

Invest**HK**

*Hong Kong - Greater Bay Area:
China - Belt and Road &
Beyond - The Maritime Context
March 2018*

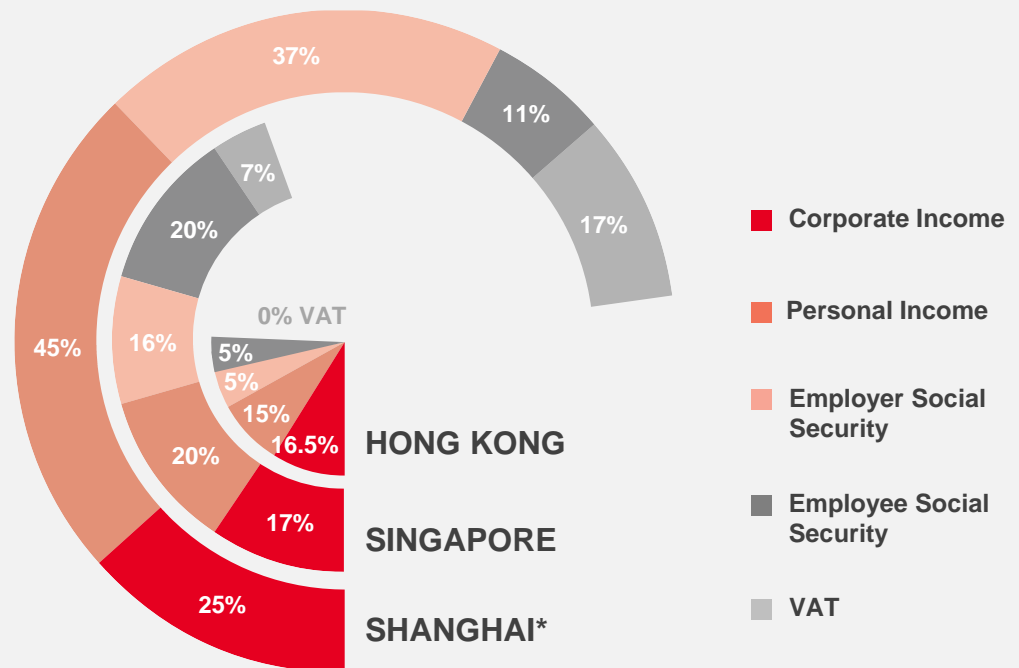
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Head of Transport and Industrial

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WHERE
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LOW & SIMPLE TAX SYSTEM



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



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



Hong Kong has signed Comprehensive Double Taxation Agreements (CDTAs) with 38 jurisdictions.



Negotiations with 13 jurisdictions are in progress.

(as of Mar 2018)

PRIME CONDUIT FOR FDI

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8,225 companies of which
3,752 are RHQs and ROs in
2017

*Source: 2017 Annual survey, HKSAR
Government's Census & Statistics Department*



Rank	FDI Inflows (2016)	US\$ bn
1	United States	391
2	United Kingdom	254
3	China	134
4	HONG KONG	108
5	Netherlands	92
6	Singapore	62
7	Brazil	59
8	Australia	48
9	India	44
10	Russian Federation	38

Source: World Investment Report 2017, UNCTAD

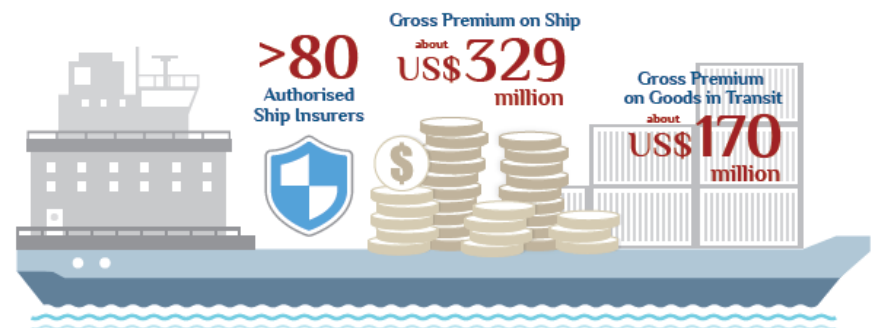
Reputable Shipping Register and Maritime Services

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- Vibrant maritime cluster of some **800** companies providing a gamut of shipping services, including ship management, shipbroking and chartering, shipping agents, marine equipment and support services, many of the leading players have a presence in Hong Kong
- Hong Kong shipowners own or manage 2360 ships, with a total deadweight of 178.1 million tonnes, representing about **9.6%** of the DWT of the world's merchant fleet. The large community of shipowners provides ample opportunities for the sustainable growth of the maritime clusters



In 2016, **7** of the world's top 10 bookrunners on syndicated marine finance loans have set up offices in Hong Kong.



OVERVIEW

Invest**HK**

- **Guangdong, Hong Kong and Macao Greater Bay Area**
- Belt and Road Initiative
- How InvestHK Can Help



GREATER BAY AREA

- 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

POPULATION

68_{mn}

>UK, Italy, South Africa

LAND AREA

56,000_{km²}

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

GDP

US\$1,328_{bn}

>Indonesia, Netherlands, Turkey



"Battle of the Bays"

Global Bay Areas	Area (sq km)	Population (Million)	GDP per capita (USD billion)	Total GDP (USD Trillion)	No. of World 100 best universities	Stock Market Capitalisation (USD Trillion)
Greater Tokyo	36,800	43.5	41,000	1.8	2	5.7
Greater New York	17,400	23.4	69,000	1.4	2	30.5
San Francisco Bay Area	17,900	7.2	99,000	0.76	2	N.A.
Greater Bay Area	56,000	66.7	20,000	1.36	4	7.6

- The above comparison is based on current figures (i.e. without the GBA synergy).
- The aim of the GBA initiative is to integrate the strengths of different cities in the region, e.g. high-tech innovation of Shenzhen, strong manufacturing base in Dongguan and world-class financial and professional services industries of Hong Kong
- To build a new powerhouse that could rival all the other "bays".

INFRASTRUCTURE & CONNECTIVITY

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Collaboration and Integration

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- **Enhanced cross-border movements of capital, people, goods and services**
- **Collaborations on economic policies, environmental and transport issues**
- **Development of regional connectivity infrastructures**
 - **Two will be rolled out in 2018: Guangzhou – Shenzhen – HK Express Rail Link & HK – Zhuhai – Macao Bridge**
 - **More in the pipeline**



Other Regional Infrastructure Projects in the Pipeline

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Humen Second Bridge (虎門二橋)

- Enhanced connection of Guangzhou and Dongguan
- To roll out in 2019

Guangzhou – Shantou Express Rail Link (廣汕高鐵)

- Shorten the trip from Guangzhou to Shantou to 90 mins
- To roll out in 2020

Shenzhen – Zhongshan Corridor (深中通道)

- Cutting the trip from Shenzhen to Zhongshan to 30 mins
- To roll out in Dec 2024



International Maritime Centre with Superb Connectivity

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- There are 9 terminals run by 5 experienced private-sector operators (HIT, MTL, Cosco-HIT, ACT, Goodman DP)
- One of the busiest ports in the world. In 2016, it handled over **19 million** TEUs
- **330** container liner services per week to about **470** destinations worldwide
- B&R initiative covers some 60 countries, HK port has cargo movements to/from **45** of them
- **9/10** busiest container ports are in Asia
- **7** of them are in China (incl HK)
- **3** of them are located in the Bay Area

Bay Area

Rank	Port in the World	Throughput ('000 TEUs)
1	Shanghai	37,133
2	Singapore	30,904
3	Shenzhen	23,979
4	Ningbo - Zhoushan	21,561
5	Hong Kong	19,813
6	Busan	19,455
7	Guangzhou	18,850
8	Qingdao	18,050
9	Dubai	14,772
10	Tianjin	14,519

OVERVIEW

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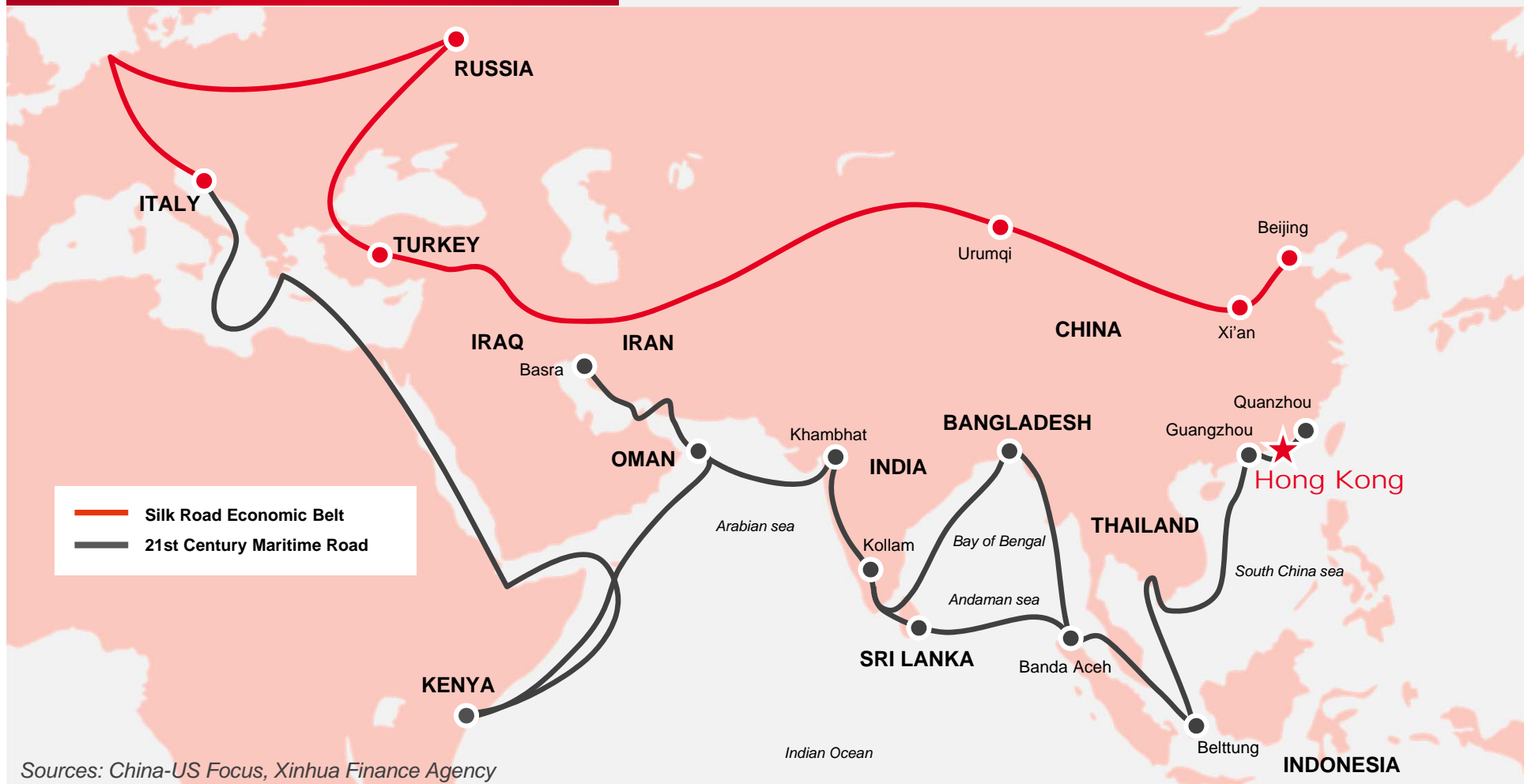
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- How InvestHK Can Help



BELT & ROAD

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- 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



Sources: China-US Focus, Xinhua Finance Agency

Hong Kong: A Key Link for the Belt & Road

What Can We Offer?

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Quality & efficient financing platform

- High Standard of corporate governance
- Abundant talent pool
- Ability to manage and operate mature projects
- Diversified investors including banks, private equities and etc

World's largest offshore Renminbi business hub

- Largest pool of RMB deposits: RMB595.1bn
- Largest Dim Sum Bond market outstanding RMB256.8bn
- Daily RMB clearing and settlement turnover: RMB 871.5bn

Asia Infrastructure Investment Bank (AIIB)

- Approval of Hong Kong's membership highlights what we can offer - project loans, bond issuance, treasury management, private equity investments and many others.



Infrastructure Financing Facilitation Office (IFFO)

- The IFFO now boasts 77 members - ranging from multilateral financial agencies, development banks, private and public sector investors, to insurance companies and professional service firms - all keen to ride the wave of Belt and Road opportunities.

Belt and Road – Hong Kong Footprints

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To name a few...



International shipping company based in Hong Kong operates and develops part of Piraeus Port.

Hong Kong architectural design firm responsible for design of the Pad, a residential project in UAE.

Hong Kong railway company invests in and constructs rails in the Mainland China.



International consultancy firm based in Hong Kong provides comprehensive advisory services for a multi-purpose complex in Poland.



Hong Kong engineering company took part in construction of Pakistan Karachi-Lahore Motorway.



Hong Kong-based shipping and investment group takes part in the operation of the Port of Djibouti in East Africa.



International consultancy firm based in HK partners up with Chinese shipping group to providing engineering consultancy for container port in Sri Lanka.

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- **How InvestHK Can Help**



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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