

## Head 79 — INVEST HONG KONG

**Controlling officer:** the Director-General of Investment Promotion will account for expenditure under this Head.

**Estimate 2022–23** ..... **\$226.7m**

**Establishment ceiling 2022–23** (notional annual mid-point salary value) representing an estimated 38 non-directorate posts as at 31 March 2022 and as at 31 March 2023 ..... **\$29.2m**

In addition, there will be an estimated two directorate posts as at 31 March 2022 and as at 31 March 2023.

### Controlling Officer's Report

#### Programme

##### Investment Promotion

This programme contributes to Policy Area 6: Commerce and Industry (Secretary for Commerce and Economic Development).

#### Detail

	2020–21 (Actual)	2021–22 (Original)	2021–22 (Revised)	2022–23 (Estimate)
Financial provision (\$m)	161.0	184.6	176.5 (–4.4%)	226.7 (+28.4%)  (or +22.8% on 2021–22 Original)

#### Aim

2 The aim is to attract and assist overseas, Mainland and Taiwan companies to set up, retain and expand their operations in Hong Kong and to promote Hong Kong's advantages as the leading international business location in Asia.

#### Brief Description

3 Invest Hong Kong's mission is to spearhead Hong Kong's efforts to attract and retain foreign direct investment. It places emphasis on attracting companies in priority sectors with the potential to contribute to Hong Kong's economic development, and encouraging multinational companies to locate their global or regional headquarters and other strategic functions in Hong Kong to access opportunities in Hong Kong, on the Mainland and elsewhere.

4 Invest Hong Kong provides one-to-one support services to companies throughout the planning and execution of their expansion in Hong Kong. The Department continues to strengthen its aftercare support service to companies already established in Hong Kong and its liaison with Mainland agencies, overseas chambers and consulates in Hong Kong to further the outreach to foreign businesses.

5 In 2021, Invest Hong Kong conducted around 6 920 meetings with target companies in key geographic markets. It stepped up the collaboration with relevant Mainland agencies to promote Hong Kong as the two-way platform to attract overseas companies to invest in the Mainland via Hong Kong, and to encourage Mainland enterprises to make use of Hong Kong to go global, with promotions in major Mainland cities such as Beijing, Changzhou, Chengdu, Chongqing, Guangzhou, Jinhua, Nanchang, Nanjing, Shanghai, Shenzhen, Taizhou, Tianjin, Weihai, Xiamen and Xuzhou. Invest Hong Kong also organised a hybrid investment promotion symposium in Sydney in March 2021 to promote the latest development and business opportunities of the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) to the Australian business community. With the establishment of the Pan-Greater Bay Area Inward Investment Liaison Group, Invest Hong Kong also collaborated with its Guangdong and Macao counterparts on joint promotion.

6 In May 2021, Invest Hong Kong organised the StartmeupHK Festival (virtual due to COVID-19) with an extended programme, StartmeupHK Salons, to promote Hong Kong as a global hub for startups and provide an opportunity for startups to meet with potential investors, business partners and other stakeholders.

7 In November 2021, Invest Hong Kong organised a hybrid (physical and virtual) Hong Kong FinTech Week in collaboration with the key stakeholders in promoting financial technologies (Fintech) adoption in the city's financial services sector and providing opportunities for Fintech startups to meet with potential investors, business partners and other stakeholders.

## Head 79 — INVEST HONG KONG

### 8 Foreign direct investment figures related to Hong Kong are:

	2018 (Actual)	2019 (Actual)	2020 (Actual)
foreign direct investment inflow into Hong Kong (\$ billion) .....	817.1	577.6Ψ	1,045.0β
share of foreign direct investment inflow into Hong Kong in the overall inflow into South, East and South-East Asia (%) .....	22.4§	15.3§	26.2

Ψ The decrease in foreign direct investment inflow into Hong Kong in 2019 was mainly attributable to the decrease in the inflow of external investment (equity or inter-company debts) from overseas affiliated companies to Hong Kong companies.

β The increase in foreign direct investment inflow into Hong Kong in 2020 was mainly attributable to the increase in the inflow of external investment (equity or inter-company debts) from overseas affiliated companies to Hong Kong companies.

§ Figures of 2018 and 2019 have been amended following the updated figures for South, East and South-East Asia in the latest issue of the World Investment Report.

### 9 The key performance measures are:

#### *Indicators*

	2020 (Actual)	2021 (Actual)	2022 (Estimate)
no. of new projects generated#.....	671	689	708
no. of projects completed^.....	317	333	354

# New projects with the potential of becoming completed projects in the coming 18 months. It reflects Invest Hong Kong's investment promotion efforts in a particular year, discounting projects carried forward from previous years.

^ Investment projects each resulting in a non-local company setting up or undergoing a significant expansion in Hong Kong with the assistance of Invest Hong Kong.

### *Matters Requiring Special Attention in 2022–23*

#### 10 During 2022–23, Invest Hong Kong will:

- strengthen global investment promotion efforts and enhance promotion strategies by leveraging the digital platforms to encourage multinational companies, startups, scaleups and family offices to set up or expand their businesses in Hong Kong, including those from the Mainland and Belt and Road markets, so as to capitalise on the business opportunities arising from the National 14th Five-Year Plan, the Greater Bay Area development and the Belt and Road Initiative;
- focus investment promotion efforts on priority sectors such as innovation and technology (I&T), financial services, Fintech, transport and logistics, as well as creative industries sectors;
- bolster investment promotion and marketing efforts in the I&T sector, and enhance collaboration with key stakeholders such as the Hong Kong Trade Development Council, Hong Kong Tourism Board, Hong Kong Productivity Council, Hong Kong Science and Technology Parks Corporation, Cyberport and five research institutes and six research universities and their global partners in the InnoHK programme in consultation with the Innovation and Technology Bureau;
- conduct global promotion activities across sectors and arrange events to attract leading carbon neutrality solutions to Hong Kong, leveraging on Hong Kong's commitments to achieving carbon neutrality before 2050;
- in collaboration with the Constitutional and Mainland Affairs Bureau, strengthen the promotion of the business advantages and opportunities of the Greater Bay Area development to global investors, particularly through the Pan-Greater Bay Area Inward Investment Liaison Group;
- strengthen its overseas and Mainland network comprising Investment Promotion Units in overseas Economic and Trade Offices and Mainland Offices as well as overseas consultants, and step up efforts to attract target strategic companies to Hong Kong;
- enhance efforts to attract high-quality talents and promote around the world the facilitating measures and development opportunities in Hong Kong, in collaboration with relevant stakeholders;
- continue to strengthen the aftercare services for overseas and Mainland enterprises and investors in Hong Kong;
- continue and expand the StartmeupHK programme to support the startup community and enhance our promotion of the Hong Kong startup ecosystem overseas and in the Mainland; and continue to attract global startups, scaleups, investors and corporate ventures to set up business in Hong Kong;

## **Head 79 — INVEST HONG KONG**

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- continue to collaborate with the Financial Services and the Treasury Bureau in promoting Hong Kong as a leading Fintech hub and a family office hub, including offering one-stop services to family offices which are interested in establishing a presence in Hong Kong;
- continue to collaborate with the Transport and Housing Bureau in promoting the aircraft leasing regime of Hong Kong, and Hong Kong as an international maritime centre; and
- continue to collaborate with the Commerce Bureau of Shenzhen Municipality to conduct joint investment promotion activities on the business environment and advantages of Hong Kong and Shenzhen.

## Head 79 — INVEST HONG KONG

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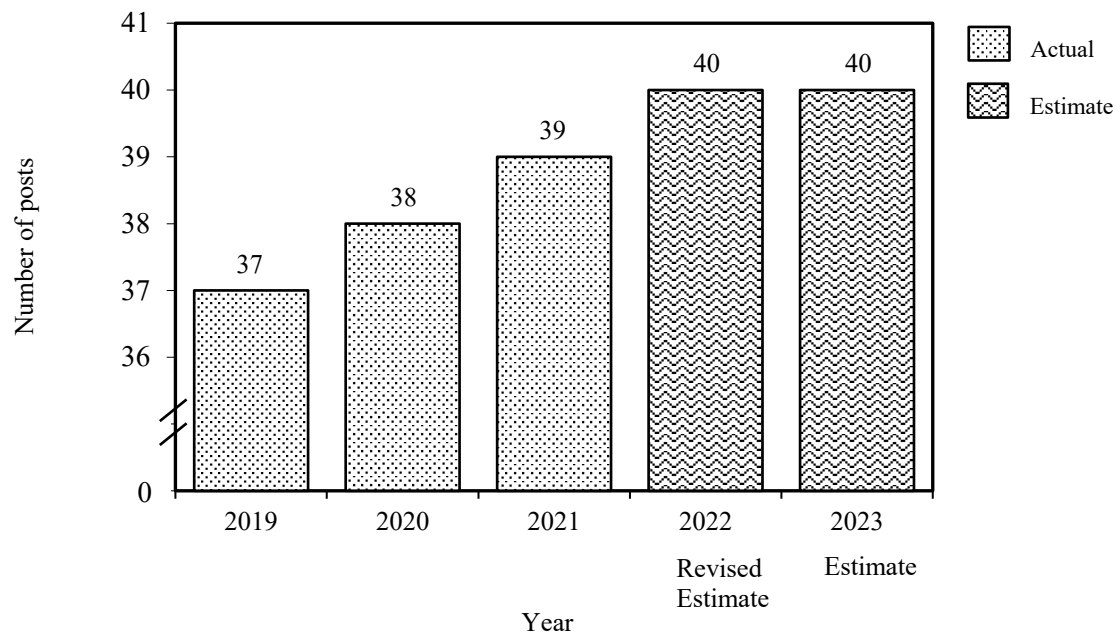
### ANALYSIS OF FINANCIAL PROVISION

Programme	2020–21 (Actual) (\$m)	2021–22 (Original) (\$m)	2021–22 (Revised) (\$m)	2022–23 (Estimate) (\$m)
Investment Promotion.....	161.0	184.6	176.5 (–4.4%)	226.7 (+28.4%)
				(or +22.8% on 2021–22 Original)

#### Analysis of Financial and Staffing Provision

Provision for 2022–23 is \$50.2 million (28.4%) higher than the revised estimate for 2021–22. This is mainly due to the increased provisions for strengthening global investment promotion and attraction efforts relating to the National 14th Five-Year Plan, Greater Bay Area development, I&T development, achieving carbon neutrality and attracting talents, and for strengthening the Department’s overseas and Mainland investment promotion network.

*Changes in the size of the establishment  
(as at 31 March)*



## Head 79 — INVEST HONG KONG

Sub-head (Code)	Actual expenditure 2020–21	Approved estimate 2021–22	Revised estimate 2021–22	Estimate 2022–23
	\$'000	\$'000	\$'000	\$'000
<b>Operating Account</b>				
Recurrent				
000 Operational expenses .....	160,997	184,569	176,490	226,714
Total, Recurrent .....	160,997	184,569	176,490	226,714
Total, Operating Account .....	160,997	184,569	176,490	226,714
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Total Expenditure .....	160,997	184,569	176,490	226,714
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## Head 79 — INVEST HONG KONG

### Details of Expenditure by Subhead

The estimate of the amount required in 2022–23 for the salaries and expenses of Invest Hong Kong is \$226,714,000. This represents an increase of \$50,224,000 over the revised estimate for 2021–22 and \$65,717,000 over the actual expenditure in 2020–21.

#### *Operating Account*

#### Recurrent

**2** Provision of \$226,714,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of Invest Hong Kong. The increase of \$50,224,000 (28.4%) over the revised estimate for 2021–22 is mainly due to the increased provisions for strengthening global investment promotion and attraction efforts relating to the National 14th Five-Year Plan, the Guangdong-Hong Kong-Macao Greater Bay Area development, innovation and technology development, achieving carbon neutrality and attracting talents, and for strengthening the Department's overseas and Mainland investment promotion network.

**3** The establishment as at 31 March 2022 will be 40 permanent posts. No change in establishment is expected in 2022–23. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2022–23, but the notional annual mid-point salary value of all such posts must not exceed \$29,192,000.

**4** An analysis of the financial provision under *Subhead 000 Operational expenses* is as follows:

	2020–21 (Actual) (\$'000)	2021–22 (Original) (\$'000)	2021–22 (Revised) (\$'000)	2022–23 (Estimate) (\$'000)
Personal Emoluments				
- Salaries .....	30,511	32,616	30,333	33,295
- Allowances .....	794	994	1,057	787
- Job-related allowances.....	—	1	1	1
Personnel Related Expenses				
- Mandatory Provident Fund contribution .....	42	47	53	48
- Civil Service Provident Fund contribution .....	1,240	2,192	1,216	1,383
Departmental Expenses				
- General departmental expenses .....	128,410	148,719	143,830	191,200
	<u>160,997</u>	<u>184,569</u>	<u>176,490</u>	<u>226,714</u>