

Head 79 — INVEST HONG KONG

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

Estimate 2023–24 **\$278.2m**

Establishment ceiling 2023–24 (notional annual mid-point salary value) representing an estimated 38 non-directorate posts as at 31 March 2023 and as at 31 March 2024 **\$29.9m**

In addition, there will be an estimated two directorate posts as at 31 March 2023 and as at 31 March 2024.

Controlling Officer's Report

Programme

Investment Promotion

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

Detail

	2021–22 (Actual)	2022–23 (Original)	2022–23 (Revised)	2023–24 (Estimate)
Financial provision (\$m)	170.6	226.7	226.7 (—)	278.2 (+22.7%)
				(or +22.7% on 2022–23 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 setup and 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 2022, Invest Hong Kong conducted around 7 670 meetings with target companies in key geographic markets, focusing on various priority sectors. It stepped up collaboration with relevant Mainland and overseas agencies to promote Hong Kong as the two-way platform in attracting overseas enterprises to invest in the Mainland via Hong Kong, and in encouraging Mainland enterprises to make use of Hong Kong to go global. In particular, Invest Hong Kong co-organised various joint investment promotion activities, including hybrid investment promotion forums, with its counterparts to promote Hong Kong as the favourable platform for overseas enterprises to tap into the plentiful business and investment opportunities in the Mainland.

6 In September 2022, Invest Hong Kong organised the StartmeupHK Festival in hybrid mode with an extended programme, StartmeupHK Salons, to promote Hong Kong as a global hub for startups and its ecosystem, and provide opportunities for startups to meet with potential investors, business partners and other stakeholders.

7 In October 2022, Invest Hong Kong organised the Investment Promotion Week, a week-long hybrid event in celebration of the 25th Anniversary of the Establishment of the Hong Kong Special Administrative Region, to promote the strengths of Hong Kong as the leading international business centre for accessing business and investment opportunities in the region. Government officials and distinguished speakers from various sectors, including financial and professional services, innovation and technology (I&T) industries, lifestyle and creative industries, startups and businesses in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), shared their insights and experience with participants from all over the world.

8 In October and November 2022, Invest Hong Kong organised a hybrid Hong Kong FinTech Week in collaboration with the Financial Services and the Treasury Bureau (FSTB) to promote financial technologies (Fintech) adoption in the city's financial services sector and provide opportunities for Fintech startups to meet with potential investors, business partners and other stakeholders.

Head 79 — INVEST HONG KONG

9 With the establishment of the Office for Attracting Strategic Enterprises (OASES) under the Financial Secretary's Office in December 2022, Invest Hong Kong provided support to the work of OASES in attracting high-potential and representative strategic enterprises from around the globe, particularly those from industries of strategic importance.

10 Foreign direct investment figures related to Hong Kong are:

	2019 (Actual)	2020 (Actual)	2021 (Actual)
foreign direct investment inflow into Hong Kong (\$ billion)	577.6	1,045.0 ^Ψ	1,089.7^Ψ
share of foreign direct investment inflow into Hong Kong in the overall inflow into South, East and South-East Asia (%)	15.8 [§]	28.2 [§]	25.2

^Ψ The increase in foreign direct investment inflow into Hong Kong in 2020 and 2021 were 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 2019 and 2020 have been amended following the updated figures for South, East and South-East Asia in the latest issue of the World Investment Report.

11 The key performance measures are:

Indicators

	2021 (Actual)	2022 (Actual)	2023 (Estimate)
no. of new projects generated#.....	689	638	708
no. of projects completed [^]	333	300	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 2023–24

12 During 2023–24, Invest Hong Kong will:

- continue to strengthen global investment promotion efforts and enhance promotion strategies 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 GBA development and the Belt and Road Initiative;
- continue to 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;
- 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 in Hong Kong 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 businesses in Hong Kong;
- continue to provide support to the work of OASES in attracting high-potential and representative strategic enterprises from around the globe, particularly those from industries of strategic importance;
- continue to focus investment promotion efforts on priority sectors such as I&T, financial services, family offices, Fintech, transport and logistics, as well as creative industries sectors;
- in collaboration with the Innovation, Technology and Industry Bureau, continue to 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, the five research institutes, the six research universities and their global partners in the InnoHK programme;
- in collaboration with FSTB, continue to promote Hong Kong as a leading international financial centre, Fintech hub and a family office hub, including stepping up the offering of one-stop services to family offices interested in establishing presence in Hong Kong;
- in collaboration with the Transport and Logistics Bureau, continue to promote the aircraft leasing regime of Hong Kong, and Hong Kong as an international maritime centre;

Head 79 — INVEST HONG KONG

- conduct global promotion activities across sectors and arrange events to attract leading carbon neutrality solutions and potential investors to Hong Kong, leveraging on Hong Kong's commitments and business opportunities to achieving carbon neutrality before 2050;
- in collaboration with the Constitutional and Mainland Affairs Bureau, continue to strengthen the promotion of the business advantages and opportunities of the GBA development to global investors, particularly through the Pan-Greater Bay Area Inward Investment Liaison Group;
- in collaboration with the Labour and Welfare Bureau and relevant stakeholders, continue to enhance efforts to attract high-quality talents and promote around the world the facilitating measures and development opportunities in Hong Kong; and
- in collaboration with the Commerce Bureau of Shenzhen Municipality, continue to conduct joint investment promotion activities on the business environment and advantages of Hong Kong and Shenzhen.

Head 79 — INVEST HONG KONG

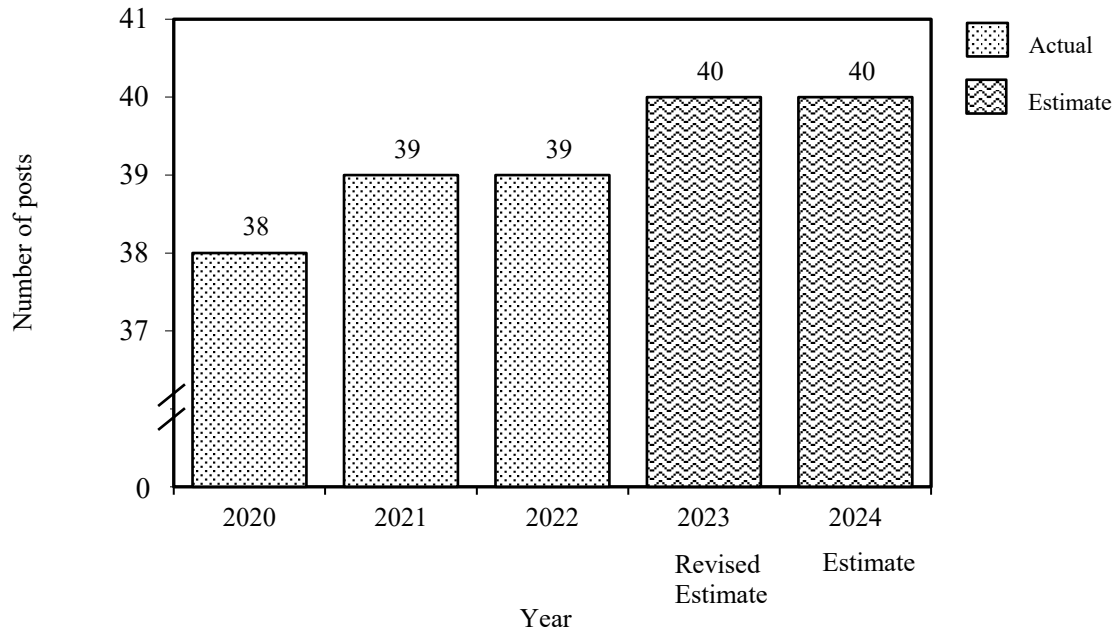
ANALYSIS OF FINANCIAL PROVISION

Programme	2021–22 (Actual) (\$m)	2022–23 (Original) (\$m)	2022–23 (Revised) (\$m)	2023–24 (Estimate) (\$m)
Investment Promotion.....	170.6	226.7	226.7 (—)	278.2 (+22.7%)
				(or +22.7% on 2022–23 Original)

Analysis of Financial and Staffing Provision

Provision for 2023–24 is \$51.5 million (22.7%) higher than the revised estimate for 2022–23. This is mainly due to the increased provisions for strengthening global investment promotion efforts on priority sectors relating to family offices, Fintech and financial services, and I&T development.

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



Head 79 — INVEST HONG KONG

Sub-head (Code)	Actual expenditure 2021–22	Approved estimate 2022–23	Revised estimate 2022–23	Estimate 2023–24	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses	170,551	226,714	226,714	278,235
	Total, Recurrent	170,551	226,714	226,714	278,235
	Total, Operating Account	170,551	226,714	226,714	278,235
	Total Expenditure	170,551	226,714	226,714	278,235

Head 79 — INVEST HONG KONG

Details of Expenditure by Subhead

The estimate of the amount required in 2023–24 for the salaries and expenses of Invest Hong Kong is \$278,235,000. This represents an increase of \$51,521,000 over the revised estimate for 2022–23 and \$107,684,000 over the actual expenditure in 2021–22.

Operating Account

Recurrent

2 Provision of \$278,235,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of Invest Hong Kong. The increase of \$51,521,000 (22.7%) over the revised estimate for 2022–23 is mainly due to the increased provisions for strengthening global investment promotion efforts on priority sectors relating to family offices, Fintech and financial services, and innovation and technology development.

3 The establishment as at 31 March 2023 will be 40 posts. No change in establishment is expected in 2023–24. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2023–24, but the notional annual mid-point salary value of all such posts must not exceed \$29,922,000.

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

	2021–22 (Actual) (\$'000)	2022–23 (Original) (\$'000)	2022–23 (Revised) (\$'000)	2023–24 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	29,932	33,295	32,274	35,676
- Allowances	900	787	898	917
- Job-related allowances.....	—	1	1	1
Personnel Related Expenses				
- Mandatory Provident Fund contribution	55	48	45	30
- Civil Service Provident Fund contribution	1,126	1,383	1,327	1,632
Departmental Expenses				
- General departmental expenses	138,538	191,200	192,169	239,979
	170,551	226,714	226,714	278,235