

# HONG KONG

## Asia's world city

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### At a Glance

Hong Kong's economy is back at full health, with solid and broad-based growth marked by sustained consumer demand, rising investment and a brisk export performance.

Adding impetus to the revival are a Closer Economic Partnership Arrangement with the Mainland, enhanced co-operation between Hong Kong and the prosperous Pearl River Delta (PRD) and measures to significantly boost tourist arrivals from the Mainland.

Pan-PRD, an expanded co-operation initiative encompassing southern China, promises the development of a huge regional economy with the same population as the European Union and with Hong Kong as its trade and business services hub.

At the same time, Hong Kong's fundamental strengths and advantages remain intact and will underpin growth and development in the years ahead.



#### 'One Country, Two Systems' : A Stable Society

- High degree of autonomy, with executive and legislative powers
- Rule of law upheld by independent judiciary — common law system used
- Rights and freedoms of residents protected by law
- Clean, efficient administration
- Hong Kong people running Hong Kong — laws, currency, taxation system and way of life separate from Mainland
- Separate customs, immigration, police and anti-corruption authorities and jurisdictions
- Hong Kong continues to participate in international forums in its own right (e.g. WTO, APEC, WCO, FATF)
- Chinese and English are official languages

#### World's Freest Economy

- One of the world's most open, externally oriented economies — trade-to-GDP ratio of 376 per cent
- Free flow of capital, free trade, free market
- No investment restrictions — foreign investment migrants welcome
- No foreign exchange controls

- Rated by Heritage Foundation as world's freest economy annually since 1995; and by Cato Institute/ Fraser Institute as world's most economically free jurisdiction every year since 1996
- About 271,000 small and medium-sized enterprises account for over 98 per cent of businesses and nearly 50 per cent of private sector workforce

#### International Business Hub

- Level playing field — local and international companies compete on an equal footing
- Prime location at the mouth of PRD — the 'factory of the world'
- Regional transport hub — air and sea
- Regional corporate hub — 1,228 regional HQs (all-time high), 2,617 regional offices, 2,509 local offices of overseas companies
- Second Largest FDI recipient in Asia — US\$33.62 billion invested in 2005
- Regional arbitration centre — handles more cases than Japan, Singapore, Malaysia and Korea combined
- Regional communications and broadcasting hub — world-class telecommunications infrastructure. Newspapers, magazines, Internet freely available

