

Interview with Director-General of Invest Hong Kong Mr Simon Galpin
Transcript of the interview

Nick: Hello, I am Nick Waters. On July 21 Hong Kong will stage a high-level Finance Forum as an official HKSAR programme for Expo 2010 Shanghai. The Forum will be titled: "Stronger Links, Strong Markets: Hong Kong, the Mainland and the World", and it will be held at Pudong Shangri-La Hotel in Shanghai. This is the first large-scale Finance Forum to be organised by the HKSAR in the Mainland.

I'm joined by Simon Galpin, Director-General of Invest Hong Kong. Invest Hong Kong promotes inward investment into Hong Kong and we are going to be talking of this upcoming event.

Simon, let me start by asking you to give a brief overview of the work of Invest Hong Kong and your role as Director General.

Simon: Sure. Invest Hong Kong is the government department responsible for attracting foreign direct investment into Hong Kong, and our job is to target companies from all around the world including Mainland China, and attract and assist them to set up in Hong Kong.

Nick: This Finance Forum is co-organised by Invest Hong Kong. What is the significance of this forum for Hong Kong and what do you hope to achieve?

Simon: The Finance Forum is part of Hong Kong's activities around Shanghai Expo. We are very keen to use the forum to reach out to companies, not only from Shanghai but also across Mainland China, and educate them on some of the opportunities that they can take advantage of by having an office in Hong Kong.

Nick: What are some of the advantages...how are you going to sell Hong Kong to the potential investors?

Simon: For foreign companies it is easy because we position Hong Kong as the gateway to China. But for Mainland companies it is important to show them that Hong Kong could be a great launch pad, a stepping-stone to go global. So we encourage them to come to Hong Kong to raise capital, to find partners, to

find business service providers that can then help them to make investments and acquisitions around the world.

Nick: If I was an overseas investor attending the forum like this, and I want to tap the China market, why should I come to Hong Kong rather than going directly to the Mainland?

Simon: Well for foreign investors, Hong Kong is often seen as a great place to use as a command and control centre, not only to access opportunities in the Mainland, but also elsewhere in the region, whether it be Vietnam and other Southeast Asian economies. The reasons why they should choose Hong Kong? Well, much goes back to our enduring advantages, our rule of law, our free flow of information, the fact that barriers to entry for companies setting up in Hong Kong are very low. But also some of the new developments that make Hong Kong even more attractive – the fact that we have CEPA, the Closer Economic Partnership Arrangement, with the Mainland, also a double taxation agreement (arrangement) with the Mainland, both of which clearly position Hong Kong as the ideal place to make investments into the Mainland.

Nick: What is the one point that companies already investing in Hong Kong say they like most about being in Hong Kong? Is it the low tax, the freedoms, or...

Simon: It's the location, the fact that we are geographically located in the centre of East Asia. That means, if you are based in Hong Kong, you can cover cities like Shanghai or Beijing, but you can also cover Kuala Lumpur and Singapore within the same timeframe. The other reason is tax, yes, we are a low tax economy, and there are many sources of income that are simply not taxable in Hong Kong. That means Hong Kong would be a great place for companies to set up regional headquarters.

Nick: One recent development has been establishing Hong Kong as a premier offshore centre for Renminbi business. What are the main benefits of this for investors?

Simon: It positions Hong Kong as a global financial centre, the fact that we can conduct Renminbi business here in Hong Kong. It also enhances Hong Kong's image as a centre from which to do trading business to and from Mainland China.

Nick: We have been talking mostly about Hong Kong as an international financial centre. As a business hub in Asia, what other advantages does Hong Kong have that you can put across at this forum or other platforms?

Simon: The other advantages as a regional hub is again our geographical location, the fact that we have world-class hard and soft infrastructure, we have got a great business support network in Hong Kong, large international business communities, and all the infrastructure that goes with that, the international schools, clubs, chambers of commerce, and also the service providers such as the law firms, accounting firms that can meet the needs of international investors.

Nick: Thank you Simon. The Finance Forum will be on July 21, and the participants will discuss important issues related to Mainland China's continuing opening up, its development and the internationalization of its financial markets. Speakers will include key political and business leaders from the Mainland, Hong Kong and overseas, as well as senior representatives from major international financial institutions. Please also take a look at the other online interviews in connection with the Finance Forum.