Hong Kong's IPOs may hit global top three this year, says PwC

by www.thestandard.com.hk
Jan 02, 2025

Hong Kong listing fundraising may reach HK$160 billion in 2025, with the city poised to rank in the global top three, with a market focus on industries including Artificial Intelligence and Information Technology and telecoms, said PwC Hong Kong.

Hong Kong's initial public offerings market has recovered due to declining inflation and interest rates as well as HKSAR's favourable policies, said PwC Hong Kong.

IPO fundraising in Hong Kong could reach HK$130-160 billion in 2025 – potentially ranking among the global top three IPO venues – if the market remains stable and is driven by several sizable A-share listings, the firm added.

It forecasts that in 2025 around 70-80 companies will apply for the listing in Hong Kong, with the market focus on industries such as AI, IT and telecoms, electric energy, and retail, consumer goods, and services.

Cici Cao

Hong Kong further relaxed requirements of its investor visa scheme

by www.thestandard.com.hk
Jan 07, 2025

Hong Kong eased some requirements of its revived investor visa schemes to attract more millionaires, with measures effective from March 1.

The government will allow the investment made by an applicant through a wholly-owned eligible private vehicle to be calculated into the amount of the required investment, the Financial Services and the Treasury Bureau and Invest Hong Kong announced on Tuesday.

Officially launched in March 2024, the New Capital Investment Entrant Scheme raised the investment threshold to hKHK$30 million from HK$10 million before being suspended.

The government will relax the net worth test and calculation requirements.

The applicants will be only required to demonstrate their net assets or net equity with a market value of not less than HK$30 million net throughout six months preceding the application, shorter than the two years currently needed.

In addition, net assets jointly owned with the applicant's family members can now be taken into consideration for the calculation in certain portion.

The assets held through family-owned vehicles will be recognized as well.

Secretary for Financial Services and the Treasury Christopher Hui Ching-yu believes the optimized measures will attract more investors and create synergy with the tax relief regime for family offices to further promote the development of family office business in Hong Kong.

The government received more than 800 applications have been received in the first 10 months since the launch, of which 733 have been verified as meeting the net asset requirement and 240 have been verified as meeting the investment requirement, with an estimated investment amount of more than HK$24 billion to be brought to Hong Kong.

(Themis Qi)

IMF sees HK's economy recovering

by www.thestandard.com.hk
Jan 10, 2025

The International Monetary Fund thinks Hong Kong's economy is on a path of gradual recovery, albeit facing multiple headwinds, according to its latest assessment by a staff mission to the city.

The IMF also reaffirmed Hong Kong's status and functions as an international financial center, recognizing that Hong Kong's financial system remains strong with a robust institutional framework, sufficient policy buffers and the smooth operation of the linked exchange rate system.

The delegation visited Hong Kong from November 11 to 22 last year and held discussions with government officials, financial regulators and representatives of the private sector. The delegation considers that the direction and path of progressive fiscal consolidation in Hong Kong over the medium term is appropriate given the current economic situation. The delegation expects that Hong Kong's fiscal space will remain ample, taking into account the new revenue measures, the effectiveness of expenditure control and the support of the gradual reduction in Covid-related expenditures, and that the fiscal deficit will be further narrowed.

The delegation projects that Hong Kong's real gross domestic product will grow by 2.7 percent in both 2024 and 2025. The delegation recognizes the efforts made by the SAR overnment in developing new sources of growth, including promoting the development plan for the Greater Bay Area, increasing investment, and attracting overseas talents and high-end industries to Hong Kong. The delegation also recognizes that it is appropriate for the government to abolish all demand-side management measures for residential properties.

Financial Secretary Paul Chan Mo-po, said the government will continue to reinforce and enhance Hong Kong's position as an international financial centre, and give full play to the city's unique role of connecting with both the mainland and the world under the 'one country, two systems' arrangement.

Hong Kong Monetary Authority chief executive Eddie Yue Wai-man highlighted the IMF's view that the currency peg regime to US dollar remains as the most suitable arrangement for Hong Kong given its highly open economy and large and globally integrated financial services industry. Yue added that HKMA will continue to stay vigilant and safeguard financial stability while enhancing Hong Kong's status as an international financial centre.

(Staff reporter)

HK maintains stability, prosperity

by news.gov.hk
Jan 13, 2025

The 18th Asian Financial Forum (AFF), co-organised by the Hong Kong Special Administrative Region Government and the Hong Kong Trade Development Council (HKTDC), opened at the Convention & Exhibition Centre today.

Themed "Powering the Next Growth Engine", about 3,600 financial and business elites from over 50 countries and regions will explore how to ignite new engines for growth in 2025 and navigate the challenges ahead.

The HKTDC believes that innovations, such as artificial intelligence (AI) and renewable energy have the potential to drive economic growth, making Hong Kong a key super connector.

HKTDC Deputy Executive Director Patrick Lau noted that Hong Kong could be that connector between the Mainland and the rest of the world.

"We have already been this role for ages. What is new is that we have a lot of new friends and it is again, seen in the Asian Financial Forum, we have a lot of friends from South East Asia, from the Middle East, Central Asia, etc. All coming to the AFF. We can already see actual results that Hong Kong has already made strong progress in this regard, there are so many friends."

Former World Bank Chief Economist & Senior Vice President Prof Justin Yifu Lin supplemented that with the support of the central government, Hong Kong can maintain its stability and prosperity.

Prof Lin pointed out that Hong Kong is still one of the most important global financial centres - a status that has not changed and will not change, and that as long as China maintains stability and contributes 30% or more to global growth, it would be the most important asset for Hong Kong as a global financial centre.

"In order to maintain the growth that will provide a lot of investment opportunity for companies to enter into the China market, and with that growth certainly, there will be many Chinese companies that want to go to the global markets, and Hong Kong will be a very important intermediary to make that happen. For that certainly, itis good news for Hong Kong.

"People like to have a job, people like to have stability, and that is the underlying force for every country in the world. And so, if we understand that and utilise the competitive advantages of the Chinese economy as well as the competitive advantage of Hong Kong as a global financial centre, global education centre, global service sector, I think Hong Kong will maintain stability and prosperity."

145k firms newly registered in 2024

by news.gov.hk
Jan 17, 2025

The total number of local companies registered in Hong Kong stood at 1,460,494 at the end of 2024, with 145,053 having been newly registered during the year, the Companies Registry announced today.

In 2024, altogether 1,079 non-Hong Kong companies registered a newly established place of business in Hong Kong under the Companies Ordinance.

The total number of registered non-Hong Kong companies reached 15,126 by the end of 2024, up 2% year-on-year.

As for the licensing of trust or company service providers under the Anti-Money Laundering & Counter-Terrorist Financing Ordinance, a total of 798 licences were granted, taking the number of licensees to 6,817 by the end of 2024.

The number of charges paid for registration of properties of companies was 12,137, while the number of notifications of payments and releases was 18,201. There were also 3,139,906 documents delivered to the registry for registration.

Meanwhile, 5,194,865 electronic searches of document image records were conducted.

There were also 292 limited partnership funds newly registered in 2024, bringing the total number to 997 by the end of the year.

For open-ended fund companies, 231 such companies were newly incorporated in 2024, bringing the total number to 472 by the end of the year.

During 2024, the Government took forward two legislative amendment exercises to enhance the Companies Ordinance.

The first exercise aims at enabling listed companies incorporated in Hong Kong to hold shares bought back in the treasury and dispose of them, and promoting paperless corporate communication for both listed and unlisted Hong Kong companies.

The second exercise deals with introducing a company re-domiciliation regime to enable non-Hong Kong-incorporated companies to re-domicile to Hong Kong while maintaining their legal identities as a body corporate and ensuring business continuity without the need to go through complicated and costly judicial procedures.

China economy expands 5 percent in 2024

by www.rthk.hk
Jan 17, 2025

China's economy ended 2024 on better footing than expected, growing 5.4 percent in the fourth quarter from a year earlier, to put the full-year GDP growth at 5 percent.

Boosted by a flurry of stimulus measures, the economy grew at the quickest pace since the second quarter of 2023 in the final quarter of 2024, to help authorities meet their annual growth target of around 5 percent.

“The national economy was generally stable with steady progress and new achievements were made in high-quality development,” a report by the National Bureau of Statistics (NBS) said.

“Particularly, with a package of incremental policies being timely rolled out, the social confidence was effectively bolstered and the economy recovered remarkably,” it added.

Reflecting on the nation's growth for 2024, NBS commissioner Kang Yi touched on the challenges at home and overseas.

"The year of 2024 witnessed a complex international environment... and there was a lack of efficient demand, and pains in the shift of growth drivers," he said.

"Despite all that, the Chinese economy withstood pressures, overcame difficulties, making a new contribution to global growth," Kang added.

Commenting on the latest figures, Raymond Yeung, Greater China Chief Economist at Australia and New Zealand Banking Group (ANZ), said it was in line with expectations.

However, he noted the troubled property sector remains a concern, despite slight improvements in new domestic home prices, with those in first-tier cities edging up 0.2 percent last month.

"It's still too early to conclude if there is a stablisation in the property market. Of course the property prices in both the first-hand and secondary markets seemed to have improved, but they are still contracting, still in the negative region on a monthly basis," he said, adding that transaction volumes still dropped around 17 percent.

"We really need to see an overall improvement of the property prices, a sustainable improvement, because the wealth effect determines whether households are willing to spend, and also affects the assessment of the economic prospects in the future."

Elsewhere, manufacturing was a strong engine for growth last year, with industrial output jumping 5.8 percent from a year earlier.

Total retail sales of consumer goods grew 3.5 percent at an annual rate.

Exports expanded 7.1 percent in annual terms, while imports grew 2.3 percent.

Retail sales, a key gauge of consumer sentiment, were up 3.5 percent. Industrial output rose by 5.8 percent. (Agencies)

Record-breaking year for InvestHK

by news.gov.hk
Jan 20, 2025

Invest Hong Kong (InvestHK) announced that it achieved a record-breaking year for foreign direct investment in 2024 by assisting 539 overseas and Mainland companies to set up or expand operations in Hong Kong, an increase of 41% year-on-year.

The total investment brought to Hong Kong's economy from such activities reached $67.7 billion, which also represents a record high and a nearly 10% increase compared to 2023.

These companies expected to create 6,864 job opportunities.

Director-General of Investment Promotion Alpha Lau said the results in 2024 indicate that overseas and Mainland enterprises have full confidence in Hong Kong.

Regarding the 539 companies, 273 came from the Mainland, followed by the US, France, the UK and Singapore.

Among the companies that InvestHK assisted, the top few sectors include innovation and technology, financial services and fintech, and family offices.

Ms Lau said that in 2025, InvestHK will be committed to enhancing quality and creating new opportunities via prioritising attracting businesses that can generate substantial economic benefits and quality investments for Hong Kong.

"We are hoping that in our more traditional markets, such as the US, Europe, or Northern Asia, we will go deeper to let more industries, new industries such as technology or creative industries, further enrich Hong Kong's environment."

Apart from pointing out that InvestHK plans to adopt a breadth and depth strategy, Ms Lau explained that it also intends to explore emerging markets and strengthen its promotional efforts in places along the Belt & Road to assist local companies to expand their regional operations via Hong Kong.

"For newer markets, we are hoping to go wide, more breadth. So it is a breadth and depth strategy, so that more markets which previously did not know about Hong Kong, or not enough about Hong Kong as a stepping stone or jumping board into Asia (markets) - such as Eastern Europe, or ASEAN (the Association of Southeast Asian Nations) - we will be doing a wider scope of works and work closely through our investment promotion units of dedicated teams in those locations as well as our partners, such as chambers in those locations, to let them know more about Hong Kong."

In addition, the New Capital Investment Entrant Scheme, of which InvestHK is responsible for its financial requirements assessment, received more than 800 applications by the end of 2024 since its launch last March which will bring in around $24 billion in investments to the city.

With enhancements to the scheme to be effective in March this year, this number is expected to further increase.

IMF endorses HK financial system

by news.gov.hk
Jan 23, 2025

The International Monetary Fund (IMF) today published a report that reaffirms Hong Kong's position as an international financial centre.

Prepared following the conclusion of the IMF Executive Board's "2024 Article IV consultation" with Hong Kong, the report recognises that Hong Kong's financial system remains resilient, supported by robust institutional frameworks, ample policy buffers, and the smooth functioning of the Linked Exchange Rate System.

In addition to commending the Hong Kong Special Administrative Region Government for prioritising policies to support economic recovery, manage financial stability risks, and address structural challenges, the IMF added that the Government's path of gradual medium-term fiscal consolidation is appropriate.

With regard to the Linked Exchange Rate System, it said that it remains an appropriate arrangement for Hong Kong given the city's highly open economy and its large and globally integrated financial services industry.