HK's five-year plan offers strategic vision: EuroCham

by www.rthk.hk
Aug 03, 2026

The SAR's inaugural five-year plan will allow foreign firms operating in the city to understand its "strategic vision" in the longer term, according to the European Chamber of Commerce in Hong Kong.

In an interview with RTHK, chairman Johannes Hack said the release of the blueprint's public consultation document enables businesses to brainstorm ideas and plan ahead.

"I think the key expectation is that it allows you to understand what is the strategic vision, so where does Hong Kong want to be in five years' time, what will it take to get there, and of course, business appreciates a strategic idea of what their partners want," he said.

"So that allows business to prepare, to come up with solutions, to come up with products that will serve the needs of Hong Kong in the five years ahead."

For European businesses, Hack said they are particularly interested in innovation and technology, such as life sciences, biotech and sustainability in the Northern Metropolis.

In order to offer a better understanding of the mega hub, the five-year plan as well as the Greater Bay Area as a whole, he suggested carrying out a lighthouse project – an initiative that helps demonstrate the feasibility of ideas – to showcase what could be done.

"A lighthouse project could be, for instance, cooperation on medical equipment development or could be cooperation on medicine development, where you showcase that you've got a Western company coming in, setting up shop here or expanding its shop, and then actually producing a drug that then gets licensed in all of the GBA," he said.

"That's the kind of thing where it would become filled with life, where you could then say 'ok, that is what it actually is, and this is what it allows us to do.'"

The Northern Metropolis project comes first among the six core areas listed in the consultation document, which the government looks to accelerate its development and advance planning in other areas.

Hack said with ongoing education as well as field trips arranged to the Northern Metropolis, foreign firms in Hong Kong already have "a pretty clear idea" about the mega project.

"I think the one where it's probably most progressed is really in terms of actual physical infrastructure, MTR for instance, where you have a quite famous European company doing all the signalling for the MTR that will go to the Northern Metropolis."

Hack noted that the administration has been doing "an excellent job" in helping foreign firms set up shop or expand their business.

He said there are more European than mainland or American firms in Hong Kong.

"It tells you that it is a super easy place to set up a business, it's super convenient, it's easy to execute – all you need is some ideas. There's good financing, [and] there's good support."

Edited by Edmond Fong

HK sees influx of professional expats for low tax rates and strong economic performance

by www.thestandard.com.hk
Aug 06, 2026

Hong Kong has seen a flush of white-collar professional expatriates return from around the globe, under low tax rates, a strong market of initial public offerings, and auspicious employment prospects, Bloomberg reported.

Under the amended law to exempt certain fund managers from profits tax on carried interest, as well as the rebounding local IPO market, the city has attracted expats to relocate here.

Hong Kong granted 31,278 work visas to foreign nationals last year, more than double the number five years ago, mainly from Japan, South Korea, and the UK. Among them, the number of foreign visas for the financial services industry jumped 17 percent, a new high since 2022.

In addition, several global financial institutions have been rebuilding their Hong Kong-based senior management teams, including Bank of America and HSBC, according to Bloomberg.

Of the more than 410,000 approved talent admission schemes over the past three years, nearly 75 percent are from the mainland.

The employment threshold in Hong Kong has become higher for non-Chinese speaking foreigners, often requiring highly specialized skills or internal transfers within companies.

The trend has revitalized Grade A office buildings in Central as foot traffic in Grade A office buildings in the Central district has clearly rebounded, with a 90 percent occupancy rate at The Henderson, and a doubled occupancy of 60 percent at Cheung Kong Center II.

The influx has also pushed up rents in traditional luxury residential areas favored by expats, including Mid-Levels East and The Peak, as rents have risen by 14 percent and 13 percent respectively, higher than the average increase of about 10 percent across Hong Kong.

Competition for places in top international schools has become fierce as expats relocate with their families, with waiting lists in place for as long as a year.

China's July exports beat expectations on robust high-tech demand

by www.thestandard.com.hk
Aug 07, 2026

China's exports beat expectations in July, remaining a key pillar of economic growth for the manufacturing powerhouse, as the global AI infrastructure buildout continued to power demand for high-tech goods.

The world's second-largest economy has been relying on external demand to sustain growth amid tepid domestic consumption and an investment downturn, but that reliance also exposes risks, as trading partners may step up protectionism in an uncertain global environment due to the Iran war.

China's exports expanded 23.9 percent year-on-year in US dollar value terms in July, customs data showed on Friday, slowing from a 27 percent surge the previous month and compared with a 22.2 percent rise forecast in a Reuters poll.

Imports were up 27.5 percent from July last year, slowing from the 36 percent jump in June and were in line with an expected 27.9 percent gain.

RESILIENT DEMAND FOR AI-RELATED PRODUCTS

Exports of semiconductors almost doubled in value terms from last year, and overall high-tech products exports expanded 40.7 percent, customs data showed. Those of ceramics slumped 28.3 percent, in a further sign of the economy's uneven development where advanced manufacturers ride the AI boom but more traditional industries struggle due to limited demand.

In a meeting late last month, China's top decision-makers called for a faster transition from old growth drivers to new ones, signalling priority on high-tech sectors.

China's economy grew 4.7 percent in the first half of 2026, keeping it broadly on track to meet Beijing's official full-year growth target of 4.5 to 5 percent, but growth slowed to 4.3 percent in the second quarter as weak consumption and investment clouded strong manufacturing and exports.

The trade surplus narrowed to US$112.5 billion from US$125.62 billion in June.

Chinese officials have repeatedly pledged to expand imports and promote balanced trade, yet the country's trade surplus, on track to top US$1 trillion for a second year, continued to unnerve trading partners concerned about disruptions to their own domestic industries.

The European Union has been weighing tougher measures to curb its trade deficit with China, while Beijing's ties with Washington have shown signs of strain as they hit each other with trade restrictions and other measures ahead of an expected leaders' summit in September.

With exports booming and factories humming, policymakers may feel more comfortable delaying policies to boost household income and strengthen social security systems to address entrenched weakness in domestic demand.

China's imports of natural gas dipped 3 percent in the first seven months of the year, while those of crude oil dropped 13.2 percent, customs data showed.

Macquarie analysts said Beijing's policy support for domestic consumption and the property market would remain restrained as long as exports and manufacturing could help the economy achieve policymakers' annual growth target.

Reuters

Govt raises full-year GDP growth forecast

by www.rthk.hk
Aug 14, 2026

The government on Friday raised Hong Kong's economic growth forecast for 2026 to 3.5 percent to 4.5 percent, thanks to a strong first half.

The economy was earlier projected to grow by 2.5 to 3.5 percent year on year.

The upward revision came after the city posted a 5.1 percent growth in the January-to-June period, the best half-year performance in nearly five years.

GDP growth reached 4.3 percent in the second quarter following a 5.9 percent increase in the first three months of the year.

Speaking at a press conference, Government Economist Irina Fan noted the city has recorded six consecutive quarters of growth higher than the 10-year quarterly average of 2.8 percent.

Fan said the economic outlook remains positive, citing robust global demand for technology- and AI-related products.

"Nevertheless, external headwinds persist, so geopolitical tensions in the Middle East remain fluid, and the potential to spill over to energy markets as well as global inflation, and the inflation dynamics in major economies, the policy path of major central banks, as well as the trade protectionist measures among advanced economies still required close monitoring," she told reporters.

"Risk associated with the rapid expansion of the global AI investments also required monitoring."

Fan noted varying performances among sectors, with exports rising 28.9 percent in the second quarter and 23.8 percent in the prior three months, whereas growth in private consumption expenditure slowed to 2.8 percent between April and June after a 4.9 percent growth in the first quarter.

On inflation, the government expects consumer prices to rise in the coming months as the earlier surge in international oil prices continued to feed through. But it also expects price pressures in other areas to remain largely contained.

The forecasts for the underlying and headline consumer price inflation remained unchanged at 2.5 percent and 2.6 percent, respectively.

Edited by Edmond Fong

Hong Kong's hedge fund tax relief prompts financial sector maneuvers, Bloomberg reports

by www.thestandard.com.hk
Aug 18, 2026

Hong Kong’s plan to lower taxes for hedge funds has prompted maneuvers in the financial sector, with concerns about outflows of traders and firms turning front-desk staff into investor relations directors to maximize potential tax benefits, Bloomberg reported on Tuesday.

The government submitted the Inland Revenue (Amendment) (Preferential Tax Regimes for Funds, Family-owned Investment Holding Vehicles and Carried Interest) Bill 2026 in June this year, which aims to enhance the preferential tax regimes for privately offered funds, family-owned investment holding vehicles managed by eligible single family offices and carried interest.

The goal is to attract more funds and family offices to establish a presence in Hong Kong. Carried interest – a share of investment profits – can translate into substantial earnings for star fund managers.

Although still under review, the bill has sparked lobbying in Hong Kong's financial sector. Trading firms seek inclusion in the concession, but a government statement seems to exclude them. Family office managers are clarifying eligibility. Some small hedge funds may amend contracts for tax-exempt staff bonuses.

Currently, asset managers and wealth management institutions oversee approximately US$5.4 trillion in assets in Hong Kong, with the financial sector accounting for about a quarter of local economic activity.

One law firm partner noted a significant increase in inquiries about Hong Kong licensing applications. In recent weeks, fund managers from the Middle East, Greater China, and other parts of Asia, as well as family offices from mainland China and Europe, have consulted him about setting up licensed entities and funds in Hong Kong.

The move also challenges Singapore and Dubai, which have been actively courting asset management firms. Singapore is also considering tax relief schemes for hedge funds and asset managers after consultations. Many fund managers are waiting for final rules from Hong Kong and Singapore before making decisions.

Hong Kong's bill proposes expanding eligible investments for tax concessions, clarifying special purpose entities, and establishing a new reporting mechanism for certain funds. However, the tax deduction on carried interest remains the most prominent, as well as the potentially lucrative rewards for employees.

HK as top preferred service platform

by news.gov.hk
Aug 18, 2026

A new survey by the Hong Kong Trade Development Council revealed that Hong Kong has been the top favourite springboard for Mainland enterprises in exploring overseas opportunities, with 83% of surveyed enterprises regarded the city as their preferred service platform.

The trend of strong global expansion plans among Mainland firms underscored earlier in June when Chief Executive John Lee led a high-level Hong Kong and Mainland delegation Central Asia.

The study of more than 2,000 internationalised enterprises found 82% plan to expand existing overseas operations, while 63% intend to launch new ventures abroad.

Belt & Road markets emerged as the top choice, favoured by 94% of respondents, while 91% expressed interest in the Association of Southeast Asian Nations, or ASEAN nations, particularly Singapore, Vietnam and Thailand.

The council's Research Director Bruce Pang said the surveyed Mainland enterprises expressed a growing interest on going abroad.

“Actually we see a quite balanced interest in these destinations or what they are going to expand their international business, including emerging markets as well as the developed markets as well,” Mr Pang said.

However, going global presents hurdles. Surveyed firms cited market uncertainty, intensifying competition overseas and funding shortages to adjust operations or supply chains as key challenges.

To navigate these obstacles, 83% of the surveyed enterprises identified Hong Kong as their preferred service platform, followed by the Mainland and Singapore.

Mr Pang pointed out that they chose Hong Kong as a top destination that can provide a wide range of professional services and financial services.

“Hong Kong is a super-connector, super value-adder, actually providing a full range, full-scale of services, including financial services, legal, accounting, as well as risk management, ESG, et cetera.”

The 11th Belt & Road Summit will be held on September 9 and 10 at the Hong Kong Convention & Exhibition Centre.

Under the theme “Advancing High-Quality Development · Embarking on a New Journey”, this year’s summit will feature a dedicated “Go Global Chapter” and a new “GoGlobal Connect” zone. The organisers will also arrange a GoGlobal business mission to Nansha, Guangzhou.

HK-Peru pact effective Sept 1

by news.gov.hk
Aug 25, 2026

The Trade & Industry Department announced today that the Free Trade Agreement (FPA) signed between Hong Kong and Peru will enter into force on September 1.

Speaking on the announcement, Secretary for Commerce & Economic Development Algernon Yau noted that the FTA will provide a favourable platform for Hong Kong's traders and investors to expand their businesses in Peru, while exploring broader business opportunities across other Latin American markets.

"The FTA encompasses trade in goods, trade in services, investment, electronic commerce, and other related areas. The overall commitments in the FTA go beyond those undertaken by the two economies respectively under the World Trade Organization, which will enhance bilateral trade and investment," Mr Yau added.

Under the agreement, Peru will eliminate tariffs on approximately 98.3% of its tariff lines for Hong Kong-origin exports. Tariff elimination concerning 91.3% of the tariff lines will take immediate effect upon the FTA entering into force, while tariffs on the remaining 7% will be phased out gradually.

Apart from preferential tariffs, trade participants will benefit from enhanced trade facilitation measures and a reduction of trade barriers.

Regarding trade in services, Hong Kong service providers will enjoy benefits across more than 150 services sectors in which Peru has made specific commitments. The designated sectors cover professional services, computer and related services, research and development services, financial services and transport services.

In terms of investment, Peru will accord Hong Kong investors national treatment as specified in the FTA. An Investment Promotion & Protection Agreement will be signed once the necessary internal procedures are finalised.

This is Hong Kong's second free trade agreement forged with a Latin American economy. To date, Hong Kong has signed nine FTAs with 21 economies.

HK tops Asian internationality ranking for second straight year

by www.thestandard.com.hk
Aug 27, 2026

Hong Kong scored 74.6 points to top the Asian Cities Internationality Index 2026, outperforming its 2025 benchmark as its open business climate and vibrant innovation ecosystem continue to draw global talent.

Hong Kong General Chamber of Commerce commissioned Ipsos to conduct an independent, transparent, and credible study to evaluate the internationality of 11 Asian cities: Hong Kong, Singapore, Seoul, Tokyo, Shanghai, Ho Chi Minh City, Jakarta, Kuala Lumpur, Mumbai, Bangkok, and Taipei.

Singapore followed Hong Kong closely in second place with 72.6 points, maintaining its appeal as a leading destination for foreign enterprises setting up headquarters in the Asia-Pacific. Seoul climbed to third with 69.2, overtaking Tokyo, which fell to fourth with 68.6. Shanghai rounded out the top five at 65.3.

HKGCC chairman Jacob Kam Chak-pui noted that Hong Kong ranked first in the "Business and Economy" dimension with 78.6 points, driven by its diversified financial markets, high trading volumes, and open business model. The city also ranked among the top three in “Quality of Life,” “Infrastructure & Connectivity,” “Human Capital Diversity,” and “Government & Legal System for Business.”

But while Hong Kong's “Innovation & Ideas” ranking improved from fourth to third, greater efforts are needed in innovation investment, cultural diversification beyond flagship events, and more structural policies for major initiatives like the Northern Metropolis, Kam stressed.

He said Shanghai, which ranked first in this dimension, is backed by strong unicorn numbers as it aims to cultivate 100 unicorn firms by 2027 under an action plan spanning three years, with US$3.9 billion (HK$30.4 billion) in startup funding in 2025.

HKGCC chief executive Patrick Yeung Wai-tim noted that the Northern Metropolis is a 20-year long-term plan that aims to house 2.5 million people – about a third of Hong Kong’s population – creating a massive domestic market beyond just tech innovation. Yeung cites the University Town, which focuses on specialized fields ranging from biotech to nurturing talents for industrial development, as an example.

Kam also reaffirmed Hong Kong's position as a global leader in cross-border wealth management this year. With Asian economies projected to contribute roughly 60 percent of global GDP growth, he stressed that Hong Kong must adapt to ongoing financial and policy changes to solidify its role as the premier gateway for regional and global operations.