

Hong Kong's Latest Developments and Opportunities

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Q: What is Hong Kong like now?

Safe and Secure

- One of the safest large cities in the world
 - Social order and business confidence restored
 - With low crime rate –
842 per 100 000 persons (2020)
- Sound legal infrastructure

Pandemic situation under control

- A total of 11 979 cases (212 death toll) in the past 18 months
- No local cases since early June
- Steadily increasing vaccination rate –

	1st Dose (% as eligible population)	2 nd Dose (% as eligible population)
As at 30 April 2021	916,333 (13.5%)	497,454 (7.3%)
As at 31 May 2021	1,379,541 (20.3%)	1,021,008 (15%)
As at 30 June 2021	2,249,248 (33.1%)	1,480,193 (21.8%)
As at 26 July 2021	3,065,154 (45.1%)	2,271,505 (33.4%)

- Latest 7-day moving average - over 63 000 doses a day
- Aim to achieve 70% coverage by this Sept if momentum can be kept

Phased relaxation of the travel restrictions and quarantine requirements

Plan to allow **entry of non-HK residents** who have been fully vaccinated to enter Hong Kong – **shortened quarantine period of 7 days** at designated quarantine hotels on 3 conditions

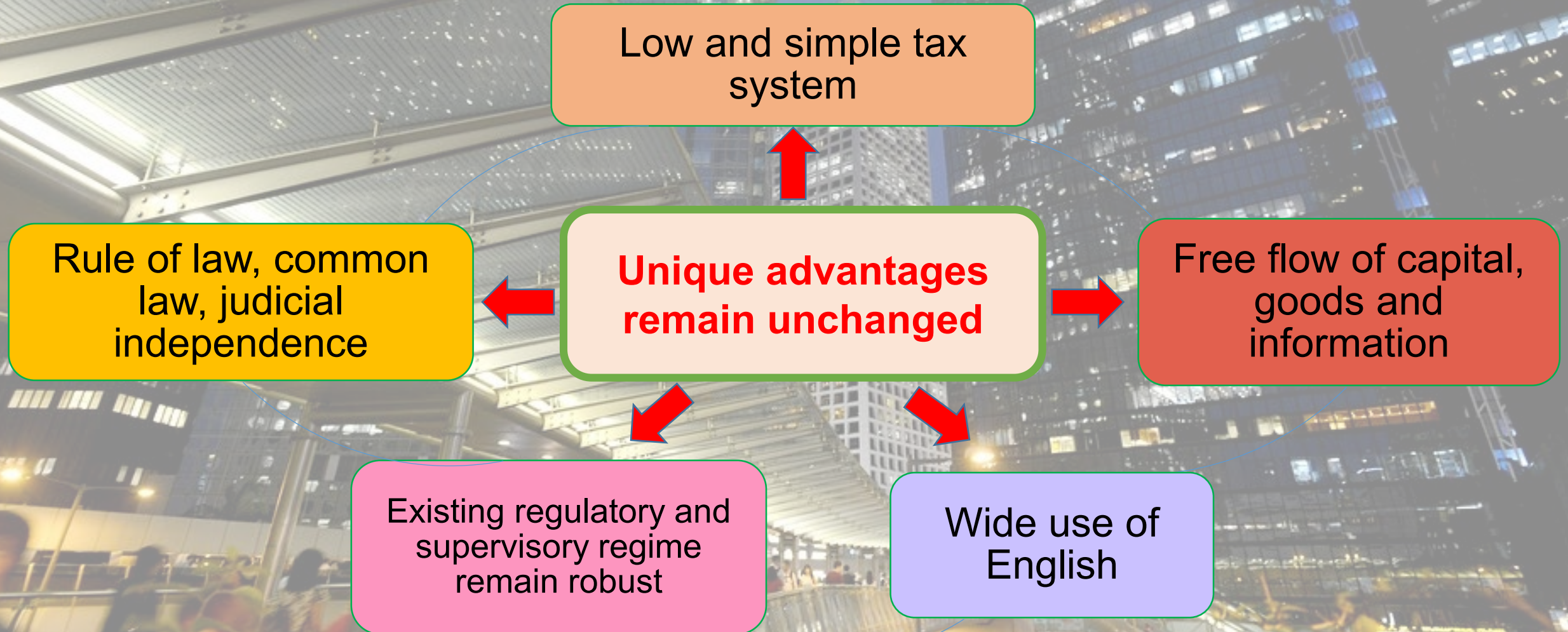
(1) Fully-vaccinated with record

(2) Negative nucleic acid test result

(3) Positive serology antibody test result

- Discussing with the relevant authorities to resume cross-border travel between Hong Kong and Mainland / Macao.

Hong Kong is the only international city under “One Country, Two Systems” in China



A resilient and safe growing market

Q1 2021
real GDP growth
7.9%

2021 GDP growth
forecast
3.5% to 5.5%

- The linked exchange rate system continues to work well
- The world's largest offshore Renminbi business hub

IPO Fund raised

**More than
USD 66Bn**

From July 2020
to June 2021
(increased more than
50% over the previous
12 months)

Net asset value of funds management in Hong Kong

↑20%

As at end-2020
(increased by
some 20% over
end-2019)

Total deposits in Hong Kong's banking system

USD 2Tn

As at end-May
2021
(increased by
more than 5%
over last year)

Net fund inflows

**More than
USD 38Bn**

From July to
October 2020

Average daily turnover of Hong Kong stocks

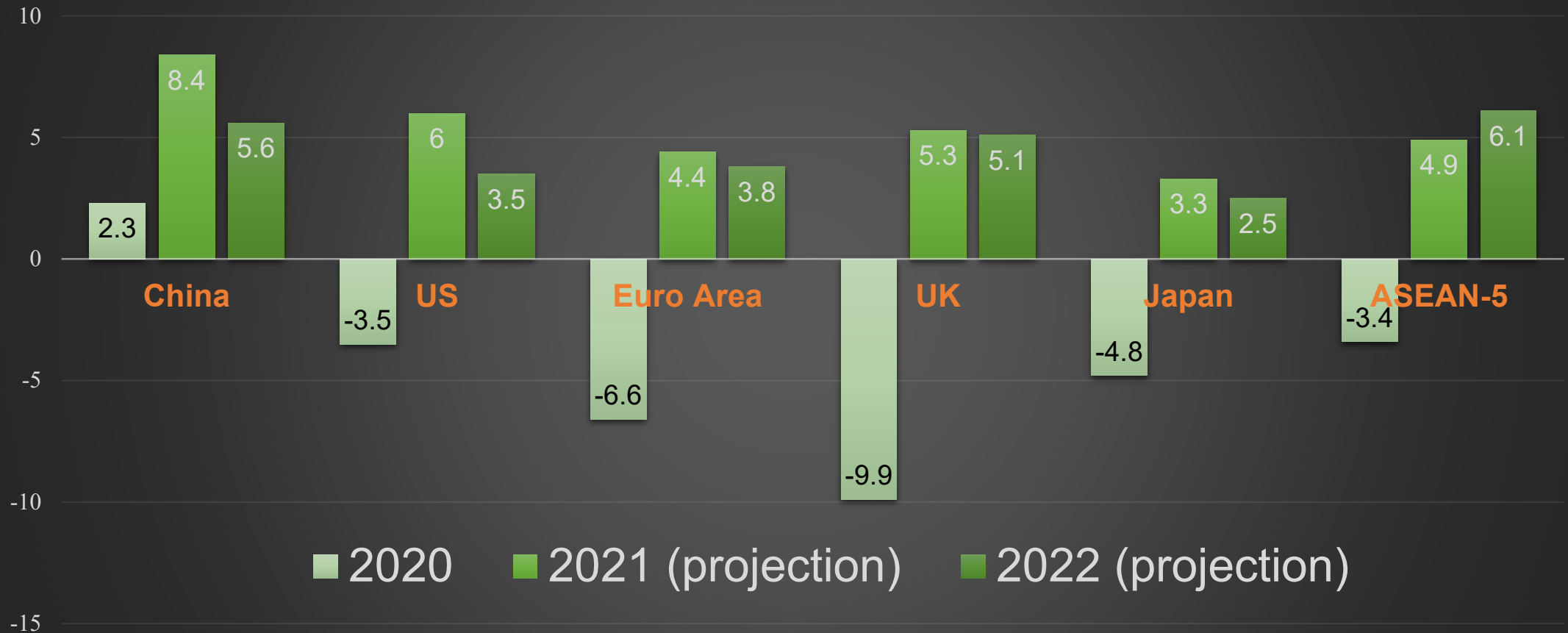
USD 20Bn

From July 2020
to June 2021
(nearly 70% higher than
the situation before the
implementation of NSL)



Q: What are the opportunities that Hong Kong can offer to the Japanese businesses?

Real GDP annual percentage change (IMF data as at April 2021)



China's 14th Five-Year Plan - Hong Kong's positioning

- A national blueprint that shapes China's social and economic development between 2021-2025
- Chapter 61: Maintaining the long-term prosperity and stability of Hong Kong and Macao
 - To fully and faithfully implement the principle of “One Country, Two Systems”, “a high degree of autonomy” and “Hong Kong people administering Hong Kong”
 - To consolidate and enhance Hong Kong's competitive edges
 - To better and fully integrate into the development of the country

China's 14th Five-Year Plan - Hong Kong's positioning

- Clear positioning for Hong Kong –

Traditional sectors

1. International **financial, transportation and trade** centre
2. International **legal and dispute resolution** services in the Asia-Pacific region
3. Global **offshore Renminbi** business hub, international **asset management** centre & **risk management** centre

Emerging sectors

1. International **innovation and technology** hub
2. International **aviation** hub
3. **Intellectual property trading** centre
4. East-meets-West centre for **international arts and cultural exchange**

China's 14th Five-Year Plan – Guangdong-Hong Kong-Macao Greater Bay Area (GBA)

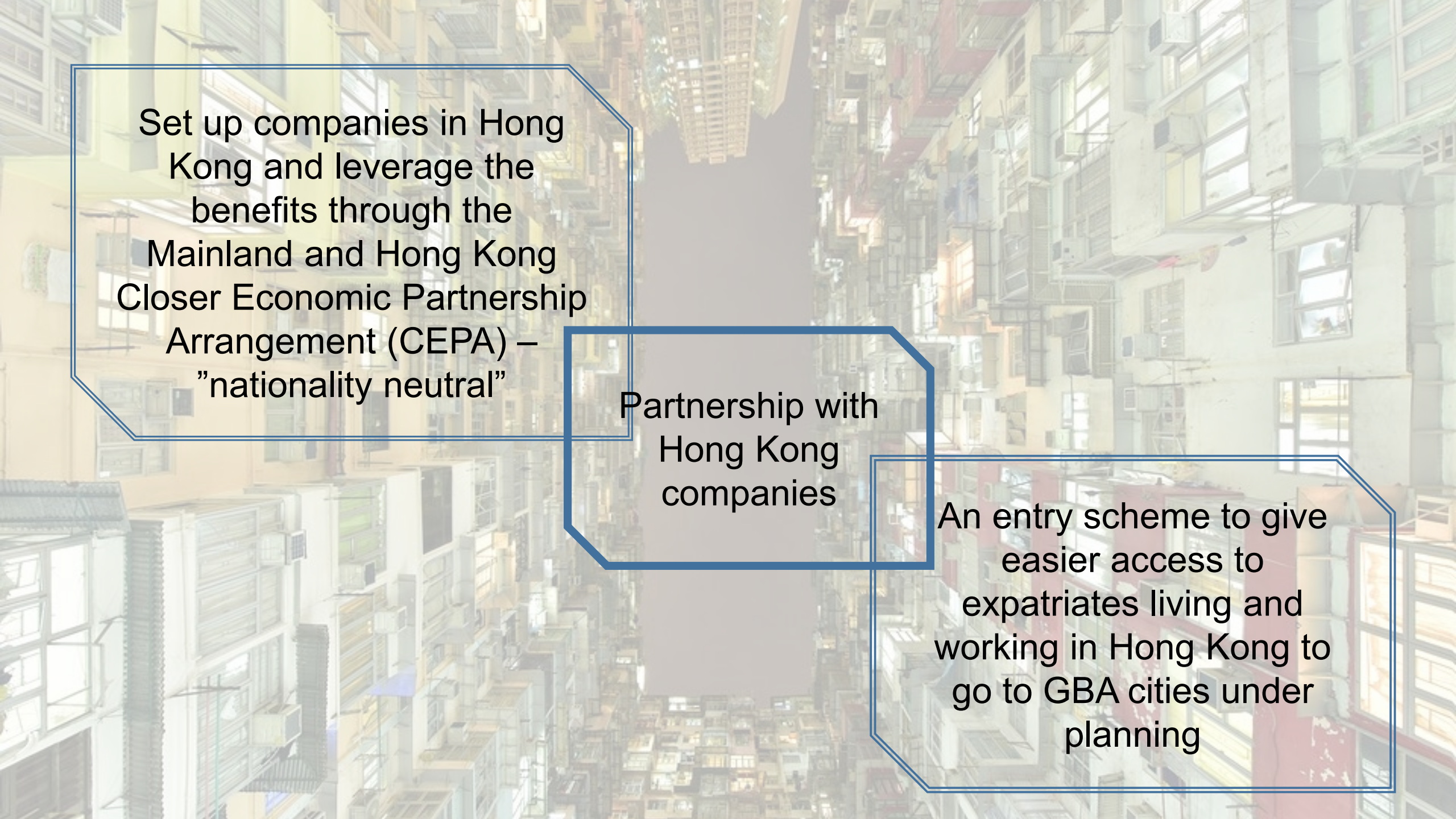
Chapter 31 (Part 3): “Proactively and progressively taking forward the development of the GBA”

Hong Kong is well-positioned to play a key role –

Connectivity with the world	The only international city in GBA with unique strengths	World-class financial services, enabling cross-boundary financial services	Strong research capability and robust IP rights protection – perfect match to Shenzhen's tech hub
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Q: How the Japanese businesses can leverage the opportunities?





Set up companies in Hong Kong and leverage the benefits through the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) – “nationality neutral”

Partnership with Hong Kong companies

An entry scheme to give easier access to expatriates living and working in Hong Kong to go to GBA cities under planning

**Integration with
Mainland's
economy**

**Uniqueness under
“One Country,
Two Systems”**

**Future of
Hong Kong**

Exciting
cosmopolitan
lifestyle

Secure and
dynamic
business
environment

Direct access
to the
Mainland
market



Thank you!

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