestHK assisted a total of 382 companies to set up operations or expand their businesses in Hong Kong, an increase of 27% when compared with 2022. During the first six months of 2024, InvestHK assisted altogether 322 Mainland and overseas companies to set up operations or expand their businesses in Hong Kong.

#### *Office for Attracting Strategic Enterprises*

6. Established in December 2022 with the assistance of the Commerce and Economic Development Bureau and InvestHK, **OASES** is primarily **responsible for attracting high-potential and representative strategic enterprises from around the globe**, offering them special facilitation measures and one-stop services. As at November 2023, OASES has reached out to over 200 strategic enterprises, of which 30 were planning to establish their foothold or expand their businesses in Hong Kong. A total of about \$30 billion of new investment was involved, with around 10 000 employment opportunities expected to be created.

### Family offices

7. The Administration's target is to **attract no less than 200 family offices to set up operations or expand their businesses in Hong Kong by end-2025**. The Legislative Council passed the Inland Revenue (Amendment) (Tax Concessions for Family-owned Investment Holding Vehicles) Bill 2022 in May 2023 to provide profits tax concessions for eligible family-owned investment holding vehicles managed by single family offices in Hong Kong. InvestHK and its Dedicated FamilyOfficeHK Team launched the Network of Family Office Service Providers in June 2023 to bring together a global network of teams in relevant professional service fields to promote Hong Kong's advantages and opportunities to global family offices. The Dedicated FamilyOfficeHK Team will provide one-stop services to family offices that are interested in setting up a base in Hong Kong and attract multinationals and family offices from emerging countries and regions along the Belt and Road to launch their businesses in Hong Kong. The New Capital Investment Entrant Scheme, which InvestHK is assisting the Financial Services and the Treasury Bureau to implement, was launched for application on 1 March 2024 to attract asset owners to settle in the city and explore its diverse investment opportunities through wealth allocation and management.

### **Members' views and concerns**

8. Major views and concerns expressed by members of the Panel on the work of InvestHK in promoting inward investment are summarized in the ensuing paragraphs.

### Promoting inward investment

9. Members noted that InvestHK set up consultant offices respectively in Nairobi of Kenya, Africa and Almaty of Kazakhstan, Central Asia in the second half of 2022, and proactively organized trade promotion activities there. In addition, InvestHK would also focus on stepping up investment promotion efforts in the Association of Southeast Asian Nations ("ASEAN") and the Middle East regions. Members suggested that the Administration should **step up efforts to attract enterprises from emerging markets (e.g. the Belt and Road countries) to set up businesses in Hong Kong**.

10. Members exchanged views with the Administration on InvestHK's promotion work, cooperation with industry partners to attract enterprises in the creative industries to set up operations or expand businesses in Hong Kong and its efforts to promote events in the creative industries.

Members **urged the Administration to proactively attract overseas retail enterprises to set up businesses in Hong Kong**, and suggested that the Administration **perform business matching** between local brands and creative industries and enterprises interested in investing in Hong Kong.

#### Assistance and support for enterprises

11. Members raised queries on the details of the assistance and aftercare support provided by InvestHK for companies setting up and expanding their businesses in Hong Kong. Members urged the Administration to **provide enterprises setting up businesses in Hong Kong with more information to enhance their understanding** of the Government's various support measures for enterprises, thereby facilitating better utilization of various funding schemes.

12. The Administration advised that InvestHK offered one-stop customized support services from the planning to implementation stages to enterprises interested in setting up their businesses in Hong Kong. The services offered included the provision of market intelligence and guidance on relevant laws and regulations for the sectors concerned, facilitation of visa and licence applications, details on funding and other support measures, as well as introduction to business partners and service providers, such as banks. In addition, InvestHK assisted companies established in Hong Kong in evaluating new growth areas and opportunities ahead through aftercare support, so as to facilitate their business expansion in Hong Kong.

13. The Administration further advised that enterprises setting up businesses in Hong Kong could obtain general business information, funding schemes information as well as advisory and referral services at the four small and medium enterprise ("SME") centres.<sup>3</sup> In addition, the Trade and Industry Department had launched a one-stop web portal "SME Link" for SMEs to access from a single online platform comprehensive information on, among others, government funding schemes and SME support services.

#### Family offices

14. Members noted that as at September 2023, FamilyOfficeHK of InvestHK had assisted 38 family offices from the Mainland, Europe, ASEAN and North America to set up operations or expand their businesses in Hong Kong. Members enquired about **the benefits brought** to

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<sup>3</sup> The four SME centres were (a) the "Support and Consultation Centre for SMEs" under the Trade and Industry Department; (b) the "SME Centre" under the Hong Kong Trade Development Council; (c) the "SME One" under the Hong Kong Productivity Council; and (d) the "TecONE" under the Hong Kong Science and Technology Parks Corporation.

Hong Kong's economic development **by family offices** setting up operations in Hong Kong.

15. The Administration advised that family office businesses could **generate more demand for investment management and other related professional services**, including financial, legal, and accounting services. Family offices could also generate a multiplier effect and **channel capital to the local initial public offerings market, venture capital, private philanthropy**, etc., thereby benefiting Hong Kong's overall economy.

#### Office for Attracting Strategic Enterprises

16. Members noted that InvestHK had temporarily seconded more than 15 experienced investment promotion officers to OASES. Members raised questions on, among others, the division of responsibilities between OASES and InvestHK in respect of attracting enterprises and investment and whether the work of InvestHK had been affected as a result of manpower reduction. The Administration advised that OASES would attract high-potential and representative strategic enterprises from around the globe, particularly those from industries of strategic importance, such as life and health technology, artificial intelligence and data science, fintech, and advanced manufacturing and new energy technology. InvestHK was responsible for attracting and supporting other overseas and Mainland enterprises to set up operations and expand their businesses in Hong Kong. InvestHK had suitably redeployed resources to minimize the impact brought to its work of attracting enterprises and investment.

#### **Council motions and questions**

17. At the Council meeting of 29 March 2023, Members passed a motion on "Fully implementing policies for attracting enterprises and investment" urging the Administration to coordinate all policy bureaux and departments to actively participate in the work of attracting enterprises and investment, and avoid fragmented administration, so as to fully implement policies for attracting enterprises and investment, and launch special facilitation measures covering aspects such as land, tax, financing and education, thereby strengthening the impetus for growth and long-term competitiveness of Hong Kong's industries. The wording of the motion is hyperlinked in the **Appendix**.

18. Members raised questions related to promoting inward investment at Council meetings. The relevant hyperlinks are in the **Appendix**.

**Latest position**

19. The Administration will brief the Panel on 15 October 2024 on the work of InvestHK in 2024 and outline its plan for the coming year.

**Relevant papers**

20. A list of relevant papers is in the **Appendix**.

Council Business Divisions  
Legislative Council Secretariat  
9 October 2024

## Appendix

### Work of Invest Hong Kong in promoting inward investment

#### List of relevant papers

Committee	Date of meeting	Paper
Panel on Commerce, Industry, Innovation and Technology	18 May 2021	<a href="#">Agenda</a> item V: Promotion of inward investment <a href="#">Minutes</a>
	17 October 2023	<a href="#">Agenda</a> item IV: Promotion of inward investment <a href="#">Minutes</a>

Council meeting	Paper
24 February 2021	<a href="#">Council question 7</a> : Foreign companies' regional headquarters and offices in Hong Kong
1 June 2022	<a href="#">Council question 20</a> : Facilitating family offices to come to Hong Kong for development
14 December 2022	<a href="#">Council question 13</a> : Attracting foreign companies to Hong Kong
29 March 2023	<a href="#">Member's motion</a> : Fully implementing policies for attracting enterprises and investment <a href="#">Progress Report</a>
10 April 2024	<a href="#">Council question 22</a> : The work of Invest Hong Kong