

## Hong Kong – The innovation Hub in Asia

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**Dr. Wing-Hin Chung**

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Office Berlin

## Overview InvestHK ■

- Part of Hong Kong Government
- Office is based in Berlin
- We support companies and startups from eight European countries in their set up or expansion activities in Hong Kong
- Our services are free of charge, customized and confidential

Invest**HK**

# InvestHK's

# WORLDWIDE NETWORK



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- Investment Promotion Units in Hong Kong Economic and Trade Offices

- Consultants

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Note:

1 Beijing Office

2 Hong Kong Economic, Trade and Cultural Office (Taiwan)

Office locations are subject to change. For the latest version, please refer to InvestHK's website.

# WHY HONG KONG. ■

- Strategic location in the middle of Asia
- Rule of law
- Simple and low taxation system

“Hong Kong has networking nirvana.  
It has diversity, depth, and density.”

Peter Williams, The University of Chicago Booth School of Business

# HEART of ASIA ■

Over 100 airlines operate flights to over 220 destinations worldwide

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**The busiest air cargo airport in the world  
– 4.94 million tonnes of cargo handled in  
2017 (Airport Authority Hong Kong)**



4hours

Most of Asia's key markets  
within four hours' flight time

5hours

From half the  
world's population



# BAY AREA ■

## POPULATION

68mn

>UK, Italy, South Africa

## LAND AREA

56,000km<sup>2</sup>

>Ireland, Latvia, Panama, West Virginia (US)

## GDP

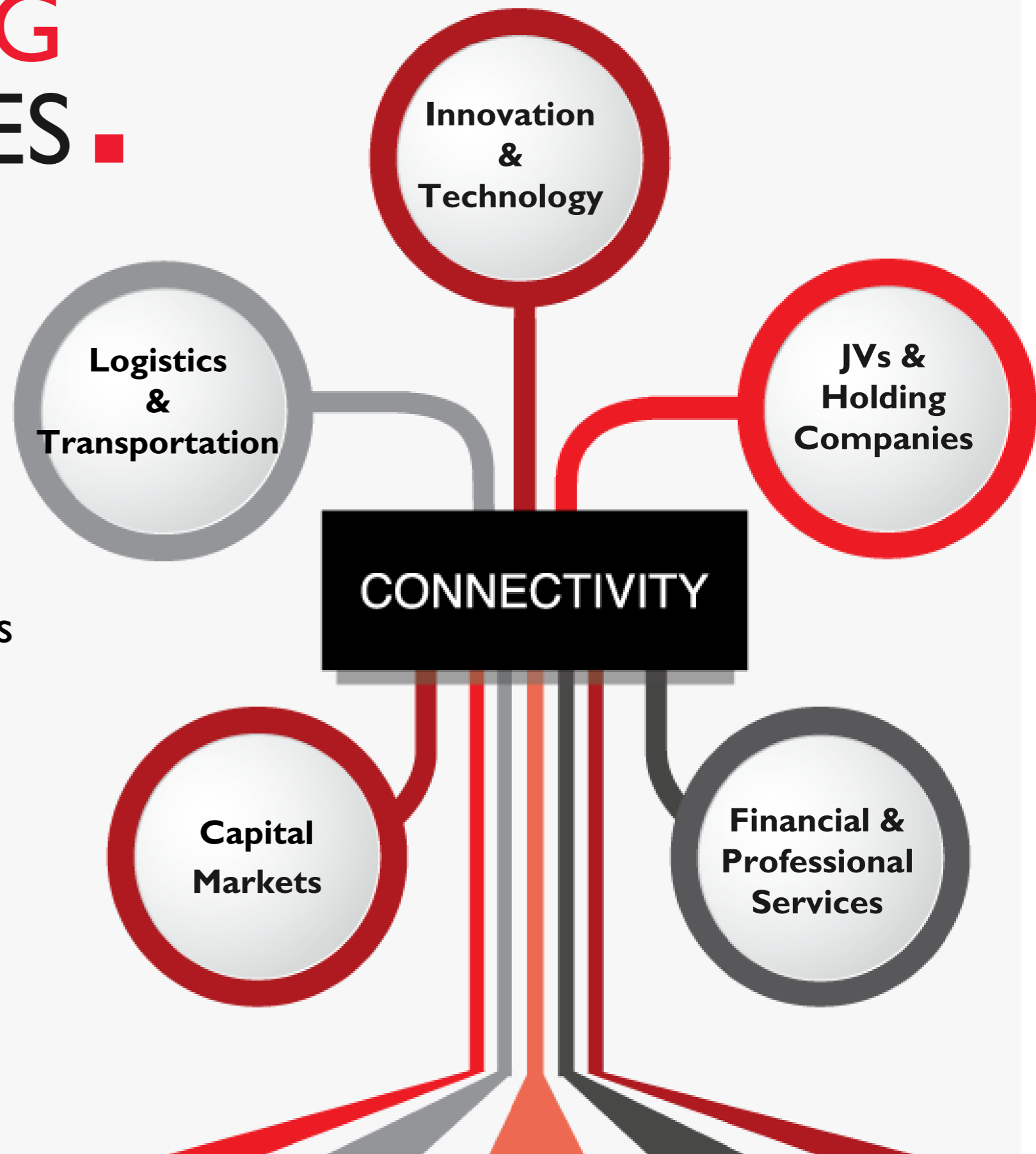
US\$ 1.5trillion

>Indonesia, Netherlands, Turkey

- Comprises Hong Kong, Macao and nine Guangdong cities
- To promote economic integration in the area and to develop external links in order to establish a significant position in the global economy
- B2B and B2C opportunities
- Connectivity

# HONG KONG ADVANTAGES ■

- World's largest markets
- Proximity to new customers and competitors
- Growing middle class and ageing societies



# Case Study: WORLD OF MEDICINE

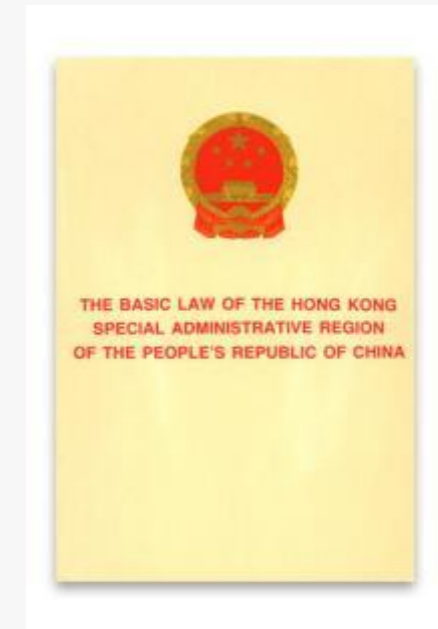




**ONE**  
COUNTRY  
**TWO**  
SYSTEMS. ■

# HONG KONG's BASIC LAW.

- ✓ Own legal system (Common Law)
- ✓ Own immigration control
- ✓ Own Currency (HK Dollar)
- ✓ Zero tolerance of corruption
- ✓ Chinese and English official languages



# LOW & SIMPLE TAX SYSTEM.

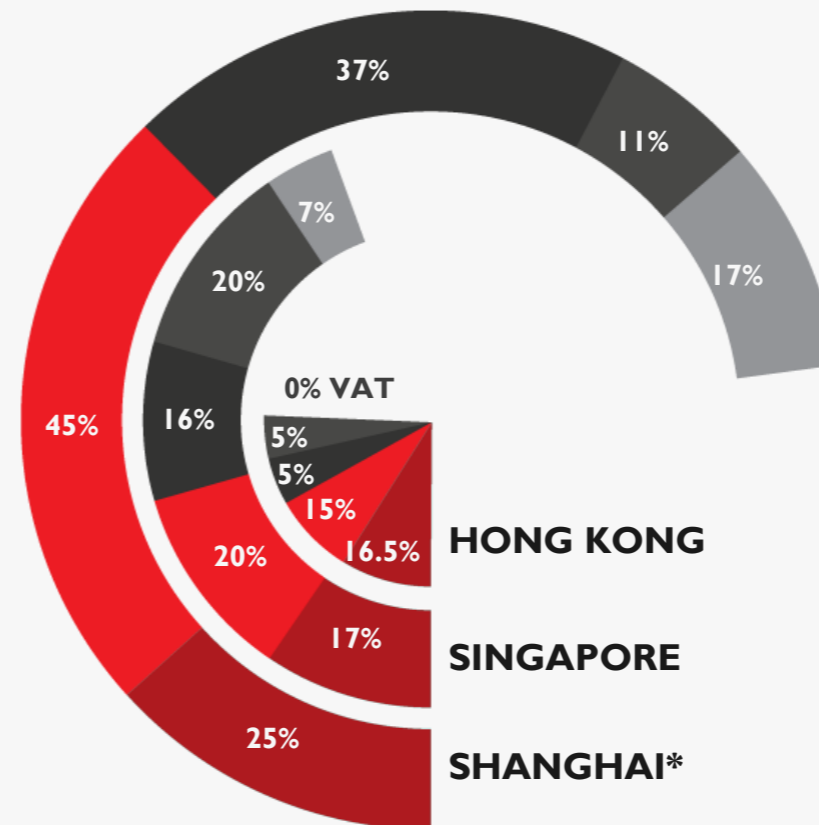
Two-tiered tax system

8.25%

First HK\$2M of Profits

16.5%

Profits Above HK\$2M



- Corporate Income
- Personal Income
- Employer Social Security
- Employee Social Security
- VAT

\* There is no standard rate across the Mainland China. Shanghai is used as an example.



- X VAT/GST/Sales tax
- X Capital Gains Tax
- X Withholding tax on investments
- X Estate duty
- X Global taxation
- X Wine duty



Hong Kong has signed Comprehensive Double Taxation Agreements (CDTAs) with 40 jurisdictions.



Negotiations with 11 jurisdictions are in progress.

(as of May 2018)

# FREE PORT STATUS

- No trade barriers
- No import duties and import taxes
- No subsidies for its exports
- Foreign and local companies enjoy same treatment

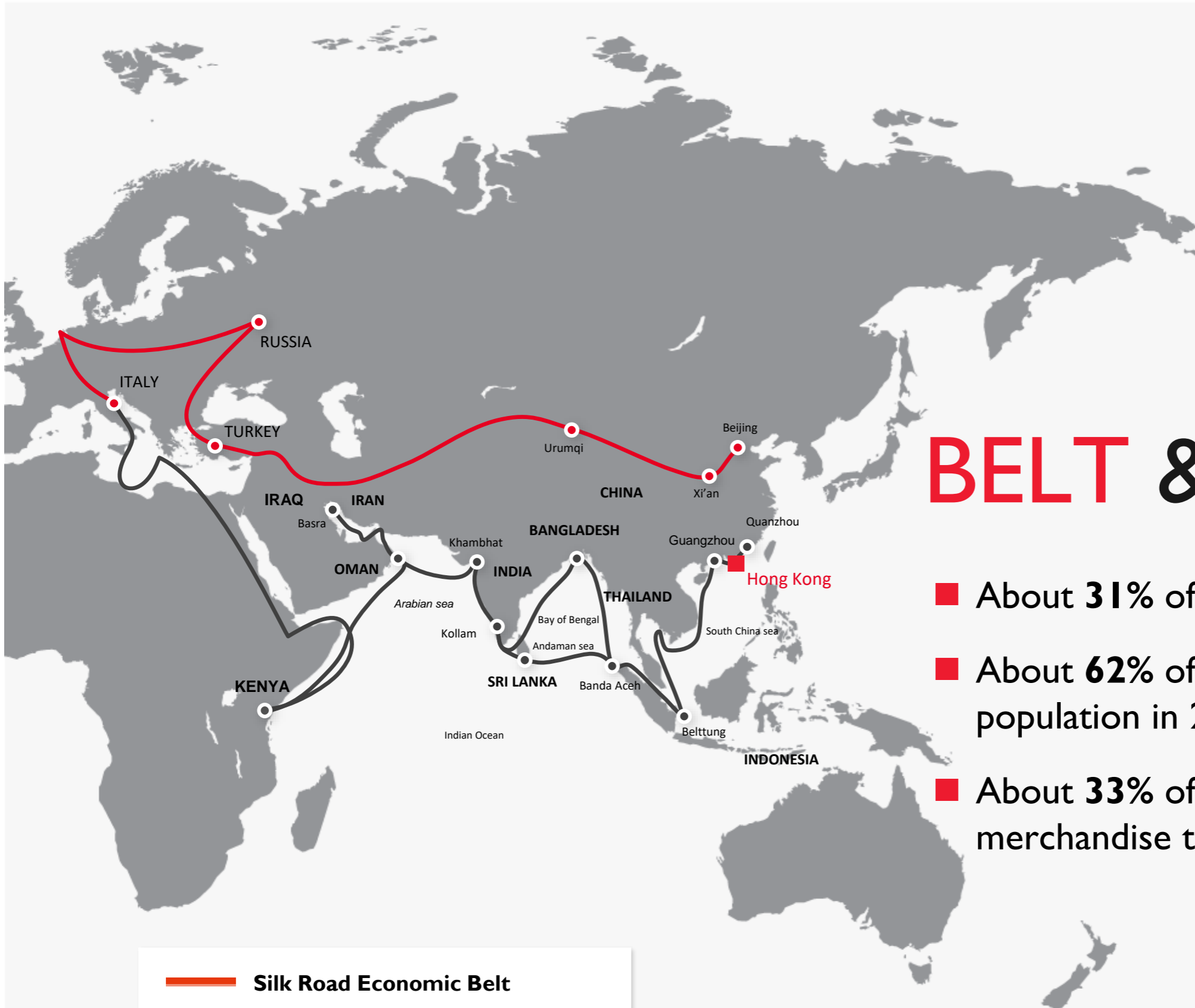


# BELT & ROAD.

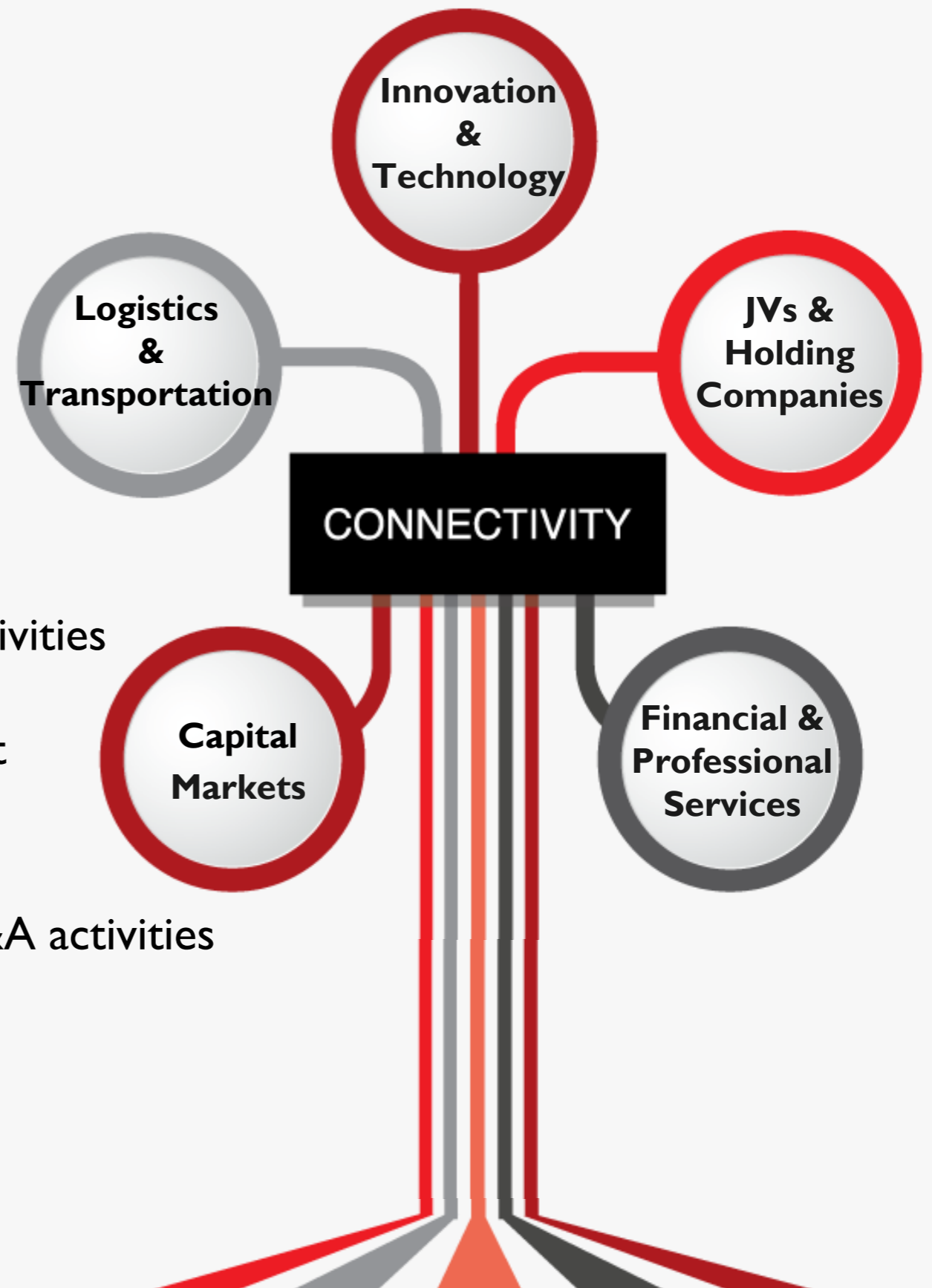
- About **31%** of global GDP in 2016
- About **62%** of the world's population in 2016
- About **33%** of the world's total merchandise trade in 2016

— Silk Road Economic Belt  
— 21st Century Maritime Road

Sources: China-US Focus, Xinhua Finance Agency



# OPPORTUNITIES



- Cross-Border and international investment activities
- Increasing demand for legal services to support mainland companies going global via HK
- HK is a global platform for fund raising and M&A activities

# FREE TRADE AGREEMENT with ASEAN ■



## Tariff reduction

Customs duties on goods of HK origin reduced or even eliminated

Trade in Goods



**Fewer restrictions**  
on HK service providers, e.g.  
lifting the cap on foreign  
ownership to

**≥50%**

in many sectors of  
individual ASEAN markets

Trade in Services



## Facilitating entry & stay

for business purposes, e.g.  
permission for HK business  
visitors to stay up to  
**90 days**

in individual ASEAN markets

Entry and Stay of Business Persons



## Fair treatment

on HK investments and  
enhanced protection against  
non-commercial risks

Investment Protection

# HONG KONG SCIENCE & TECHNOLOGY PARK



Biomedical  
Technology



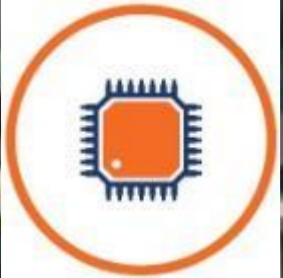
Material &  
Precision Engineering



Green  
Technology



Information &  
Communication  
Technology  
(ICT)



Electronics



Healthy Ageing

Nutrition

Preventive Medicine

Diagnostics & Devices

Therapeutics

Rehabilitation

Elderly Care



Robotics

Assistive Robotics

Industrial Automation

Biomedical

Edutainment

Artificial Intelligence



Smart City

Big Data Analytics

Sensors & IoT

Wearable Device

Transportation

Infrastructure

Sustainability

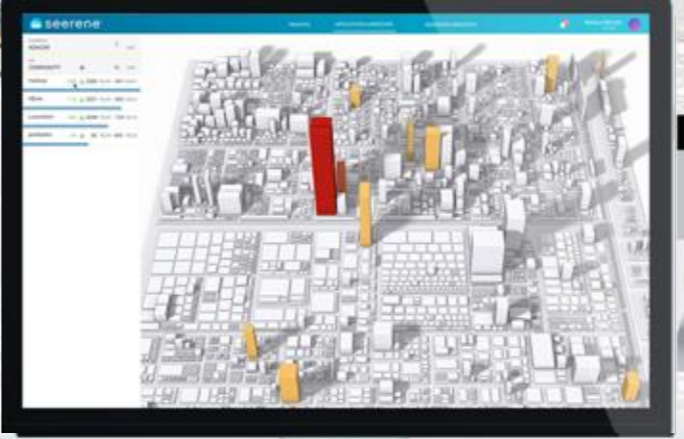
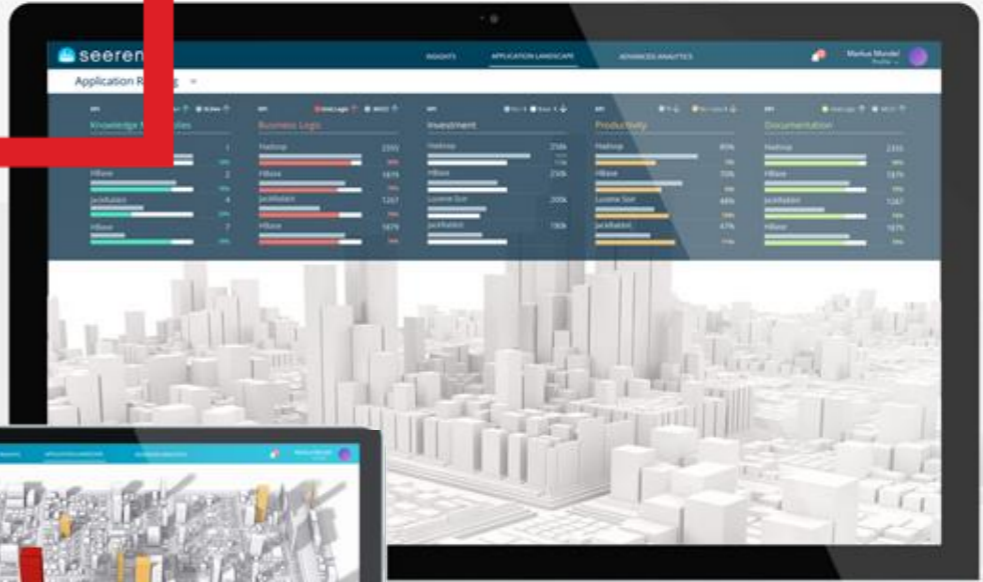
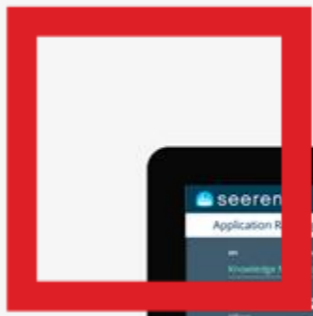
FinTech

# HONG KONG CYBERPORT



# SEERENE:

## DATA ANALYSIS from POTSDAM, GERMANY.





# CREATIVE INDUSTRIES ■

- To inject \$1 billion into the CreateSmart Initiative
- To provide additional resources to the Hong Kong Design Centre
- To review the operation of the Film Development Fund to promote further development of the local film industry
- West Kowloon Cultural District

womb

Resort 2017/18

SOLD OUT



Layered Dress



Confetti Necklace



Layered Dress

# WOMB: Fashion Design from Poland



# European Trading House: Export company from Hungary ■

- Export of Hungarian food products to Asia via HK



**EUROPEAN  
TRADING HOUSE  
HONG KONG**  
SWISS-HUNGARIAN  
JOINT VENTURE

# STARTMEUPHK FESTIVAL 2019



## START ME UP HK FESTIVAL 2019 startmeup.hk 21.01.19–25.01.19

DEFINE WHAT'S NEXT

6500 ATTENDEES  
195 SPEAKERS  
40 COUNTRIES

### MARK YOUR DIARIES!

The StartmeupHK Festival 2019 will take place from 21st January to 25th January 2019. This celebration of technology innovation will bring together world-renowned speakers, ambitious founders, celebrated investors and industry stalwarts for five days of learning and sharing. Join us and experience the shaping of our collective future in Asia's most exciting city.

Events will cover:

**FINTECH**

**SMART CITY TECH**

**RETAIL & LOGISTICS TECH**

**HEALTHTECH**

**IoT & SMART MATERIALS**

Conferences | Panel Discussions | Fireside Chats | Workshops | Demos | Hackathons | Job Fairs | Services Marketplace  
Investor Pitches | Networking Meets

Sponsors

InvestHK

startmeup.hk

Find out more at [startmeup.hk](http://startmeup.hk)

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## Super Tax Deduction for R&D expenditure

- 300% tax deduction for private enterprises on the first \$2 million of qualified R&D expenditure
- additional expenditure attracting a 200% deduction

# INNOVATION & R&D. ■



AI and robotics



Smart city



FinTech



Biomedicine/  
healthy aging

# SECTOR OPPORTUNITIES & PRIORITIES ■



■  
Business &  
Professional  
Services



■  
Financial  
Services



■  
Innovation &  
Technology



■  
Consumer  
Products



■  
Transport &  
Industrial



■  
Creative  
Industries



■  
FinTech



■  
Tourism &  
Hospitality

# HOW WE CAN HELP.



Information to aid  
planning and evaluation

Facilitation of visa  
applications, schooling



Networking events,  
introduction to service providers

PR and marketing  
support for launch/  
expansion





# GET in TOUCH ■

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