

Hong Kong, 28 November 2017

## **Survey Reveals Hong Kong's Economic Sentiment Rises Significantly for 2018, Innovation and Technology Expected to be the Driving Force**

Confidence in Hong Kong's economic competitiveness has increased significantly among leading business professionals according to latest survey results released today by CPA Australia, one of the world's largest professional accounting bodies.

### **Highest Economic Confidence Level in Three Years**

Mr Ivan Au, Divisional President – Greater China, CPA Australia said there was a noticeable improvement in economic sentiment.

“This year 60 per cent of respondents are confident that Hong Kong's competitiveness will remain the same or improve over the coming year. This is significantly more positive than results in the previous two surveys - last year only 37 per cent of respondents felt this way and 32 per cent in 2016.”

“Business experts expect Hong Kong will maintain its position as one of the world's most competitive markets in which to do business according to our survey results,” Mr Au said.

When asked what they considered would most positively impact Hong Kong's economic growth in 2018, respondents most commonly said the growth in Mainland China's economy followed by infrastructure projects and Hong Kong's simple and low tax system.

“Business experts clearly see benefits for Hong Kong with our strong linkages to the Mainland and the opportunities that come from its plans for future growth. In 2018, the commissioning of transport infrastructure connecting Hong Kong with key cities in the Greater Bay Area including the Hong Kong-Zhuhai-Macao Bridge and the High-Speed Rail link to Guangzhou will enhance these linkages.”

“This coupled with maintaining and developing Hong Kong's unique strengths, particularly in relation to our tax system, keep Hong Kong in an enviable position,” Mr Au said.

### **Innovation & Technology will be Key Economic Drivers**

The survey also asked what respondents believed the Hong Kong government could do to improve international competitiveness. The most popular results were greater efforts to develop innovation and technology and greater support for businesses to undertake FinTech activities in Hong Kong.

When asked what the government could do to increase innovation being undertaken in Hong Kong the top option was to introduce tax incentives to encourage companies to invest into artificial intelligence, robotics and other high-tech equipment.

“The results show business experts see innovation and technology as the key drivers to Hong Kong's future. Initiatives set out in the recent policy address such as increased

resources for R&D and pooling technology talent, show Government investment is targeting critical areas.”

When asked which industries had the highest growth potential in the next three years, 44 per cent selected Financial Services in their top three responses and 42 per cent selected Innovation and Technology and E-commerce was the third most common response.

“Increased Government investment and activity would support these important and fast-growing sectors and encourage more innovation to be undertaken in Hong Kong,” Mr Au said.

“The survey results indicate that the Government is focussing on the right industries and polices and this seems to be increasing the overall positive economic sentiment and confidence in Hong Kong’s global competitiveness.”

## **About the survey**

The annual survey was conducted from 20 October to 13 November 2017 on the general sentiment of Hong Kong’s economy with 266 of CPA Australia’s Hong Kong members including finance and accounting professionals from listed companies, multinational corporations, private enterprise, government and not-for-profit organizations.

## **About CPA Australia**

CPA Australia is one of the world’s largest accounting bodies with more than 160,000 members working in 118 countries around the world, with more than 25,000 members working in senior leadership positions. It has established a strong membership base of more than 18,000 in the Greater China region.

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