Nearly 80pc of mainland firms pick Hong Kong as global expansion base: Deloitte

by www.thestandard.com.hk
Dec 03, 2025

Nearly 80 percent of Chinese mainland companies have chosen Hong Kong as their base for global business expansion, Deloitte said on Wednesday, as the city strengthens its role as a key platform for firms "going global".

Deloitte launched a handbook for Chinese enterprises expanding overseas and established a dedicated overseas expansion task force in Hong Kong to support the government's policy of reinforcing the city's position as an international expansion hub.

The company said the trend has evolved from simple "product export" to "value chain export", with companies now exporting comprehensive capabilities including technology, brand, and management expertise. The sectors driving this expansion have broadened to include high-end manufacturing, digital economy, healthcare, green energy, artificial intelligence, and the low-altitude economy.

ASEAN nations, Latin American countries, and Belt and Road regions have become key investment destinations, Deloitte noted.

Last year, China's outbound direct investment exceeded US$190 billion (HK$1.48 trillion), an 8 percent year-on-year increase, with investment into ASEAN and Belt and Road countries growing by nearly 40 percent and over 20 percent respectively.

Two-thirds HK companies expect steady economic expansion next year: CPA Australia

by www.thestandard.com.hk
Dec 04, 2025

Nearly two-thirds of Hong Kong businesses expect the city's economy to expand steadily next year, supported by a resilient financial ecosystem and this year's broader recovery, according to a new survey by Certified Practising Accountants Australia.

Sixty-three percent of Hong Kong-based accountants and finance professionals hold a positive outlook for the city's economy, with 54 percent expecting a slight increase, CPA Australia said on Thursday.

Hong Kong's tax system was considered as the largest positive contributor in the coming year, while the institute noted that mainland China's economic growth is a key driver of Hong Kong's economic and business prospects.

Hong Kong is still regarded as a safe haven for international investors and businesses seeking to manage assets and diversify risks amid geopolitical tensions and fluctuations in external markets.

The institute said that Hong Kong companies plan to place greater emphasis on the local and mainland Chinese markets next year, with the number of companies planning local expansion doubling. In contrast, the interest in expanding into Southeast Asia, Europe and the United States has fallen sharply due to geopolitical uncertainties.

Hong Kong's initial public offering market is expected to continue its strong performance into 2026, with more than 60 percent of respondents expecting that Hong Kong's total IPO fundraising will keep growing in 2026, with projections reaching HK$300 billion.

CPA Australia suggested the government take a series of measures including an "IPO Connect" scheme, allowing mainland investors to participate in the Hong Kong IPO, while strengthening the city’s position as the preferred choice for Chinese companies expanding globally, aligning with the mainland's "Go Global" strategy.

Income expectations have become more conservative, with 39 percent of respondents expecting income growth in 2026, down from 51 percent last year.

Additionally, the property market remains sluggish, with more than half of respondents expecting declines in the prices of retail, industrial, and office buildings. The outlook for the residential market is relatively optimistic, though it remains mixed.

The survey, conducted from October 22 to November 21, included 296 accounting and finance professionals in Hong Kong. More than half of the respondents are executives and management, representing various types of companies.

Hannah Wang

IMF raises China growth forecast for 2025 to 5pc

by www.rthk.hk
Dec 10, 2025

The International Monetary Fund (IMF) on Wednesday upgraded its growth forecast for China for this year to five percent, up slightly from the previous 4.8 percent predicted in October, despite ongoing trade frictions.

But the global financial institution also warned that the country's prolonged property sector declines, local government debts and insufficient domestic demand will together drag down its annual growth rate to 4.5 percent in 2026, though the forecast is still higher than the previous 4.2 percent.

"We [also] anticipate some falling of exports in the environment of higher trade tensions. And it would take time for the domestic sources of growth to kick in," said Kristalina Georgieva, IMF's Managing Director.

"The Chinese economy is very big. It's like a big ship. Changing course takes time and therefore we see domestic consumption and investments still being somewhat weaker," she told reporters in Beijing.

The IMF urged China to implement more "forceful measures with greater urgency" to address the country's "domestic imbalances", calling on the nation to transition to a consumption-led growth model, away from an over-reliance on exports and investment.

It recommended a macroeconomic policy package focusing on three key areas: issuing additional fiscal stimulus, further monetary easing, and reforms to cut excessive savings held by households.

"Fiscal policy should prioritise strengthening the social protection system to give people the confidence and security they need to spend more and save less," Georgieva said.

"Our analysis suggests that raising social spending, especially in rural areas, and accelerating 'Hukou' reforms that provide migrant workers with access to social benefits can boost consumption by up to 3 percentage points of GDP in the medium term."

The former vice president of the European Commission also called on the country to "scale back" policy support for certain industries and firms, so as to create fiscal savings that can be "redeployed" to increase social spending, while resolving the real estate slowdown and unlocking domestic demand.

Together with reforms on easing regulatory burdens and further opening up, the policies could substantially raise China's GDP level by about 2.5 percent by 2030, create some additional 18 million jobs and reduce deflationary pressures, she said.

Her comments also came as latest official data showed that core consumer prices, excluding volatile factors, remained unchanged in November, partially weighed down by continuous property declines, while factory deflation worsened with producer prices falling 2.2 percent.

"We calculated that to resolve resolutely the property sector problem, China will have to spend five percent of its GDP over the next 3 years. That should provide a fillip to consumption going forward," Georgieva said.

Echoing Georgieva, Sonali Jain-Chandra, IMF's mission chief for China, said the fund calls on the country to take more flexible exchange rate adjustments both on the up and down sides - based on economic fundamentals.

Confidence grows among HK businesses: HKGCC

by www.rthk.hk
Dec 11, 2025

Almost half of companies in the SAR have a positive outlook regarding business conditions in the next 12 months, a survey by the Hong Kong General Chamber of Commerce (HKGCC) suggests.

The poll of 236 professionals from business services, wholesale and construction companies, carried out between October 30 and November 12, found optimism among 48.3 percent of respondents, up from 18.3 percent a year earlier.

Meanwhile those holding a negative view of their prospects over the next 12 months fell to 15.3 percent, from 44.3 percent a year earlier.

Just over 40 percent of the respondents said they expect an increase in business turnover, about 44 percent expect no change, while under 16 percent forecast a decline.

“Companies are definitely more optimistic than last year, when [US] President Trump was threatening to raise tariffs, which created a lot of uncertainties for businesses. This year’s survey might also have been influenced by the US and China agreement to a tariff truce and peace talks between Israel and Palestine,” said HKGCC chairwoman Agnes Chan.

Meanwhile, the HKGCC also announced its economic forecast for 2026, expecting real GDP growth of 2.7 percent.

"While the overall local business environment should improve, sluggish global growth, heightened geopolitical risks and the AI race will continue to reshape markets in ways that could change the world," the body said.

HKGCC economist Doris Fung also welcomed the US Federal Reserve's latest interest rate cut, saying it will reduce investment costs and benefit Hong Kong's property market.

Hong Kong IPO fundraising to top HK$300 bln in 2026, Deloitte says

by www.thestandard.com.hk

Dec 18, 2025

Hong Kong could see about 160 initial public offerings in 2026, raising at least HK$300 billion, including seven mega-deals of more than HK$10 billion each, Deloitte said.

The city's fundraising ranking is likely to remain among the world's top three next year, supported by expectations that large Chinese mainland companies will continue to tap the Hong Kong market, said Deloitte China Southern region managing partner Edward Au Chun-hing.

Au noted that about 14 mainland listed firms, each with a market capitalisation above 300 billion yuan (HK$331 billion), have yet to list in Hong Kong, and are potential candidates to underpin future IPO activity.

He added that while some overseas listings, including a US aviation technology firm and a US government-backed real estate investment trust, could raise more than HK$100 billion each if they proceed in the United States, Hong Kong currently has no comparable mega-scale listing applications in the pipeline.

However, whether the city can maintain its top global ranking remains uncertain, he added, as a US aviation technology company and a US government-backed real estate investment trust are planning listings that could each raise more than HK$100 billion, although it remains unclear whether the deals will proceed next year, while Hong Kong currently has no IPO applications of a comparable scale.

For 2025, Deloitte expects 114 IPOs in Hong Kong, raising HK$286.3 billion, representing year-on-year increases of 63 percent in deal numbers and 2.3 times in funds raised, placing the city at the top of the global IPO league tables.

Deloitte said the rebound was driven by streamlined listing approval processes, policy support encouraging mainland companies to list in Hong Kong, returning international capital flows and a gradual recovery in market valuations.

Globally, Nasdaq ranked second in IPO fundraising this year with HK$205.2 billion, boosted by Medline's HK$48.8 billion listing, followed by India's National Stock Exchange, the New York Stock Exchange and the Shanghai Stock Exchange.

HK's economy set for strong year-end growth: FS

by www.rthk.hk

Dec 28, 2025

Financial Secretary Paul Chan on Sunday said Hong Kong is poised to end the year on a high note, with economic growth accelerating beyond expectations and positive momentum set to extend into 2026.

Writing in his weekly blog, Chan said the city’s economy is now estimated to grow by 3.2 percent in 2025, outperforming earlier forecasts.

He attributed this strong performance to robust exports, resilient investment and a vibrant asset market — key drivers that are expected to sustain growth into the coming year.

The finance chief said Hong Kong’s stock market has shown remarkable strength, rising for the second consecutive year.

As of last week, the Hang Seng Index closed at 25,818 points, up approximately 29 percent from the end of last year, marking its best performance since 2017 among major global markets.

"This upward trend is supported by active trading volumes, with IPO fundraising more than doubling year-on-year," he said.

The residential property market has also remained active, he noted, with nearly 57,000 transactions in the first 11 months of the year — a year-on-year increase of about 16 percent and the second straight year of growth.

Despite global uncertainties, Chan said exports and investment have stayed robust.

He said overall exports performed impressively in the first three quarters, continuing to be the main contributor to economic growth.

"Fixed capital investment rose by 2.5 percent in the first three quarters of this year, with the growth rate expanding to 4.3 percent in the third quarter alone, the best performance in four quarters," he said.

Chan linked this surge to increased investment in machinery, equipment, software, and intellectual property, driven by widespread adoption of automation and digitalisation by businesses.

Private consumption, buoyed by the asset market recovery and improved sentiment, also grew by 0.9 percent in the first three quarters, reversing last year’s decline.

Looking ahead, Chan struck an optimistic tone for 2026, forecasting moderate economic expansion supported by regional growth drivers and anticipated interest rate cuts.

The coming year also marks the start of the country’s 15th Five-Year Plan, providing Hong Kong a strategic opportunity to align closely with national development goals.

Key initiatives will focus on strengthening Hong Kong's financial sector to attract global companies, positioning the city as an innovation and technology hub and reinforcing its role in international trade.

While new challenges may emerge, Chan expressed confidence that the foundation laid in 2025 positions Hong Kong to seize greater opportunities and achieve sustained growth in the year ahead.

China's finance ministry says fiscal policies will be more 'proactive' in 2026

by www.thestandard.com.hk

Dec 28, 2025

China's finance ministry on Sunday said fiscal policies will be more proactive next year, reiterating its focus on domestic demand, technological innovation and a social safety net.

The statement comes as trading partners urge the world's second-biggest economy to reduce its reliance on exports, underscoring the urgency to revive confidence at home where a prolonged property crisis has rippled through the economy, weighing on sentiment.

China will boost consumption and actively expand investment in new productive forces and people's overall development, the ministry said in a statement after a two-day meeting at which it set 2026 goals.

In addition, the ministry said it will support innovation to foster new growth engines, and improve the social security system by providing better healthcare and education services.

Other tasks for next year include promoting integration between urban and rural areas, and propelling China's transformation into a greener society.

China is likely to stick to its annual economic growth target of around 5 percent in 2026, government advisers and analysts told Reuters, a goal that would require authorities to keep fiscal and monetary spigots open as they seek to snap a deflationary spell.

Leaders this month promised to maintain a "proactive" fiscal policy next year that would stimulate both consumption and investment to maintain high economic growth.

Reuters

China manufacturing PMI races up to 50.1 in December

by www.rthk.hk

Dec 31, 2025

The purchasing managers' index (PMI) for China's manufacturing sector stood at 50.1 in December, up 0.9 percentage points month on month, official data showed on Wednesday.

A reading above 50 indicates expansion, while a reading below 50 reflects contraction.

The PMI for large enterprises came in at 50.8, an increase of 1.5 percentage points, while the reading for medium-sized enterprises stood at 49.8, up 0.9 percentage points.

The PMI for small enterprises stood at 48.6, down 0.5 percentage points, according to the National Bureau of Statistics (NBS).

On the demand side, the sub-index for new orders came in at 50.8, up 1.6 percentage points.

The supplier delivery time index was 50.2 percent, an increase of 0.1 percentage points, indicating that the delivery time of raw material suppliers in the manufacturing industry continued to decrease.

NBS data also showed that the PMI for China's non-manufacturing sector came in at 50.2 in December, up 0.7 percentage points, returning to expansion territory. (Xinhua)