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CONNECT AND EXCEL IN ASIA VIA HONG KONG

RENOWNED as a modern, fast-paced and hyper-connected city in the beating heart of Asia, Hong Kong is entering a new phase of physical and social connectivity that will buttress the city's development for years to come.

Far-sighted planning and bold investments are about to pay dividends with the imminent commissioning of mega infrastructure projects, including the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL) and the Hong Kong-Zhuhai-Macao Bridge (HZMB). So says Matthew Cheung, Chief Secretary for Administration of the Hong Kong Special Administrative Region Government, who is visiting London this September to reaffirm the city's close ties with the United Kingdom.

"Both the HZMB and the XRL will significantly boost Hong Kong's economic growth potential and promote closer regional integration," says Mr Cheung. "We expect these mega infrastructure projects to open up new markets for Hong Kong and provide impetus to various sectors such as trade and logistics, tourism, professional services and more."

Straddling the Pearl River Estuary, the 41.6-km HZMB is world's longest bridge-tunnel sea crossing, while the 26-km Hong Kong Section of the XRL links into the national high-speed rail network which is expected to grow to 30,000 kilometres by 2030. Also slated to open this year is a seventh boundary crossing between Hong Kong and the Mainland, which links into the Shenzhen Eastern Corridor and will enhance access to eastern Guangdong.

The awesome architecture of these projects is matched only by their power to cement Hong Kong's pivotal role in national development strategies including the Guangdong-Hong Kong-Macao Greater Bay Area and the far-reaching Belt and Road Initiative.

In finance, Hong Kong's global connectivity is manifested in a full range of sectors from banking, asset management and offshore Renminbi business, to emerging sectors such as fintech and IPO fund-raising for technology and start-ups.

"Hong Kong will play a pro-active role as a facilitator and promoter in developing Hong Kong into a preferred listing platform for emerging and innovative enterprises in the

Greater Bay Area and the wider Belt and Road countries," says Mr Cheung.

In April, the Stock Exchange of Hong Kong implemented a new listing regime allowing secondary listings and pre-revenue biotech companies to list on the Main Board.

Amidst rapid development, Hong Kong continues to be one of the safest large cities in the world, ranking 9th globally in the Economist Intelligence Unit's *Safe Cities Index 2017*, including strong ratings for cybersecurity, security infrastructure and low crime rate.

Ensuring greater peace of mind for entrepreneurs, Hong Kong's trusted common law system is underpinned by an independent judiciary and the rule of law. Judicial independence is further enhanced by the appointment of non-permanent judges from other common law jurisdictions to sit on Hong Kong's highest appellate court, the Court of Final Appeal (CFA). Currently, 14 such eminent judges are appointed to the CFA, including nine from the UK, most recently the Right Honourable the Baroness Brenda Hale of Richmond.

Hong Kong's low and simple tax system has also become more competitive under a new two-tier system that slashes profits tax to 8.25 per cent on the first HK\$2 million (US\$255,000) of profits, after which the prevailing rate of 16.5 per cent applies. Salaries tax is capped at 15 per cent and there is no inheritance tax, no capital gains tax and no sales tax in Hong Kong.

A safe, welcoming and dynamic international city with a high-quality of life, Hong Kong jumped 10 places in the Economist Intelligence Unit's recently announced *Global Liveability Index 2018* to 35th overall and 10th in the Asia Pacific region, only after major cities in Australia, Japan and New Zealand.

With a mission to further enhance arts, cultural and tourism attractions, Hong Kong continues to be a unique and remarkable place to connect and excel in business and in life.

We congratulate *The Economist* on the publication of this 175th anniversary edition and welcome readers to come and take a fresh look at the opportunities opening up in Asia's world city.