



2025

BUSINESS SENTIMENT SURVEY

FINDINGS REPORT
JANUARY 2025



FOREWORD

In a rapidly evolving economic landscape, understanding the pulse of the business community is more important than ever. As we navigate the complexities of today's market, the insights gathered from our **Business Sentiment Survey** provide a valuable snapshot of current trends, challenges, and opportunities faced by businesses in our region.

This report presents the findings from our latest survey, which collected feedback from a diverse range of industries and stakeholders. The data reflects not only the prevailing sentiments but also highlights the resilience and adaptability of our business community in the face of ongoing changes.

We are grateful to all participants who took the time to share their perspectives. Your contributions are essential in shaping the strategies and initiatives that will help drive growth and innovation moving forward.

As you explore the findings in this report, we encourage you to reflect on how these insights may inform your own business practices and decision-making processes. Together, we can foster a collaborative environment that supports sustainable growth and enhances our collective success.

Thank you for your continued engagement and commitment to our community. We look forward to working together to address the challenges ahead and seize the opportunities that lie before us.

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EXECUTIVE SUMMARY

AmCham Hong Kong members ranked tensions in U.S.-China relations, the slowing Chinese economy, and overseas public perceptions of Hong Kong, as their top three business challenges in the year 2025. The same challenges were identified in 2024.

Those concerns, and Hong Kong's slower economic recovery, caused 24% of respondents to report they were pessimistic about the business outlook for the next 12 months. 76% of respondents, however, were either neutral (43%) or optimistic (33%) toward Hong Kong's business conditions in 2025.

- Members reported that U.S.-China relations were their top concern in the coming year. 67% of respondents expected relations to deteriorate in 2025, 25% expected relations to remain the same, while 8% anticipated relations will improve. Almost all companies (97%) reported that a positive bilateral relationship is important to their business in Hong Kong and China.
- When asked about the impact of U.S. policies restricting American business investments in China, 47% of members noted there is a global business impact overall, 36% would reconsider their long-term China business operations, and 32% said it had caused a pause in future investments in China.
- 67% of members believe that the U.S. Government's understanding of the different sectoral laws between Hong Kong and China is crucial for improving U.S.-Hong Kong relations.
- 79% of respondents had no plans to move their headquarters away from Hong Kong in the next three years. 35% of companies plan to expand their business, and 51% planned no change in hiring.
- In terms of its position as an international business hub, 75% of respondents viewed Hong Kong as highly competitive or competitive thanks to its attributes: international connectivity, free flow of capital, a low and simple tax system, gateway in and out of China, legal and regulatory system, as well as the free flow of information and data.
- More companies were confident in Hong Kong's rule of law than in previous years. 70% said their operations had not been negatively impacted by the National Security Law / Article 23. However, 85% highlighted that the Hong Kong Government could most effectively improve U.S.-Hong Kong relations with a lesser emphasis on national security and more on the economy.
- Most companies reported that foreign business were still largely welcomed in Hong Kong. 69% viewed the Hong Kong Government as effective in responding to business concerns and opportunities.
- However, the cost of doing business, talent availability, the consultative process for government policies, and the reception of innovation and technology were the top business factors that hurt Hong Kong's competitiveness.
- 36% of respondents said the availability of qualified staff in Hong Kong had decreased in the past year. Companies continued to face HR challenges such as a decreasing talent pool, rising salary and wage expenses, difficulty hiring and retaining local talent, and geopolitical tensions.
- Despite the government's commitment to supporting financial services, there was a mixed picture of Hong Kong's regional competitiveness in the industry, due to the loss of regional competitiveness in the fields of transaction banking, venture capital, private equity, and security services.
- Even with the potential opportunities, companies were hesitant to expand their operations to the Greater Bay Area (GBA) due to policy and regulatory uncertainty, local competition, language and cultural barriers, data privacy laws, as well as foreign exchange controls.



RESEARCH DETAILS & DEMOGRAPHICS



Target group

AmCham members in Hong Kong, specifically the senior representative of each AmCham company member.



Methodology

Online survey. The questionnaire was designed and run by AmCham.



Sample size

The survey was sent to over 500 executives of corporate members from a wide range of business sectors. The survey had a response rate of around 18%, and was filled by mainly business decision makers of the organization. Over 40% of participating companies had global revenues of over US\$1B.



Survey Timing

November 11, 2024 – January 14, 2025



Other Remarks

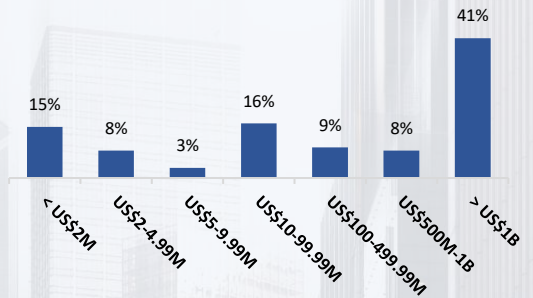
Percentages may not total 100 due to rounding. For questions which multiple selections are allowed, percentages may total over 100.



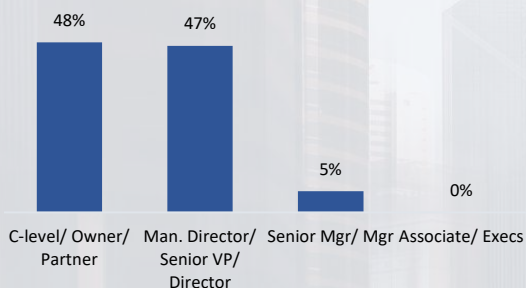
ROLE OF HONG KONG OFFICE



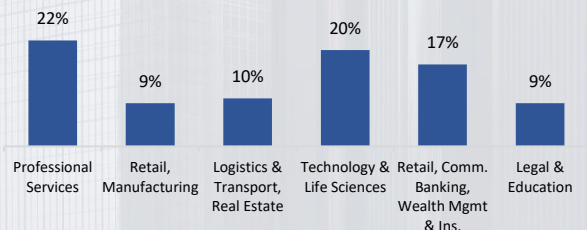
GLOBAL REVENUE IN 2024



POSITION



SECTOR





HONG KONG BUSINESS & INVESTMENT OUTLOOK

Companies viewed Hong Kong's business environment in 2024 as slightly more positive than in 2023, and more businesses reported the same or increased revenues compared to the previous year. Percentage of those who reported a "not very good / poor" environment in 2024 remained the same as 2023.

Fig 5A. What is your/your company's assessment of Hong Kong's business environment over the past 12 months?

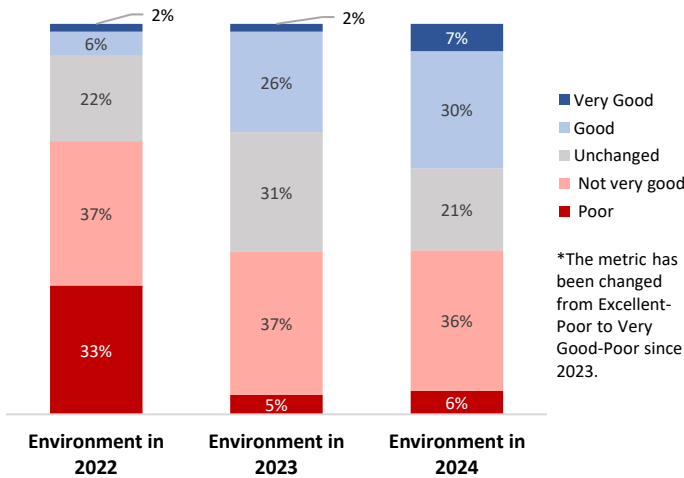
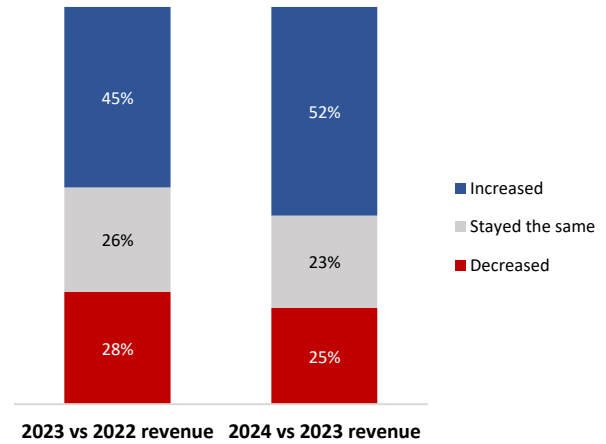


Fig 5B. Change in revenue (vs. a year ago)



Looking ahead to the 2025 business outlook, companies were as pessimistic (24%) as last year (26%), fewer were optimistic (33%), while slightly more were neutral (43%) towards the business environment in the next 12 months. The majority (59%) had no change to strategy for their company's investment plans in Hong Kong in the next two years, while more companies (35%) planned to expand their investments.

Fig 5C. Business outlook for the next 12 months

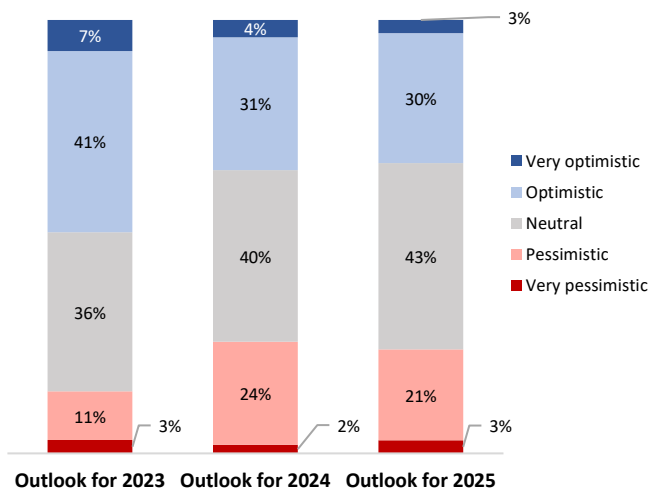
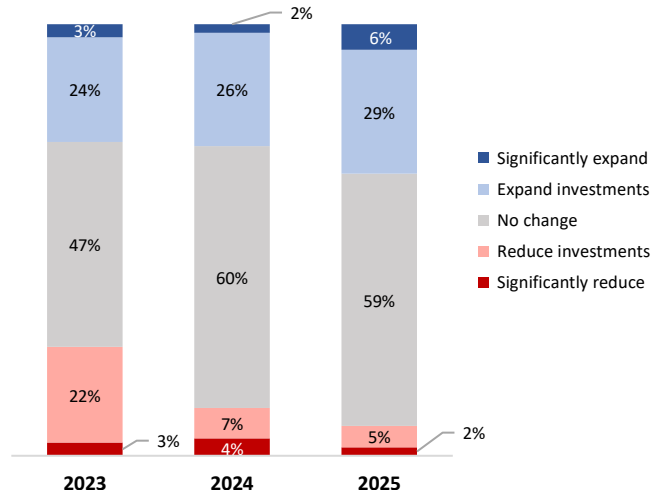


Fig 5D. Investment plans for next 2 years





BUSINESS CHALLENGES

Tensions in US-China relations, a slowing Chinese economy, and overseas public perceptions of Hong Kong remained to be the most prominent business challenges in the coming 12 months, as ranked by members.

Fig 6A. Top Business Challenges in 2023



Fig 6B. Top Business Challenges in 2024

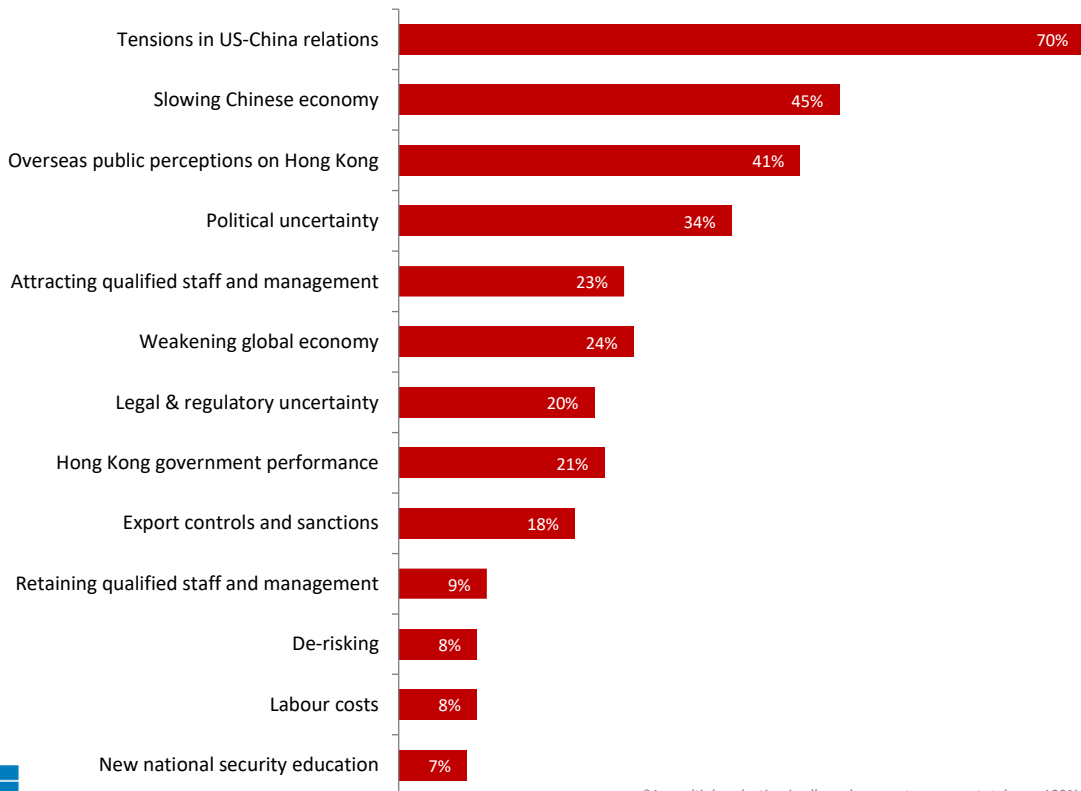


Fig 6C. Top Business Challenges in 2025



**As multiple selection is allowed, percentages may total over 100%*

Fig 6D. What are Hong Kong's top 3 business challenges over the coming 12 months?



**As multiple selection is allowed, percentages may total over 100%*



U.S.-CHINA RELATIONS

Almost all companies (97%) agreed that positive U.S.-China relations are important to their businesses in Hong Kong and China. 90% reported U.S.-China relations had an impact on their business in the past 3 years, including: general uncertainty in outlook, complying with U.S. and China regulations, and departure of foreign nationals. Nevertheless, 8% expected U.S.-China relations will improve in the next 12 months, 25% expected relations will stay the same, and 67% anticipated deterioration in relations, a significant increase from last year.

Fig 7A. How important are positive U.S.-China relations to your business in Hong Kong and China?

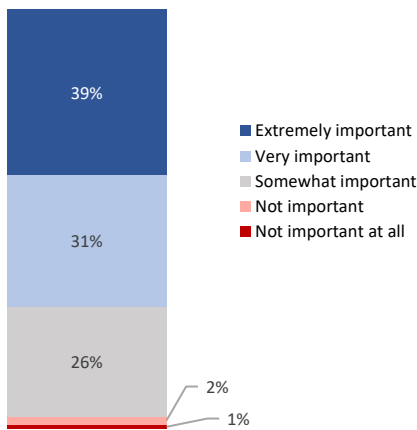


Fig 7B. Have U.S.-China relations had an impact on your company's business in the past three years?

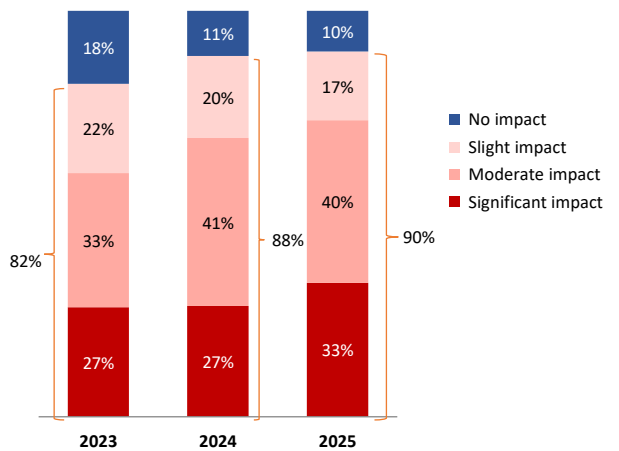


Fig 7C. Which issues have had the greatest impact on your company?

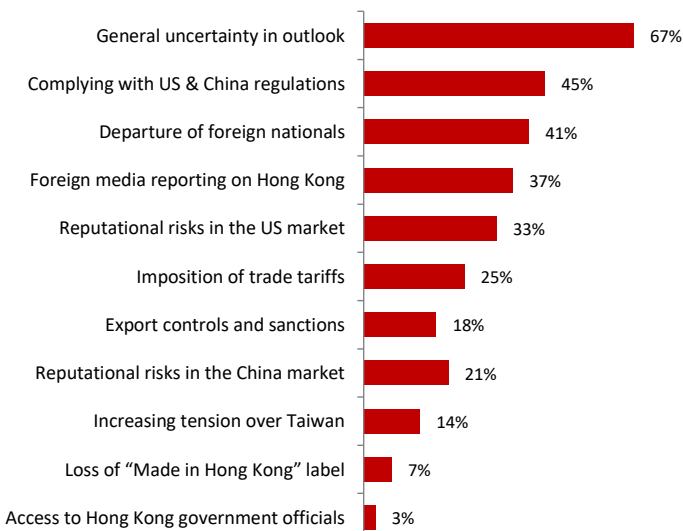
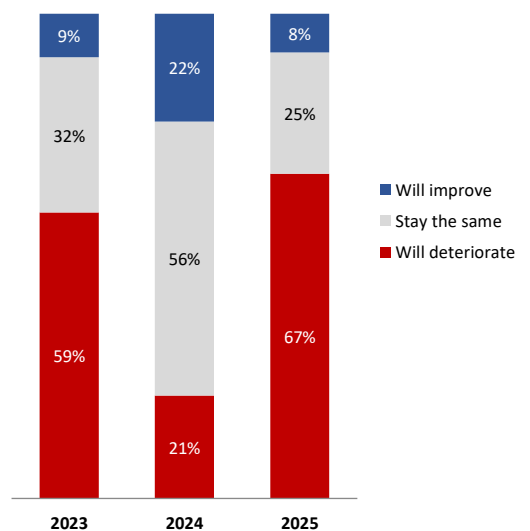


Fig 7D. How do you believe the U.S.-China relations will go in the next 12 months?



*As multiple selection is allowed, percentages may total over 100%

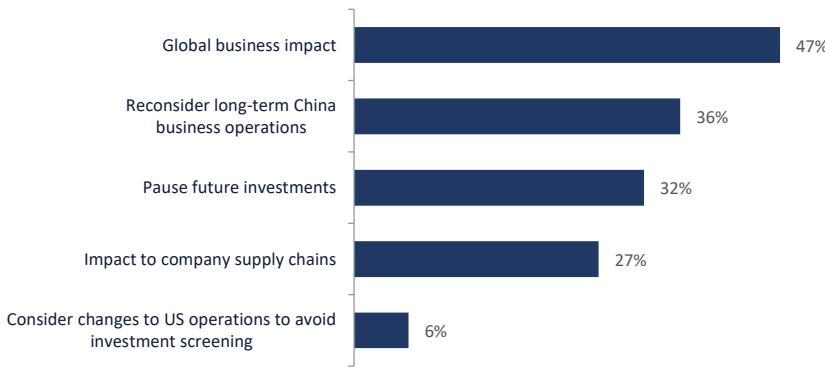


U.S.-CHINA RELATIONS

When asked about how U.S. policies restraining investments in China had impacted companies' businesses, 47% noted that it had impacted companies' global business performance and 36% reported reconsidering long-term China business operations. 32% of companies indicated they had paused future investments and 27% noted that their supply chains had been impacted.

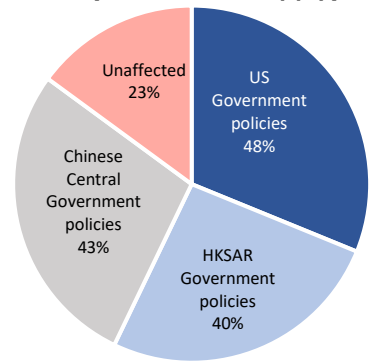
Government policies in general affected the ability to do business in Hong Kong. Members reported that U.S. Government policies (48%) affected them the most, followed by Chinese Central Government policies (43%), and HKSAR Government policies (40%). However, 23% of businesses were unaffected.

Fig 8A. How would U.S. policies restraining investments in China impact your business? (Choose top 3 choices)



*As multiple selection is allowed, percentages may total over 100%

Fig 8B. Which of the following has affected your ability to do business in Hong Kong? (Select all that apply)



*As multiple selection is allowed, percentages may total over 100%

As a result of tensions in U.S.-China relations, 27% of members responded they had encountered reluctance from Hong Kong buyers to purchase their goods and services, mainly due to concerns over future U.S. sanctions. 78% indicated some Hong Kong buyers were concerned about domestic procurement restrictions. Nonetheless, no companies reported that Hong Kong buyers refused to buy their services/products simply because they were American.

Fig 8C. In the past year, has your business encountered any reluctance of Hong Kong buyers in buying your service/product as a result of recent U.S.-China relations?

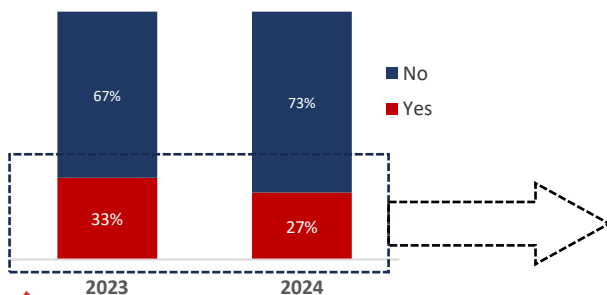
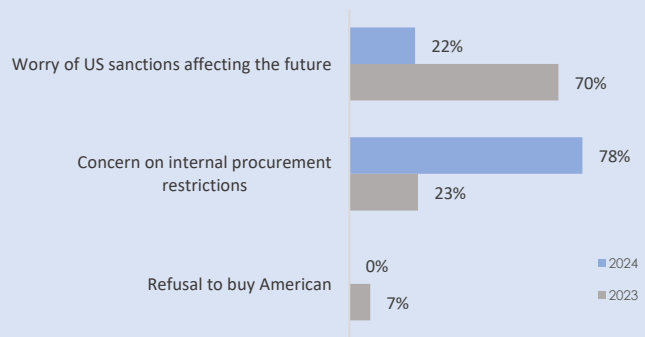


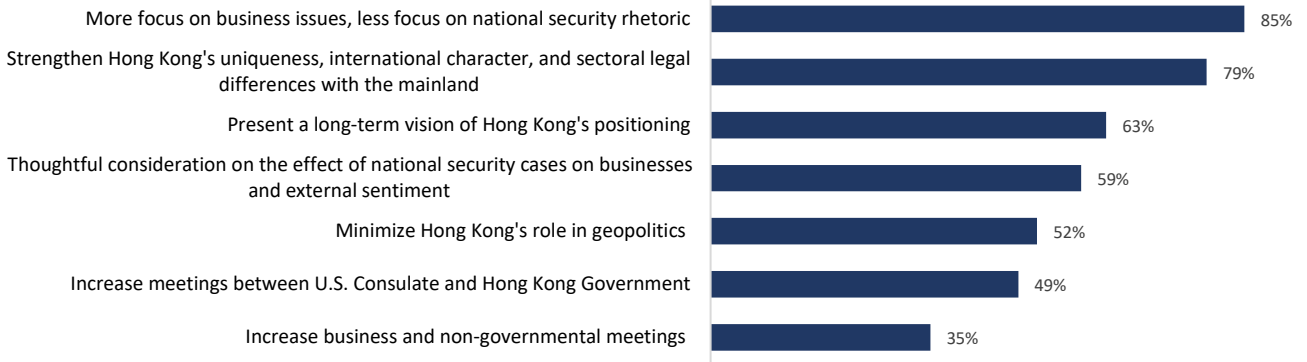
Fig 8D. Reasons for Hong Kong buyers' reluctance to purchase U.S. goods/services as a result of U.S.-China relations



U.S.-HONG KONG RELATIONS

85% of members indicated that more focus on business issues and less focus on national security rhetoric by the **Hong Kong Government** could improve U.S.-Hong Kong relations. 67% of members identified the understanding of different sectoral laws between Hong Kong and China by the **U.S. Government** to be the main action that could improve U.S.-Hong Kong relations.

Fig 9A. In your view, what actions by the Hong Kong Government would help to improve U.S.-HK relations? (Select all that apply)



**As multiple selection is allowed, percentages may total over 100%*

Fig 9B. In your view, what actions by the U.S. Government would help to improve U.S.-HK relations? (Select all that apply)

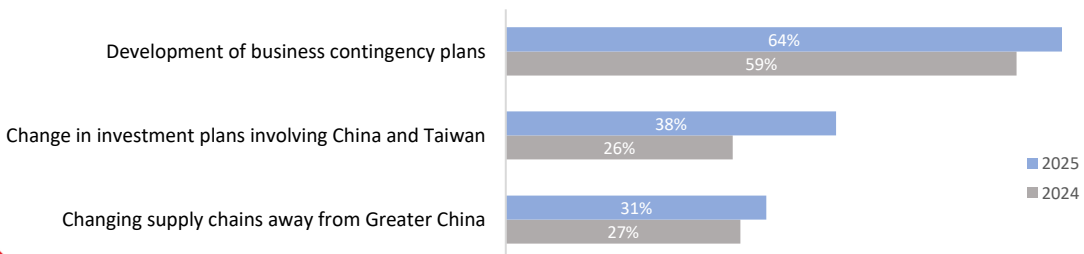


**As multiple selection is allowed, percentages may total over 100%*

CONTINGENCY PLANNING FOR GREATER CHINA OPERATIONS

Fewer than 40% of companies changed investment plans involving China and Taiwan, or moved supply chains away from Greater China, though 64% of businesses had developed contingency plans with increasing tensions in the Taiwan Strait.

Fig 9C. With increasing tension surrounding the Taiwan Strait, is your company conducting any of the following actions risk mitigation strategies? (Region focused on Greater China Business)



**As multiple selection is allowed, percentages may total over 100%*





HONG KONG'S BUSINESS ENVIRONMENT & COMPETITIVENESS FACTORS

Companies reported that foreign businesses were equally as welcomed in 2024 and 2025. Some indicated they were less welcomed (9%), due to: a growing preference for Chinese companies and professionals, over emphasis on geopolitics and heightening legal risks due to the National Security Law (NSL), general political and legal uncertainty, and a lack of focus on the international status of Hong Kong. Most companies (69%) viewed the Hong Kong Government as effective in responding to business concerns and opportunities.

Fig 10A. Do you feel foreign businesses are welcomed in Hong Kong?

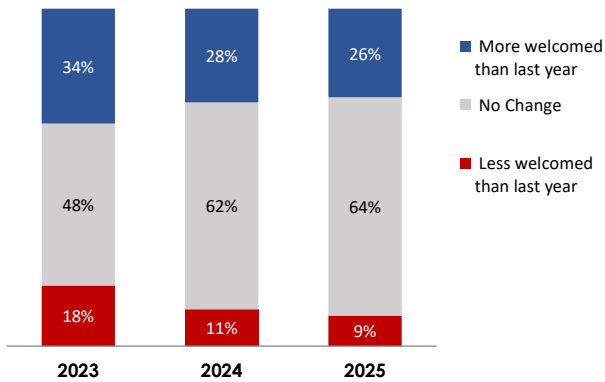
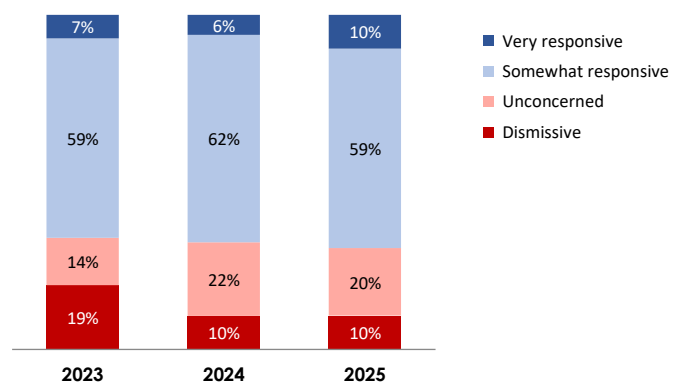


Fig 10B. How well would you rate the Hong Kong Government's effectiveness in responding to business concerns and opportunities?



International connectivity continued to be ranked as a top competitive factor for Hong Kong, followed by the free flow of capital, low taxation, gateway in/out of China, and the legal & regulatory system.

On the other hand, the cost of doing business, talent availability, and the consultative process for government policies were ranked as the top business factors that make Hong Kong uncompetitive.

Fig 10C. Top 10 business factors that make Hong Kong competitive

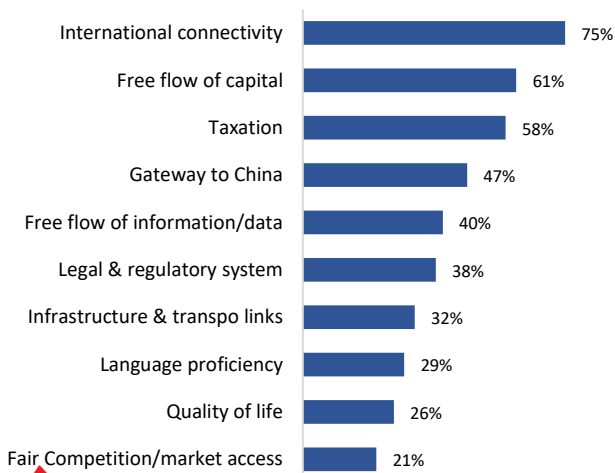


Fig 10D. Top 10 business factors that make Hong Kong uncompetitive



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OPPORTUNITIES FOR SMALL & MEDIUM BUSINESSES IN HONG KONG

45% of the respondents expressed mixed opinions regarding opportunities for SMEs in Hong Kong over the next two years. While 13% indicated that the environment for entrepreneurs will be very good, 43% considered it to be not very good or poor. Notably, no respondents believed that the environment for SMEs would be excellent during this period.

Fig 11A. What do you think of the opportunities for SMEs in Hong Kong over the next 2 years?

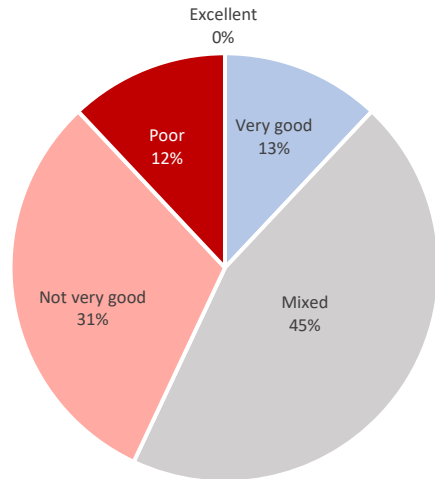
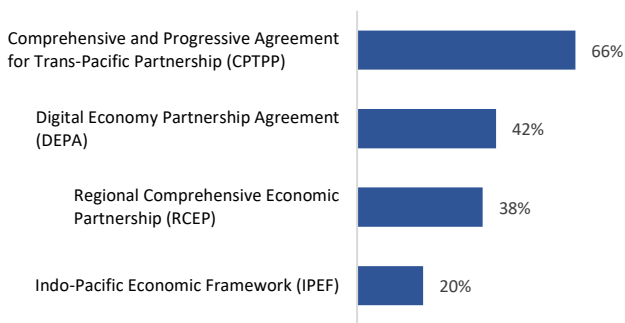


Fig 11B. Which trade agreement(s) would be more beneficial to your business if Hong Kong joined? (select all relevant)



*As multiple selection is allowed, percentages may total over 100%

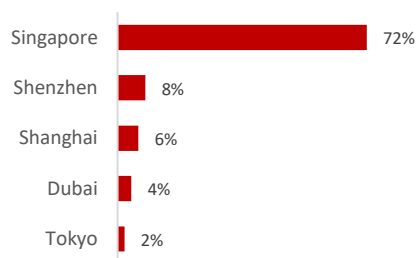
MULTILATERAL / REGIONAL ENGAGEMENT

Companies reported that their businesses would benefit if Hong Kong joined multilateral trade agreements such as Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) (66%) or Digital Economy Partnership Agreement (DEPA) (42%) in view of the economic significance of digital trade. 38% noted participating in the Regional Comprehensive Economic Partnership (RCEP) would benefit their businesses.

HONG KONG'S BIGGEST COMPETITORS

The majority identified Singapore as Hong Kong's primary competitor, followed by Shenzhen. Respondents highlighted several key factors that contribute to the competitive threat posed by other APAC cities, including the global perception of Hong Kong, prevailing geopolitical tensions, and strategic decisions made by multinational headquarters.

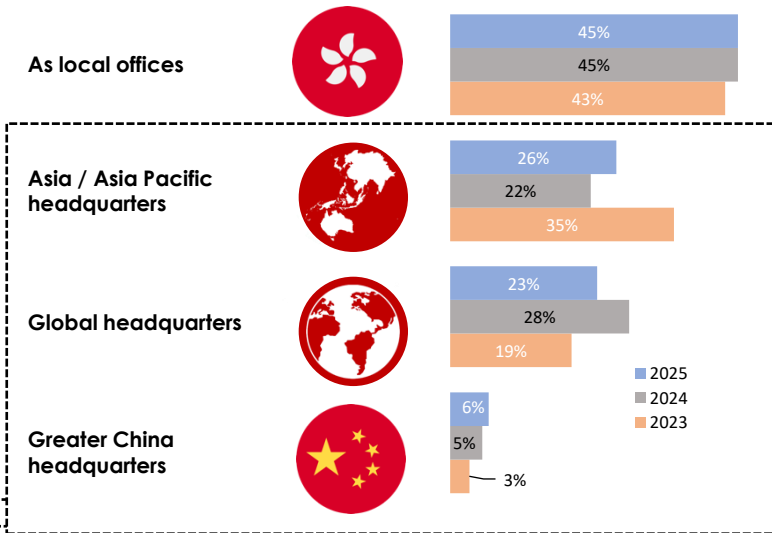
Fig 11C. Which city represents the greatest competitive threat to Hong Kong?





ASSESSING FUTURE PLANS IN HONG KONG

Fig 12A. What is the role of your Hong Kong office?

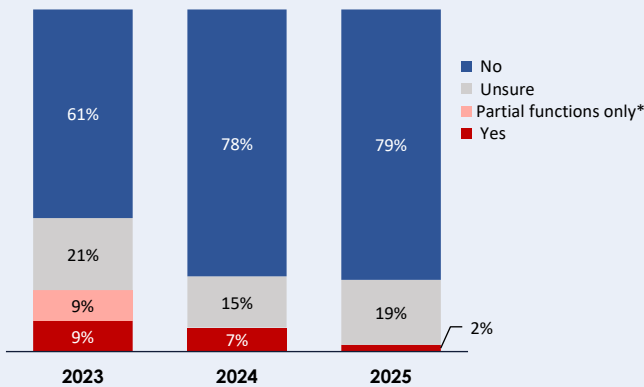


Close to half (49%) of respondents reported their Hong Kong office was either a global or Asian headquarters, a slight decrease from the prior year (50%), and 2 years ago (54%). The number of offices used as local offices has slightly increased over the past three years from 43% (2023) to 45% (2025).

Despite an overall decrease in companies with headquarters based in Hong Kong, more respondents (79%) indicated they were committed to maintaining a Hong Kong-based headquarters for the next 3 years. More were uncertain about plans to move, but less (2%) noted they had plans to move their headquarters from Hong Kong.

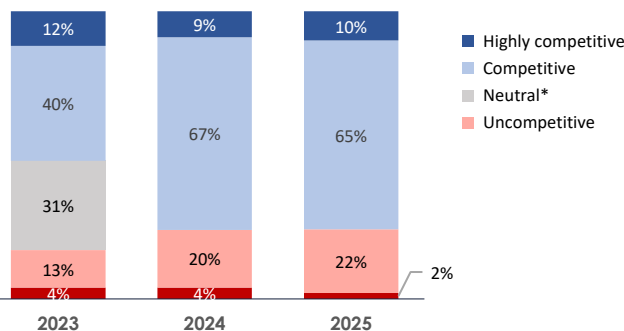
75% of companies viewed Hong Kong as a competitive international business hub in Asia. 24% viewed the city as uncompetitive. In addition, 60% responded they did not see a rebound of company functions returning to Hong Kong after they had left.

Fig 12B. Do you plan to move your headquarters away from Hong Kong in the next 3 years?



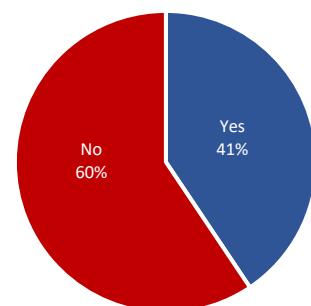
*This option is removed in the 2024 and 2025 report.

Fig 12C. What is your assessment of Hong Kong's competitiveness as an international business hub in Asia?



*This option is removed in the 2024 and 2025 report.

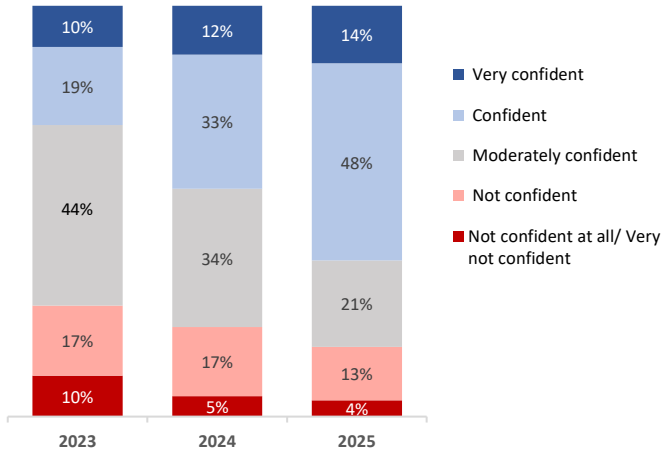
Fig 12D. Do you see a rebound of company functions returning to Hong Kong?





LEGAL CONSIDERATIONS & SANCTIONS

Fig 13A. Current confidence in Hong Kong's rule of law



HONG KONG'S RULE OF LAW

More members (83%) responded they were confident in Hong Kong's rule of law, a continuous increase from 2024 (79%) and 2023 (73%).

IMPACT OF NATIONAL SECURITY LAW ON COMPANY OPERATIONS

7 in 10 businesses reported they experienced no negative impact from the National Security Law. Of those who experienced a negative impact, 58% indicated it was an indirect impact, while 42% reported a direct impact, a 7% increase from last year.

Sanctions on Hong Kong Government officials had impacted less than a fifth of respondents (13%), who were prevented from meeting with affected politicians, doing businesses with sanctioned entities, or pursuing contracts with the Hong Kong Government.

Fig 13B. Has your company's operations in Hong Kong been negatively impacted by the National Security Law?

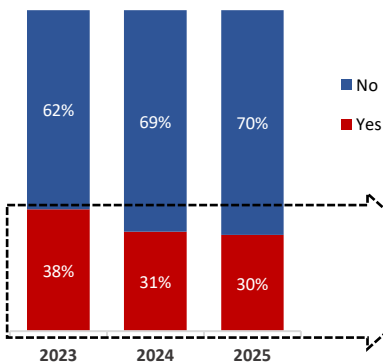


Fig 13C. How has your company been negatively impacted by the National Security Law?

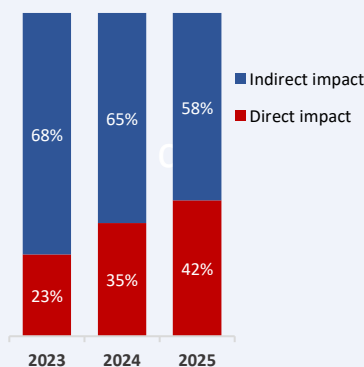
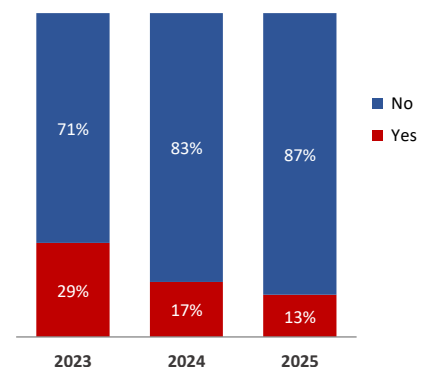
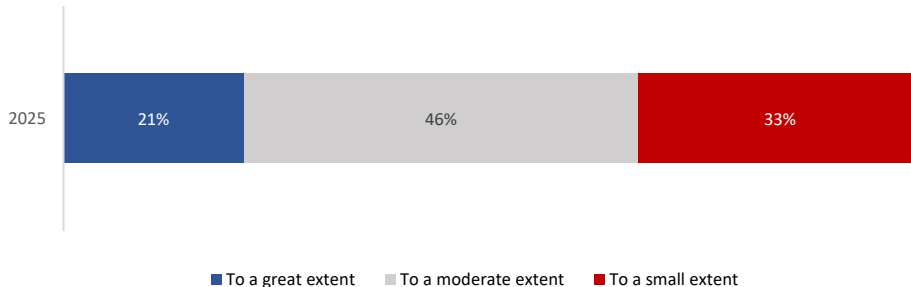


Fig 13D. Have foreign governments' sanctions on some Hong Kong Government officials impacted your company's operations?



HONG KONG'S ROLE AS AN ARBITRATION CENTER

Fig 14A. To what extent do you think Hong Kong will retain its position as an arbitration center in the next 3 years?



67% of companies reported they expected Hong Kong would, to a great or moderate extent, retain its position as an arbitration center. Members viewed Hong Kong, with its common law system, as well positioned to be a center for international legal and dispute resolution in the Asia Pacific region. They noted that Hong Kong remains a preferred destination for international companies, especially for those with contractual relationships with Chinese parties. Other notable competitive factors cited by members included:

- Distinctive positioning in global banking
- The rule of law and independence of the judiciary, and the application of common law in Hong Kong
- English language proficiency and professionalism of practitioners in Hong Kong
- Ease of enforcement
- Continued foreign interest in Chinese businesses

On the other hand, 33% of respondents indicated Hong Kong had become less competitive as an arbitration center. Many members noted the changing political landscape had impacted the global community's perception of Hong Kong, especially on the long-term strength of the rule of law. Some members agreed that companies may continue to base their business contracts on Hong Kong law, but may feel more comfortable with arbitration in other jurisdictions, especially if it involves a Hong Kong or PRC party. Other reasons cited by members include:

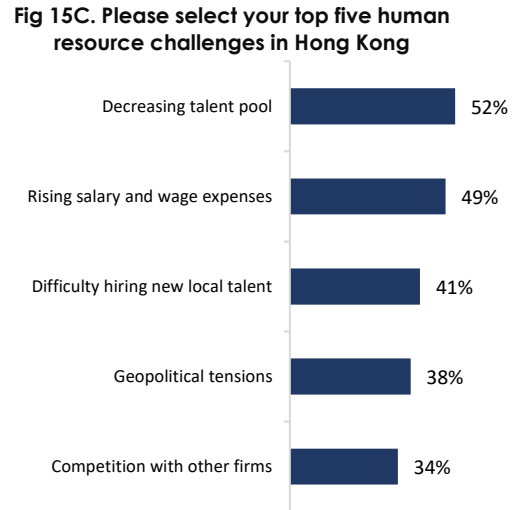
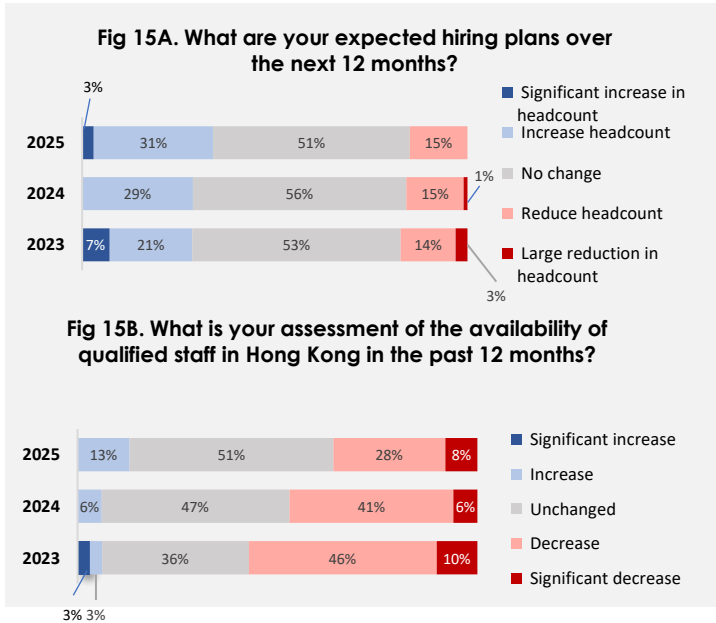
- Uncertainty of regulation change in both Hong Kong and mainland China
- Regional competition and availability of other arbitration centers with more stable legal environment
- Weakening confidence in the ability to enforce arbitral awards
- Overall international branding of the city
- A lack of public relations effort by Hong Kong to promote itself as an arbitration center



HUMAN RESOURCES

HIRING OUTLOOK AND CHALLENGES

Hiring plans remained unchanged for members, with over half of companies surveyed reporting no change to hiring plans in the next 12 months. Only 3% of companies reported plans to increase headcount significantly. Businesses continued to encounter challenges in human resources. The top three HR challenges in Hong Kong were: decreasing talent pool; rising salary and wage expenses; and difficulty hiring new local talent.



*As multiple selection is allowed, percentages may total over 100%

SALARIES AND EMPLOYEE TURNOVER RATE

The labor market is still volatile, according to members, with 19% indicating employee turnover rates were higher than previous year. However, 20% members (+6% from previous year) reported a lower turnover rate. 63% reported costs of paying employees had increased in the past 12 months.

Fig 15D. Employee turnover rate in 2024 compared to 2023

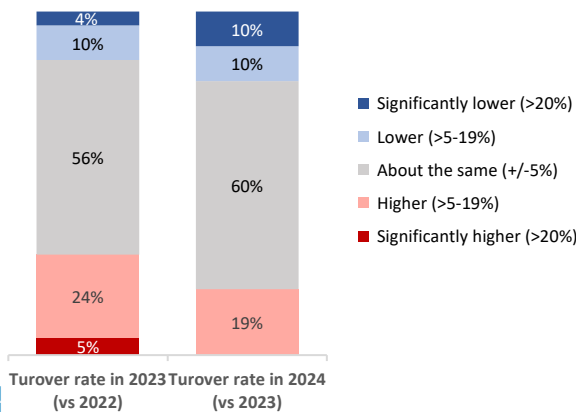


Fig 15E. How has the cost of paying employees changed in the past 12 months for your company?

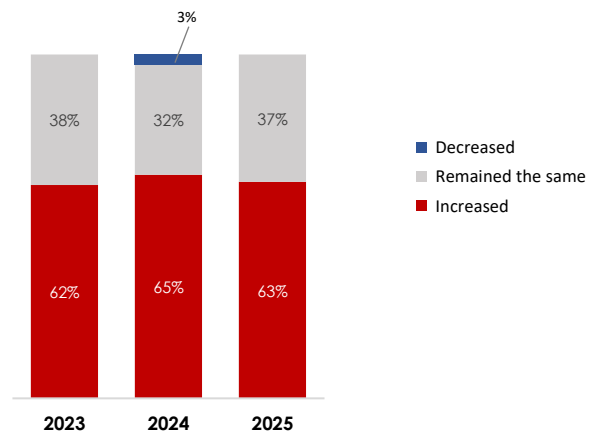


Fig 16A. Top 5 human resource priorities for 2025 in Hong Kong

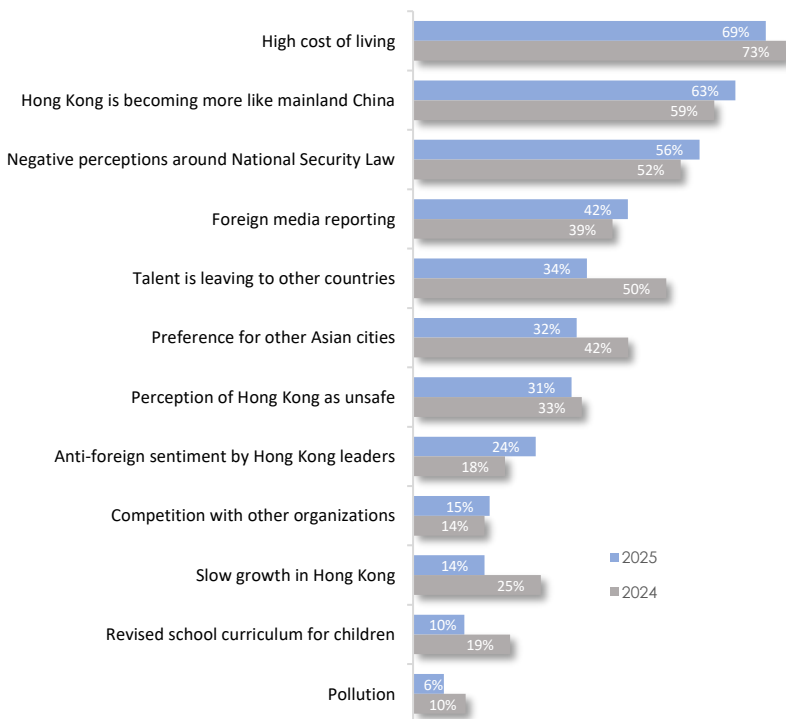


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HUMAN RESOURCE PRIORITIES FOR 2024

With limited plans for future hiring, members indicated that employee engagement, training, and development were the top human resources priorities for companies in 2024. These and other priorities, such as enhancing staff well-being and leadership planning, could be seen as means to retain talent within organizations.

Fig 16B. Which of the following factors is a significant challenge to your organization's ability to recruit and retain foreign talent to work in Hong Kong? (Select all that apply)

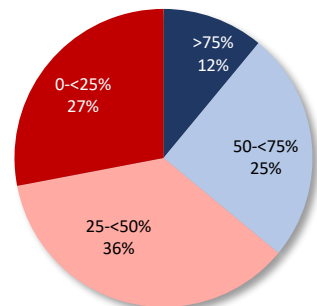


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HIRING FOREIGN TALENT

On recruiting and retaining foreign talent, 69% reported the high cost of living was the main barrier, followed by the perception of Hong Kong "becoming more like mainland China" (63%), and the negative external perceptions of the NSL (56%).

Fig 16C. In your company, what is the percentage of female top management in Hong Kong?



GENDER DIVERSITY

Member companies have, to some extent, a gender diverse management structure, with 37% of companies reporting at least 50% of their top management in Hong Kong were female. However, around 63% of companies noted less than half of their management were female.





GREATER BAY AREA

OPERATIONS IN THE GREATER BAY AREA

A smaller percentage (54%) of members were conducting businesses in the Greater Bay Area (GBA), compared with previous years. Outside Hong Kong, companies were mainly conducting businesses in Shenzhen, Guangzhou, Dongguan, and Macau. These cities were also voted to provide the best business environment for foreign companies.

Fig 17A. Percentage of members whose companies are conducting business in the GBA, excluding Hong Kong

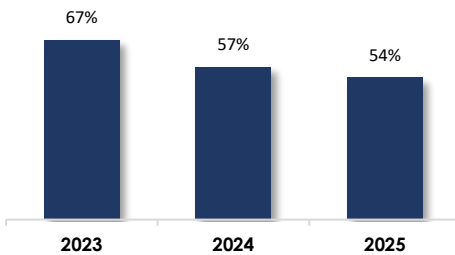
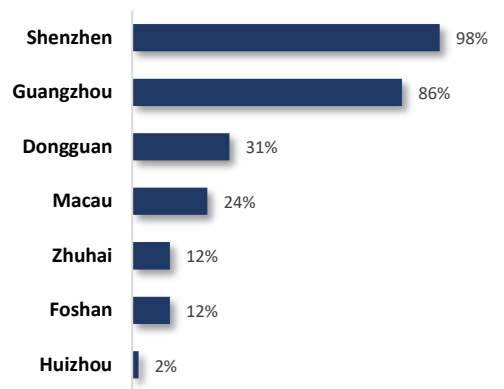
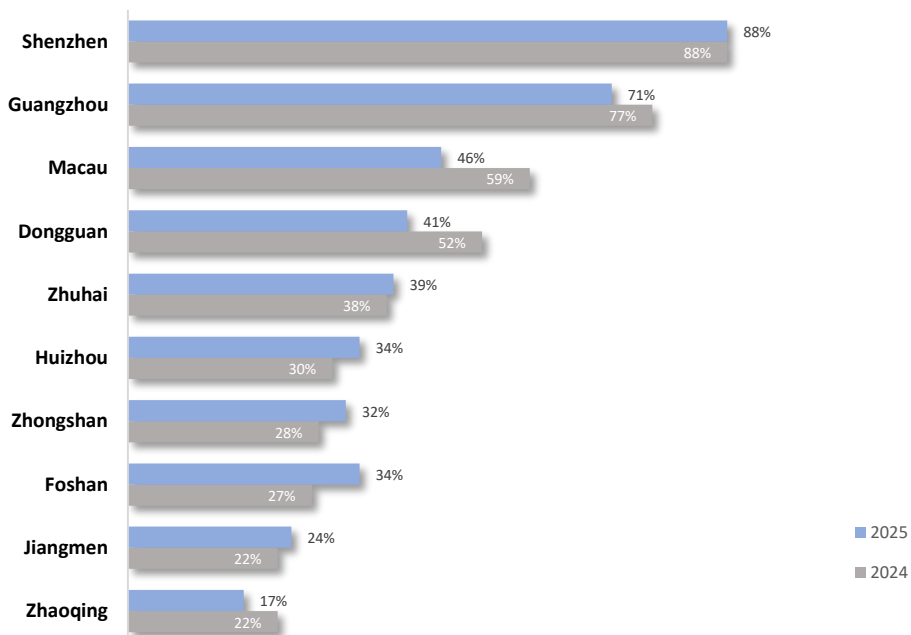


Fig 17B. Select the top 3 cities that provide the best business environment for foreign companies



**As multiple selection is allowed, percentages may total over 100%*

Fig 17C. Select the cities in which your company currently conducts business



**As multiple selection is allowed, percentages may total over 100%*

PROSPECTS IN THE GREATER BAY AREA

There was a decrease, from 51% to 41%, in optimism in the Greater Bay Area's business prospects. 34% of those who currently have a presence in the GBA planned to grow their business over the next few years – a slight increase over last year. However, 5% reported they would reduce GBA operations. For those with no presence in the GBA, 73% noted they had no plans to set up operations in the GBA in the next 3 years.

Fig 18A. What is your/your company's expectation of the Greater Bay Area's business opportunities in the next 3 years?

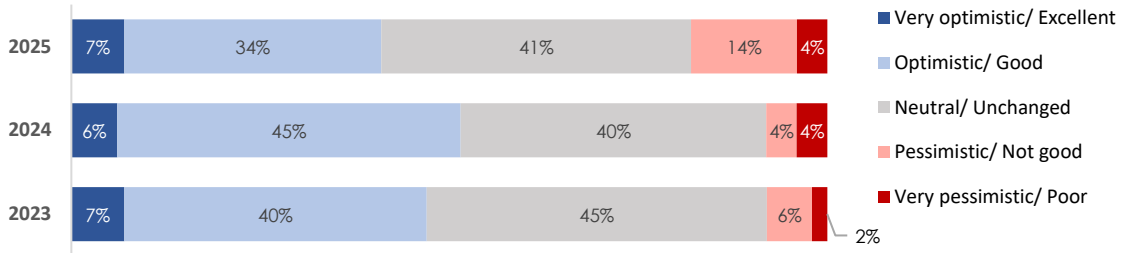


Fig 18B. (For those who have presence in the GBA) Does your company plan to expand its operations in the Greater Bay Area in the next 3 years?

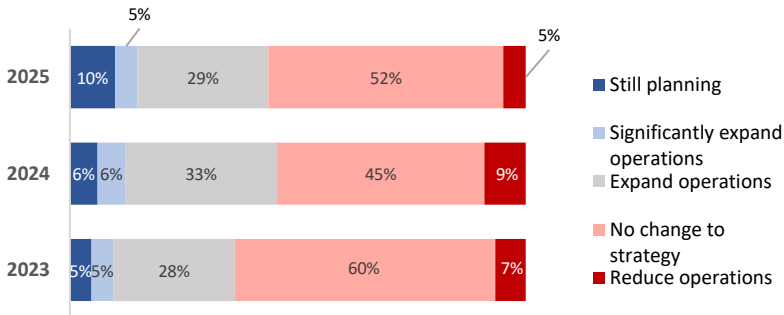
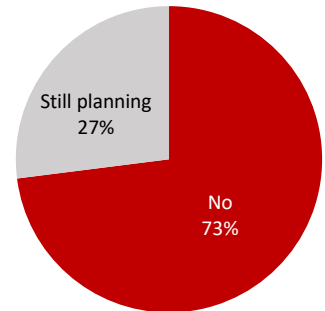
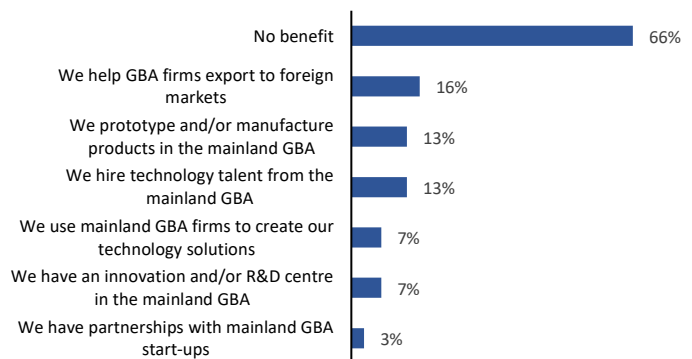


Fig 18C. (For those who have no presence in the GBA) Does your company plan to set-up operations in the Greater Bay Area in the next 3 years?



34% of companies benefited from the development of innovation and technology in the GBA, such as helping GBA companies export to foreign markets, prototyping/manufacturing in the GBA, and hiring technology talent from the GBA.

Fig 18D. How does your company benefit from the mainland GBA's innovation & technology sector?

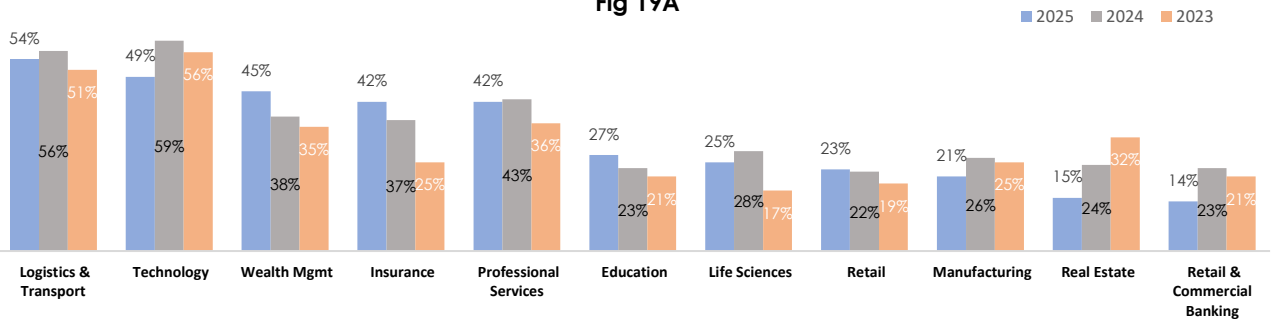


*As multiple selection is allowed, percentages may total over 100%

INDUSTRIES THAT BENEFIT FROM GBA'S DEVELOPMENT

Logistics & transport, technology, wealth management, insurance, and professional services were reported to be the industries that benefited most from the development of the GBA.

Fig 19A

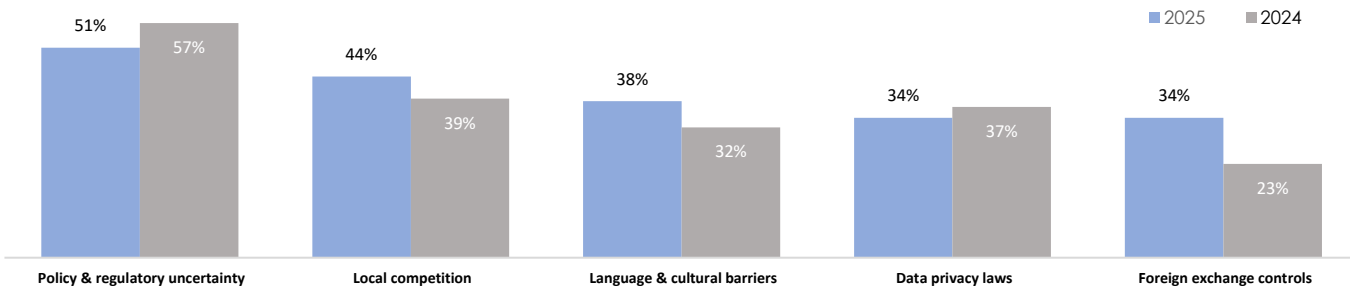


*As multiple selection is allowed, percentages may total over 100%

CHALLENGES WITHIN THE GREATER BAY AREA

Policy uncertainty in the GBA remained a top challenge, with 55% of respondents noting GBA policies still lacked clarity. Local competition, language & cultural barriers, data privacy laws, and foreign exchange controls were also increasing concerns in 2025. Tax incentives were the most important factor supporting GBA opportunities, followed by clearer rules and laws, regulatory harmonisation, free flow of capital, and visa free access.

Fig 19B. Top 5 challenges in doing business in the GBA



*As multiple selection is allowed, percentages may total over 100%

Fig 19C. Rate the clarity of the GBA policy and regulatory environment

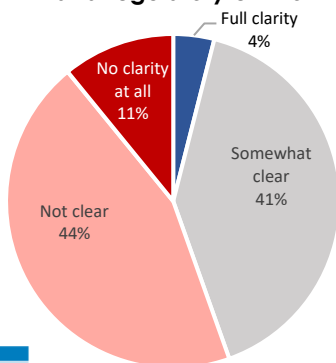
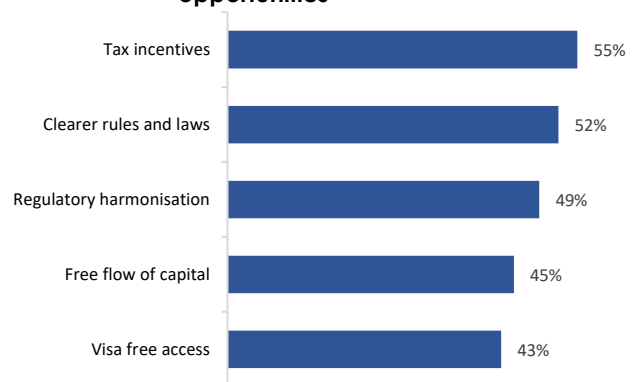


Fig 19D. Top five factors that would support companies' GBA opportunities



*As multiple selection is allowed, percentages may total over 100%



TRANSPORTATION & LOGISTICS: HONG KONG AS A RE-EXPORT HUB

Hong Kong's transportation and logistics industry performed well in the past 12 months, owing to the city's connectivity with the Greater Bay Area, free trade zone policy, simple customs clearance, and stable flight frequency, making Hong Kong well positioned as an attractive re-export hub.

Fig 20A. What is your/your company's assessment of the Hong Kong transportation and logistics industry's performance in the past 12 months?

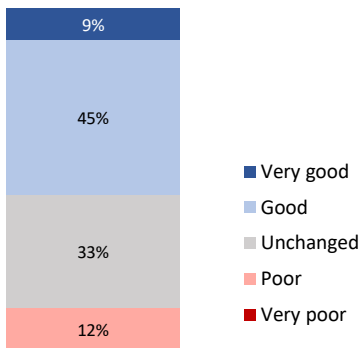


Fig 20B. How well connected is Hong Kong with the rest of the GBA in terms of transportation and logistics?

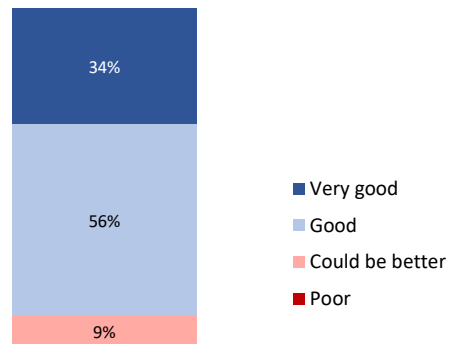


Fig 20C. Do you think Hong Kong is an attractive re-export hub?

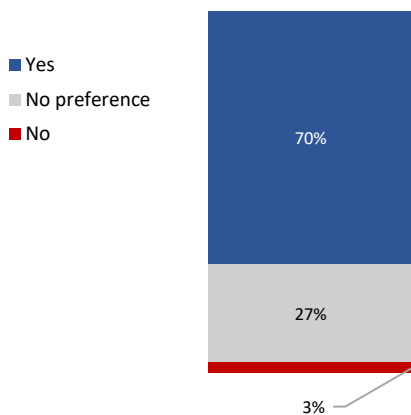
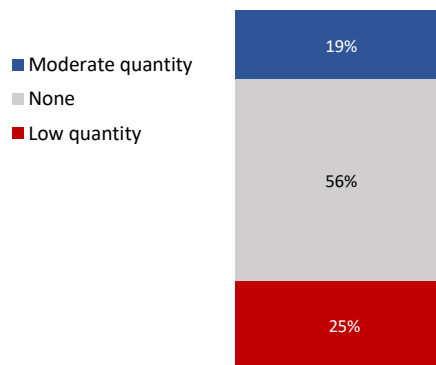


Fig 20D. What is the extent of your company doing re-export shipments from GBA via HK?





DATA FREEDOM & PRIVACY

CURRENT & FUTURE ACCESS TO INTERNET AND INFORMATION PLATFORMS

More than half (63%) of companies responded they were satisfied with data freedom in Hong Kong, with 9% expressing dissatisfaction. 72% indicated they were optimistic or neutral about free access to global internet and information platforms in the next 3 years, an increase compared with last year (70%) and 2023 (66%). The percentage of companies that reported difficulties accessing data in Hong Kong remained the same overall, however, less companies (6%) reported frequent difficulties in accessing data compared to last year (9%).

Fig 21A. On a scale of 1-5 (1 being least and 5 being most), how happy are you with the data freedom in Hong Kong?

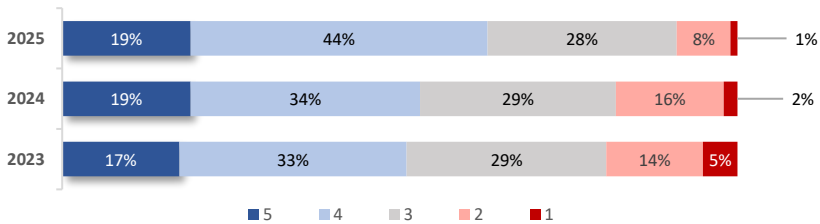


Fig 21B. Companies' expectation for Hong Kong to continue to have free access (without government censorship and/or firewall) to global internet and information platforms in the next 3 years

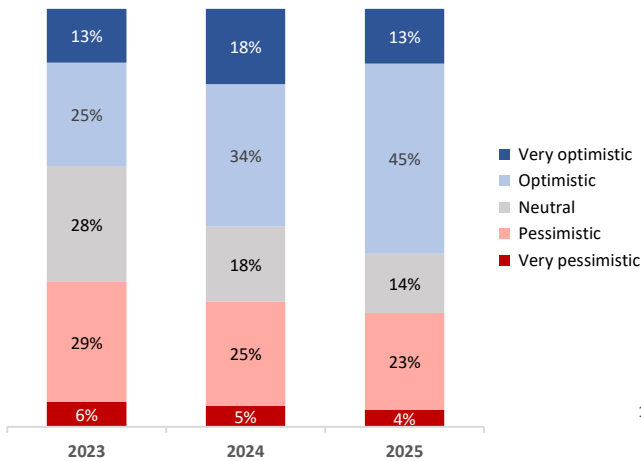
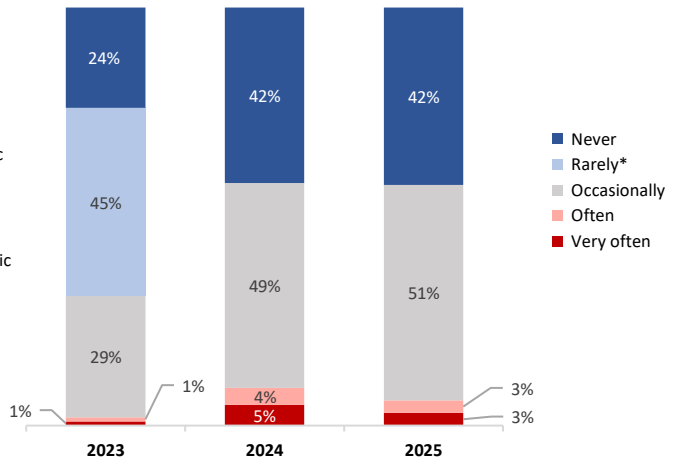


Fig 21C. Frequency of businesses encountering difficulties in accessing data (e.g. news, information, website) online in Hong Kong



*This option is removed in the 2024 and 2025 survey.

HONG KONG AS A REGIONAL DATA CENTER

Views of Hong Kong's prospects as a regional data center were largely unchanged. 75% of respondents were confident or neutral about storing customer and company data locally in Hong Kong, with 24% who indicated they were not confident.

Fig 22A. Hong Kong's future as regional data center

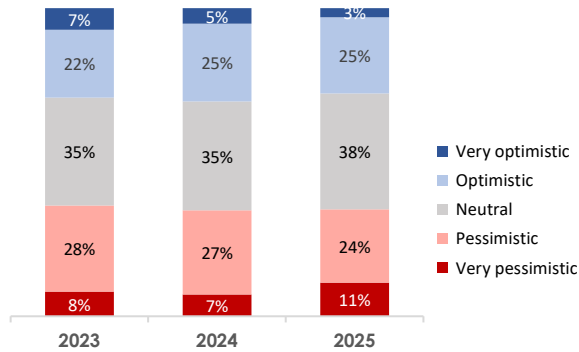
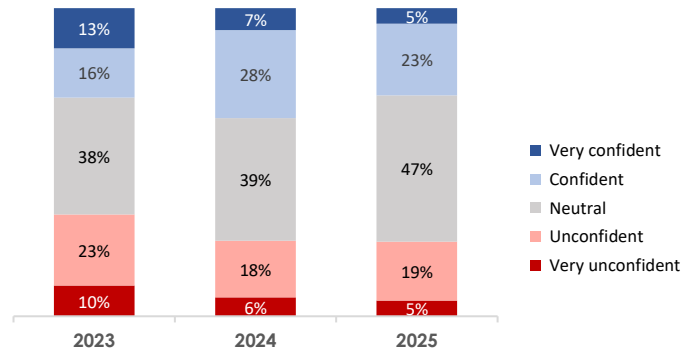


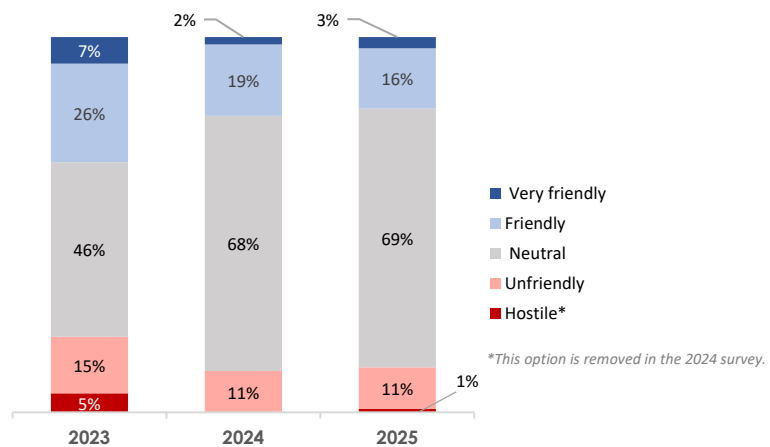
Fig 22B. Confidence in storing customer and company data locally in Hong Kong



DATA PRIVACY

Most businesses were either neutral or comfortable with the regulation of data privacy protection in Hong Kong. There was a slight increase of companies that reported Hong Kong to have an unfriendly/hostile data privacy environment (12%).

Fig 22C. How comfortable is your company with the regulation of data privacy protection in Hong Kong currently when it comes to the impact on your business?





INNOVATION & TECHNOLOGY, R&D & START UPS

The Hong Kong Government was in general perceived to be supportive in research and development of innovation and technology. The number of companies (31%) that viewed Hong Kong as the best location for R&D remained the same. Shenzhen and Singapore were voted to be better than Hong Kong in this aspect.

Fig 23A. Hong Kong Government support to Research & Development and development of Innovation & Technology

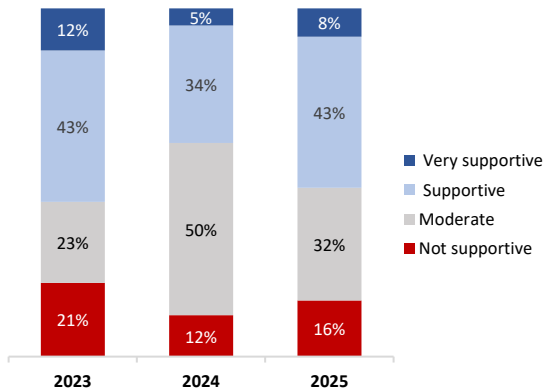


Fig 23B. Best location for Research & Development

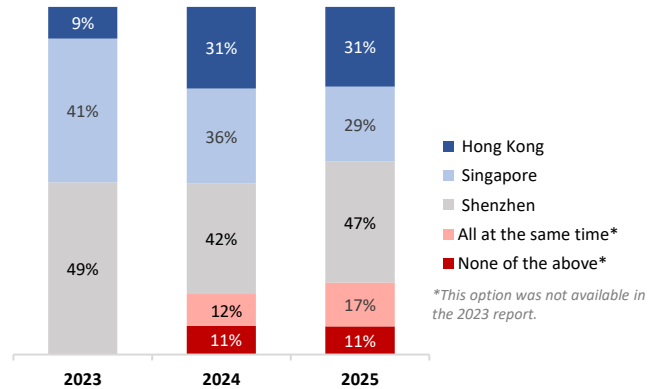
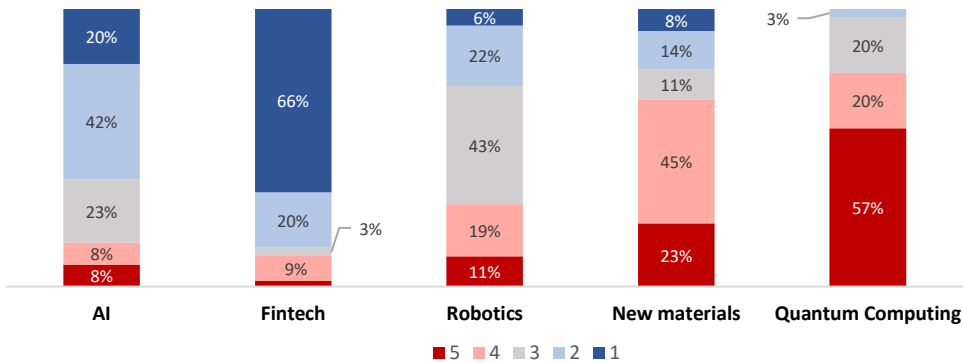


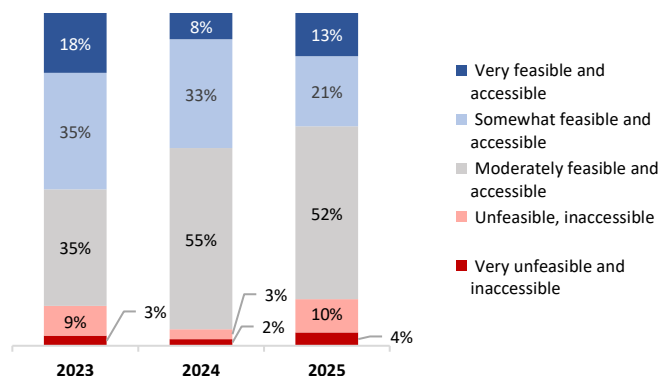
Fig 23C. How do you rate Hong Kong as a good place to conduct innovation in the following areas (with 1 being the best)



Members widely agreed that Hong Kong was a good place to conduct innovation in fintech and artificial intelligence, but not as good in robotics, new materials, and quantum computing.

86% of respondents indicated there was sufficient funding available in the market for new ventures.

Fig 23D. Access to venture capital funding for entrepreneurs in Hong Kong

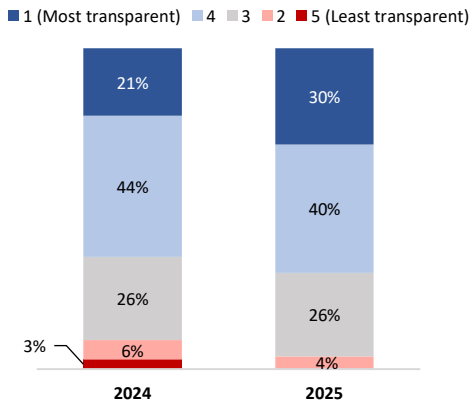




FINANCIAL SERVICES

REGULATORY TRANSPARENCY AND REGIONAL COMPETITIVENESS

Fig 24A. On a scale of 1-5, in your view, how transparent is your industry's regulatory environment?



70% of respondents indicated Hong Kong's regulatory environment in financial services was transparent.

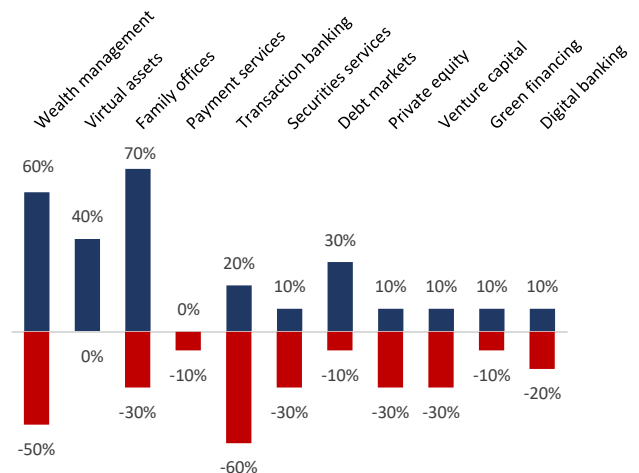
With the Hong Kong Government's committed policy support for the industry, **wealth management, family offices, and debt markets** were considered top areas in which Hong Kong gained competitiveness in the past 3 years. Members noted:

- Hong Kong's system remains unique with its business-friendly financial infrastructure, low taxation, and free flow of capital.
- The free flow of capital in Hong Kong acts as a strategic gateway into the Mainland, especially with the growth of high net-worth individuals and rising investments in the Greater Bay Area.
- Hong Kong Government policies as seen in the 2024 Policy Address expanded the scope of tax concessions, planned to build a supply chain services center to serve Mainland and overseas enterprises, and facilitated new distribution channels.

On the other hand, members noted that **transaction banking, venture capital, private equity, and security services** were losing regional competitiveness due to the following reasons:

- There is a global perception that the free flow of data is being eroded in Hong Kong, thus affecting the security services sector as they rely on the application of data.
- With the global economic environment struggling in the past 3 years, the startup sector remains to be small in Hong Kong. The scalability of start-ups will be important in order to compete with more attractive opportunities in the APAC region.
- Geopolitical tensions and general uncertainty around the rule of law has led some to become more risk-averse with cross-border investments.

Fig 24B. In which areas has Hong Kong gained and lost regional competitiveness in the past 3 years?



*As multiple selection is allowed, percentages may total over 100%

ABOUT THE AMERICAN CHAMBER OF COMMERCE IN HONG KONG

With over 1,900 members, the American Chamber of Commerce in Hong Kong (AmCham) is one of the largest American Chambers outside the United States, the largest international chamber in Hong Kong, and one of the most dynamic and influential international business organizations in the Asia-Pacific region. AmCham's mission is to foster commerce among the United States, Hong Kong, and Mainland China; and to enhance Hong Kong's stature as an international business center.

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