

CONTROLLING OFFICER'S REPLY

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(Question Serial No. 2678)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (5) Price/Industry/Service Statistics

Controlling Officer: Commissioner for Census and Statistics (Leo YU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

According to the '2024 Annual Survey of Companies in Hong Kong with Parent Companies Located outside Hong Kong', about 9 960 companies were enumerated as at June 2024 to have operated in Hong Kong with parent companies located outside Hong Kong, of which 1 410 as regional headquarters, 2 410 as regional offices and 6 140 as local offices, representing an increase of nearly 10% over the same period of the previous year. In this regard, please inform the Committee of the following:

1. Among companies in Hong Kong with parent companies located outside Hong Kong newly enumerated last year, what are the locations of their parent companies? Please provide a breakdown of the figures by regional headquarters, regional offices and local offices, respectively;
2. The average number of employees recruited in Hong Kong by regional headquarters, regional offices and local offices of companies in Hong Kong in each of the past three years, respectively; and
3. According to the Survey, only 12% of the responding companies in Hong Kong indicated that they planned to expand their business in Hong Kong in 2024, have the authorities investigated the main reasons for this?

Asked by: WONG Chun-sek, Edmund (LegCo internal reference no.: 24)

Reply:

1. According to the results of the 2024 Annual Survey of Companies in Hong Kong with Parent Companies Located outside Hong Kong, the number of companies in Hong Kong with parent companies located outside Hong Kong (i.e. Mainland and overseas companies in Hong Kong) increased by around 920 during 2023-2024. The change in the number of Mainland and overseas companies in Hong Kong between 2 consecutive years is subject to several factors at play. Analysed by location of parent company, the number of Mainland and overseas companies in Hong Kong with parent companies

located in the mainland of China had the largest **net increase** (+450), followed by the United States of America (+120) and the United Kingdom (+80). The numbers of regional headquarters, regional offices and local offices with parent companies located in the 3 aforementioned countries/territories are set out in Table 1.

2. During 2022-2024, the total number of persons engaged in the Mainland and overseas companies in Hong Kong increased by around 5%, with a more significant increase observed in local offices. However, regardless of regional headquarters, regional offices or local offices, the average number of persons engaged in the Mainland and overseas companies in Hong Kong remained stable. The annual figures are set out in Table 2.
3. In 2024, 12% of the Mainland and overseas companies in Hong Kong indicated that they planned to expand their businesses in Hong Kong in the coming 3 years, while another 61% planned to keep their business plans in Hong Kong unchanged. Besides, only 3% planned to phase out or relocate their businesses outside of Hong Kong in the coming three years, citing cost consideration as one of the main reasons. The relevant proportions have remained stable in the past few years.

Table 1: Number of regional headquarters, regional offices and local offices by selected location of parent company, 2024

Location of parent company ⁽¹⁾	Number of Mainland and overseas companies in Hong Kong in 2024 ⁽²⁾ [Net change in the number of Mainland and overseas companies in Hong Kong during 2023-2024] ⁽²⁾			
	Regional headquarters	Regional office	Local office	Total
The Mainland of China	310 [+70]	420 [+100]	1 880 [+280]	2 620 [+450]
United States of America	220 [§]	430 [+20]	740 [+100]	1 390 [+120]
United Kingdom	130 [+10]	190 [-10]	400 [+70]	720 [+80]

Notes:

§ Net increase or decrease of less than 5

(1) More than one location of parent companies may be involved, e.g. joint venture.

(2) Figures are rounded to the nearest ten and may not add up to the total due to rounding.

Table 2: Number of persons engaged in regional headquarters, regional offices and local offices, 2022-2024

Operating status	Number of persons engaged in Mainland and overseas companies in Hong Kong ⁽¹⁾			Average number of persons engaged in Mainland and overseas companies in Hong Kong ⁽²⁾		
	2022	2023	2024	2022	2023	2024
Regional headquarters	136 000	132 000	136 000	97	99	97
Regional office	88 000	88 000	83 000	37	38	34
Local office	243 000	248 000	274 000	47	46	45
Overall	468 000	468 000	493 000	52	52	50

Notes:

- (1) Figures are rounded to the nearest thousand and may not add up to the total due to rounding.
- (2) Figures are derived from unrounded figures and rounded to the nearest integer

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