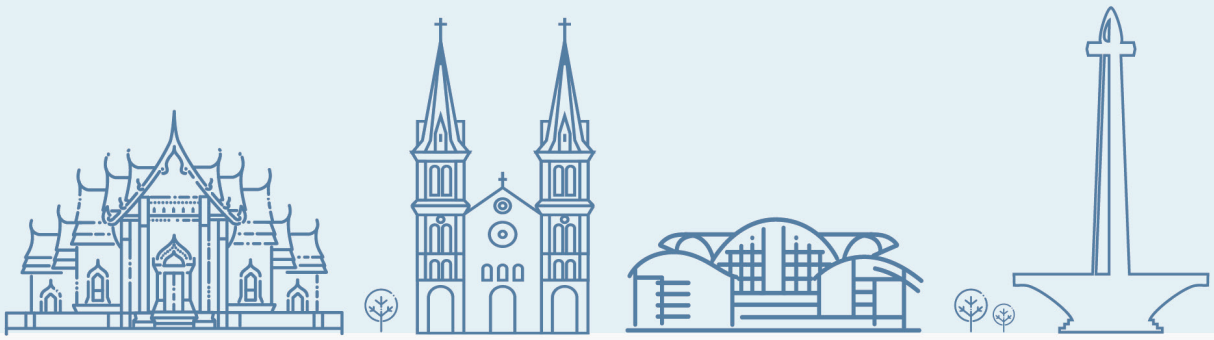
HKGCC

Hong Kong General Chamber of Commerce
香港總商會1861

The Asian Cities Internationality Index 2025

Case Study







In partnership with

Ipsos

PREFACE

The world's economic centre of gravity is shifting from the West to the East. Asia, now the fastest-growing economic region, contributes around 60% of global growth, nearly double its share from 30 years ago. The region stands at the threshold of a transformative era, with its expanding influence across manufacturing, trade, consumption, and technology driving an ever-larger share of the global economy. This profound rebalancing will redefine the world order, making it an imperative for businesses and global citizens alike to adapt.

Asia's unique blend of advanced economies and emerging markets, as well as a young and highly educated workforce, is becoming a vital hub for innovation and technological advancement. As the global landscape evolves, establishing a transparent framework will be key to tracking and guiding the transformative progress of cities across the region.

This is the rationale behind the Hong Kong General Chamber of Commerce (HKGCC) establishing the Asian Cities Internationality Index. We want to develop an independent, transparent, and credible framework to assess the prominence of leading Asian cities as international business hubs. By evaluating multiple criteria through a combination of quantitative and qualitative methods, this study provides a comprehensive report highlighting each city's competitive advantages. The findings also provide actionable insights to guide strategic policy decisions and strengthen Asia's position in the global economy.

The results may confirm prevailing assumptions – or defy them entirely. The contrast between hard data and public perception highlights a crucial lesson: building a truly international city requires actively listening to its people. By fostering dialogue and embracing innovation, these urban centres can solidify their influence on the world stage.

We gratefully acknowledge the Steering Committee's leadership, all survey participants, and interviewed executives for making this study possible. May these findings spark fresh conversations about Asian cities' global competitiveness.



Agnes CHAN

Chairman,
Hong Kong General
Chamber of Commerce



Patrick YEUNG

Chief Executive Officer,
Hong Kong General
Chamber of Commerce



CASE STUDY

Leveraging International Talent to Bolster an International City's Global Prominence

01

In the modern economic landscape, Asian metropolises are intensifying their pursuit of global businesses and talent. A conversation with Robert Sheffield, Managing Director for Greater China at global recruitment consultancy, Morgan McKinley, sheds light on the vital role of human capital in shaping an international city and the key drivers in recruiting this capital.

Morgan McKinley: Bridging Global Talent with Global Businesses

Morgan McKinley is a global recruitment consultancy specialising in financial services, technology, commerce, and supply chain industries. It connects multinational corporations with top talent. Twenty years of successful operation in Hong Kong underlines the city's significance as an Asian gateway, effectively drawing and retaining world-class business and talent.

Hong Kong's unique position grants Morgan McKinley access to mainland China and other strategic markets in the Asia-Pacific region. Through this connectivity, the company has built robust relationships with Chinese businesses, fuelling its expansion across Hong Kong, the GBA, and mainland China. The ease of doing business in Hong Kong, with access to a diverse and skilled workforce and sufficient market opportunities, has allowed the company to thrive.

"Hong Kong allowed us to have a much stronger trading relationship with our businesses in China, and that synergy has allowed us to help organisations grow not just here but within the GBA and mainland China," Sheffield explained.

Hong Kong: A Dynamic Nexus for International Talent

Sheffield stressed the importance of diverse human capital in an international city, spotlighting Hong Kong's unique appeal as Asia's gateway amid fierce competition from other Asian cities.

Hong Kong's East-meets-West heritage makes it a welcoming and attractive destination in Asia for the global workforce. The city offers a distinctive lifestyle, combining urban sophistication with natural beauty, including easy access to hiking trails and beaches. "In Hong Kong, you can hike on Saturday and then relax on the beach on Sunday. The diversity of the environment in Hong Kong is extremely interesting." Sheffield remarked.

The city's modern infrastructure enhances its connectivity with other key Asian cities and raises global appeal. "Hong Kong serves as an important gateway, offering residents the opportunity to travel easily and freely. You can reach Vietnam in just an hour and a half, Shenzhen in 25 minutes, Shanghai in three hours, and Singapore in four hours." Sheffield remarked.

Hong Kong's multicultural environment, a lively blend of nationalities and ethnicities, fosters an atmosphere of innovation and creativity that benefits the workplace and the broader community. Morgan McKinley's diverse workforce in Hong Kong, hailing from various backgrounds, illustrates this with employees from Hong Kong, China, India, France, and Australia. Sheffield underscored that true cultural diversity entails openness and respect toward individuals of varying genders, societies, and religions—values synonymous with Hong Kong. "You have mosques, churches, and temples here. That's multicultural." Sheffield noted.

Supportive residence policies for expatriates are crucial for international cities to attract and retain global talent. These policies encompass various aspects, including visa validity, work permit conditions, and post-employment stay allowances. Sheffield suggested that Hong Kong's policies show significant flexibility and support for international talents, fostering an atmosphere conducive to global talent retention and mobility. For example, in the case of job loss, foreigners' working visas remain valid, allowing a grace period to secure new employment.

Navigating the Globalisation Fractures

Despite generally positive perspectives on globalisation, the prevailing geopolitical climate prioritises localisation, which may hinder Hong Kong's international development.

The emphasis on Cantonese proficiency in some local corporations can create cultural and linguistic barriers, posing challenges to creating an inclusive workplace. This focus may deter international talent and add unnecessary hurdles for those seeking opportunities. "The best engineers may come from mainland China and work in New York or other international cities. Yet, if they work in some local leading corporations, they need to speak Cantonese. This is not required when you run a team within Asia as your counterparts will likely be trilingual." Sheffield said.

The city has introduced progressive policies to attract international professionals, and synergy between the government, corporations, and organisations is key to successfully identifying and recruiting top talent for mutual benefit. "It is challenging for corporations to attract the right international talent before they understand the city's future plan and the resources to support this. The synergy between all the stakeholders will facilitate and support corporates in hiring the right international talents that benefit Hong Kong," Sheffield stated.

Looking to the Future

Sheffield anticipates growth on the horizon, focusing on expanding the advisory business and team size, with the potential to relocate more staff from London to Hong Kong. Amid the rise of the gig economy, Morgan McKinley will prioritise temporary and contracting businesses, financial services recruitment, and supply chain and technology sectors.

He reaffirms the city's commitment to attracting international talent through progressive policies and infrastructure and believes a strong proposition will harness and connect all existing elements. "I think Hong Kong ticks all those boxes as an international city. It's just about dialling up certain areas of that while ensuring businesses understand they can achieve more here," Sheffield said. Besides, he remarked that Singapore has crafted an attractive image, making it a strong reference for drawing global talent and businesses.

With an exhilarating landscape and ambitious vision, Hong Kong can attract international talent by accentuating its advantages and vibrant lifestyle. Upcoming international events and the launch of Kai Tak Sports Park will narrate Hong Kong's unique story and demonstrate its dynamism, reigniting interest from businesses and skilled professionals.

"Hong Kong has a unique opportunity next year with tourism and events coming up…… AIA Carnival, the Sevens, international bands like Coldplay, and the launch of the Kai Tai Sports Park. That's a huge plus." Sheffield concluded.



CASE STUDY

Cultural Openness Driving a City's Appeal in Asia

02

The increasing globalisation of urban development and architecture has stirred up a dynamic interplay between international influences and local contexts, transcending national boundaries. Insights from an interview with Chris van Duijn, Partner at the Office for Metropolitan Architecture (OMA) Hong Kong office, highlighted how openness to ideas without borders can step up a city's global standing.

OMA: Weaving Together Local Sensitivities and Global Expertise

Founded in 1975, OMA is a globally acclaimed architectural firm that practices architecture and urbanism. With offices in Rotterdam, New York, Hong Kong, and Brisbane, OMA is celebrated for its intelligent and innovative designs that push the boundaries of architectural practice. The firm's portfolio includes a diverse range of projects, from exhibitions and architectural design to urban master plans.

OMA's approach involves bringing in international perspectives with a profound understanding of local contexts. Its staffing strategy mirrored this philosophy, with a well-balanced mix of local and global talents across all its offices. "In every office, we strive for a balanced mix of employees, targeting an equal mix of local and non-local individuals." van Duijn shared.

OMA's journey in Asia began with the launch of its Beijing office in 2003, which followed the successful design bid for the CCTV Headquarters. Later, OMA set up an office in Hong Kong to compete for Hong Kong's West Kowloon Cultural District project in 2009. Over time, this office grew into its main Asian base. In addition to Hong Kong's advantageous location, superior transportation, and rich talent pool, the diversity of ethnicity and openness to various cultures are also key reasons why OMA decided to continue expanding its office in Hong Kong. From its culturally diverse Hong Kong office, OMA has landed notable landmark projects in the region, including the West Kowloon Cultural District Master Plan in Hong Kong, the Taipei Performing Arts Center in Taiwan, the exhibition design of Louis Vuitton Visionary Journeys in Bangkok, and the exhibition design of Miss Dior in Tokyo.

Hong Kong's Accessibility, Talent, and Openness Help Build Global Appeal

Hong Kong's central location between China and the rest of Asia, coupled with its efficient airport, provides easy access to major Asian cities within three hours, making it the only option for OMA in Asia. Hong Kong is the heart of Asia and the gateway to the world. "Hong Kong is a remarkable city because it embodies Asian culture while acting as a convenient gateway for those outside of Asia," van Duijn added.

The city's diverse workforce draws in professionals from varied cultural and educational backgrounds, enabling OMA to replicate the operational models of its offices in Rotterdam and New York. "Unlike some competitors who put design work into their European or U.S. headquarters, leaving local offices focused only on execution or business development, OMA does things differently," van Duijn emphasised. "OMA here operates just as it does in New York and Rotterdam. We are truly bridging the gap between global presence and local engagement." Nonetheless, van Duijn noticed fewer young talents exploring opportunities with the Hong Kong office recently—a trend he hopes to turn around.

Cultural Vibrancy and Openness Push Up a City's Global Standing

With globalisation increasingly blurring boundaries, van Duijn believes that a city's international appeal hinges on more than just the presence of international entities but also its commitment to pursuing groundbreaking ideas. He discussed OMA's ongoing renewal of Hongik University's campus in Seoul, where the city's government has incentivised developers such as extra floor space to innovative concepts beyond the border. "We received an invitation to pitch for this project because they are interested in our work and projects, rather than the location of our headquarters," van Duijn explained.

Reflecting on Seoul's transformation from a more insular city to one that buzzes with global energy, van Duijn believed an increased number of international students and cultural programs have injected fresh life into the city. The establishment of various cultural foundations and the influx of international students have enriched the city's atmosphere, with K-pop serving as a prime example of its cultural output and global reach.

Looking Ahead

van Duijn believed that large-scale cultural projects such as "M+" and "Art Basel" show the city's dedication to fostering cultural engagement. Upcoming international events and the opening of Kai Tak Sports Park stadiums aim to build on Hong Kong's position as a premier global destination for significant international events.

van Duijn also emphasised the value of mid-sized and smaller cultural events, highlighting their potential to foster cross-cultural exchanges. These initiatives can foster cross-cultural engagement across all societal levels, enriching everything from grassroots arts to the broader cultural scene.



Chris van Duijn

Partner, Hong Kong, Office for Metropolitan Architecture (OMA)



CASE STUDY

Blending Cultures to Unlock Business Potential

03

The impact of an international city shines through in its ability to blend diverse cultures and spark innovative ideas, and the process of glocalisation thrives on the effort to connect global concepts with local needs. Drawing from an interview with Julien Gaubert-Molina, Partner & CEO of Asia at YKONE, a globally recognised influencer and digital marketing agency, this case study explores how international cities support global brands in breaking into local markets and how the international cities stay relevant on the global stage.

YKONE: Bridging Global Brands with Local Audiences

Founded in 2008, YKONE is a renowned influencer marketing agency that assists premium and luxury brands in building and managing digital content across Western and Chinese social media platforms. With its vision for growth in Asia, YKONE set up offices in Shanghai and Hong Kong, appointing the latter as its regional headquarters.

Hong Kong: A Hub for Business Ease, Talent, and Cultural Synergy

Hong Kong's international status is underpinned by its openness to foreign business, its multicultural heritage, and the extensive global exposure of its residents. "The diversity and mix of cultures clearly reflect a city's level of internationalisation," Gobert said.

Hong Kong's position as a business-friendly hub is reflected by its efficient setup processes, making it an ideal launchpad for foreign entities to establish their presence in the APAC region. The streamlined acquisition of visas and Hong Kong IDs allows companies to set up operations within three to four weeks. "All potential difficulties in terms of communication and setting up a business won't happen in Hong Kong because the city is prepared to welcome foreigners," Gaubert-Molina said.

The presence of local talents with international experience enables organisations to effectively bridge various regional markets in terms of communication and collaboration, overcoming the cultural differences. "We need talent that not only local people understand the local specificities but also possess international exposure and mindset," Gaubert-Molina said. He also highlighted the success of recruiting locals with overseas study experience, particularly those from the UK, US, and Australia.

The city's multicultural environment allows local professionals to easily engage with varied cultures, helping YKONE guide its clients into diverse markets with deep local understanding. This is particularly relevant in markets like Malaysia and the Middle East, where religious and cultural considerations significantly impact product perception and engagement.

Conversely, in some Asian cities, language barriers and the lack of foreign communities can impede the development of an international city and, as a result, hold outsiders back. Gaubert-Molina also observed a growing reliance on local networks to secure business deals in cities like Hong Kong, which could create obstacles for foreign companies trying to break in.

Harnessing AI's Potential in Hong Kong

Artificial intelligence (AI) is transforming the creative industry, and Gaubert-Molina highlighted Hong Kong's impressive range of accessible AI solutions and nearby partnerships. "Nowadays, our business is driven by AI technology in terms of creativity. While Hong Kong didn't talk much about this, there are many startups in this innovation aspect I can collaborate with without going to the US or Europe," Gaubert-Molina said. However, competition is intensifying among Southeast Asian cities, where significant investments are driving rapid AI adoption.

Boosting Hong Kong's Financial Connectivity

Hong Kong's robust financial system and comprehensive banking services enable seamless business transactions and capital flow across nations. Gaubert-Molina suggested that the integration and interconnectedness of banking services between Europe and Asia could be improved, particularly for small businesses and individuals. For instance, the limited presence of leading French retail banks catering to SMEs and individuals in Asia and HSBC's withdrawal from retail banking in France, complicates financial transactions on a personal level. "The biggest banks operating in Asia differ from those operating in Europe. There is a lack of bank integration, and consumers need to deal with different banks and systems. Recently, HSBC stopped its retail banking in France, forcing individuals to find alternative ways to transfer money to minimise costs," Gaubert-Molina said. This lack of integration is a common challenge in international cities across Asia, presenting an opportunity for Hong Kong to further strengthen its international status.

Looking to the Future

The prevalence of social media culture among younger generations, combined with Asia's highly diversified cultural landscape, such as gaming, K-pop, manga, and cosplay, ignites more creative content expression in the region. This environment enables Asian cities to set trends and inspire Western markets. 'It's more open to creating things in Asia. When we show content produced in Asia to our Western clients, they're often surprised by the dynamism and variety of influencers,' Gaubert-Molina explained.

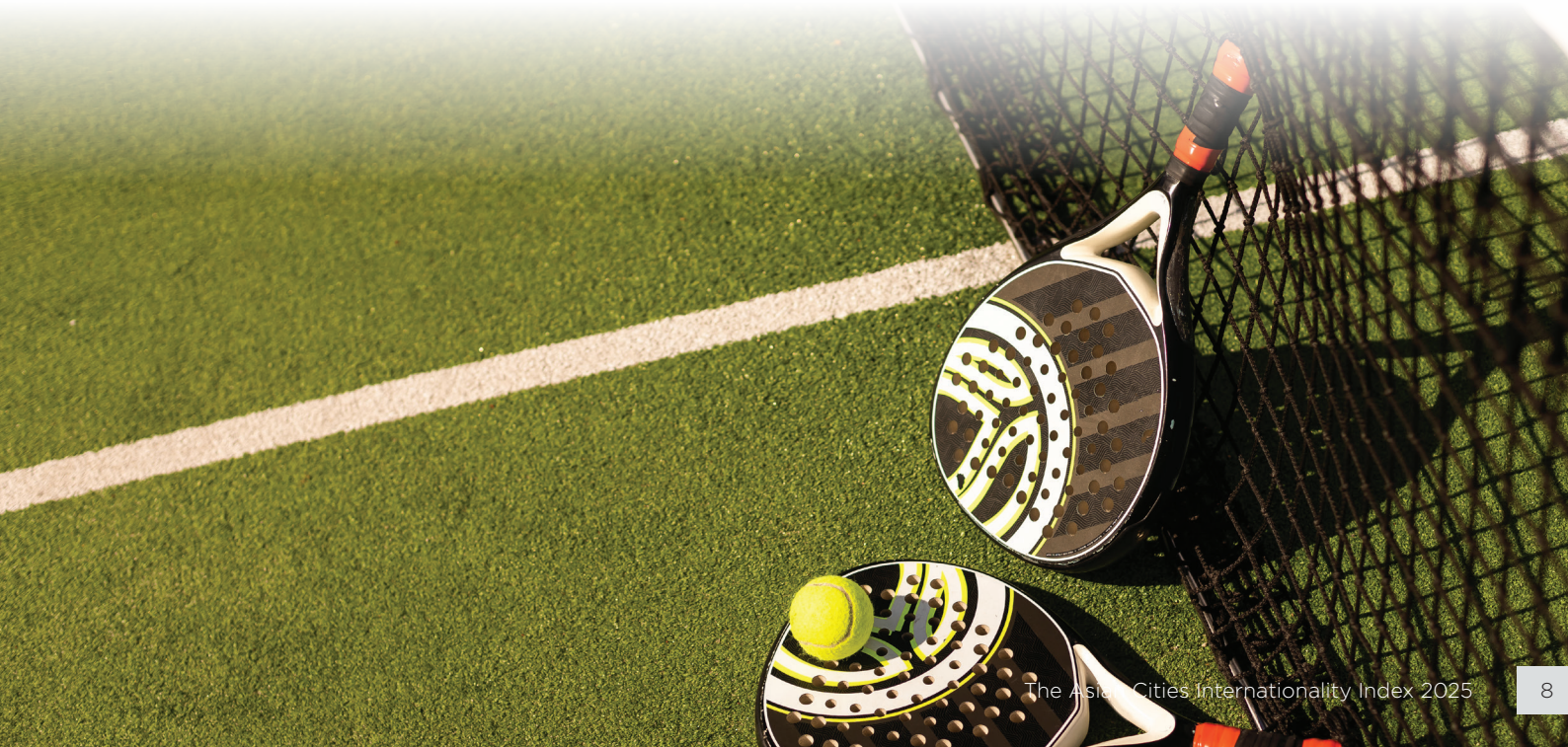
Gaubert-Molina suggested that an international city should embrace 'glocalisation'—the blending of global and local perspectives—to stay aligned with the latest trends and maintain its position on the global stage.

Gaubert-Molina pointed to Shanghai's rapid adoption of digital payment solutions, which has transformed Shanghai into an advanced cashless city. While Hong Kong is already advanced in digital banking, he believes the city has the potential to leap ahead by incorporating more global payment gateways.

Adapting sports provides a unique opportunity for a city to showcase its ability to embrace global ideas while keeping them locally relevant. Gaubert-Molina fondly recalled his recent experience playing padel sport in central Shanghai and expressed his hope for similar developments in Hong Kong. 'I was playing padel in the centre of JingAn in Shanghai two weeks ago. Padel is everywhere, meaning the city is taking the opportunity to develop it, bringing people together socially—both locals and foreigners... it will be interesting to see a padel court at the Roof Garden of IFC,' Gaubert-Molina said.



Julien Gaubert-Molina
Partner & CEO, Asia, YKONE



CASE STUDY

Forging New Frontiers Through Stakeholders' Collaboration

04

Openness to multinational individuals, capital, and ideas is pivotal in defining an international city's maturity. In a recent interview with Steffanie Yuen, Head of Hong Kong at Endowus, she shed light on how local stakeholders, including policymakers, businesses, and the community, collaboratively shape Hong Kong into an international city where financial innovation thrives.

Endowus: Redefines Wealth Management

Endowus, a Singapore-headquartered wealth management platform founded in 2017, has been contributing to this transformation. Positioned as Asia's pioneer commission-free wealth management platform, the firm offers conflict-free investment advice, backed by a streamlined asset-based fee structure and a 100% cashback on all trailer commissions. Thanks to its technological prowess and global partnerships, the company scale its services offerings, making best-in-class funds accessible to individuals that previously could only be offered to high-net-worth individuals or institutional corporate investors.

An Open Market Forging New Frontiers Through Stakeholders' Collaboration

With a strong foundation in Singapore and a mission to revolutionise wealth management across Asia, Endowus sees Hong Kong as a prime launchpad for its expansion into North Asian markets.

Hong Kong holds a unique position as a gateway to North Asia, owing to its close proximity to Greater China and the broader region. While Singapore naturally serves as a wealth management hub for Southeast Asia, the two cities complement each other as pivotal hubs that collectively cover the Asian market.

Hong Kong is home to the Asian headquarters of global asset management giants such as BlackRock, Carlyle, Fidelity, and Schroders. This strategic presence allows Endowus to collaborate closely with these organisations, enabling the introduction of world-class investment products to clients. The city's free flow of capital makes the Endowus' business model possible. "Hong Kong has that advantage of free flow of capital that makes Endowus' business model possible. With the ambition to be a regional wealth management hub, it's the natural place to offer what we wanted—introduce an institutional-grade asset allocation framework to help clients manage their wealth systematically on their fingertips.," Yuen explained.

The city sets the standard as an open market, characterized by its regulators' non-interventionist policies. These policies allow market dynamics to shape the financial landscape. Yuen pointed out that the smooth licensing process and ongoing dialogues with stakeholders—including regulators, industry professionals, and industry associations—highlight a collective commitment to introducing fast-growing business ideas outside of Asia. "In some countries, a commission-free model is the only legal way to distribute financial products. Hong Kong is open to exploring this model to understand why it's trending and assess its potential to become mainstream," Yuen said.

The city's diverse culture contributes significantly to its ability to foster innovative ideas. The pool of talent with institutional investment experience supports Endowus in pursuing its ambitious, forward-looking vision. Since the talent scheme's introduction, more Endowus colleagues have expressed interest in relocating from Singapore to Hong Kong for a vibrant city life.

“Hong Kong offers competitive advantages that we can harness to attract a diverse pool of investment talent from private banks and investment banks. Simply recruiting homogeneous groups will not suffice in our pursuit of greater internationalisation. Our strength truly lies in our ability to compete on a global stage,” Yuen said.

Despite the shortage of engineers and tech talent across Asia, including Hong Kong, Yuen believes that recent talent policies, combined with the growing pool of professionals from Shenzhen and Southern China, will help close the gap. Reflecting on her experience in Hangzhou and Shanghai, Yuen emphasised the importance of introducing multicultural talents from diverse disciplines beyond the financial industry in enriching a city’s capacity for innovation.

In the past, innovation wasn’t often associated with Hong Kong, but Yuen has observed notable shifts since Covid. Local consumers are becoming more open to adopting new technologies, such as the growing use of digital payment solutions. This evolving mindset is also reflected in the job market, where candidates increasingly recognize innovation as a key factor for staying competitive. “Job seekers were risk-averse and preferred large corporations. now they see the trend to innovate and here is a very good experience in their career,” Yuen said.

Looking Forward

Looking ahead, Yuen envisions a bright future for the wealth management industry in Hong Kong, viewing Singapore and Hong Kong as complementary drivers of growth in Asia, with Hong Kong positioned as a strategic gateway to North Asian markets, including mainland China and Korea. As policymakers work toward attracting family offices to the city, Hong Kong brings together a distinctive mix of attributes that make it an ideal hub for leadership and innovation in intergenerational wealth management. This landscape paves the way for a wide array of investment platforms and models from across the globe.

“Asian cities are experiencing just the first or second generation of intergenerational wealth transfer….. when these families and these generations mature, they would start to think about managing their money more similar to how family offices in the US And Europe used to manage,” she opined.

Yuen praises the city’s efforts to foster thought leadership, particularly the HKMA summit, which she says, “The HKMA summit successfully attracted global financial institutions to Hong Kong, reinforcing the city’s status with the presence of global CEOs. This event has been noted as a significant vote of confidence in Hong Kong.”



Steffanie Yuen

Managing Director,
Head of Hong Kong,
Endowus



CASE STUDY

Boosting Connectivity with the World

05

Connectivity is a cornerstone of an international city, facilitating the seamless movement of goods and people. Hong Kong faces significant challenges from neighbouring cities due to shifts in regional supply chains and the need to preserve its standing as a regional hub. Drawing insights from an interview with Adrian Chan, Managing Director of Asia Pacific at Hong Kong YunExpress, the HKGCC highlights the critical importance of competitive sea and air connectivity services and explores Hong Kong's role in bridging the world with Southeast Asia.

YunExpress: Propelling the GBA's E-commerce to the Global Stage

Founded in Shenzhen in 2014, YunExpress has emerged as a leading third-party air logistics provider, specialising in B2C cross-border point-to-point logistics for e-commerce sellers. Targeting developed economies like Europe, North America, and Australia as key destination markets, YunExpress supports international expansions of e-commerce giants such as SHEIN and TikTok. As part of its strategy to enhance connections between Guangdong's manufacturing regions and these developed markets, YunExpress established an office and transit hub in Hong Kong. Leveraging Hong Kong's unique free port status, YunExpress handles an impressive daily cargo volume of up to 200 tonnes.

Balancing Sea and Air Logistics for Global Trade

With two decades of experience in logistics, Chan emphasises the equal importance of both air and sea connectivity for the success of an international logistics hub. Air freight expedites the shipment of time-sensitive, high-value goods, while sea freight offers a cost-effective solution for transporting large volumes of low-value goods. Achieving balanced development of both is essential for the sustainable growth of the logistics hub, maximising resource utilisation such as container freight stations and trucking services.

According to Alphaliner's April 2024 study on the world's busiest seaports, Hong Kong slipped from 10th to 11th in handling volume. Factors such as a sluggish economy, geopolitical headwinds, and the rise of mainland Chinese ports have contributed to this decline. The study highlights significant growth at ports in Shanghai, Ningbo, Qingdao, and Tianjin. "The terminal handling charges at these ports are considerably more competitive," Chan noted.

In air transportation, Hong Kong continues to excel as a leading cargo hub, as highlighted in a study by Airports Council International (ACI). Its frequent flight connectivity with international cities remains a strong asset in supporting the export of e-commerce goods from Southern China. Beyond efficient air freight services, Chan applauds the Airport Authority Hong Kong (AAHK) for its strategic initiative in developing the HKIA Dongguan Logistics Park—the world's first sea-air intermodal transshipment facility directly linking the logistics park to Hong Kong airport. This initiative reduces transshipment costs and processing times. Chan stresses the need for Hong Kong to maintain price and service competitiveness to uphold its leading position in the long term.

Adapting to Market Shifts

Geopolitical tensions between China and the USA are creating new opportunities for certain Asian cities in international trade, posing challenges for Hong Kong. Vietnam, for instance, has emerged as a beneficiary of global supply chain shifts as importers from the two largest economies seek to avoid increased tariffs. With manufacturing increasingly relocating from mainland China to Vietnam, a growing number of finished products are shipped from Vietnam, often using cities such as Singapore, Shanghai, or Busan as transit points. “For exports from Vietnam, Hong Kong holds an advantage in air transport due to its frequent global flights. In terms of ocean transportation, Hong Kong has limited benefits,” Chan commended.

Singapore, on the other hand, benefits from its strategic geographical position as a key transshipment hub for sea shipments to Europe, becoming a regional headquarters for several global logistics leaders. The city-state also boasts a diverse array of industrial and logistics real estate, attracting logistics and high-tech giants to expand their operations. Nevertheless, Chan believes that given the fundamentally different geographic advantages of Hong Kong and Singapore, each city should carve out its own strategy and positioning. “Hong Kong is connected to the Motherland, while Singapore is not. The two cities are neither comparable nor rivals. Hong Kong needs to focus on its development plan,” Chan asserted.

Future Opportunities in the ASEAN Market

An international city not only connects people and capital but also opens doors to business opportunities across emerging markets. With a population exceeding 650 million, Southeast Asia represents a wealth of opportunities alongside challenges. “Southeast Asia is a diverse region, comprising over 10 sovereign states with distinct languages, cultures, religions, and political ideologies,” Chan explained. While Southeast Asian countries welcome foreign investment, some local governments have recently begun regulating or limiting foreign enterprises, such as e-commerce platform Temu, to protect local businesses and job opportunities.

While Singapore has a long-established position as “the gateway to Southeast Asia” for Western markets, Chan believes Hong Kong should reinforce its position as a connector of two-way investment flows between the Chinese mainland and ASEAN countries, capitalising on the region’s youthful and growing workforce. “Alongside Japan and Taiwan, Hong Kong has a long history and experience in investing and establishing operations in Southeast Asia. We have built a robust network and expertise in these markets,” Chan noted.

In addition to assisting firms in identifying investment opportunities, Hong Kong can provide end-to-end professional services, from banking and accounting to supply chain and logistics. “For example, as exports from Vietnam require transshipment, we can centralise all transshipment operations in Hong Kong,” Chan suggested.

Lastly, given that visas are required for HKSAR passport holders to visit certain ASEAN countries, such as Vietnam and Cambodia, Chan believes that visa-free access would enhance connectivity between Hong Kong and the ASEAN market.



Adrian Chan

Managing Director,
Asia Pacific, Hong Kong
YunExpress



CASE STUDY

A City for Innovation and Entrepreneurial Growth

06

An international city functions not only as a hub connecting capital and innovative ideas but also as a thriving environment for fostering groundbreaking technologies and concepts. Insights gathered from an interview with Jack Chen and Elvis Wang illuminate how Hong Kong actively supports and nurtures start-ups through its robust infrastructure and vibrant ecosystem.

MoonLab: Turning blockchain from fintech to business application

Established in 2020 by a group of ambitious students from the Hong Kong University of Science and Technology, MoonLab began its journey focusing on blockchain innovation in Hong Kong. Unlike many other blockchain technology companies that concentrate on cryptocurrency trading, the founders envisioned a broader application for the technology. “We can leverage blockchain technology to solve problems in the traditional industry, such as supply chain and manufacturing. That’s our vision,” Jack explained.

MoonLab is actively collaborating with corporations and financial institutions such as Hong Kong Telecom (HKT) and WeLab Bank, which are dedicated to innovative technology. One such initiative includes a loyalty wallet developed in collaboration with the HKT that uses blockchain technology. End consumers can effortlessly share e-coupons or purchase vouchers, all while keeping the merchant updated in real time. “Blockchain created a transparent second-hand market for both merchant and consumer”, Elvis explained.

Hong Kong offers a conducive environment for entrepreneurship, providing unparalleled support for start-ups. “Hong Kong learns the Silicon Valley way in providing support for start-ups, unlike in Southeast Asian and European markets,” Jack noted. Recalling their university experience in Hong Kong, students were provided with extensive technological support and networking opportunities as soon as an idea began to take shape. Additionally, institutions like Cyberport and the Hong Kong Science and Technology Park offer tailored support for startups across various industries, ranging from research and supply chain assistance to funding opportunities. “The ecosystem bridges the gap between school and society, training inexperienced entrepreneurs from zero to one in a short period of time,” Jack explained.

Driving Fintech Transformation

Industry professionals and policymakers in the city are at the cutting edge of fintech innovation. With the enormous establishment of international financial institutes worldwide, they were the very first group of people to spot the opportunity to harness blockchain technology innovatively. The centralised financial cluster also facilitates MoonLab’s collaboration with different kinds of industry practitioners. “All financial corporations are very centralised in Hong Kong, we very efficiently meeting with four to five companies in a day”, Jack explained.

The regulatory authorities in Hong Kong have been proactive in staying abreast of emerging trends. Jack noted that in 2022, the government approached crypto with caution. However, post-COVID-19, in 2023, policymakers recognised its future potential and began actively developing licensing frameworks and policies to support the industry’s growth. Elvis added, “Hong Kong Monetary Authority (HKMA) and Securities and Futures Commission (SFC) are leading in terms of regulatory policy in crypto compared with other regulatory authorities globally.” MoonLab also supported HKT, ZA Bank, and The Boston Consulting Group in developing use cases for the e-HKD Pilot Program initiated by the HKMA. Yet, the regulatory framework can pose challenges to smaller entities; as Jack noted, “world-leading crypto exchanges like Binance have not set up their operations in Hong Kong.”

Hong Kong’s international audience, residents and travelers have been highly receptive to fintech innovations, serving as a touchstone for new business cases. For example, the loyalty wallet developed with HKT is also open for international visitors to download and use. The diverse talent pool shaping product development reflects this integration. Elvis explained, “We have team members from Indonesia, the Philippines, Japan, and Korea. This diversity allows us to develop an international product.

Future Opportunities

With the emerging fintech landscape in Asia, Hong Kong and Singapore showcase fundamentally different strengths shaped by their geographical locations. Hong Kong stands out as a pioneer in regulatory standards and serves as a pilot city for the GBA, testing and proving various business cases. In contrast, Singapore actively creates market visibility through conferences and events, reinforcing its narrative as the gateway to Southeast Asia.

Jack expressed confidence in Hong Kong, citing its closer ties and synergy with mainland China and developed markets. He believes the two cities can learn from and complement each other. MoonLab leverages talent resources from both Hong Kong and Shenzhen by operating two offices. “Senior and core members are based in Hong Kong, while more of the technical staff are based in Shenzhen. The two offices are complementary to each other,” Jack explained.

Jack reaffirmed policymakers’ dedication to research and innovation, driving the city’s continual development. He believes these efforts will soon bear fruit, given the rapid advancements in fintech across Asia. As a gateway to the world, Hong Kong will continue to serve as a platform for proof of concept before scaling the products. “Hong Kong is a single market. In the future, there is an opportunity to scale up our innovations in Southeast Asia and the Middle East,” Elvis concluded.



CASE STUDY

Setting the Standard for Global Banking Excellence

07

Digital banking is reshaping the financial landscape worldwide, with institutions striving to innovate and establish new global benchmarks. Through insights from an interview with Edwin Hui, Chief Operating Officer of Mox Bank, this case study explores how an international city like Hong Kong empowers businesses to elevate their standards and reach global heights.

Mox Bank: A Trailblazer in Digital Banking

Launched in 2020, Mox Bank emerged as a response to the Hong Kong Monetary Authority's (HKMA) plans to transform Hong Kong into an international digital finance hub. Backed by Standard Chartered in collaboration with HKT, PCCW, and Trip.com, Mox Bank has quickly become a key player in Hong Kong's digital banking arena, now serving over 650,000 customers.

Known for its cutting-edge practices and exceptional digital experiences, Mox Bank has garnered significant recognition. In 2025, Mox Bank is ranked as the number one digital bank in Hong Kong in Neobank Ranking 2025 by The Banker, a publication by Financial Times. It was also awarded the Best Digital Bank in Hong Kong by The Asian Banker for three consecutive years in a row.

Innovation and Receptiveness Propel Mox Bank Forward

Hong Kong's status as an international city has been instrumental in establishing Mox Bank's strong foundation. Starting from scratch in establishing a digital bank, Mox Bank leveraged Hong Kong's global appeal to attract top talent with extensive experience in digital banking. These experts brought global best practices to Hong Kong, establishing Mox Bank as a pioneering institution in digital banking. "Building a digital banking from scratch was new, yet we were able to attract global talent with experience in digital banking to bring the best practices to Mox Bank in Hong Kong," Hui shared.

Hong Kong's rule of law and robust governance also steer Mox Bank toward international operational standards. Hui highlighted the critical role of the HKMA, a globally respected regulator, in shaping regulations that ensure high-quality digital banking experiences. Additionally, Hong Kong's large customer base, openness to innovation, and commitment to perfection have created a fertile ground for world-class banking experiences. "Hong Kong is incredibly receptive to new ideas, and people here are always eager for faster and better banking experiences," Hui explained. This welcoming environment is reflected in Mox Bank's achievements. The bank earned a place in Asia's top 5 of Sia Partners' 2024 Mobile Banking Benchmark, a global assessment of mobile banking apps. Its innovative product design and user experience have become reference points for digital banks worldwide.

From Hong Kong to Singapore: Elevating Global Banking Standards

Hong Kong's flourishing digital banking environment illustrates its capacity for innovation and sets benchmarks for the global financial sector. When Mox Bank was established, its knowledge and technology were seamlessly transferred to Trust Bank, a digital banking venture in Singapore backed by Standard Chartered and FairPrice Group.

The two ventures not only deliver superior product experiences but also benefit from the high regulatory standards, which facilitate the seamless transfer of technology and expertise from Hong Kong to the global stage. "When we migrated what we built in Mox Bank to Trust Bank, meeting the HKMA's standards, a well-respected regulator globally, has certainly accelerated their build efforts," Hui explained.

Looking ahead, Mox Bank remains committed to growing its operations in Hong Kong. Drawing on advanced technology and global expertise from Standard Chartered's extensive network, the bank is poised for further success. Hui also sees opportunities in the growing mainland Chinese market. "The advantage of Hong Kong would be the gateway in and out of China, which also has a huge positive for all the banks to serve some mainland Chinese visitors who have banking needs in Hong Kong," Hui emphasised.

Strengthening Hong Kong's Edge in the Global Digital Economy

Hong Kong's well-established regulatory infrastructure and technology ecosystem provide a strong platform for its digital economy. Hui believes the city must continue leveraging its resources to elevate local companies to global prominence.

Expanding Technology Adoption. Highlighting impactful initiatives like "iAM Smart," Hui pointed out how centralised identity verification enables seamless public services. He suggested that similar technologies could assist private institutions, including banks, in combating fraud and scams. Embracing a "Fail Fast, Learn Fast" Culture. Hui emphasised the importance of nurturing startups by encouraging a "Fail Fast, Learn Fast" mindset. "For example, Monzo, Nubank, Grab or TADA all began as small startups and have been nurtured and fostered to growth." Hui illustrated.

Employing Local Innovations. While Hong Kong has a rich history of groundbreaking research backed by top universities, Hui noted that these innovations are often commercialised by foreign companies rather than local ones. He envisions a collaborative framework to enable homegrown technology to flourish within the city. "Tokyo is a good reference. Japanese corporations are dedicated to new technology and very patient to invest in research and technology," Hui remarked.



CASE STUDY

How Hong Kong Can Thrive in the Face of Competition

08

As Asia continues to transform, Hong Kong faces a critical question: how can the city adapt and redefine its role in the region? Insights from an interview with Nelson Chow, Partner of Argon & Co., the discussion highlights how Hong Kong can evolve beyond an interchange hub amid Asia's economic transformation.

Argon & Co.: Excelling in Operational Transformation

Headquartered in Paris, Argon & Co. is a global management consultancy specialising in operations and supply chain transformation. Serving renowned multinational brands like LVMH, Loreal, Mars and Airbus, the consultancy views Asia as a vital growth engine. To strengthen its foothold, Argon has established dual hubs in Singapore and Hong Kong, offering advisory services across the region.

One of their standout projects involved a comprehensive operations and supply chain transformation for a semiconductor company with facilities spread across China, Singapore, the Philippines, and Malaysia. Chow, who leads the Hong Kong office and oversees the Greater China market, plays a pivotal role in this success. He is also the President of the Institute for Supply Management Hong Kong branch (ISM-HK) and a Professor of Practice of The Hong Kong Polytechnic University, where he actively shapes the future of the industry.

Hong Kong and Singapore: Two Complementary Hubs in Asia

When companies evaluate where to base their operations in the Asia-Pacific region, Hong Kong and Singapore naturally rise to the top. Hong Kong stands out as the preferred hub for North Asia, covering critical markets like China, Korea, and Japan. With its strong foundation in rule of law, quality education, efficient transportation, and diverse entertainment and cultural options, Hong Kong stands out as an attractive choice for senior executives seeking a regional headquarter. The city's extensive talent pool further ensures an easier access to experienced international professionals. "We hire senior and skilled staff with international experience in our Hong Kong office. Junior staffs are hired from respective markets to implement the projects," Chow explained.

Chow also noted a growing trend where Chinese business leaders are increasingly seeking international opportunities—expanding into new markets or diversifying supply chains. Hong Kong is one of the few Asian cities that is capable of supporting such aspiration. "Hong Kong is the talent hub that attracts both Western and Eastern talents, allowing Chinese companies to gather professionals to manage different markets," Chow elaborated. He emphasised how a balanced mix of professionals from different backgrounds unleashes the power of diversity. He pointed out that while Hong Kong excels in finance, accounting, and legal expertise, more effort is needed to cultivate talent in fields like innovation and technology.

Comparatively, Singapore has carved a niche as a gateway to Southeast Asia. Its proximity to major cities and the breadth of its talent pool, which includes professionals from Western countries, India, and Malaysia, makes it attractive for building teams to cover the Southeast Asian market.

Meanwhile, some multinational corporations (MNCs) have adopted a "China for China" strategy, establishing headquarters in Shanghai to tap into the domestic market's potential. Nevertheless, with ongoing geopolitical uncertainties and China's current economic situation, Chow predicts that some will return to Hong Kong, leveraging it as a flexible and reliable base. "I foresee a reverse trend with more companies relocating their regional headquarters back to Hong Kong, say for example from Singapore given the high costs of living and the nature that Hong Kong can offer," Chow remarked.

The Future of Hong Kong: Beyond an Interchange Hub

Historically, Hong Kong has thrived as an international hub connecting cities. However, with the rise of well-developed infrastructure in mainland China and other cities, the value of interchange hubs is naturally diminishing. “When cities develop robust infrastructure, the relevance of interchange hubs like Hong Kong faces inevitable challenges,” Chow observed.

Chow believes that the relationship between Hong Kong and other GBA cities is complex, and a dynamic balance with shared goals can foster immense synergy.

“Hong Kong should continue to capitalize on its core strengths—its role as a financial hub, access to global capital markets, offshore Renminbi trading, and as a center for Chambers of Commerce and international conferences,” Chow explained.

Drawing inspiration from Singapore’s success in high-end sectors like biotechnology, medical technology, and family office businesses, Chow suggests Hong Kong exploring opportunities to expand its role beyond finance. For instance, he emphasises Hong Kong’s potential as a world-class medical hub, underpinned by its leading healthcare services and highly skilled professionals. Another sector Hong Kong should focus on is Education. Hong Kong has a plethora of top QS ranked universities and it should be attractive to talents across the world.

Balancing connections with Western markets and China remains a critical advantage for Hong Kong. Chow advises corporations to consider basing headquarters in Hong Kong, keeping core functions in the city while outsourcing secondary roles to lower-cost destinations.

Lastly, Chow commended the Hong Kong government for its efforts to promote the Belt and Road Initiative and support investments in emerging markets such as the ASEAN region and the Middle East. By attracting diverse talent and businesses from all emerging regions, he envisions a vibrant and globally connected city ready to seize future opportunities.



Nelson Chow

Partner, Argon & Co.



CASE STUDY

A Leading Gateway to Global Wealth and Investment Opportunities

09

Asia is rapidly establishing itself as a global powerhouse for wealth creation. According to Forbes Billionaires 2023, the continent is home to 867 of the world's 2,781 billionaires. Insights from an interview with Teresa Lee, Chief Executive of Hong Kong and Region Head for North Asia at Union Bancaire Privée (UBP), highlight how Hong Kong can strengthen its position as a sustainable and attractive destination for families and wealth amid Asia's growing prominence in global wealth creation.

UBP: A Pure-Play Private Bank

Founded in 1969 and headquartered in Geneva, Switzerland, UBP is one of the world's largest family-owned private banks. With a global footprint spanning more than 25 locations, the bank specialises in wealth and asset management for both individual and institutional clients. UBP thrives on its entrepreneurial spirit, focus on innovation, agility, and conviction-driven investment strategy.

With total global Assets Under Management (AUM) amounting to CHF 154.4 billion and a robust Tier 1 capital ratio of 28.9%, UBP is well-capitalised with strong financial foundations and a robust balance sheet.

UBP has steadily expanded its footprint in Asia, benefitting from its growing pool of about 400 wealth management professionals located across key cities such as Hong Kong, Singapore, Tokyo, Shanghai, and Haikou. Lee serves as the Chief Executive of Hong Kong and Region Head for North Asia, overseeing the North Asia business, which encompasses Greater China (Mainland China, Hong Kong & Taiwan) and the Philippines markets.

Hong Kong Powers UBP's Expansion

Hong Kong's status as a global financial hub has solidified its leadership in asset and wealth management. According to the BCG Global Wealth Report 2024, the city ranks second globally as a cross-border wealth management center and is poised to claim the top spot by 2028. Serving as a nexus for global asset allocation, Hong Kong boasts a remarkable array of international fund managers, advisory firms, and private banks. The city stands at the forefront of the industry, with around 2,000 licensed asset managers—many of them internationally renowned.

The unrestricted flow of cross-border capital further enhances Hong Kong's appeal for financial institutions like UBP. This seamless access to global investment opportunities is complemented by the city's stable banking sector and its effective currency board system, which mitigates the risks and costs of foreign exchange volatility.

The low and simplified tax system, levying only three taxes on profits, property, and salaries, makes the city as one of the most attractive investment destinations in the region. The city also boasts a well-defined regulatory framework and a straightforward immigration policy, enhancing its allure for global investors.

Serving as the conduit between China and the rest of the world, Hong Kong is positioning itself as an unrivalled destination for attracting both global and regional wealth. With key Asian markets only a short flight away and half of the world's population within a five-hour radius, the city's connectivity underscores its prominence as a premier global wealth management hub. This strategic advantage creates vast commercial and investment opportunities for UBP and its clients.

Looking to the Future

UBP remains committed to its growth ambitions in Hong Kong, building on its position as a leading pure-play private bank. The company is ambitious to expand its client base to achieve substantial growth in both net new money and AUM. Harnessing Hong Kong's highly skilled and diverse talent pool, UBP continues to attract top professionals who can address the varying needs of emerging Asia's first- and second-generation wealth holders. To enhance its offerings, UBP is also fostering partnerships with external asset managers and family offices, while expanding expertise in alternative investments, including hedge funds and private markets.

Lee believes it is crucial to continue promoting Hong Kong as a leading private wealth management hub, and capitalise on its strength as a gateway for high-net-worth individuals (HNWIs) from the Chinese Mainland seeking to diversify their investment portfolios beyond Renminbi assets.

Lee acknowledges the policymakers' comprehensive strategy to solidify Hong Kong's position as a premier financial center and highlights the vital contribution of the wealth management sector in achieving this goal. Initiatives like the enhanced Capital Investment Entrant Scheme (CIES) are poised to drive growth in managed wealth assets while attracting skilled professionals to Hong Kong to navigate the complex global investment landscape.

Lee remarks that while the government has made significant efforts to attract high-net-worth families to Hong Kong, providing them with meaningful reasons to stay for the long term is equally crucial. Achieving this vision requires a focus on essences that make Hong Kong distinct. Priorities include simplifying the tax structure, developing world-class infrastructure, raising healthcare and education standards, celebrating cultural diversity, and reinforcing Hong Kong's status as a regional hub for culture and entertainment.



CASE STUDY 10

Belu's Sustainable Expansion into Asia from Hong Kong

International cities are not just talent and idea hubs, they are also treasure troves of opportunities, actively seeking the best solutions from around the globe. Insights from an interview with Claire Pearson, Global Growth Director of Belu, reveal how this socially responsible brand began its Asian journey in Hong Kong.

Belu: Pioneering Minimal Carbon Footprint Water Solutions

Founded in London in 2002, Belu is a social enterprise that brings an environmentally improved proposition of bottled mineral and filtered water solutions to the market with a reduced carbon footprint. Known for their sustainable water systems called "Filter in Action", they present high-quality water through filtered dispensers, minimising costs and carbon footprints generated from the delivery of single-use glass water. Furthering their impact, Belu invests 100% of the net profit in achieving clean water, which includes supporting clean water, sanitation, and water stewardship projects through its social impact partner, WaterAid. Since 2011, over £5.5 million (approximately HK$55 million) of net profit has been given to WaterAid.

Belu has extended its reach beyond UK boundaries, beginning its expansion into Asia from Hong Kong in 2020. The firm offers only filtered water solutions outside the UK, aligning with their mission of minimising carbon footprints.

Expanding Beyond the UK: Hong Kong as a Starting Point

When the trend for filtered water solutions emerged in London and later in Hong Kong, Belu quickly gained traction within Hong Kong's hospitality sector. "The Upper House Hotel in Hong Kong approached us while searching for sustainable alternatives to imported water in glass bottles," Pearson explained. "They discovered us online and connected with our mission to support their sustainability goals." Since then, Belu has expanded its presence in the hospitality industry, partnering with renowned brands such as the Mandarin Oriental.

Pearson found Hong Kong's business environment to be open and resourceful, which made it easier to establish operations with minimal cost. The city provided local trusted local partners who were crucial in minimizing initial investments.

Industry practitioners in Hong Kong are notably welcoming, open-minded, and quick to embrace new ideas. Through Bleu's collaboration with Upper House Hotel, a property under the Swire Properties portfolio, this partnership extended to other entities within the group. Bleu had the opportunity to work closely with the core procurement team, helping more entities in realizing the sustainability goals. "The business culture in Hong Kong is incredibly inquisitive," Pearson concluded.

The presence of international business communities here also supports Belu in exploring new business models. "We joined the British Chamber of Commerce, who later partnered with us to test different approaches to growth in terms of maximising our impact." Pearson shared.
With support from the local business communities, Belu successfully scaled its operations cost-effectively with a lean team. After five years in Hong Kong, the company has achieved remarkable revenue growth of over 90% year on year.

Navigating Challenges in Hong Kong

According to Ipsos survey, local competition and high operation costs appear to be the top challenges to foreign entities in entering a new market, Hong Kong poses certain obstacles for new businesses establishing themselves. Pearson expresses that high business costs and challenging negotiations create notable difficulties, while profit margins in the city tend to be lower compared to London. Pearson notes that although small and independent players are vital for driving innovation and introducing fresh ideas to the hospitality industry, they struggle to sustain operations without support from larger groups due to the city's steep rental prices. " There are not many small restaurants in the hospitality industry, there is a finite amount of groups holding all the restaurants. Small restaurants can only come in when they're backed large hotels or groups at the moment, it's very hard for entrepreneurial or individual entities to make it work." Pearson explained.

Future Focus: Growth in Hong Kong and Singapore

UBP remains committed to its growth ambitions in Hong Kong, building on its position as a leading pure-play private bank. The company is ambitious to expand its client base to achieve substantial growth in both net new money and AUM. Harnessing Hong Kong's highly skilled and diverse talent pool, UBP continues to attract top professionals who can address the varying needs of emerging Asia's first- and second-generation wealth holders. To enhance its offerings, UBP is also fostering partnerships with external asset managers and family offices, while expanding expertise in alternative investments, including hedge funds and private markets. Belu plans to continue focusing on the Hong Kong and Singapore markets, leveraging the government's push toward carbon neutrality. To cater to the local market, Belu is developing a hot tap water machine to address needs across multiple occasions in Hong Kong.

The workplace segment presents a significant opportunity. "MNCs in Hong Kong will need to comply with global sustainability standards and achieve their supplier diversity goals," Pearson added.

The Future of Hong Kong

Expressing her enthusiasm, Pearson praised Michael Kadoorie's efforts to revitalize Hong Kong's image and is optimistic about the business community working together on these initiatives. She believes these efforts will strengthen the city's position as a global hub and enhance its appeal to tourists.

Upon returning to her hometown, Pearson noticed a sense of pessimism and dissatisfaction among her friends and family regarding Hong Kong. She stressed the need to highlight Hong Kong's true essence to reshape these perceptions. For example, the opening of Kai Tak Sports Park and hosting international events could help dispel misconceptions, drawing in fresh talent and investments.

Pearson also underlined the power of authentic narrative in social media in showcasing Hong Kong's many dimensions. She found inspiration in a documentary and variety show by Hong Kong-born chef Jeremy Pang, which vividly celebrated the city's dynamic and positive aspects.

Her enthusiasm extended to Michael Kadoorie's initiatives aimed at revitalizing Hong Kong's global image. Pearson expressed optimism about the business community's collaboration on such efforts, believing they could boost tourism and reinforce the city's status as a global hub.



CASE STUDY

International Cities Driving Green Innovation and Leadership

11

Introduction

The rapidly urbanised world is raising alarm bells about the climate crisis, urging international cities to adopt the global sustainability agenda to foster economic growth and remain competitive. In an interview with Sonam Velani, Co-founder and Managing Director of StreetLife Ventures, she discusses how international cities can engage in meaningful global dialogues by actively participating in sustainable development initiatives.

StreetLife Ventures: Investing in Urban Climate Solutions

Established in New York City, StreetLife Ventures is an investment and advisory firm dedicated to partnering with start-ups and cities to create urban climate solutions. The firm supports early-stage companies within five core sectors: building solutions, mobility and logistics, global energy, waste and water management, and adaptive infrastructure. With active projects in over 30 countries worldwide, StreetLife Ventures has built a notable presence within Asia. Highlights of its work include the Marina Bay Sands in Singapore, a desalination plant and waste recycling program at Singapore's TUAS megaport, the Yongsang redevelopment district in Seoul, the redevelopment of Seoul Station Overpass Park in Seoul, the redevelopment of Tokyo Bay Zone post-Olympics, and the creation of a vibrant urban hub along the Gombak River in Kuala Lumpur.

Singapore: Proactive in Global Sustainability Dialogues

Velani remarks that Singapore is a role model for cities aiming to lead sustainability efforts. The city-state is a signatory of the Paris Climate Agreement and is committed to achieving net-zero carbon emissions by 2050. To achieve this goal, Singapore's Green Plan lays out a clear framework, prioritising clean energy, sustainable living, and urban biodiversity.

As an investor attuned to the latest technologies, Velani characterised Singapore as a city with a forward-thinking vision. Its advanced water recycling systems and desalination technologies are recognised as global benchmarks, while investments in alternative proteins are also considered innovative and pioneering.

Singapore has also been proactive in introducing policies such as Southeast Asia's first carbon tax to accelerate sustainable practices in the business sector. To further encourage climate-focused investments, the Monetary Authority of Singapore (MAS) offers tax incentives to single-family offices investing in climate-related investments or blended finance structures launched by the Central Bank. "Investment from Singapore in climate solutions is huge as family offices are channeling their capital into the climate industry both domestically and internationally," Velani explained.

Velani points out that Singapore strives to position itself as a global sustainability leader by actively facilitating international dialogues. Besides the participation in the Conference of the Parties (COP) summits, the city also hosts gatherings such as the World Cities Summit and the Singapore International Energy Week, providing platforms for global leaders to discuss best practices and trends in urban sustainability. "All the initiatives make a name for Singapore on the national and international scale regarding climate leadership," Velani concluded.

Tokyo: A Model of Public-Private Collaboration

Tokyo serves as an example of how collaboration between public and private sectors can drive sustainable urban development. The Tokyo Metropolitan Government has introduced Tokyo's 2030 Targets Plus Actions and the Zero Emission Tokyo Strategy to achieve zero carbon emissions by 2050. Energy-saving practices, including the widespread use of solar power and retrofitting buildings, have been adopted across infrastructure and public transportation. Notably, Tokyo pioneered Asia's first Cap-and-Trade program, covering various facilities from commercial properties to factories, serving as a model for other developed cities.

The commitment of private companies is essential for driving sustainable initiatives forward. Velani notes that large corporations like Sumitomo, Yamaha, and Panasonic actively explore and invest in start-up technologies globally through their corporate venture capital arms or venture funds, bringing the latest technology to Japan. These conglomerates foster long-term investments and strategic support for emerging technologies to scale by providing financial backing and strategic guidance. "They are eager to engage with new technologies from the early stages, exploring how to bring them into operations and providing later-stage financing for startups to grow," Velani observed.

Hong Kong: A Discreet Leader in Urban Sustainability

Hong Kong is creating a distinct approach to urban sustainability, serving as a model for green innovation to inspire the world. The city has implemented its green building certification system, BEAM Plus, to establish robust green building standards. The Hong Kong Climate Action Plan 2050 prioritises net-zero emissions through energy-efficient designs in new buildings and retrofitting existing commercial buildings. Meanwhile, the Velani considers that the Greening Master Plan is a visionary urban forestry strategy that includes extensive roadside tree planting, green roofs, and vertical gardens for living environment and social well-being.

Hong Kong is also piloting projects that balance urban growth with environmental resilience. Velani is impressed by how Kai Tak, the former airport site, has been reimagined as a green urban hub with district cooling and water reuse systems. "The balance of energy-efficient infrastructure, smart technologies and green spaces in the North Metropolitan is another city-wide approach to green infrastructure and biodiversity," Velani added.

Future Opportunities in Hong Kong: A Finance Hub for Green Technology

Velani believes the infrastructure to develop green technology is already established, from incubators and lab facilities such as the Hong Kong Science and Technology Park to funding mechanisms like the Innovation and Technology Fund, Green Tech Fund, and Green and Sustainable Finance Grant Scheme. Its close proximity to Shenzhen offers manufacturing capabilities that expedite product development, creating a fertile ground for start-ups like Amped Energy, Farm 66, and Urban Spring.

From her observation in Singapore, Velani proposes that Hong Kong create more sustainability-specific funding opportunities, combined with a master strategy, to link all initiatives cohesively and ramp up the ecosystem's development. By attracting ESG-focused investments and leveraging manufacturing capabilities in the GBA, the city could accelerate the commercialisation of green technologies and gain access to larger markets. "Hong Kong has a unique opportunity to position itself as a leader in green financial innovation and technology development," Velani concluded.



Sonam Velani

Co-founder and Managing Director, Streetlife Ventures



CASE STUDY

International Cities as Bridges Between Nations

12

Foreigners consider business opportunities alongside family needs to ensure their chosen location promotes professional growth and personal well-being. In an interview with Yukinori Hashimoto, founder of R&Y Associates, Hashimoto draws upon his experiences in Japan, Hong Kong, and now Shanghai, providing valuable insights into the key elements characterising an international city in attracting talent and fostering business growth.

R&Y Associates: Connecting Opportunities between China and Japan

Founded in 2017, R&Y Associates specialises in business intelligence, expert information networks, and headhunting services. Established in Shanghai, the firm focuses on connecting information and people among Japan, China and the rest of the world. Their clients include consulting firms, private equity funds and corporations, with typical engagements involving Chinese companies seeking to enter the Japanese market and Japanese businesses exploring opportunities in China.

Before establishing the company in Shanghai, Hashimoto was a seasoned business executive in the financial industry with extensive experience in Tokyo and Hong Kong. Now, he resides in Shanghai.

Shanghai: A Prime Location for Connecting Manufacturers

With years of experience living and working in Shanghai, Hashimoto highlights the city's many advantages for foreigners looking to build a business. Situated midway between Tokyo and mainland China, Shanghai offers unparalleled travel convenience and access to potential clients across tier-1 and tier-2 cities. Its proximity to the Yangtze River Delta's sophisticated manufacturing clusters and supply chains presents significant opportunities, especially as Japanese companies increasingly seek to invest in manufacturing infrastructure globally.

Shanghai is also home to a vibrant Japanese community, with an estimated 37,000 Japanese residents, according to Statista[1]. Hashimoto notes there is a large Japanese community in Shanghai, which he finds comparable to that in Hong Kong. He enjoys the close-knit nature of a small community in Shanghai. "It is easier than in Japan to connect to senior level in Shanghai," He added.

Compared to Tokyo and Hong Kong, the lower cost of operations and living in Shanghai makes it an attractive option for foreigners and businesses. Office and labour costs are relatively affordable, and local employees in Shanghai are subject to lower social insurance costs than those in Tokyo. Additionally, foreigners benefit from favourable tax arrangements and social insurance, while international school fees are considerably lower than in Hong Kong.

Nevertheless, Shanghai still has room to create a more open environment for foreigners. For example, managing foreign currency in banks is less effective and is hindered by different processes and limitations. Hashimoto is pleased to see that local residents are welcoming towards incoming foreigners; however, language remains a barrier for foreigners seeking to build stronger connections with the local community. As reported by China's National Immigration Administration (NIA), 711,000 residence permits were issued for foreigners in 2023, and Hashimoto envisions a growing foreigner community in the future.

[1] *https://www.statista.com/statistics/1084267/japan-number-japanese-residents-shanghai/*

Hong Kong: First Destination in Asia for Foreigners

Reflecting on his time in Hong Kong, Hashimoto views the city as a true representation of what it means to be an international. He describes Hong Kong as one of the few Asian cities closest to the West in terms of legal infrastructure and culture, where he experiences no language barrier when communicating in English. Like Tokyo, Hong Kong's policies are conducive to foreign business and labor, making it a key entry point into Asia for many global companies.

The financial centre is investor-centred, offering access to more potential clients compared to Shanghai. Its low tax, free flow of capital and thriving fintech industry exemplify the city's competitive edge in the financial sector. "I notice that there are numerous crypto exchange shops operating in Hong Kong, which do not exist in mainland China," Hashimoto explained. Despite the higher cost of living, Hashimoto reassures that Hong Kong will always remain a top destination in Asia for foreigners to consider.

Kuala Lumpur: An Emerging International City

Hashimoto also recognises Kuala Lumpur as an emerging international city. The city's lower cost of living and English-speaking environment make it an attractive city option for professionals from different backgrounds. In terms of business opportunities, proximity to Singapore opens up vast business opportunities. Additionally, Foreign-sourced income is tax-exempt for non-resident taxpayers, a significant incentive for foreigners.

Looking forward

Hashimoto remains optimistic about Hong Kong's future despite rising competition from other Asian cities and geopolitical uncertainties. He highlights the significance of consistently positioning Hong Kong as a leading international city while actively seeking new opportunities to attract corporate headquarters. Access to Shenzhen could also be promoted to highlight how the two cities leverage their collective strengths to create synergies. Lastly, Hong Kong's population diversity is a vital bridge to ASEAN markets, ensuring that Hong Kong stays competitive in the region's evolving economic landscape.



Yukinori Hashimoto
Partner and Founder,
R &Y Association



CASE STUDY

How Openness and Diversity Fuel Asia's Global Cities

13

The thriving economies of Asia have sparked fierce competition among cities striving to attract international businesses and investments. This case study, drawing on insights from an interview with Atsushi Sugiyama, Founder and CEO of Sun-up Corporation (Thailand) Limited, explores how openness - a welcoming environment to foreign businesses, linguistic accessibility, and cultural openness - can empower international cities.

Sun-up Corporation: Connecting Asia Through Sustainable Solutions

Founded in Japan, Sun-up Corporation specialises in environmental and recycling solutions as well as energy-saving technologies. Before embarking on his entrepreneurial journey, Sugiyama worked for Mitsubishi Corporation in Japan and gained additional experience at their subsidiary in Bangkok. While pursuing his MBA at the Chinese University of Hong Kong in 2014, Sugiyama established the Sun-up Corporation (Hong Kong) Limited with a vision to import advanced recycling solutions from Japan and export them to Southeast Asia, especially Thailand, and others. By 2017, he had returned to Bangkok and officially established operations in the city, offering sustainable recycling solutions.

Openness to Foreign Investment, Balance Overlooked

Bangkok's openness to foreign businesses has been instrumental in enhancing its global footprint and economic vitality. Sugiyama credits the Thai government's proactive initiatives, such as tax incentives and promotional campaigns, for fostering an investor-friendly environment. He cited the effort of the Ministry of Tourism in introducing internationally recognised best restaurants to the city. "They search for all the highly recommended foreign restaurants in the world and invite them to set up fine restaurants in central Bangkok," Sugiyama explained. He also observed the government's ambition to attract Chinese electric vehicle manufacturers to establish factories in Bangkok.

While openness to foreign investment is considered a key driver of economic growth, Sugiyama pointed out that it can sometimes come at the expense of developing local expertise. "Thailand has many industrial sectors, but research and development lags behind," he noted. "Although foreign companies invest, they simply replicate their original factory setups, and this approach doesn't encourage innovation," he explained. Striking a balance between attracting foreign businesses and cultivating domestic research capabilities, Sugiyama argued, is essential to building a sustainable, knowledge-driven economy that is less dependent on imported technologies.

Linguistic Accessibility to Connect the World

Sugiyama chose Hong Kong for Sun-up's offshore base, citing its status as a financial hub and its tax advantages. Moreover, the city's multilingual environment facilitates seamless communication, addressing challenges faced by some cities due to language barriers. " For example, Tokyo or Bangkok are international cities, their language proficiency slightly lags behind Hong Kong," Sugiyama commented. Despite these advantages, Sugiyama emphasised the need for the city to proactively invest in developing the innovation ecosystem to ensure long-term competitiveness.

Cultural Openness Beyond Language

Sugiyama advocates for the city to foster a more open culture and develop a global mindset, drawing inspiration from Bangkok and Hong Kong. Bangkok benefits from Thailand's history of cultural exchange with neighbouring countries. "Bangkok has a lot of exposure to international culture, and people are really always open-minded", he explained. Meanwhile, Hong Kong benefits from the high-quality education, which nurtures a diverse and international mindset.

However, as the city strives to maintain a strong local identity, Sugiyama also emphasised the importance of newcomers understanding local business cultures, particularly the relationships and personal connections that are highly valued in Asia.

Future Opportunities

While Sugiyama has been encouraged by investors to expand his business to other Southeast Asian countries such as Vietnam, Indonesia, and Malaysia, he remains cautious about these prospects. Challenges such as decentralized industrial zones in countries like Indonesia and Vietnam drive up operational costs, making business expansion more complex. Meanwhile, less developed markets, such as Cambodia, offer limited opportunities for environmental and recycling businesses due to lower levels of industrialisation and economic development.

Sugiyama views Thailand as the most promising market for further investment for his business industry. With the majority of industrial sectors located within a three-hour drive from Bangkok, operational efficiency is significantly enhanced. "Thailand has so much potential left to develop," Sugiyama concluded. "I have already decided to expand my business and increase investment here."



Atsushi Sugiyama

Founder and CEO of
Sun-up Thailand,
Sun-up Corporation



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HKGCC

Hong Kong General Chamber of Commerce
香港總商會1861

22/F United Centre, 95 Queensway, Hong Kong 香港金鐘道95號統一中心22樓

Tel 電話：2529 9229 | E-mail 電郵：chamber@chamber.org.hk | Web site 網址：www.chamber.org.hk