



Raising Capital in Hong Kong & the Greater Bay Area

Benjamin Wong

Head of Transport and Industrial

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International Shipping Forum



HEART of ASIA ■

Over 100 airlines operate flights to over 220 destinations worldwide, including over 50 Mainland cities

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

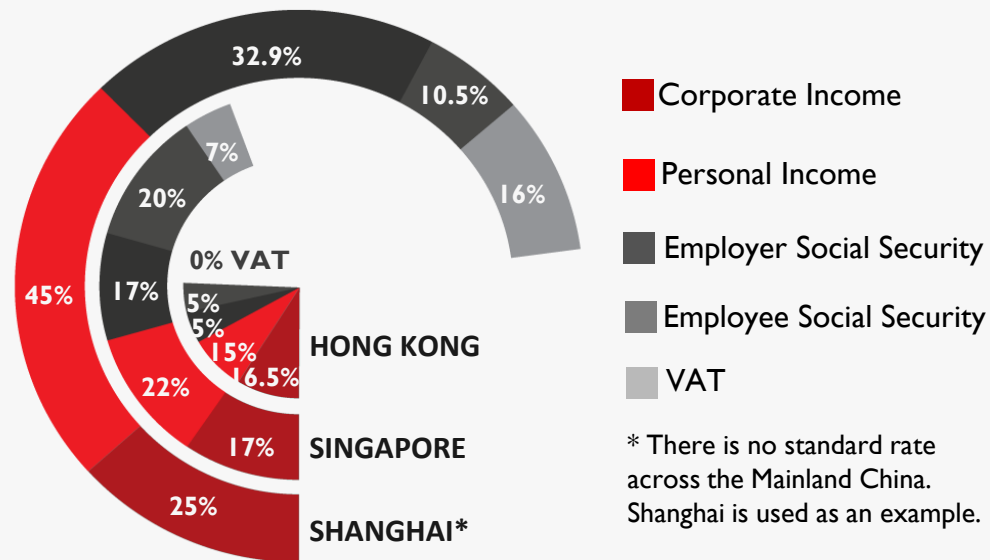
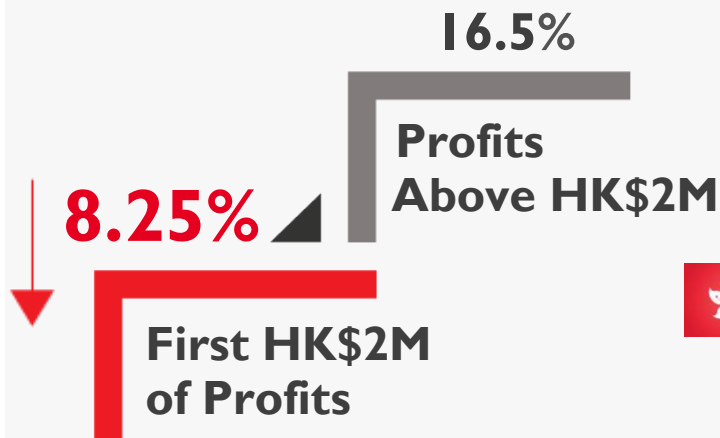
From half the world's
population



ONE
COUNTRY
TWO
SYSTEMS.

LOW & SIMPLE TAX SYSTEM ■

Two-tiered tax system



-  ~~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)



- 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
- To establish a Steering Committee for the development of the Greater Bay Area and identify opportunities for Hong Kong

GREATER BAY AREA ■

POPULATION

68mn

>UK, Italy, South Africa

LAND AREA

56,000km²

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

GDP

US\$1.5trillion

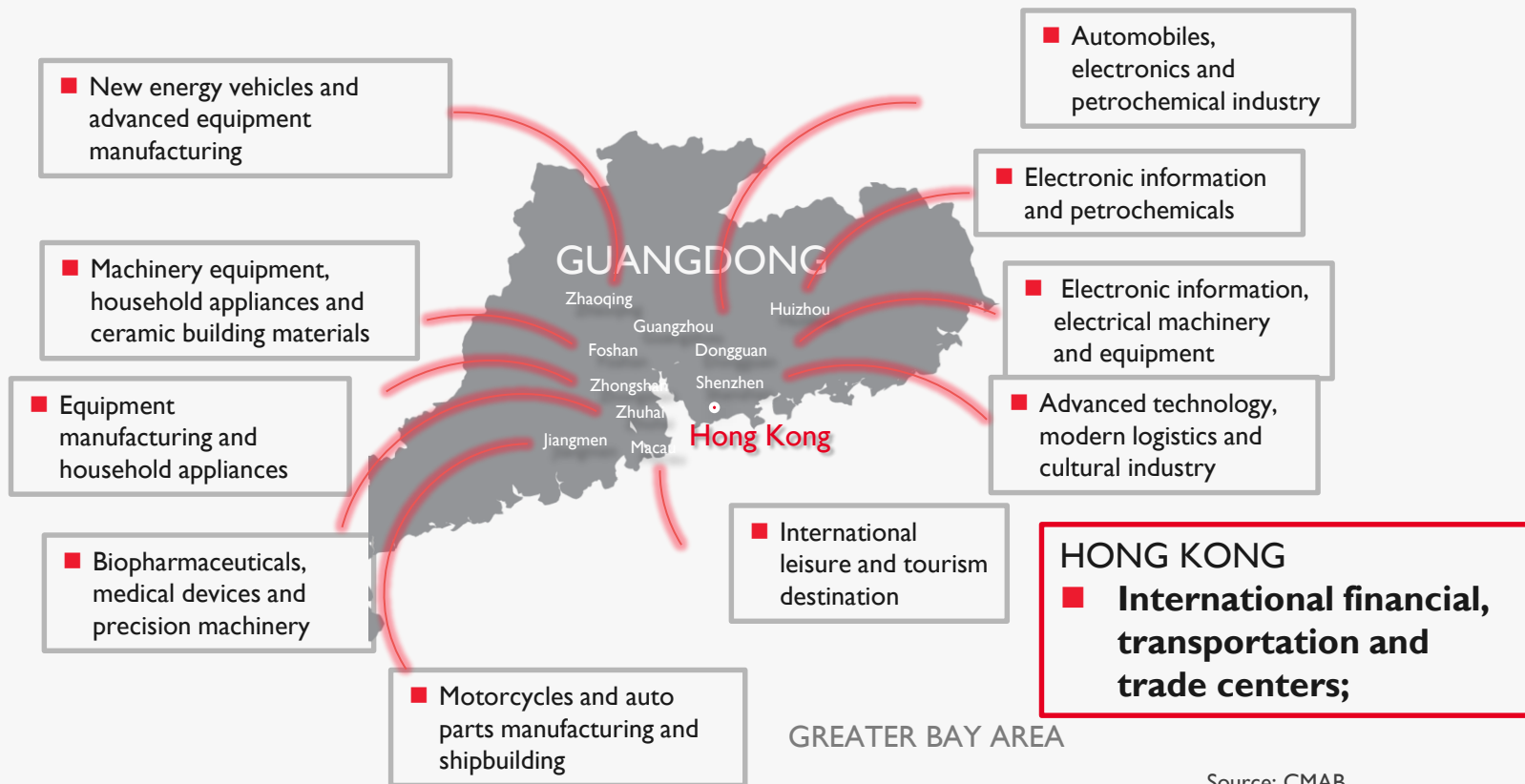
>Indonesia, Netherlands, Turkey

Source: CBRE Research

COMPARISON WITH THE WORLD'S MAJOR BAY AREAS

	Guangdong-Hong Kong- Macau Bay Area	San Francisco Bay Area	New York Metropolitan Area	Tokyo Bay Area
Land area (sq km)	56,000	17,900	21,500	36,900
Population (mn)	69.6	7.6	20.2	44.0
GDP (US\$ bn)	1,513.4	781.2	1,657.5	1,774.2
Real GDP growth (%)	7.0	5.3	0.9	1.9
GDP share of tertiary industry (%)	65.6	71.9	83.3	77.0
Per-capita GDP (US\$)	21,750	102,230	82,050	40,360
Stock Market Capitalisation (USD Trillion)	7.6	N.A.	30.5	5.7
No. of World Top 100 Universities	4	2	2	2
Air freight traffic (mn tonnes)	7.96	1.18	2.16	3.58
Port container throughput (mn TEUs)	66.48	2.42	6.25	7.76

FOCUSES OF THE CITIES ■



HONG KONG AMONG GREATER BAY CITIES

HONG KONG

- No Capital and Exchange Controls
- HKD pegged to USD
- Common Law

GBA City	Area (sq. km)	GDP (USD billion)	Population (Million)	GDP Per Capita (USD)
Hong Kong	1,104	319.3	7.37	43,300
Guangzhou	7,436	284.6	14.04	20,300
Shenzhen	2,007	283.0	11.90	23,800
Foshan	3,875	125.3	7.50	16,700
Dongguan	2,512	99.1	8.25	12,000
Huizhou	11,159	49.5	4.78	10,400
Zhongshan	1,770	46.4	3.23	14,400
Macao	29.2	44.7	0.64	69,800
Jiangmen	9,554	34.8	4.54	7,700
Zhuhai	1,696	32.3	1.68	19,200
Zhaoqing	15,006	30.2	4.06	7,400

OUTLINE DEVELOPMENT PLAN GREATER BAY AREA .



粵港澳大灣區
Greater Bay Area

In Feb 2019, the Central Government released the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area, which sets out the directions guiding the development of the Greater Bay Area. It includes:

- To consolidate and enhance Hong Kong's status as an international **financial, transportation** and **trade** centres
- To support Hong Kong's development of **high-end maritime services** such as ship management and leasing, ship finance, marine insurance as well as maritime law and dispute resolution services, and provide such services to Mainland and Macao enterprises.

HONG KONG **Policy Address 2018** (released in Oct 2018)

- The Government will implement measures to support and enhance the development of **high value-added maritime services**



INTERNATIONAL LEADING SHIP FINANCING CENTRE

- Hong Kong is a leading international financial centre and is also the freest economy in the world. Also Hong Kong is one of the most significant international ship finance centres in Asia.
- Premier financial infrastructure, effective financial regulations and an abundant pool of financial professionals
- A wide range of ship finance products is offered by the market.
- Shipping loans and advances in Hong Kong have more than doubled in the past 10 years.
 - As at Dec 2018, loans and advances for the shipping industry in HK amounted to around **US\$15.5 billion**



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



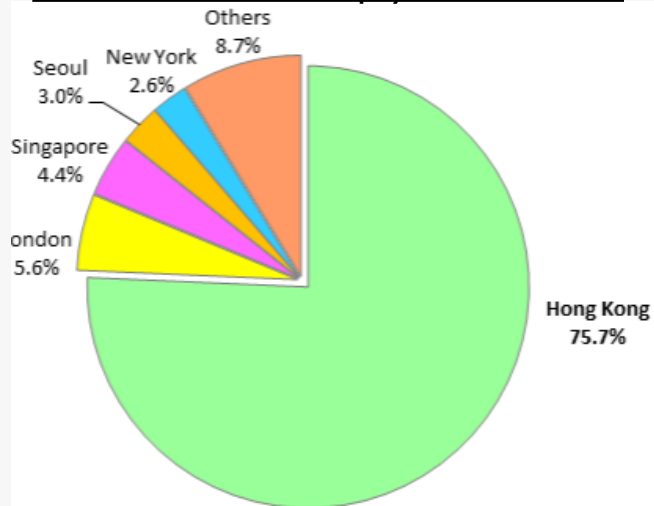


WORLD TOP CAPITAL RAISING DESTINY



- World's No. 3 global financial centre, behind London & New York; 1st in Asia
- 77 of the world's 100 top banks operate in Hong Kong
- World's 6th largest and Asia's 3rd largest stock market by market capitalisation in end-Aug 2018 (US\$4,104 billion)
- World's No.1 for IPO funds raised in Jan - Aug 2018.
 - HK ranked No.1 for IPO funds raised in 2009 to 2011, 2015 and 2016.

Global share of RMB payments in 2017



- Around **70%** of the world's Renminbi (RMB) payment transactions are processed via Hong Kong
- **World's largest offshore RMB hub** (total deposits of **RMB669.7 billion** at end-August 2018)
- 9 banks designated as Primary Liquidity Providers
- Full range of RMB products and services



GLOBAL OFFSHORE **RMB** HUB

Largest RMB Pool Outside Mainland China ■

POLICY ADDRESS 2018

SHIP LEASING INCENTIVES ■

The Chief Executive, Mrs Carrie Lam, released new moves in maritime in Oct 2018:

- Ship leasing is an emerging business model of ship finance.
- The Government is working with the industry to devise tax concession and other measures with a view to attracting more **ship leasing companies**
- The study is expected to be completed in the second half 2019.



HOW WE CAN HELP ■

Invest**HK**



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

Mr. Benjamin WONG

Head of Transport and Industrial

☎ (852) 3107 1088

✉ bwong@investhk.gov.hk

📍 25/F, Fairmont House, 8 Cotton Tree Drive, Central,
Hong Kong

Mr. Peter M. Friedman

Deputy Head of Investment Promotion (New York)

☎ (1) 212 752 3320 Ext. 216

✉ peter_friedman@hketony.gov.hk

📍 Hong Kong Economic and Trade Office (NY)
115 East 54th Street, 5th Floor, New York NY 10022, USA

InvestHK



WeChat ID: INVEST_HK



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