Hong Kong's Nine Diverse Core Values 2026

香港的九個多元化核心價值 2026

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Executive Summary 摘要

Hong Kong's population surged from under 600,000 in 1945 to over 7 million by 2021 — one of the world's most densely populated cities. Built on the "Lion Rock Spirit" of resilience and enterprise, Hong Kong transformed from entrepôt trade (1952) to manufacturing (1978) to international financial services today.

This success rests on nine diverse core values, identified through the Fruit Tree Think Tank — a group of scholars, professionals and business leaders convened in 2019. This 2026 report revisits those values in the context of Hong Kong's first Five-Year Plan (2026–2030) public consultation.

1. Positive Non-Interventionism	**2. Offshore RMB Centre**	**3. Rule of Law & High Autonomy**
4. Integrity & Fairness	**5. Low Tax Rate**	**6. Open Financial Markets**
7. Democracy, Freedom & Human Rights	**8. 50-Year SAR Commitment**	**9. Financial Trading Hub**

Foreword 前言: A Decade of Challenges

Over the past decade (2015–2025), Hong Kong faced both external pressures — geopolitical tensions, international sanctions, global economic shifts

and internal strains: the "One Country, Two Systems" dynamic, housing inequality, wealth disparity, ageing population, and economic restructuring post-pandemic.

These pressures catalysed major social movements, including the Umbrella Movement and the Anti-Extradition protests, profoundly reshaping Hong Kong's socio-political and economic landscape.

Hong Kong's Return to Global Top 3

Despite turbulence, Hong Kong has demonstrated remarkable resilience. In 2025, the Z/Yen Group & China Development Institute's GFCI 39 confirmed Hong Kong's return to the top three global financial centres — reclaiming its place in the "New York–London–Hong Kong" triumvirate.

City	World Rank	Asia Rank	Rating
New York	1	—	766
London	2	—	765
Hong Kong	3	1	764
Singapore	4	2	763
San Francisco	5	—	754
Shanghai	8	3	751

Source: Mainelli, September 2025. The top four centres are separated by only 1–2 points, reflecting intense competition.

HKEX: A Market of Global Scale

Combined Market Cap (Jul 2026)

HKEX + Shanghai + Shenzhen: USD 21.3 trillion — Asia #1, Global #2

HKEX Listed Market Cap

HKD 55.5 trillion (USD 7.1 trillion) — up 18.5× since 1997

IPO Leadership

2025 IPO fundraising: USD 36 billion. By August 2026, already USD 41 billion — surpassing full-year 2025 ahead of schedule

Global Stock Exchange Rankings (Jul 2026)

Country	Rank	Market Cap (USD M)
USA (NYSE+Nasdaq)	1	74,859,260
China (SH+SZ+HK)	2	21,327,150
Japan	3	8,633,082
India	4	5,106,563
Canada	5	4,470,034
Taiwan	6	4,359,949

Source: MacroMicro, 2026

CORE VALUE 1

Positive Non-Interventionism 積極不干預政策

The principle of "big market, small government" has underpinned Hong Kong's economic success. The government ensures markets function properly through policy and regulation, then steps back — no subsidies, no favouritism, no suppression of private enterprise. Nobel laureate Milton Friedman (1976) repeatedly cited Hong Kong as the model of capitalism.

1. **1952–1978**
   Entrepôt trade → Manufacturing
2. **1979–1996**
   Manufacturing → Services
3. **1997–2002**
   Exploration of high-value industries
4. **2003–Present**
   Services → International Finance

Today, positive non-interventionism enables FinTech, AI, and biotech innovation — though bureaucratic inefficiency remains the greatest obstacle to financial sector development scores.

CORE VALUE 2

Offshore RMB Centre 人民幣離岸中心

Hong Kong's Dominant Position

Hong Kong processes approximately 75% of global offshore RMB payments (SWIFT data). The RMB deposit pool stands at RMB 1.2 trillion (August 2026), with RMB payment settlements reaching RMB 51.7 trillion by June–July 2026.

China routes two-thirds of its inbound and outbound direct investment through Hong Kong, cementing its role as the world's premier offshore RMB hub and a critical bridge for RMB internationalisation.

COFER Rankings (Q1 2026, USD Billion)

Currency	Rank	Q1 2026
US Dollar	1	7,486.93
Euro	2	2,625.00
Japanese Yen	3	713.11
GBP Sterling	4	576.48
Chinese RMB	5	260.14

Source: IMF, 2026. USD share at 57.13%, rebounding from 25-year low of 56.42%.

Five Pillars of Hong Kong's Offshore RMB Advantage

Largest Offshore RMB Pool

Over RMB 1.2 trillion — the world's largest pool of offshore RMB liquidity outside Mainland China.

Premier Clearing Centre

Over 75% of global RMB payments cleared through Hong Kong's real-time settlement system (SWIFT data).

Top FX Trading Centre

Hong Kong leads global offshore RMB foreign exchange and derivatives trading volume.

Largest Offshore Bond Market

Active RMB financing hub with the world's largest offshore RMB bond market, including PRC Ministry of Finance issuances.

Unique Mainland Access

Stock Connect (Shanghai/Shenzhen), Bond Connect, and mutual fund recognition provide unrivalled access to Mainland capital markets.

Source: HKMA, 2026

CORE VALUE 3

Rule of Law & High Autonomy 尊重法治，高度自治

Judicial independence, separation of powers, and the Basic Law form the bedrock of Hong Kong's governance. The Basic Law enshrines "One Country, Two Systems," guaranteeing Hong Kong's capitalist system and way of life for 50 years unchanged.

> **"Every civilised society — the rule of law ensures government does not exceed its legal authority. It is equally important that all sectors of society respect the rule of law." — Former Secretary for Justice, Rimsky Yuen**

The National Security Law (June 2020) added four offences — secession, subversion, terrorism, and collusion with foreign forces — while affirming judicial independence and investor protections remain intact.

CORE VALUE 4

Integrity, Fairness & Transparency 廉潔與公平、公正、公開

ICAC: A Global Model

Established in 1974 under Governor MacLehose, the Independent Commission Against Corruption (ICAC) transformed Hong Kong through a three-pronged approach: enforcement, prevention, and education. Hong Kong consistently ranks among the world's least corrupt jurisdictions.

2025 Corruption Perceptions Index

Hong Kong ranked 12th globally with a score of 76/100 — above both Mainland China and Taiwan. (Transparency International, 2026)

Rank	Country	Score
1	Denmark	90
2	Finland	87
5	Singapore	83
7	Switzerland	82
12	Hong Kong	76

Multiple oversight bodies — Securities & Futures Commission, Civil Service Bureau, HKAB — uphold transparency and accountability across public and private sectors.

CORE VALUE 5

Low Tax Rate 低稅率：避稅天堂

Hong Kong's Tax Advantages

- Profits tax: 16.5% (vs world average 23.58%)
- Salaries tax: progressive, capped at 15% standard rate
- No VAT, no estate duty, no wine tax, no sales tax
- Low stamp duty, low property tax, minimal import/export tariffs

50% of Hong Kong's FDI originates from offshore centres (BVI, Cayman Islands, Bermuda), with a further 25% from Mainland China — testament to the "tax haven" reputation. (HK Census & Statistics, 2016)

Average Corporate Tax by Region (2025)

Region	Avg Rate
G7	28.61%
G20	27.88%
World Average	23.58%
OECD	24.20%
Hong Kong	16.5%

Source: Tax Foundation, 2025. IMD World Competitiveness 2025: HK ranked 3rd (up from 5th).

CORE VALUE 6

Open Finance & Free Capital Flow 金融開放、外匯自由兌換

Hong Kong's financial system is characterised by full capital account openness, free currency convertibility, and unrestricted fund flows — attracting both domestic savings and international capital. HKD deposits stood at HKD 7.64 trillion (HKMA, 2021), providing ample liquidity for financial intermediation.

World's Largest Offshore Wealth Centre (2025)

Hong Kong officially surpassed Switzerland with USD 2.9 trillion in assets under management — a historic milestone driven by geopolitical realignment and Mainland capital inflows.

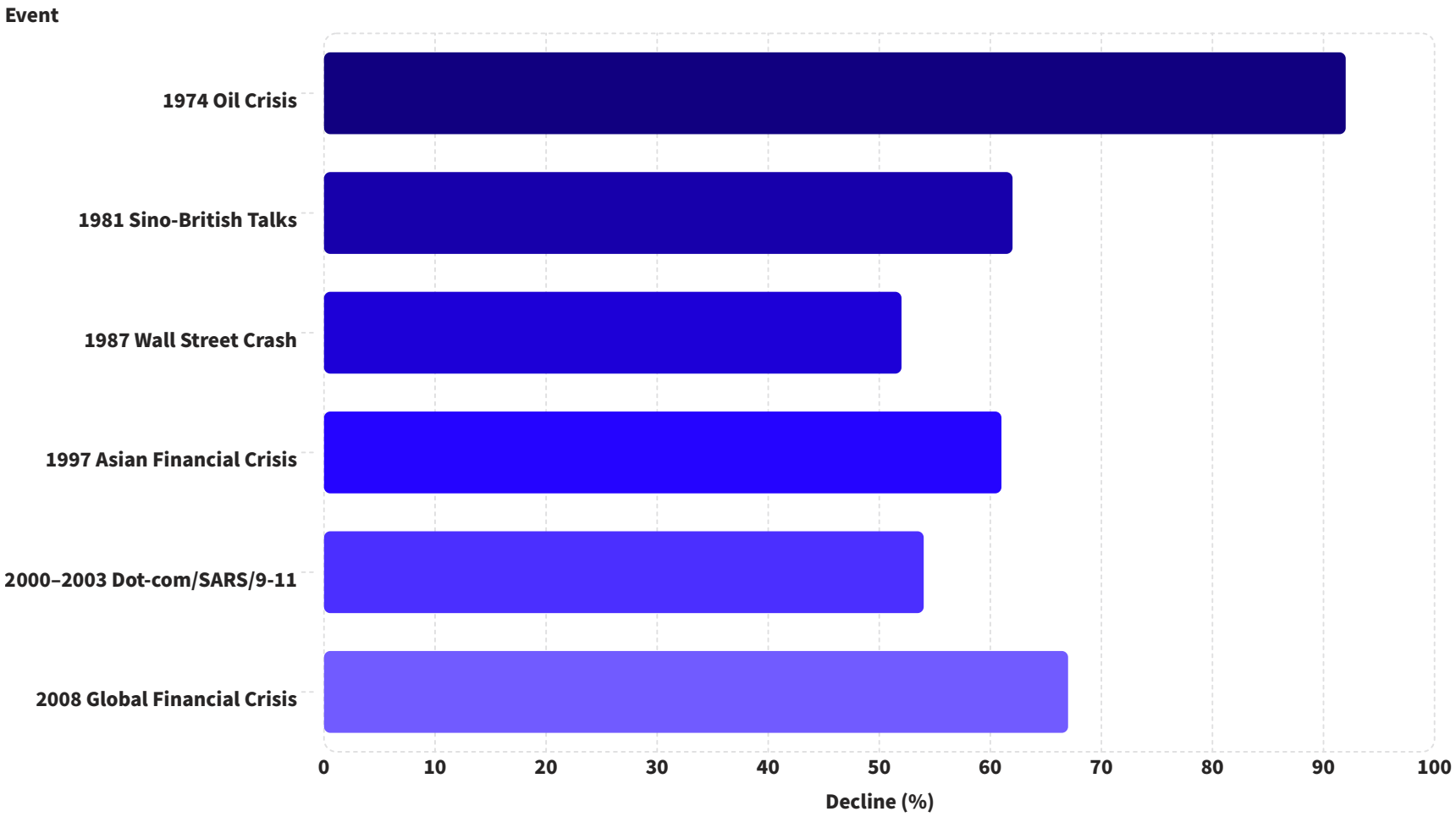
Banking System Deposits

Total bank deposits exceeded HKD 19 trillion — reflecting Hong Kong's status as a premier offshore wealth management and capital safe haven.

Resilience Through Crises

From the 1974 oil crisis (–92% Hang Seng) to the 2008 Global Financial Crisis (–67%), Hong Kong's financial system has consistently recovered — demonstrating institutional robustness and investor maturity.

Major Hang Seng Market Crashes (>50% Decline)



Despite six major crashes exceeding 50% decline, Hong Kong's financial markets recovered each time. The Hang Seng Index grew from HKD 3 trillion market cap in 1997 to nearly HKD 55.5 trillion by July 2026 — an 18.5× increase — demonstrating the enduring strength of open, free markets.

CORE VALUE 7

Democracy, Freedom & Human Rights 民主自由、言論自由、注重人權

Basic Law Article 27 guarantees Hong Kong residents freedom of speech, press, publication, assembly, procession, demonstration, and the right to form trade unions. These freedoms are indispensable to Hong Kong's status as an international metropolis.

Private Property Protection

Basic Law Article 105 explicitly protects the right to acquire, use, dispose of, and inherit private property. Grounded in English common law, this dual protection gives investors and estate beneficiaries unparalleled security — a key competitive advantage over many rival financial centres.

Balancing Freedom & Stability

The 2019 social movement — triggered by the Extradition Bill — saw over 1 million participants in three marches. The National Security Law (2020) restored order rapidly. Going forward, addressing youth concerns, AI-driven job displacement, and wealth inequality will be critical to sustaining social stability's three pillars: State, Market, Community. (Rajan, 2019)

CORE VALUE 8

The 50-Year SAR Commitment 五十年不變的特區承諾

> **"One Country, Two Systems" — Hong Kong's capitalist system and way of life shall remain unchanged for 50 years from 1997.**

Predictability for Investors

The Basic Law provides legally binding certainty: no socialism, no central taxation, no military burden — unique among Chinese cities.

Switzerland's Lesson

Russia-Ukraine sanctions eroded Switzerland's "permanent neutrality" status. UBS CEO Sergio Ermotti warned of over-regulation threatening its wealth management crown — which Hong Kong has now claimed.

Wealth Management Supremacy

In 2025, Hong Kong surpassed Switzerland as the world's largest offshore wealth centre with USD 2.9 trillion AUM — a direct beneficiary of the 50-year commitment's stability guarantee.

The commitment provides at least 26 more years of guaranteed offshore RMB centre status, legal continuity, and investor confidence — an irreplaceable competitive moat.

CORE VALUE 9

Financial Trading Hub 金融交易中心的樞紐

Beyond its existing securities and gold exchanges, Hong Kong should develop additional trading centres to deepen its role as Asia's premier financial hub. Each new exchange can generate approximately HKD 50 billion annually in economic returns, creating employment and stimulating market activity.

RMB Bond & FX Markets

Expand offshore RMB-denominated bond issuance and foreign exchange trading infrastructure.

Commodities Exchange

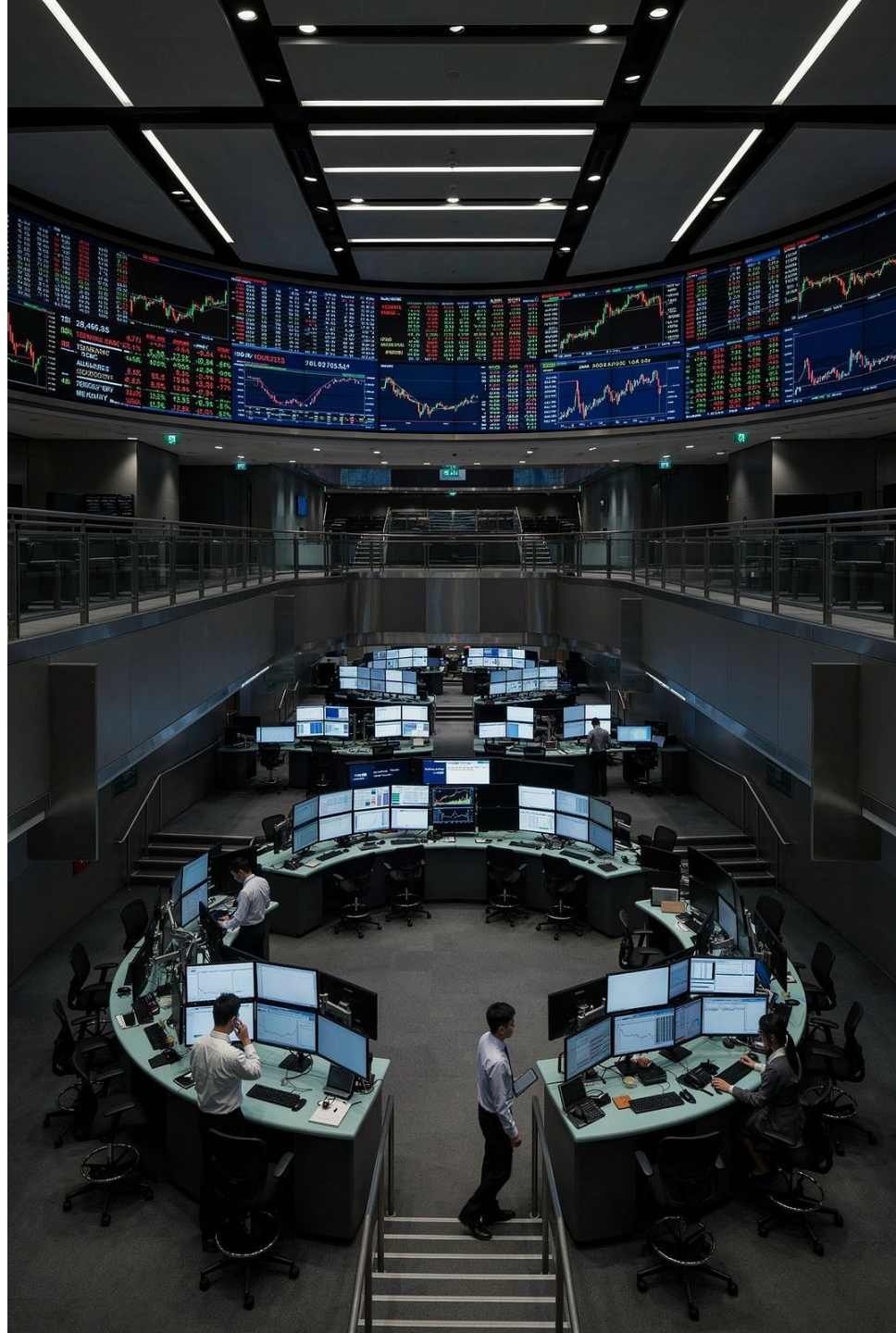
Develop oil, metals, shipping, and bulk commodities trading platforms priced in RMB.

Diamond & Luxury Assets

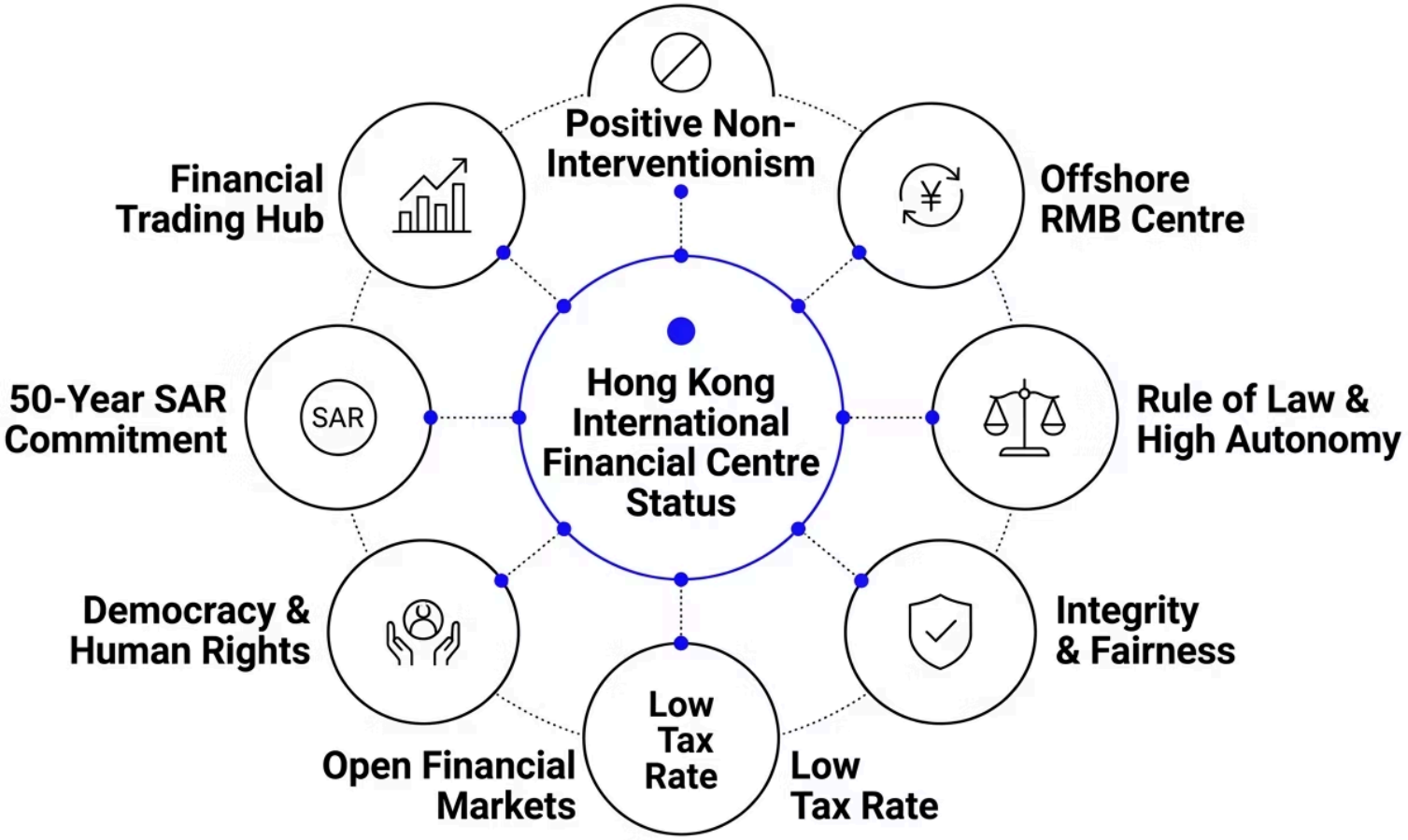
Establish regulated diamond and luxury asset trading, leveraging Hong Kong's legal and financial infrastructure.

Digital Assets & FinTech

Virtual banking, cross-border payments, AI-driven asset management, and RMB-denominated crypto products.

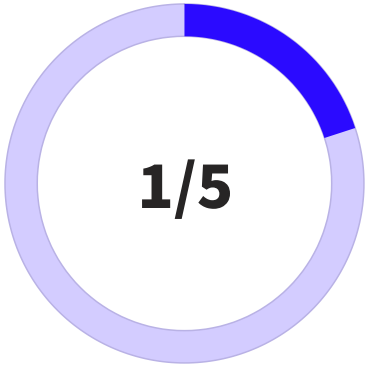


The Nine Core Values as a Competitive Framework



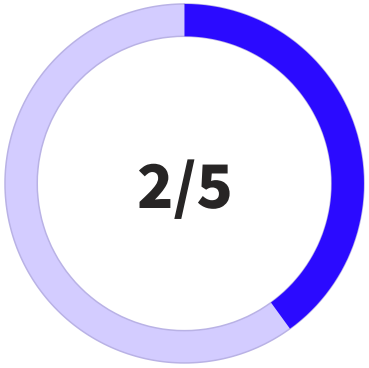
Following David Ricardo's theory of Comparative Advantage, Hong Kong should focus on what it does better than any other jurisdiction — and what others simply cannot replicate. These nine values form an irreplaceable competitive moat (Chen, 2025).

GFCI Competitiveness: Hong Kong's Five Pillars



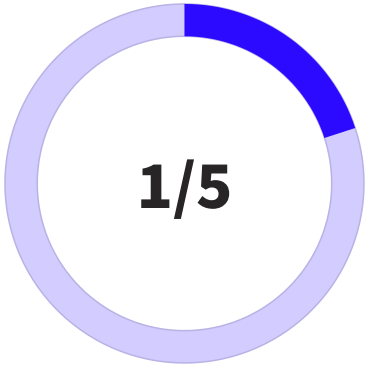
Business Environment

Ranked #1 globally in GFCI 38 business environment assessment



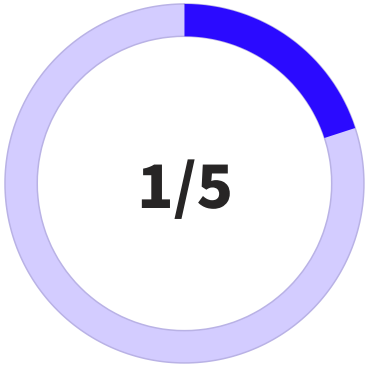
Human Capital

Ranked #2 globally — deep pool of international finance, legal and AI talent



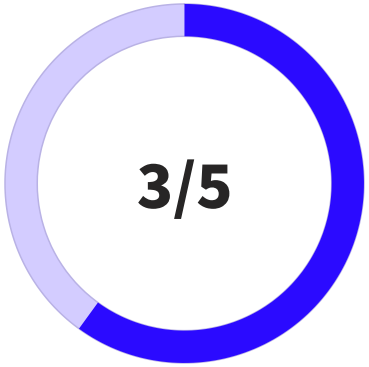
Infrastructure

Ranked #1 globally — world-class financial and physical infrastructure



Reputation

Ranked #1 globally in reputation and general perception among financial professionals

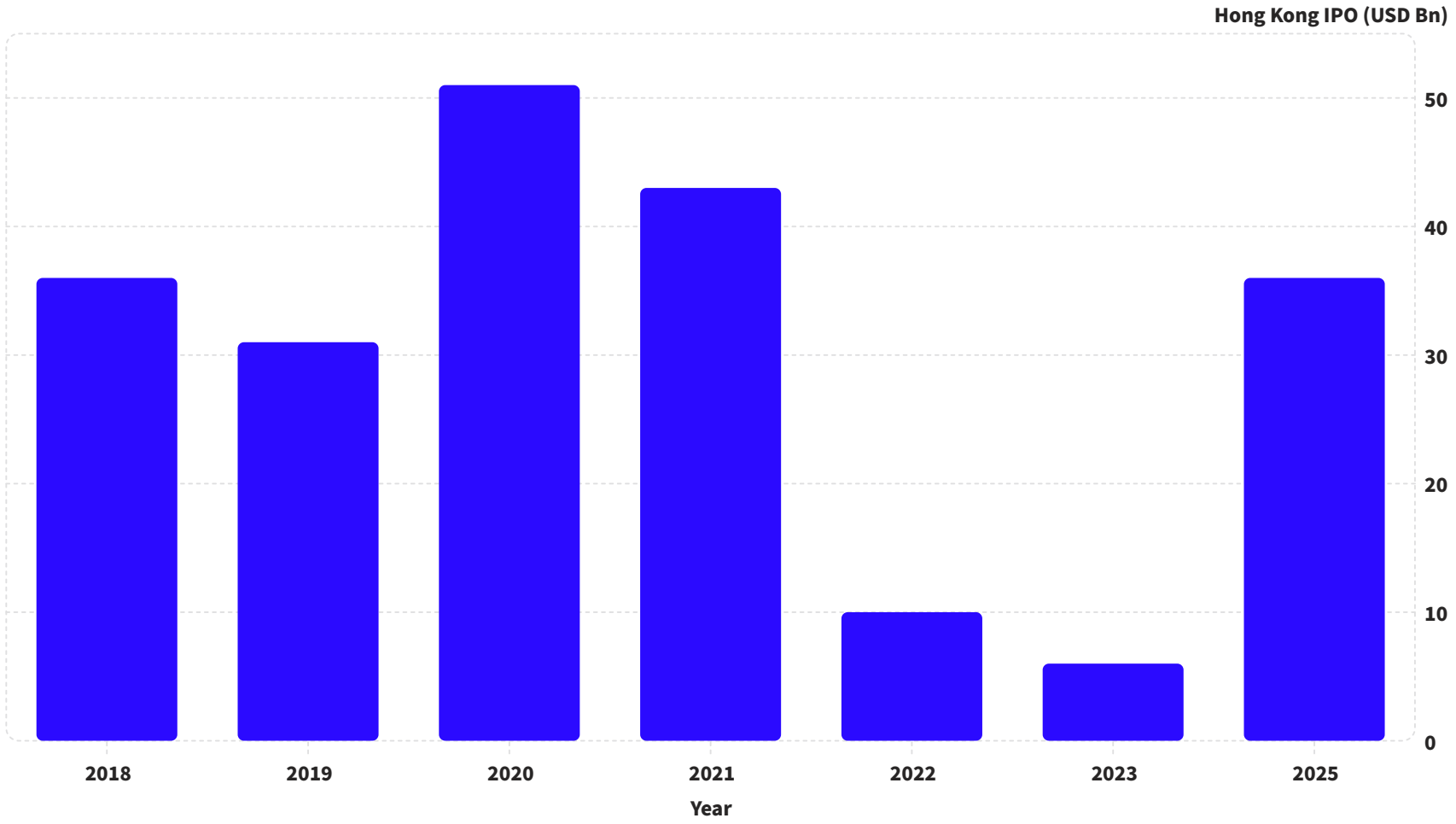


Financial Sector Dev.

Ranked #3 — lowest score; bureaucratic inefficiency cited as primary drag

Source: GFCI 38, Mainelli, September 2025. Financial Sector Development remains the area with greatest improvement potential.

IPO Market: Hong Kong's Fundraising Dominance



Hong Kong ranked #1 globally for IPO fundraising in 2018, 2019, and 2025. By August 2026, HKD 328.2 billion was raised (up 154% YoY), driven by Chinese tech, AI, new energy, and A-share dual-listed companies. Combined China+HK IPO total of USD 59.7 billion positions the market as a global leader. (KPMG, 2025; Yahoo, 2026)

IMD World Competitiveness: Hong Kong's Recovery

2025 IMD Rankings

Rank	Country
1	Switzerland
2	Singapore
3	Hong Kong
4	Denmark
5	UAE
16	China

A Remarkable Turnaround

Hong Kong's IMD competitiveness ranking fell to 5th during the 2019–2020 social unrest. By 2025, it has rebounded to 3rd place — reflecting restored investor confidence and the enduring strength of Hong Kong's core values.

Notably, higher-ranked Switzerland and Singapore both carry higher corporate tax rates than Hong Kong's 16.5%, demonstrating that competitiveness is multi-dimensional — not solely tax-driven.

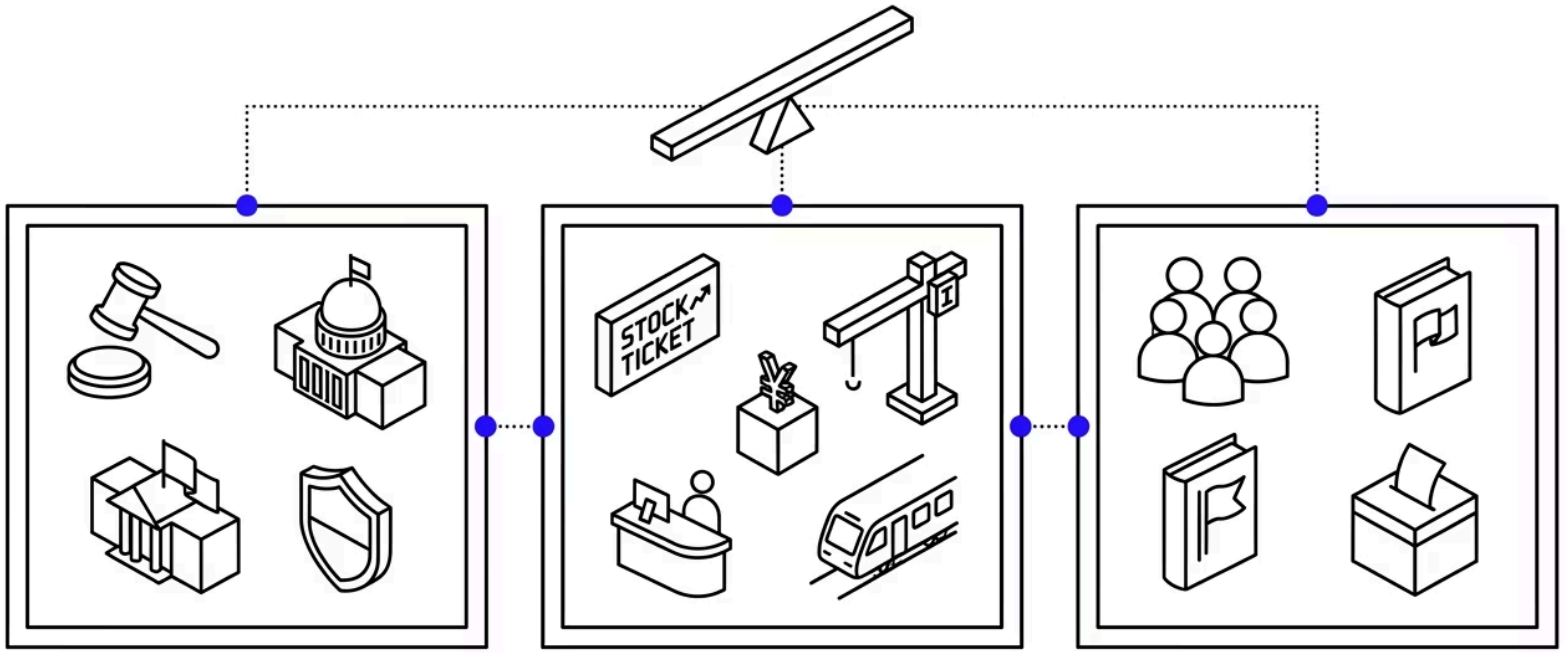
Watch for potential future tax changes: stamp duty on stock trades has already been discussed for increase from 0.1% to 0.13% amid fiscal deficit pressures.

The Lion Rock Spirit 獅子山精神

> **放開彼此心中矛盾，理想一起去追，同舟人，誓相隨，無畏更無懼。**
> ***"Set aside our differences, pursue our ideals together — fellow voyagers, sworn companions, fearless and undaunted."***
> **— 黃霑 (James Wong), 《獅子山下》Theme Song, 1970s**

The Lion Rock Spirit — resilience, hard work, solidarity, and perseverance — has defined Hong Kong's identity since the 1970s RTHK drama series. It encapsulates the transformation from a small fishing port to an international metropolis, and remains the cultural foundation upon which all nine core values are built.

Three Pillars of Social Stability 維持社會穩定的三支柱



University of Chicago Professor Raghuram Rajan (2019) identifies State, Market, and Community as the three pillars of social stability. The 2019 social movement demonstrated what happens when the Community pillar tilts — populist reactions unbalance all three, threatening economic activity and Hong Kong's international financial centre status.

Navigating VUCA: Hong Kong's Resilience

Volatility

Geopolitical tensions, US-China trade wars, Middle East conflicts — Hong Kong's open markets absorb and adapt.

Uncertainty

Chief Economists Outlook: economic policy uncertainty index at 30-year high. (Harvard Business Review, 2026)

Complexity

Multi-layered regulatory, geopolitical, and technological forces require sophisticated governance responses.

Ambiguity

Unclear signals demand scenario planning, crisis management strategies, and stakeholder confidence-building.

Scholars Sandra Sucher & David Berrsoff argue: "Government decision-makers who provide predictability, certainty and stability to stakeholders will enjoy prosperity." Hong Kong's nine core values do precisely this — creating a resilient, sustainable competitive moat. (Chen, 2025)

Conclusion 總結: Cherish and Leverage Hong Kong's Core Values

Hong Kong's diverse core values are not merely historical achievements — they are the irreplaceable DNA of its competitive identity. As Premier Wen Jiabao noted in 2005, deep-seated structural challenges remain: high wages, high rents, high land prices ("三高"), wealth inequality, and political tensions.

Integrate with National Strategy

Actively align with China's 15th Five-Year Plan and Greater Bay Area development for new economic growth engines.

Apply Comparative Advantage

Focus on what Hong Kong does better than any other jurisdiction — finance, law, RMB, FinTech — not manufacturing or heavy industry.

Sustain the Three Pillars

Balance State, Market, and Community to prevent populism, reduce inequality, and maintain social stability.

Embrace the Lion Rock Spirit

With resilience and unity, transform crises into opportunities — turning turbulence into trust-building moments for Hong Kong.

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