HONG KONG'S ECONOMY POST-COVID: RECOVERY AND RESILIENCE

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Hong Kong's 3.2% economic growth in 2023 surpassed the region's five-year average pre-pandemic. This robust performance was driven by a surge in domestic consumption following the easing of COVID-19 restrictions and government relief efforts. A significant influx of mainland Chinese tourists further boosted the retail and tourism sectors. The Hong Kong government played an active role in the recovery, leveraging its fiscal reserves to invest in critical projects, enhance the innovation and technology ecosystem and promote the mega event economy.

A key achievement was the issuance of HK$800 million in tokenised green bonds, solidifying Hong Kong's position as a leader in green finance. Population also rebounded due to successful talent attraction initiatives, particularly through the Quality Migrants Admission Scheme. Strengthening ties with mainland China, facilitated by agreements like CEPA and the Greater Bay Area, further bolstered economic cooperation.

Looking ahead, Hong Kong's economy is expected to continue its moderate recovery despite the ongoing challenges. Geopolitical tensions, tightening monetary policies in developed countries and concerns about Hong Kong's status as a global financial hub could impact its growth sustainability. Despite these risks, the economy began 2024 with strong momentum, aiming to meet its growth targets.

(Click on the link to read the above in Chinese, French and Spanish)

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***Chinese*:**
新冠疫情后香港经济：复苏和韧性

香港 2023 年经济增长 3.2%，超过该地区疫情前五年平均水平。这种强劲的表现是由放松 COVID-19 限制和政府救济措施后国内消费激增所推动的。中国大陆游客的大量涌入进一步提振了零售业和旅游业。在经济复苏中，香港政府发挥了积极的作用，他们利用财政储备投资关键项目，增强创新科技生态系统，举办大型活动以活跃经济。

其中一项重要成就是发行了 8 亿港元的代币化绿色债券，巩固了香港作为绿色金融领导者的地位。由于成功的人才引进举措，特别是通过优秀人才入境计划，人口也出现反弹。在 CEPA 和大湾区等协议的推动下，香港加强了与中国内地的联系，从而进一步加强了经济合作。

展望未来，尽管挑战持续存在，但香港经济预计将继续温和复苏。地缘政治紧张局势、发达国家收紧货币政策以及对香港全球金融中心地位的担忧可能会影响其增长的可持续性。尽管存在这些风险，2024 年香港经济仍以强劲势头开始，目前正朝着实现增长目标的方向前进。

***French*:**
L'ÉCONOMIE DE HONG KONG APRÈS LE COVID: REPRISE ET RÉSILIENCE

La croissance économique de 3,2 % de Hong Kong en 2023 a dépassé la moyenne de la région administrative spéciale sur les cinq années ayant précédé la pandémie. Cette solide performance s'explique par une forte hausse de la consommation intérieure suite à l'assouplissement des restrictions liées au COVID-19 et aux efforts d'allègement du gouvernement. Un afflux important de touristes chinois continentaux a également stimulé les secteurs du commerce de détail et du tourisme. Le gouvernement de Hong Kong a joué un rôle actif dans la reprise, en exploitant ses réserves budgétaires pour investir dans des projets critiques, améliorer l'écosystème de l'innovation et de la technologie et promouvoir l'économie des méga-événements.

L'une des principales réalisations a été l'émission d'obligations vertes tokénisées de 800 millions de HK$, renforçant ainsi la position de Hong Kong en tant que leader de la finance verte. La démographie a également rebondi grâce aux initiatives réussies d'attraction de talents, notamment grâce au Quality Migrants Admission Scheme. Le renforcement des liens avec la Chine continentale, facilité par des accords tels que le CEPA et la Région de la Grande Baie, a renforcé davantage la coopération économique.

À l’avenir, l’économie de Hong Kong devrait poursuivre sa reprise modérée malgré les défis persistants. Les tensions géopolitiques, le resserrement des politiques monétaires dans les pays développés et les inquiétudes concernant le statut de Hong Kong en tant que place financière mondiale pourraient avoir un impact sur la durabilité de sa croissance. Malgré ces risques, l’économie a entamé l’année 2024 sur une forte dynamique, avec pour cible l’atteinte de ses objectifs de croissance.

***Spanish*:**

LA ECONOMÍA DE HONG KONG POST-COVID: RECUPERACIÓN Y RESILIENCIA

El crecimiento económico del 3,2% de Hong Kong en 2023 superó el promedio de cinco años de la región antes de la pandemia. Este sólido desempeño fue impulsado por un aumento en el consumo interno luego de la flexibilización de las restricciones por el COVID-19 y los esfuerzos de ayuda del gobierno. Una importante afluencia de turistas de China continental impulsó aún más los sectores minorista y turístico. El gobierno de Hong Kong jugó un papel activo en la recuperación, aprovechando sus reservas fiscales para invertir en proyectos críticos, mejorar el ecosistema de innovación y tecnología y promover la economía de megaeventos.

Un logro clave fue la emisión de 800 millones de dólares de Hong Kong en bonos verdes tokenizados, consolidando la posición de Hong Kong como líder en finanzas verdes. La población también se recuperó gracias al éxito de las iniciativas de atracción de talentos, en particular a través del Programa de Admisión de Migrantes de Calidad. El fortalecimiento de los vínculos con China continental, facilitado por acuerdos como CEPA y el Área de la Gran Bahía, reforzó aún más la cooperación económica.

De cara al futuro, se espera que la economía de Hong Kong continúe su recuperación moderada a pesar de los desafíos actuales. Las tensiones geopolíticas, el endurecimiento de las políticas monetarias en los países desarrollados y las preocupaciones sobre el estatus de Hong Kong como centro financiero global podrían afectar la sostenibilidad de su crecimiento. A pesar de estos riesgos, la economía comenzó 2024 con un fuerte impulso, con el objetivo de cumplir sus objetivos de crecimiento.

Executive Summary

1. In 2023, Hong Kong's economy grew strongly by 3.2%, surpassing its pre-pandemic five-year average due to its effective post-COVID recovery. Between 2018 and 2023, its average annual gross domestic product increase was 1.7%, exceeding Japan's 0.9% and Singapore's 1.2%, equalling South Korea's 1.7%, and only falling short of China's 4.8% and Taiwan's 3.3% in the region.

2. The economic expansion was largely fuelled by strong domestic consumption following the lifting of anti-epidemic restrictions and implementation of government measures. The influx of mainland Chinese tourists, constituting about 79% of all tourist arrivals, substantially bolstered the retail and tourism sectors.

3. Leveraging its significant fiscal reserves, the Hong Kong government has taken a more proactive strategy. This includes increased public investment in crucial projects and initiatives to boost the mega event economy, attract skilled professionals and improve the innovation and technology ecosystem.

4. On 16 February, the Hong Kong government achieved a significant milestone by issuing HK$800 million in tokenised green bonds, the first government globally to do so. This move bolstered Hong Kong's reputation as an international financial hub and underscored its commitment to green and sustainable finance.

5. In 2023, Hong Kong made significant strides in attracting talent through the Quality Migrants Admission Scheme, approving 12,479 individuals between the first and third quarters, with 98.5% from mainland China. This influx of talent contributed to a population rebound, increasing from 7.35 million in mid-2022 to 7.5 million by mid-2023.

6. Hong Kong-mainland China ties have improved due to the Closer Economic Partnership Agreement and Guangdong-Hong Kong-Macao Greater Bay Area. Mainland China is a significant export market and import source for Hong Kong, a leading offshore hub for renminbi transactions.

7. Expectedly, Hong Kong's economy will continue to recover at a moderate pace. This optimism is primarily driven by the robust export of services, especially from the tourism sector, which benefits significantly from mainland Chinese visitors.

8. Hong Kong's economy had a robust start in 2024, registering a growth rate of 2.7% in the first quarter and 3.3% in the second quarter. This positive start suggests that the economy is on a solid path to achieving the official annual growth target of between 2.5% and 3.5% for 2024.

9. However, this positive trajectory faces challenges, including geopolitical tensions between China and Western nations, tightening monetary policies and changing trade dynamics in external trade. Concerns over Hong Kong's status as a global financial hub, potential skilled workforce exodus and increased compliance costs due to national security legislation could impact economic recovery.