

HONG KONG ECONOMIC SENTIMENT SURVEY 2021



POSITIVE CONTRIBUTORS

1. Universally available COVID-19 vaccine
2. Recovery of the global economy
3. Growth in Mainland China's economy

75%

Expect Hong Kong's recession to continue into 2021

CHALLENGES

1. COVID-19 pandemic
2. Local political environment
3. Weak global economic recovery

BUSINESS SENTIMENT AND KEY STRATEGIC FOCUSES

- Cost reduction
- Improve business efficiency
- Improve cash flow

46%

Expect business revenue to decrease by more than 2 per cent

45% expect headcount to remain the same
57% expect salary to remain the same

EMPLOYMENT SUPPORT SCHEME

- **61%** believe the scheme was the relief measure that supported their business the most in 2020
- **38%** think the government should extend the scheme to help sustain their business in 2021

IMPROVE HONG KONG'S COMPETITIVENESS

ACTIONS TO BE TAKEN

- Maintain Hong Kong's world-class legal system
- Strengthen Hong Kong's international financial position
- Strengthen cooperation with the rest of the GBA

SKILLS NEEDED

- Creativity and innovation
- Critical thinking and analytical skills
- Digital and technical skills

RECOMMENDATIONS



Extend and optimise the Employment Support Scheme to provide further time-limited financial support to employers to retain employees



Issue perpetual bonds and / or long-term bonds in international bond markets



Expand the scope of eligible securities under the mutual market access programs and increase mutual access between the Mainland and Hong Kong financial markets such as the implementation of Wealth Management Connect Scheme



Continue expanding international economic and trade connections and proactively seek to join the Regional Comprehensive Economic Partnership as soon as possible