

## Head 79 — INVEST HONG KONG

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

**Estimate 2021–22** ..... **\$184.6m**

**Establishment ceiling 2021–22** (notional annual mid-point salary value) representing an estimated 38 non-directorate posts as at 31 March 2021 and as at 31 March 2022 ..... **\$29.5m**

In addition, there will be an estimated two directorate posts as at 31 March 2021 and as at 31 March 2022.

### Controlling Officer's Report

#### Programme

##### Investment Promotion

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

#### Detail

	2019–20 (Actual)	2020–21 (Original)	2020–21 (Revised)	2021–22 (Estimate)
Financial provision (\$m)	144.6	161.2	161.2 (—)	<b>184.6</b> (+14.5%)
				(or +14.5% on 2020–21 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.

5 In 2020, Invest Hong Kong conducted more than 6 500 meetings with target companies in key geographic markets. It also focused on encouraging companies from the Mainland, Taiwan and emerging markets including those along the Belt and Road to set up operations in Hong Kong. An ongoing marketing campaign, aimed at promoting Hong Kong as an ideal platform for Mainland companies to go global, continued with promotions in major Mainland cities such as Beijing, Chengdu, Guangzhou, Jinan, Nanchang, Ningbo, Tai'an, Wenzhou, Wuhan, Xiamen and Xi'an.

6 In July 2020, Invest Hong Kong organised the StartmeupHK Festival (virtual due to COVID-19) with an extended programme 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.

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7 Foreign direct investment figures related to Hong Kong are:

	2017 (Actual)	2018 (Actual)	2019 (Actual)
foreign direct investment inflow into Hong Kong (\$ billion) .....	862.6	817.1 <sup>Ψ</sup>	<b>577.6<sup>Ψ</sup></b>
share of foreign direct investment inflow into Hong Kong in the overall inflow into South, East and South-East Asia (%) .....	23.3 <sup>§</sup>	22.3 <sup>§</sup>	<b>16.5</b>

<sup>Ψ</sup> The decreases in foreign direct investment inflow into Hong Kong in 2018 and 2019 were mainly attributable to the decrease in the inflow of external investment (equity or inter-company debts) from overseas affiliated companies to Hong Kong companies.

<sup>§</sup> Figures of 2017 and 2018 have been amended following the updated figures for South, East and South-East Asia in the latest issue of the World Investment Report.

8 The key performance measures are:

### *Indicators*

	2019 (Actual)	2020 <sup>@</sup> (Actual)	2021 (Estimate)
no. of new projects generated#.....	947	671	<b>690</b>
no. of projects completed <sup>^</sup> .....	487	317	<b>345</b>

<sup>@</sup> The figures in 2020 dropped due to the impact of the COVID-19 pandemic on investment.

<sup>#</sup> 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.

<sup>^</sup> Investment projects each resulting in an overseas, Mainland or Taiwan company setting up or undergoing a significant expansion in Hong Kong with the assistance of Invest Hong Kong.

### *Matters Requiring Special Attention in 2021–22*

9 During 2021–22, 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 Greater Bay Area development and the Belt and Road Initiative;
- strengthen the aftercare services for overseas and Mainland enterprises and investors in Hong Kong;
- continue to target strategic companies through its Investment Promotion Units in the Economic and Trade Offices (ETOs), the Beijing Office and the Hong Kong Economic, Trade and Cultural Office in Taiwan as well as overseas consultants;
- continue to strengthen co-operation with organisations promoting Hong Kong overseas, on the Mainland and in Taiwan, such as the Hong Kong Trade Development Council, Hong Kong Tourism Board, Hong Kong Science and Technology Parks Corporation and Cyberport;
- continue to focus investment promotion efforts on priority sectors, with emphasis on the financial services, fintech, transport and logistics, innovation and technology as well as creative industries sectors;
- 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;
- continue to attract global startups, scaleups, investors and corporate ventures to set up business in Hong Kong and to promote Hong Kong as a leading hub for startups, scaleups and entrepreneurship;
- 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;
- collaborate with the Transport and Housing Bureau in promoting the aircraft leasing regime of Hong Kong, and Hong Kong as an international maritime centre;

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- collaborate with the Constitutional and Mainland Affairs Bureau in establishing the Pan-Greater Bay Area Inward Investment Liaison Group to work with counterparts in the Greater Bay Area to develop holistic and joint inward investment propositions with a view to enhancing synergy; and
- collaborate with relevant bureaux, agencies and ETOs to adopt a strategic approach in promoting around the world the facilitating measures and development opportunities in Hong Kong, with the focus on attracting high-quality talents to Hong Kong.

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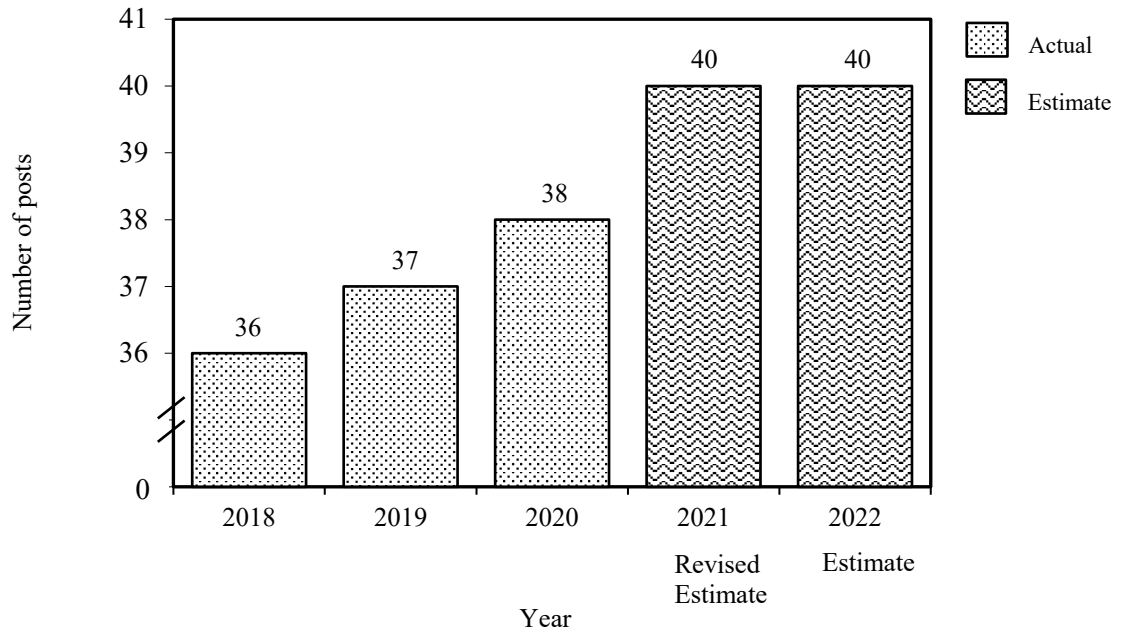
### ANALYSIS OF FINANCIAL PROVISION

<b>Programme</b>	2019–20 (Actual) (\$m)	2020–21 (Original) (\$m)	2020–21 (Revised) (\$m)	2021–22 (Estimate) (\$m)
Investment Promotion.....	144.6	161.2	161.2 (—)	184.6 (+14.5%)
				(or +14.5% on 2020–21 Original)

#### Analysis of Financial and Staffing Provision

Provision for 2021–22 is \$23.4 million (14.5%) higher than the revised estimate for 2020–21. This is mainly due to the increased provisions for strengthening global investment promotion and related work, bolstering investment promotion efforts in the Greater Bay Area, and enhancing support to startups.

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



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Sub-head (Code)	Actual expenditure 2019–20	Approved estimate 2020–21	Revised estimate 2020–21	<b>Estimate 2021–22</b>	
	\$'000	\$'000	\$'000	<b>\$'000</b>	
<b>Operating Account</b>					
Recurrent					
000	Operational expenses .....	144,629	161,178	161,178	<b>184,569</b>
	Total, Recurrent .....	144,629	161,178	161,178	<b>184,569</b>
	Total, Operating Account .....	144,629	161,178	161,178	<b>184,569</b>
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	Total Expenditure .....	144,629	161,178	161,178	<b>184,569</b>

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### Details of Expenditure by Subhead

The estimate of the amount required in 2021–22 for the salaries and expenses of Invest Hong Kong is \$184,569,000. This represents an increase of \$23,391,000 over the revised estimate for 2020–21 and \$39,940,000 over the actual expenditure in 2019–20.

#### *Operating Account*

#### Recurrent

2 Provision of \$184,569,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of Invest Hong Kong. The increase of \$23,391,000 (14.5%) over the revised estimate for 2020–21 is mainly due to the increased provisions for strengthening global investment promotion and related work, bolstering investment promotion efforts in the Greater Bay Area and enhancing support to startups.

3 The establishment as at 31 March 2021 will be 40 permanent posts. No change in establishment is expected in 2021–22. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2021–22, but the notional annual mid-point salary value of all such posts must not exceed \$29,476,000.

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

	2019–20 (Actual) (\$'000)	2020–21 (Original) (\$'000)	2020–21 (Revised) (\$'000)	<b>2021–22 (Estimate) (\$'000)</b>
Personal Emoluments				
- Salaries .....	30,052	33,695	31,463	<b>32,616</b>
- Allowances .....	260	149	733	<b>994</b>
- Job-related allowances.....	—	1	1	<b>1</b>
Personnel Related Expenses				
- Mandatory Provident Fund contribution .....	43	29	28	<b>47</b>
- Civil Service Provident Fund contribution .....	1,070	1,151	1,764	<b>2,192</b>
Departmental Expenses				
- General departmental expenses .....	113,204	126,153	127,189	<b>148,719</b>
	144,629	161,178	161,178	<b>184,569</b>