



## A vibrant and diversified economy

Hong Kong is synonymous with a business-friendly environment for both local and foreign investors. Article 119 gives due emphasis to this essential characteristic by providing that “the Government of the HKSAR shall formulate appropriate policies to promote and co-ordinate the development of various trades such as manufacturing, commerce, tourism, real estate, transport, public utilities, services, agriculture and fisheries, and pay regard to the protection of the environment”. Article 118 also provides that “the Government of the HKSAR shall provide an economic and legal environment for encouraging investments, technological progress and the development of new industries”.

The Commerce and Economic Development Bureau is responsible for various policy matters including Hong Kong’s external commercial relations, inward investment promotion, intellectual property protection, industry and business support, tourism, consumer protection, competition, information technology, telecommunications, broadcasting, film-related issues, creative industries, development of innovation and technology etc. The Bureau also oversees the operation of 10 executive arms, namely, Invest Hong Kong, Intellectual Property Department, Trade and Industry Department, Hong Kong Observatory, Post Office, Innovation and Technology Commission, Television and Entertainment Licensing Authority, Radio Television Hong Kong, Office of the Telecommunications Authority, and the overseas Hong Kong Economic and Trade Offices.

The Hong Kong Trade Development Council also serves as the international marketing arm for Hong Kong-based traders, manufacturers and service providers with the objective of creating opportunities for Hong Kong companies.

*Hong Kong is a major trade fair capital. Every year the Hong Kong Trade Development Council alone organises more than 30 exhibitions. Three of them are among the world’s biggest. Events such as the Hong Kong Electronics Fair, Hong Kong Fashion Week and the Hong Kong Toys & Games Fair attract hundreds of thousands of buyers from around the world. In this picture, models show off the latest fashions at Hong Kong Fashion Week for Spring/Summer in July 2011.*





*The Asian Aerospace 09 show at Asia World Expo in September 2009 attracted 13,000 visitors, 100 senior industry speakers and around 200 media representatives. ©*



*A corner of the Infant and Children's Wear Zone at July's Hong Kong Fashion Week for Spring/Summer 2009. The show attracted a record 1,153 exhibitors from 21 countries and regions.*



## Backing for SMEs

Small and medium-sized enterprises (SMEs) are the cornerstone of the Hong Kong economy. There are about 300,000 SMEs in Hong Kong, accounting for over 98% of total business units and employing over 1.2 million people or about half the total workforce.

*The Chief Executive, Mr Donald Tsang (centre), and other guests cut the ribbon at the opening ceremony of the World SME Expo and the Inno Design Tech Expo at the Hong Kong Convention and Exhibition Centre in 2011.*

Hong Kong offers various funding schemes and support services to meet the needs of SMEs, ranging from guarantee for bank loans, sponsorship for export marketing activities, funding to support projects that promote the development of SMEs, to credit risk management and business consultation.



Currently, SMEs can apply for bank loans or funding support through the SME Loan Guarantee Scheme, SME Export Marketing Fund, SME Development Fund or the SME Financing Guarantee Scheme. Together, these schemes help SMEs secure loans, grow their businesses and create more jobs, especially during economic downturns.



The Trade and Industry Department has also set up the Support and Consultation Centre for SMEs, which serves as the first stop for SMEs to seek business information, advice and consultation.

*The Chief Secretary, Mr Henry Tang, officiates with other guests at the ribbon-cutting ceremony of the 2010 World SME Expo and Inno Design Tech Expo.*

## Tourism growth

The tourism industry has long been an important pillar of Hong Kong's economy. Great importance has been attached to fostering the growth and development of tourism after the reunification. In April 2001, the Hong Kong Tourism Board replaced the Hong Kong Tourist Association as the principal body responsible for marketing and promoting Hong Kong as a premier tourist destination worldwide, in collaboration with the government, travel industry and other business partners.

The Mainland has remained the largest visitor source market for Hong Kong with 28.1 million arrivals in 2011, accounting for 67% of total arrivals. About 65% or 18.3 million visitors came to Hong Kong under the IVS in 2011, an increase of 29% over 2010.



*Revellers celebrate Halloween in Lan Kwai Fong, Central. ©*



*Lan Kwai Fong.*

Initially covering four cities in Guangdong, the IVS has gradually expanded to 49 cities nationwide. And starting from 2009, eligible residents with Shenzhen household registration could apply for one-year multiple-entry endorsement to visit Hong Kong, while eligible non-Guangdong residents who ordinarily reside in Shenzhen could also apply for IVS endorsements in Shenzhen to visit Hong Kong.

Apart from the Mainland market, other short-haul and long-haul markets registered visible growth. For instance, the Russian market sustained its growth momentum from last year while the South American and Korean markets also grew remarkably.

To enhance Hong Kong's attractiveness as a premier tourist destination, continuous efforts have been made to upgrade, develop and expand existing and new tourist attractions, including Hong Kong Disneyland, Hong Kong Ocean Park, Hong Kong Geopark, Hong Kong Wetland Park and Ngong Ping 360.



*Ocean Theatre, Ocean Park Hong Kong©.*



*Tourists and locals enjoy the Chinese New Year Night Parade in Tsim Sha Tsui.*



Leveraging on Hong Kong's ecological richness and cultural diversity, cultural and green tourism have become increasingly popular. So have mega events like the Chinese New Year celebrations, Dragon Boat Carnival, Wine and Dine Festival, Hong Kong Rugby Sevens and the Hong Kong Marathon. All these attractions and events have made Hong Kong Asia's world city offering world-class leisure and entertainment activities.



*A special "teh tarik" performance at a Malaysian restaurant. Hong Kong is famous for its variety of world cuisines. ©*



*Opening of the Hong Kong Disneyland's Toy Story Land.*



*With an exciting range of local and international events on the sporting calendar, Hong Kong is now a major sporting venue, further promoting sport in the community and consolidating its position as the events capital of Asia. Runners on the Island Eastern Corridor during the Standard Chartered Hong Kong Marathon 2010 held in February with over 52,000 participants, one of the city's showcase events. ©*





*Giant Buddha at Lantau Island. ★*



*Hong Kong Sevens 2011. ★*



*2012 New Year Celebration at Time Square. ★*



*Hexagonal Column National Geopark at Sai Kung. ★*



## Promoting new industries



*Members of the Advisory Council on the Environment visit Dah Chong Hong (DCH) Motor Service Centre at Kowloon Bay. DCH is a Government designated Vehicle Emission Testing Centre and is the first centre adopting the dynamometer to conduct load simulation emission tests in Hong Kong. The Council Chairman, Professor Lam Kin-che, explains how a dynamometer operates. ©*

*The Head of Create Hong Kong, Mr Jerry Liu, briefed the media on the "Fashion Visionaries" exhibition and the ACM SIGGRAPH Conference and Exhibition on Computer Graphics and Interactive Techniques in Asia 2011. The picture shows Mr Liu (second from left) with the Chair of the Hong Kong ACM SIGGRAPH Professional Chapter, Dr Eric Liu (left); the Project Director of the Hong Kong Fashion Designers Association, Ms Bonita Cheung (third from right); renowned fashion designer Ms Lu Lu Cheung (second from right); and the Chairman of the Hong Kong Fashion Designers Association, Mr Kevin Yeung (right); at the press briefing. ©*

*The 13th Hong Kong International Film and TV Market (FILMART) in March 2009 attracted 505 exhibitors from 28 countries and regions. It is one of the world's top three events of its kind in exhibitor numbers. ©*

Amidst the rapidly changing regional and global economic environment, the Hong Kong economy has been moving up the value chain, shifting towards higher value-added services and more knowledge-based activities. With a view to further enhancing the growth of high-value-added services and to increasing the diversity of Hong Kong's economy, the government has been promoting six industries with clear advantages while consolidating the development of the four traditional pillar industries, namely financial services, trade and logistics, tourism and professional services. The six industries where we enjoy clear advantages are: education services, medical services, testing and certification services, environmental industries, innovation and technology, and cultural and creative industries.



Hong Kong has continued to perform well as a hub for trading and high value-added manufacturing. Exports of consumer goods, textiles, toys, jewellery, clocks and watches have remained strong. A wide range of support services has been made available for these industries to improve their product quality and productivity.

Similarly, the export, import and re-export sectors have kept up a strong momentum over the past 15 years. In 2010, the total value of trade in goods reached approximately HK\$6,396 billion, an increase of 24% over 2009, while the Mainland continued to be a major trading partner of Hong Kong in 2010. The value of goods and services trade, including a massive share of re-exports, is about four times its GDP.



*Youngsters at the popular Ani-Com & Games Hong Kong in July 2010. The exciting fair, featuring pop idols from Japan and Taiwan, drew 680,000 people. ©*



*The colourful entrance at the Creative Hong Kong Exhibition welcomes visitors. ©*