

International Financial Centre

Extracts from the National 14th Five-Year Plan

National Development Strategy

“...steadily promote the opening of banking, securities, insurance, funds, futures, and other financial sectors, deepen the connectivity between domestic and foreign capital markets, and improve the system of qualified foreign investors. Steadily promote the internationalisation of RMB in a prudent manner...” (Section 1, Chapter 40)

“...vigorously develop green finance...”
(Section 4, Chapter 39)

“...steadily develop financial technology...”
(Section 3, Chapter 21)

Central Government's Support for Hong Kong

“Support Hong Kong to enhance its status as an international financial centre...strengthen its functions as a global offshore RMB business hub and an international centre for asset management and risk management...”
(Section 1, Chapter 61)

“...deepen and expand the connectivity between the Mainland and the SARs' financial markets...”
(Section 2, Chapter 61)

Hong Kong's Strengths

- The only city in the world where the global advantage and China advantage converge, being a dual-direction channel for international capital inflows to the Mainland and Mainland capital to go global.
- Highly open and internationalised market.
- Internationally aligned regulatory regime, rule of law, a wealth of talents, robust infrastructure, free flow of information and capital.

Present Situation

Stock Market

- Topped the world for seven times in terms of initial public offering (“IPO”) funds raised in the past 12 years. In 2020, Hong Kong's IPO raised a total of HK\$400.1 billion, ranked second in the world.
- The world's second largest listing venue for biotechnology companies.

Seven companies listed on the HKEX main board on the same day in January 2020



Banking

- 78 of the world's 100 top banks operate in Hong Kong.
- As at July 2021, total deposits with authorized institutions reached HK\$14.9 trillion.

Offshore RMB Business Hub

- The world's largest offshore RMB business hub. About 75% of the global offshore RMB payments processed via Hong Kong. Average daily turnover exceeded RMB 1.5 trillion in the first half of 2021.

Asset and Wealth Management Centre

- Top fund management hub in Asia. Hong Kong's asset and wealth management business at end-2020 amounted to HK\$34.9 trillion, up 21% over 2019.
- The second largest private equity (“PE”) hub in Asia.

Bond

- The largest centre for arranging Asian international bond issuance.

Insurance

- One of the most open insurance centres, with 165 authorised insurers operating in Hong Kong.
- Total gross premiums increased to HK\$608.4 billion in 2020. The highest insurance density in Asia.

Green and Sustainable Finance

- Of the two batches of government green bonds issued so far, the second batch marked the world's largest US dollar government green bond deal, of which the 30-year tranche was the longest tenor US dollar government green bond in Asia.

Mutual Market Access

- As at end-August 2021, average daily trade value of Northbound Trading of Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect was RMB 120.7 billion (up 34% over the same period last year), and that of Southbound was RMB 47 billion (doubling the figure over the same period last year).
- Average daily trading volume of Northbound Trading of Bond Connect increased to RMB 26.5 billion in the first eight months of 2021 (up 32% over the same period last year).
- Launched Cross-boundary Wealth Management Connect and Southbound Trading of the Bond Connect in September 2021.

Cross-boundary Wealth Management Connect launched in September 2021



FinTech

- Over 600 Fintech companies, including five unicorns.
- Eight virtual banks and four virtual insurers.
- Faster Payment System recorded about 8.9 million registrations and daily transaction of HK\$5.2 billion and RMB 147 million.

Strategy and Measures

- Complement the national development strategy and opening up of the financial market, and maintain financial stability to safeguard the economic and financial security of the country, including implementing through legislation a risk-based capital regime to align Hong Kong's regulatory standards with international standards; and a policy holders' protection scheme to better protect policy holders in case an insurance company becomes insolvent.
- Further attract Mainland enterprises that are interested in listing offshore and provide such enterprises two-way access to capitals from the Mainland and international markets. Enhance the listing rules in phases to make our listing platform more competitive.
- Continue to expand the channels for two-way flow of cross-boundary RMB funds, develop offshore RMB products and tools, and establish international multilateral co-operation platforms for offshore RMB transactions.
- Enhance Hong Kong's role as an international asset management centre through diversified PE fund structures, tax concessions and fund re-domiciliation mechanisms. Consider providing tax concessions to attract family offices to Hong Kong.
- Strengthen our role as an international risk management centre and promote mutual access of insurance markets in the Guangdong-Hong Kong-Macao Greater Bay Area.
- Explore with the Mainland to enhance existing mutual access schemes and expand new cross-boundary investment channels.
- Encourage more entities to make use of Hong Kong's financial platform for green and sustainable investment and financing. Assess the possibility of developing Hong Kong into a regional carbon trading hub.
- Attract more Fintech companies and talents to Hong Kong, and deepen co-operation with the Mainland and overseas jurisdictions on cross-boundary Fintech applications.



International Transportation Centre

Extracts from the National 14th Five-Year Plan

National Development Strategy

“...construct an express network, complete the network of ‘eight verticals and eight horizontals’ high-speed railways, improve the quality of the national highway network, and expedite the construction of world-class port clusters and airport clusters...” (Section 2, Chapter 11)

“...construct a modern logistics system and expedite the development of cold chain logistics...strengthen the competitiveness of international shipping...” (Section 3, Chapter 12)

“...co-ordinate the functional layout of ports and airports, and optimise the allocation of shipping and aviation resources...” (Section 3, Chapter 31)

Central Government's Support for Hong Kong

“Support Hong Kong to enhance its status as an international transportation centre...” (Section 1, Chapter 61)

Hong Kong's Strengths

Maritime sector

- Leveraging on its strong international connectivity and efficient customs clearance capability, Hong Kong is a regional transshipment hub port with transshipment accounting for over 60% of its total container throughput.
- Home to a vibrant maritime cluster, providing a broad range of well-developed maritime services, including ship finance, marine insurance, maritime legal and arbitration services, ship agency and management, shipbroking, etc.

Logistics sector

- Following the development of modern logistics system and multimodal transport, Hong Kong will assume a more active role in the modern logistics system in the Greater Bay Area (“GBA”), including leveraging on our advantages such as an extensive coverage of international routes and our status as an aviation hub etc., as well as the high-end logistics centre under construction and the professional logistics management technology (such as cold chain management) to facilitate the transformation of the production chain to high-end products and the development of water, land and air multimodal transport and high value-added air cargo logistics in the GBA.

Cross-boundary land transport

- Hong Kong, as a regional transport hub, has well-developed cross-boundary transport network to and from the Mainland as well as well-equipped control point facilities. Coupled with the Hong Kong International Airport and cross-boundary maritime services, this could fully realise Hong Kong's strengths in water, land and air transport, promote national economic development and regional co-operation, while giving full play to Hong Kong's role as an international integrated transport hub in the GBA.

High Speed Rail connects Hong Kong with the Mainland's high-speed rail network



- Railway service in Hong Kong is known for its safety, reliability and high efficiency. From its home base in Hong Kong, the MTR Corporation Limited has expanded internationally, taking on a range of railway-related projects in the Mainland and overseas cities. The establishment of the MTR Academy promotes the transfer of Hong Kong's professional railway skills and knowledge and further develops Hong Kong into a global transport professional services hub.

Present Situation

Maritime and logistics sector

- Hong Kong remains one of the top ten container ports in the world and a transshipment hub port in the region, with a throughput of 18 million twenty-foot equivalent units in 2020 and providing some 280 container liner sailings per week connecting to over 600 destinations worldwide.
- Hong Kong is an international maritime centre, with close to 900 shipping-related companies providing a great variety of quality high value-added maritime services.

Kwai Tsing Container Terminals



Cross-boundary land transport

- The Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link, Hong Kong-Zhuhai-Macao Bridge ("HZMB") and Liantang Port/Heung Yuen Wai Boundary Control Point were completed successively, thereby helping Hong Kong integrate into the "one-hour living circle" in the GBA, as well as facilitating the flow of people and goods among Hong Kong, the Mainland and Macao.
- There are currently ten land crossings in Hong Kong, of which six road-based crossings are located in Shenzhen Bay, Lok Ma Chau, Man Kam To, Sha Tau Kok, HZMB and Heung Yuen Wai, while the four rail-based crossings are located in Lo Wu, Lok Ma Chau Spur Line, Hung Hom Intercity Through Train Station and Hong Kong West Kowloon High Speed Rail Station.

Strategy and Measures

Maritime and logistics sector

- Strengthen our role as a regional transshipment hub and develop the high value-added maritime services, so as to attract the presence of more commercial principals.
- Further the development of high value-added maritime and logistics services through provision of economic incentives such as tax concession and manpower training.
- Step up the promotion of digitalisation and application of innovative technologies in the port sector to drive the development of "Smart Port" for enhancing operational efficiency.
- Ensure the local legislation is in compliance with the latest requirements of the International Maritime Organization on environmental protection, strengthen co-operation with the Mainland to improve air quality, and promote the use of clean energy by ocean-going vessels for the development of "Green Port".

Cross-boundary land transport

- The governments of Hong Kong and Shenzhen have established the "Task Force for Hong Kong-Shenzhen Co-operation on Cross-Boundary Railway Infrastructure" to jointly develop the "GBA on the Rail" so as to further strengthen the transport links between both places and facilitate the flow of people.
- The governments of Guangdong and Hong Kong are pressing ahead with the "Quota-free scheme for Hong Kong private cars travelling to Guangdong via the HZMB", thereby allowing eligible Hong Kong private cars to travel between Hong Kong and Guangdong via the HZMB without regular quota.

Heung Yuen Wai Boundary Control Point



International Trade Centre ■

Extracts from the National 14th Five-Year Plan

National Development Strategy

“Expand domestic demand as a strategic basis, accelerate the cultivation of a comprehensive domestic demand system, organically integrate the implementation of the domestic demand expansion strategy and the deepening of supply-side structural reform, drive and foster new demand by innovation and high-quality supply, accelerate the establishment of a new development pattern which takes the domestic circulation as the mainstay while enabling domestic and international circulations to interact positively with each other.” (Part IV)

Central Government’s Support for Hong Kong

“Support Hong Kong to enhance its status as an international trade centre...” (Section 1, Chapter 61)

“...support Hong Kong and Macao’s participation in and contribution to the country’s comprehensive opening-up and development of a modern economic system, as well as the establishment of functional platforms for the Belt and Road Initiative. Deepen co-operation between the Mainland, and Hong Kong and Macao in the areas of trade, innovation and technology... Support Hong Kong and Macao to foster co-operation and exchanges with countries and regions around the world.” (Section 2, Chapter 61)

Hong Kong’s Strengths

- Under “One Country, Two Systems”, Hong Kong is a separate customs territory and has been participating as a separate member in international trade organisations such as the World Trade Organization (“WTO”) and Asia-Pacific Economic Co-operation, and has been establishing and maintaining close and stable economic and trade relations with trading partners around the world.
- As a founding member of the WTO, Hong Kong is a staunch supporter of free trade, maintains a free trading and investment system, imposes no tariff, and facilitates free flow of capital, talent, information and goods. We will continue to safeguard the rules-based multilateral trading system and object to any unilateral trade restrictions or measures inconsistent with WTO rules.

Present Situation

- Trading is one of the pillar industries in Hong Kong. In 2019, its value added amounted to \$460.6 billion or 17% of our gross domestic product.
- In 2020, Hong Kong’s merchandise trade value amounted to \$8,197.3 billion, which is the sixth highest in the world. In the first eight months of 2021, Hong Kong’s merchandise trade value reached a historical high of \$6,509.9 billion.
- Hong Kong has signed eight free trade agreements (“FTAs”) with 20 economies and 22 investment agreements (“IAs”) with 31 overseas economies to provide legal protection and better market access for Hong Kong enterprises and investors.

The 3rd ASEAN Economic Ministers – Hong Kong, China Consultations in Bangkok in 2019



- In 2021, both the number of business operations in Hong Kong with parent companies overseas or in the Mainland, and that of start-ups have reached a new high of 9 049 and 3 755 respectively.
- Taking into account the 16 Mainland offices/liason units and 13 overseas Economic and Trade Offices (“ETOs”), as well as the global offices of the Hong Kong Trade Development Council (“HKTDC”) and Invest Hong Kong (“InvestHK”), Hong Kong has offices in 65 cities worldwide covering 128 countries. These offices have been promoting economic and trade relations between Hong Kong and our trading partners.

1 These economies are Mainland, Macao SAR, ten member states of the Association of Southeast Asian Nations (“ASEAN”), Australia, Chile, the European Free Trade Association (i.e. Iceland, Liechtenstein, Norway and Switzerland), Georgia and New Zealand.

2 These economies are the ten ASEAN Member States, Australia, Austria, Belgium, Canada, Chile, Denmark, Finland, France, Germany, Italy, Japan, Korea, Kuwait, Luxembourg, Mexico, the Netherlands, New Zealand, Sweden, Switzerland, the United Arab Emirates and the United Kingdom.

Strategy and Measures

- Under the dual circulation development pattern, Hong Kong will leverage the twin engines of the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (“GBA”) development to proactively become a participant in domestic circulation and a facilitator in international circulation.



- Seek to introduce more liberalisation measures under the CEPA framework, in particular allowing Hong Kong enterprises and professionals to enjoy greater preferential access over other foreign investors to the Mainland market in strategic locations such as the GBA and Hainan. In this connection, Qianhai with its enlarged jurisdiction will be a priority.
- Step up collaboration between InvestHK and relevant Mainland agencies to attract overseas companies to invest in the Mainland via Hong Kong, and to encourage Mainland enterprises to use Hong Kong as a springboard to “go global”, thereby bringing mutual benefits to both places.
- Continue to help Hong Kong enterprises develop domestic sales, taking the GBA as the entry point to the Mainland market. In June 2021, the HKTDC launched a one-stop “GoGBA” digital platform and set up the “HKTDC GBA Centre” in Shenzhen to provide support for Hong Kong enterprises to expand in the Mainland market.



- Forge FTAs and IAs with more trading partners, including continuing to pursue Hong Kong’s accession to the Regional Comprehensive Economic Partnership (RCEP) when this regional pact is open to new members.
- By leveraging the opening of the Dubai ETO and its Investment Promotion Unit, strengthen economic and trade ties with the Middle East, including seeking to forge FTAs and IAs, and attracting the Middle East enterprises to invest or establish presence in Hong Kong.

- Redevelop the three government offices in Wan Chai North into convention and exhibition facilities, hotels and Grade A offices, and take forward the expansion of the AsiaWorld Expo, to consolidate Hong Kong as an international convention and exhibition hub.
- Develop the Commercial Data Interchange to improve small and medium enterprises’ access to financing services by utilising their own operating and financial data while enabling banks to contribute to the real economy more effectively.

Hong Kong Special Administrative Region Government October 2021

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Centre for International Legal and Dispute Resolution Services in the Asia-Pacific Region ■

Extracts from the National 14th Five-Year Plan

National Development Strategy

“...adhere to the law in the governance of the country, in the exercise of power and in administration, build a country, government and society under the rule of law, and implement the plan to build the rule of law in China...”
(Chapter 59)

Central Government's Support for Hong Kong

“...support Hong Kong to develop into a centre for international legal and dispute resolution services in the Asia-Pacific region...” (Section 1, Chapter 61)

“...enhance the integration of Hong Kong and Macao into the overall development of the country, foster complementary and co-ordinated development with the Mainland...”
(Section 2, Chapter 61)

Hong Kong's Strengths

- The Basic Law preserves the common law system, and Hong Kong is the only common law jurisdiction within the country. Hong Kong's common law system follows the same legal tradition as the world's major economies (e.g. the United Kingdom, the United States and Australia) and aligns with international business rules.
- The Basic Law guarantees the rule of law and judicial independence.
- Hong Kong has a wealth of legal and dispute resolution professionals, proficient in multiple languages.

- The Arbitration Ordinance keeps abreast of the latest international arbitration developments. There are many reputable dispute resolution bodies in the city. Arbitral awards made in Hong Kong can be recognised and enforced in the Mainland, Macao and internationally. Hong Kong is the only seat of arbitration outside the Mainland where parties are able to apply to Mainland courts for interim measures.
- The Mediation Ordinance encourages resolution of disputes by mediation. Hong Kong is the first jurisdiction in Asia to enact an Apology Ordinance. Meanwhile, the “Mediation Mechanism for Investment Disputes” between Hong Kong and the Mainland provides a more cost-effective option for investors to resolve investment disputes.
- Opted into the Asia-Pacific Economic Co-operation Collaborative Framework for Online Dispute Resolution (“APEC Framework”) in April 2020, and supported an online dispute resolution (“ODR”) platform developed by eBRAM Centre to provide micro, small and medium enterprises with a low-cost, secured and innovative ODR platform.

The Supplemental Arrangement Concerning Mutual Enforcement of Arbitral Awards between the Mainland and the HKSAR was signed in November 2020

香港特别行政区相互执行
签署活动暨新闻发



Present Situation

- In 2020, the Hong Kong International Arbitration Centre handled 318 new arbitration cases, a new high since 2009. The amount in dispute amounted to almost US\$9 billion, also the highest since 2011.
- Hong Kong is ranked the third most preferred seat for arbitration worldwide by the 2021 International Arbitration Survey released by Queen Mary University of London in May 2021.
- Since the return to the Motherland, Hong Kong has reached nine agreements on judicial assistance with the Mainland, four of which were signed during this term of Government, covering mutual recognition and enforcement of civil and commercial judgments, mutual assistance in interim measures in arbitral proceedings, mutual recognition of and assistance to bankruptcy proceedings, etc., thereby significantly facilitating cross-boundary trade and dispute resolution.
- The inaugural Greater Bay Area (“GBA”) Legal Professional Examination took place in Hong Kong in July this year, with over 650 barristers and solicitors enrolled. Legal practitioners who pass the examination can handle specified civil and commercial cases in Mainland municipalities of the GBA.
- Presently, wholly owned Hong Kong enterprises (“WOKEs”) registered in Qianhai, in addition to foreign-invested (including those from Macao and Taiwan) enterprises, may agree to choose Hong Kong law in their civil and commercial contracts. WOKEs in the pilot free trade zones may also choose Hong Kong as the seat of arbitration for commercial disputes.



Hong Kong Legal Hub

Launching ceremony for secondment of Hong Kong young lawyers to international law organisations in September 2021



Strategy and Measures

- Attract, retain and groom top legal and dispute resolution talents. Suitably adjust the scope of Dispute Resolution Professionals and Transactional Lawyers in the Talent List and review the Pilot Scheme on Facilitation for Persons Participating in Arbitral Proceedings in Hong Kong. Besides, improve the capability of Hong Kong professionals through various capacity building and secondment activities.
- Promote lawtech by developing Hong Kong’s legal cloud and supporting eBRAM Centre to become one of the ODR providers under the APEC Framework. Launch the Inclusive Global Legal Innovation Platform to explore collaboration with the United Nations Commission on International Trade Law (“UNCITRAL”) on ODR issues.
- Enhance exchange and collaboration with international organisations. Implement policies to attract international legal and dispute resolution institutions (including the regional arbitration centre of the Asian African Legal Consultative Organization (“AALCO”)) to establish presence in Hong Kong Legal Hub or hold important international conferences (e.g. UNCITRAL Working Group Pre-Intersessional Meeting and the 59th Annual Session of AALCO) in Hong Kong.
- Step up collaboration with various Mainland organs, including strengthening exchanges of professionals from Hong Kong and the Mainland, and providing training for Hong Kong legal practitioners who pass the GBA Legal Professional Examination, etc. Continue to promote a number of initiatives and projects in the GBA such as the GBA Legal Departments Joint Conference and actively strive to extend initiatives for WOKEs to cover Shenzhen and subsequently the whole GBA.

Hong Kong Special Administrative Region Government October 2021

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International Aviation Hub

Extracts from the National 14th Five-Year Plan

National Development Strategy

“...expedite the construction of world-class port and airport clusters...” (Section 2, Chapter 11)

“...co-ordinate the functional layout of ports and airports, and optimise the allocation of shipping and aviation resources...” (Section 3, Chapter 31)

Central Government's Support for Hong Kong

“Support Hong Kong to enhance its status as an international aviation hub...” (Section 1, Chapter 61)

Hong Kong's Strengths

- Under the framework of “One Country, Two Systems” and the Basic Law, Hong Kong can independently negotiate and sign air services agreements (“ASAs”) with its aviation partners, offering the greatest flexibility for Hong Kong to make use of its strengths to expand air passenger and cargo business.
- Located in the heart of Asia, within a four-hour flight of most major Asian markets and a five-hour flight from more than half the world's population.
- Under the Airport Authority Hong Kong's leadership, the Hong Kong International Airport (“HKIA”) has adopted advanced management concepts and built world-class facilities.

Present Situation

- The HKIA has been the world's busiest international air cargo gateway and the world's fourth busiest international passenger airport (after Dubai, London Heathrow and Amsterdam). Despite the impact of COVID-19, the HKIA remained the world's busiest international cargo airport in 2020, with its high air cargo throughput at 4.5 million tonnes.
- Around 120 airlines operate flights between the HKIA and over 200 destinations worldwide, including some 40 destinations in the Mainland.
- Hong Kong has signed ASAs with 67 aviation partners. Of the some 140 countries along the Belt and Road corridors, Hong Kong has signed ASAs/Air Services Transit Agreements with about 50 countries.

Third Runway commissions next year



Strategy and Measures

- Commences operation of the Third Runway in 2022. Upon the full commissioning of the three runway system in 2024, the HKIA will have the increased capacity to handle annual passenger and cargo volume of around 100 million passengers and 9 million tonnes respectively.
- Enhance competitiveness of air cargo business, including taking forward the expansion of the Central Asia Hub of DHL Express and development of a premium logistics centre.
- Strive to attain International Air Transport Association (“IATA”)’s accreditations to handle high-value air cargo. So far, HKIA has been accredited to handle pharmaceutical products, perishable goods and live animals.

HKIA has attained the certification of Centre of Excellence for Perishable Logistics



- Continue to develop intermodal transport networks to allow passengers and cargo from the Greater Bay Area (“GBA”) to connect seamlessly with the HKIA for onward connections with overseas destinations through the HKIA’s international aviation network.
- Construct the Intermodal Transfer Terminal, targeted for completion in 2022, and pursue the construction of automated carparks in order to facilitate the use of transfer services at the HKIA by passengers from Macao and the Mainland.
- Actively develop sea-air cargo transshipment between the HKIA and the GBA, and conduct a pilot scheme for such intermodal transshipment between Hong Kong and Dongguan in end 2021 in order to expand the catchment of the HKIA.

- Actively discuss equity injection into Zhuhai Airport with relevant Mainland authorities, while endeavouring to co-develop with the Guangdong Province a high-end aviation industrial cluster in Zhuhai.
- Hong Kong International Aviation Academy (“HKIAA”) actively collaborates with local training institutions, International Civil Aviation Organization (“ICAO”), Ecole Nationale de l’Aviation Civile and others in offering training courses, and strives to become an ICAO “Regional Training Centre of Excellence”.

HKIAA Certificate Course Completion Ceremony in 2017



- Build the permanent campus (including dormitories) of HKIAA on the Hong Kong Boundary Crossing Facilities Island of the Hong Kong-Zhuhai-Macao Bridge to help Hong Kong develop into a leading aviation training hub in the GBA and the region.

Hong Kong Special Administrative Region Government October 2021



International Innovation and Technology Hub

Extracts from the National 14th Five-Year Plan

National Development Strategy

“By 2035,...achieve major breakthroughs in core technologies and enter the forefront of innovative countries...” (Section 1, Chapter 3)

“Formulate the action plan for becoming a country strong in technology...expedite the building up of strategic technological power led by National Laboratories...” (Section 1, Chapter 4)

“...implement a batch of forward-looking and strategic national technological programmes focusing on frontier fields, including artificial intelligence...life and health...” (Section 2, Chapter 4)

“...formulate and implement a 10-year action plan on basic research, which focus on planning a batch of basic disciplines research centres...” (Section 3, Chapter 4)

“...bring talent as the first resource into full play...nurture and develop more globally top talent in strategic technology, leading talent in technology and innovation teams...” (Section 1, Chapter 6)

Central Government's Support for Hong Kong

“...support Hong Kong to develop into an international innovation and technology hub...” (Section 1, Chapter 61)

“...enhance the integration of Hong Kong and Macao into the overall development of the country, foster complementary and co-ordinated development with the Mainland...Deepen Mainland's co-operation with Hong Kong and Macao in innovation and technology...pursue high-quality development of the Guangdong-Hong Kong-Macao Greater Bay Area, deepen Guangdong-Hong Kong-Macao co-operation and Pan-Pearl River Delta regional co-operation, and promote the development of major platforms for Guangdong-Hong Kong-Macao co-operation including the Shenzhen-Hong Kong Loop...” (Section 2, Chapter 61)

Hong Kong's Strengths

- International financial and trade centres; highly market-oriented, international and free economy underpinned by the rule of law; robust intellectual property rights protection regime; and simple and transparent tax regime.

- Two world class medical schools, both ranked in the top 50 globally and with professional and reputable clinical trials centres.
- A number of world-renowned academicians and scholars of the Chinese Academy of Sciences or the Chinese Academy of Engineering in Hong Kong, with outstanding achievements and their research and publications being recognised globally.

World-renowned scholars with outstanding research teams in Hong Kong



- The InnoHK research clusters gathered more than 20 globally top universities and scientific research institutions from 11 economies to co-operate with local universities on establishing laboratories at the Hong Kong Science Park (“HKSP”) and co-operating with local universities in conducting research and development (“R&D”) on healthcare technologies and artificial intelligence/robotics.
- Under the Global STEM Professorship Scheme, the first tranche of over 40 distinguished scholars and their research teams are arriving in Hong Kong.
- Hong Kong houses 16 State Key Laboratories.

Present Situation

- In 2019, the gross domestic expenditure on R&D reached \$26.3 billion, an increase of nearly 60% compared with 2014. There were around 44 600 employees in the innovation and technology (“I&T”) sector, an increase of over 25% compared with 2014.
- The number of local start-ups reached 3 755 in 2021, which is 3.5 times of that in 2014. The venture capital investment increased sevenfold, reaching nearly \$10 billion in 2020.

- Number of home-grown unicorns increased from nil to the present 12.

Hong Kong ranked high in digital competitiveness globally



- Hong Kong ranked second in the overall ranking of the World Digital Competitiveness Ranking 2021 lately announced by the International Institute for Management Development and first in the technology factor.

Strategy and Measures

- Promote the I&T development at full steam with new thinking, integrate into the overall development of the country and the Greater Bay Area ("GBA"), and further facilitate the flow of key R&D elements, including talent, capital, goods and information, in order to leverage Hong Kong's strengths to serve the needs of our country.
- Increase land supply for I&T uses in the short, medium and long term, including commencement of the Batch 1 development of the Hong Kong-Shenzhen Innovation and Technology Park ("HSITP") at the Lok Ma Chau Loop, the HKSP Expansion Programme, the Cyberport expansion project, and reserving land for the University of Hong Kong and the Chinese University of Hong Kong for scientific research. Besides, the land adjacent to the Lok Ma Chau Loop will be developed together with the HSITP to become the San Tin Technopole. Land created from the reclamation project at Ma Liu Shui will be mostly for I&T uses. Part of the land in Lau Fau Shan, New Territories West will also be reserved for I&T use to facilitate collaboration with Qianhai.

- Set up an InnoLife Healthtech Hub in the HSITP at the Lok Ma Chau Loop to focus on the R&D of life and health disciplines.
- Adopt a two-pronged approach to strengthen the talent pool of Hong Kong, through various programmes to nurture local talent at various stages from primary schools to universities, and attract more I&T scholars and their R&D teams to Hong Kong.
- Deepen the co-operation in the GBA by continuing to take forward the initiative of "One Zone, Two Parks" in the Shenzhen-Hong Kong Innovation and Technology Co-operation Zone. Besides, Hong Kong Science and Technology Parks Corporation ("HKSTPC") will provide various training opportunities on technology, entrepreneurship, etc. to the youth in the GBA, and set up the "InnoExpress of the Greater Bay Area" to nurture start-ups holistically and support enterprises for attracting foreign investment and going global.

2019 HKT 5G Tech Carnival



- Explore the extension of the Immigration Arrangements for Non-local Graduates to cover graduates of the seven Hong Kong universities' GBA campuses. HKSTPC will work with relevant institutions to establish incubator networks in their GBA campuses to train up talent for and provide assistance to start-ups.

Hong Kong Special Administrative Region Government October 2021

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Regional Intellectual Property Trading Centre

Extracts from the National 14th Five-Year Plan

National Development Strategy

“Implement a strategy to make China a leading nation in intellectual property rights, enforce a stringent regime for protection of intellectual property rights, enhance laws and regulations related to intellectual property rights, and expedite legislative work relating to intellectual property rights in emerging fields and new forms of business... optimise the patent subsidy and incentive policies and evaluation mechanisms to better protect and encourage high-value patents and develop patent-intensive industries...”

(Section 2, Chapter 7)

Central Government's Support for Hong Kong

“...support Hong Kong to develop into a regional intellectual property trading centre, promote service industries for high-end and high value-added development...”

(Section 1, Chapter 61)

Hong Kong's Strengths

- Ranked 7th globally on the criterion of “Intellectual Property (“IP”) Rights” in the 2021 World Competitiveness Yearbook published by the International Institute for Management Development in Lausanne, Switzerland, a jump from 12th place in 2020.
- Strong IP protection regime, sound legal and judicial systems, and highly developed service industries.
- Important IP trading platform to help Mainland and Hong Kong enterprises enter the international market, and overseas investors develop business opportunities in the Mainland including the Guangdong-Hong Kong-Macao Greater Bay Area (“GBA”).

Present Situation

- Recent years have seen steady growth in IP trading. Total exports and imports of IP-related services in 2019 amounted to \$5.9 billion and \$15.5 billion, up 13% and 6% respectively as compared with 2016.
- Profits tax deductions for capital expenditure incurred by enterprises for purchase of IP rights increased by 58% to \$1.7 billion and number of corporations claiming tax concessions increased by 54% to 430 in 2019/20, as compared with 2016/17.
- Over 3 300 persons engaged in IP intermediary services (over 80% of whom in legal services) and another 21 600 persons engaged in IP trading and management work (over 50% of whom were professionals, managers or administrators), demonstrating high-end, high value-added IP-related services are involved in a wide range of Hong Kong's business activities.

Business of IP Asia Forum 2020



Strategy and Measures

- Revive the Copyright Ordinance amendment exercise by consulting the public on how to modernise the copyright regime in the light of the digital environment. Target to introduce an amendment bill in the next term of the Legislative Council.
- Further promote and develop the “original grant patent” (“OGP”) system by boosting the substantive examination capability of the Intellectual Property Department.
- Complete the preparatory work to implement in Hong Kong the international registration system under the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks.
- Explore with the Mainland authorities on broadening the scope of application of the Patent Cooperation Treaty to cover the OGP system and extending other major international IP treaties to Hong Kong.
- Explore with the Mainland authorities on facilitation measures for cross-boundary IP protection.
- Enhance the free IP Consultation Service, IP Manager Scheme PLUS and other training programmes.
- Work with the Hong Kong Trade Development Council (“HKTDC”) to promote its Asia IP Exchange portal.
- Collaborate with the Department of Justice and other stakeholders to promote IP arbitration and mediation.
- Work with HKTDC and relevant stakeholders to promote Hong Kong’s competitive advantages in IP trading and professional services to Mainland and overseas enterprises through trade missions, seminars, publicity programmes and the annual Business of IP Asia Forum.
- Intensify collaboration with IP authorities of the Mainland and Macao on IP trading, protection, management and commercialisation in the GBA and beyond.
- Collaborate with overseas IP offices to promote IP commercialisation.
- Organise local campaigns to promote IP literacy in society.

Asia IP Exchange



Asian Licensing Conference 2020



Hong Kong International Licensing Show 2020



Hong Kong Special Administrative Region Government October 2021

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East-meets-West Centre for International Cultural Exchange

Extracts from the National 14th Five-Year Plan

National Development Strategy

“Strengthen cultural exchange with foreign countries...”
(Section 3, Chapter 35)

“...actively develop foreign cultural trade, open up overseas cultural markets...” (Section 1, Chapter 36)

Central Government’s Support for Hong Kong

“...support Hong Kong to develop into an East-meets-West centre for international cultural exchange...”
(Section 1, Chapter 61)

Hong Kong’s Strengths

- As a melting pot of Chinese and Western cultures and with extensive international connections, Hong Kong has brought together local and foreign talents to promote cultural exchange between East and West.
- Bring modern art to Hong Kong and Chinese culture to the world, enabling Hong Kong to develop into a hub to showcase Chinese arts and culture and display the soft power of Chinese culture to the world.

Present Situation

World-class arts and cultural facilities

- Facilities in the West Kowloon Cultural District (“WKCD”) will be rolled out gradually, including M+ Museum (this November) and Hong Kong Palace Museum (mid-2022). Together with Hong Kong Museum of Art (“HKMoA”), the three will form a museum cluster that brings rich cultural experiences to visitors.
- A total of 16 government performance venues, 14 museums, two visual arts centres and one film archive.

World-class arts and cultural events

- The Hong Kong Arts Festival has been a major international arts festival for almost 50 years. Since its debut in Hong Kong in 2013, Art Basel Hong Kong features over 200 prominent galleries from around the world every year. Art Central also showcases avant-garde work by emerging artists from more than 100 contemporary art galleries every year.

Art Basel Hong Kong 2021



- In 2020, Hong Kong became the second largest art trading centre in the world. Total imports and exports value of collectors’ pieces of art and antiques amounted to HK\$33.6 billion in 2020, almost doubling the value in 2017.

Strengthen cultural exchange and co-operation with Mainland and other places

- Since 2017, signed 14 agreements on cultural co-operation with the Mainland authorities, as well as Memorandum of Understanding on Cultural Co-operation with five countries and two overseas museums.
- Since 2017, subsidised over 670 performances of local arts groups or artists to perform overseas.

Promote exchanges through performing arts and exhibitions

- Since 2017, co-organised 23 and 14 mega exhibitions with museums in the Mainland and overseas respectively.
- Hosted Hong Kong Week in Shanghai and Guangzhou in 2019 and 2021 respectively.
- Organised and supported various performances and arts festivals of different genres, such as the Newvision Arts Festival, Chinese Opera Festival and International Arts Carnival.
- HKMoA will lend the Chih Lo Lou Collection to the Museum of the Asian Arts of Paris of Musée Cernuschi in France for the first time in end-2021.
- Host the Mid-year Congress of the International Society for the Performing Arts in 2022; Hong Kong becomes the first Asian city to host the congress twice.

Hong Kong Museum of Art 香港藝術館

Hong Kong Arts Festival at Tai Kwun 2021



Promote development of creative industries

- Injected total \$3 billion and \$1.54 billion into the CreateSmart Initiative and Film Development Fund respectively to sponsor international flagship events (e.g. Business of Design Week and Hong Kong International Film and TV Market), nurture talent, open up markets etc.

Strategy and Measures

- Adopt a multi-pronged approach to implement the new positioning, including developing world-class cultural facilities and pluralistic cultural environment; strengthening links with overseas arts and culture organisations; strengthening cultural exchange and co-operation with the Mainland; developing cultural industry; leveraging on technology; and nurturing talents.
- Expand the diversity and contents of popular culture brands like Art Basel Hong Kong and Hong Kong Arts Festival and hold large-scale arts markets.
- Showcase the arts and cultural achievements of Hong Kong and promote cultural exchanges through Hong Kong Week and similar activities. Co-operate with the Mainland and overseas cultural institutions to solicit exhibition of their precious cultural relics in Hong Kong and to lend to them Hong Kong's arts and cultural collections.
- Expand further Hong Kong's cultural links with the Mainland and overseas. Strengthen co-operation between different theatres in Hong Kong and the Greater Bay Area to provide more performance opportunities for local arts groups and broaden the audience of Hong Kong's arts and cultural programmes.

- Encourage Hong Kong's creative sectors to participate in the domestic circulation of the Mainland's economic development to foster diversified development and jointly open up overseas market and promote Chinese culture.
- Use international flagship events of the creative industries to attract participation of talent from different places and enhance Hong Kong's profile as the top-choice venue for global collaboration among the creative sectors.
- Leverage on the well-developed hardware facilities to talent grooming and exchanges. The opening of M+ Museum and Hong Kong Palace Museum of WKCD will showcase to visitors contemporary visual culture and exquisite collections of the Palace Museum respectively; commissioning of the East Kowloon Cultural Centre in 2023 will be a major venue and incubator for arts technology; and the Lyric Theatre Complex of WKCD, to be completed in 2024, will be another top-class performance venue for dance and theatre.

Hong Kong Palace Museum



M+ Museum



Hong Kong Special Administrative Region Government October 2021

Hong Kong Museum of Art 香港藝術館

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