

# About Hong Kong



In 1997, after 150 years of British administration, Hong Kong became a Special Administrative Region (SAR) of the People's Republic of China. Under the 'One Country, Two Systems' concept negotiated between China and the UK, Hong Kong controls all aspects of its governance, except foreign affairs and defence matters.

Despite its small population and area, Hong Kong is the world's 12th largest trading economy. With more than 90 per cent of GDP coming from the services sector, Hong Kong is the world's most services-oriented economy and is one of the world's top exporters of garments, watches and clocks, toys, games and electronics products.

Internationally, Hong Kong is increasingly recognised as one of the world's leading financial centres. TIME magazine in 2008 hailed Hong Kong, along with New York and London, as one of the three cities that "drive the global economy."



*TIME magazine's January 2008 edition hailed New York, London and Hong Kong as the three cities that "drive the global economy." (Cover reprinted with permission from TIME magazine)*

While Hong Kong remains "Asia's World City," it has also assumed a high-profile role as China's international financial window. Under the terms of China's 11th Five Year programme, Hong Kong is designated the country's international finance, trade and logistics centre.

For global-minded companies, Hong Kong is the preferred location for regional headquarters, particularly for those keen to reach consumer markets in the Chinese mainland. Hong Kong is the choice for regional headquarters and offices for approximately 4,000 overseas and mainland corporations. Its airport is the world's busiest in terms of air cargo and has flights to some 150 overseas destinations and more than 40 cities in the Chinese mainland. Its seaport remains among the world's busiest cargo centres.

## An international business city

Underpinning its international status is Hong Kong's robust legal system, largely based on the British system. The rule of law, upheld by an independent judiciary, is a cornerstone of Hong Kong's success providing legal protection for business contracts and intellectual property rights.

Hong Kong advocates and practises free trade – a free and liberal investment regime, the absence of trade barriers, no discrimination against overseas investors, freedom of capital movement, well-established rule of law, transparent regulations, and low and predictable taxation.

For more information on Hong Kong, please visit: <http://www.info.gov.hk/info/hkbrief/>

# Hong Kong Fast Facts

## General

- Population: approximately 7 million
- Official languages: Chinese and English
- Time zone: GMT +8

## Economy

- World's 12th largest trading economy, 4th largest in Asia
- World's freest economy (as named by the Heritage Foundation)
- 3rd largest stock market in Asia
- 2nd largest source and recipient of FDI in Asia
- Asia's largest venture capital centre
- Per capita GDP of about US\$30,000
- Low tax rates: 15% salaries tax, 16.5% profits tax
- No VAT, sales tax, or capital gains tax
- World's busiest airport for international cargo
- One of the world's busiest container ports
- Stable and convertible currency linked to US\$

## Society

- Robust and transparent legal system
- Free trade, free market and free media
- Highly-educated workforce and entrepreneurial culture
- Asia's most popular location for regional headquarters
- Level-playing field for local and international companies
- World-class communications technology and infrastructure
- Convenient, safe and cosmopolitan city

## China Connections

- Unrivalled experience in doing business with China
- Largest source of foreign investment in China – 40% of China's total in 2007
- Preferential access to China market via Closer Economic Partnership Agreement (CEPA)
- Extensive rail, road and sea and air links
- China's key offshore capital-raising centre



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