

Catalysing Regional Connectivity:

Hong Kong as the Nexus for **ASEAN and Central Asia** Capital Flows

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Executive Summary



Executive Summary

The global economic landscape is undergoing a structural rebalancing towards the Global South, driven by supply-chain diversification, demographic momentum, and the redirection of trade and investment away from traditional markets. In particular, emerging economies along the Belt and Road (B&R) corridors are assuming a growing role in global production, trade, and capital flows, while Chinese Mainland capital and enterprises are expanding their international footprint across the region.

The National 15th Five-Year Plan (15th FYP) reaffirms the Central Government's support for Hong Kong's deep participation in the high-quality development of the Belt and Road Initiative. Under "One Country, Two Systems", Hong Kong serves as both a gateway between the Chinese Mainland and regional markets and a value-adding partner, providing capital, risk-management expertise, and institutional trust to advance cross-border cooperation. Under the new trend, the city is evolving beyond its traditional East–West intermediary role into an integrated, multi-polar financial hub connecting emerging growth centres, standing as an anchor of confidence and providing stability, security, and predictability that global investors value.

ASEAN and Central Asia are two key blocs of the Global South and important nodes of the B&R network — both are among the world's fastest-growing regions. They are also endowed with rich resources — ASEAN a leading source of nickel, cobalt and rare earths, and Central Asia of gold, uranium and other metals. The two regions are geographically close to and have deep economic and trade ties with the Chinese Mainland.

ASEAN is one of Hong Kong's most established partners, underpinned by long-standing trade and financial relations that extend across key financial domains, including capital-market connectivity, technology cooperation, and sustainable finance. Central Asia, by contrast, represents a newer but fast-growing dimension of engagement, given fresh impetus by the Chief Executive's June 2026 mission to the region.

The new global and regional dynamics call for deeper financial and institutional linkages between Hong Kong and the two regions, to fully leverage Hong Kong's roles as a "super-connector" and a "super value-adder". That will further consolidate the city's leadership in international finance, sustainable development, professional services, innovation, and digital technology, among others.

Against this backdrop, this report conducts a thorough analysis, drawing insights from market practitioners and advocates for Hong Kong as the nexus for ASEAN and Central Asia capital flows. The report starts with an examination of the foundations that underpin Hong Kong's status as a premier global financial hub, positioning it uniquely to advance connectivity and facilitate capital flows across ASEAN, Central Asia, and the broader Asian region.

Building on strengthened trade and economic partnerships, the city has expanded collaboration with the regions across key financial segments — including asset and wealth management, banking, capital markets, FinTech and digital-finance infrastructure, green and sustainable finance, and insurance — to foster more structured, transparent, and accessible regional channels. Together, these linkages are transforming financial cooperation into tangible pathways for growth, reinforcing Hong Kong's position as the nexus of capital and connectivity.

Looking into the future, the city must seize emerging financial opportunities and unlock new growth avenues by forging deeper institutional, market and technological linkages with ASEAN and Central Asia.



The Foundation: Hong Kong as a Premier Global Financial Hub

Ranked third globally and first in the Asia-Pacific among international financial centres,¹ Hong Kong has firmly established itself as a premier global financial hub where global capital, talent, and innovation converge. This standing rests on a robust legal and regulatory system, a competitive tax regime, free capital flows, as well as transparent, internationally aligned corporate governance. Leveraging its deep financial integration with the Chinese Mainland, extensive international networks, diversified capital markets, and a large pool of high-calibre professionals, Hong Kong serves as a key hub for global capital formation, international risk management, and cross-border financial intermediation, which puts it in a unique position to play a pivotal role in advancing connectivity and bolstering capital flows across ASEAN, Central Asia, and the wider Asian region.

The Institutional Pillars: “One Country, Two Systems”, a Common Law System, and Free Market Principles

The “One Country, Two Systems” framework remains central to this position. Under “One Country”, Hong Kong is backed by unwavering national support, while the “Two Systems” allows it to retain the common law system and free market principles, the very source of market vitality.

This shared common-law grounding gives Hong Kong a distinctive edge in anchoring cross-border transactions with predictability, particularly in jurisdictions that have adopted common-law principles for their financial centres, such as the Astana International Financial Centre in Kazakhstan. Complex, multi-jurisdictional Belt and Road projects demand sophisticated legal engineering across diverse regulatory landscapes, and Hong Kong’s legal profession — with deep experience navigating the intersection of common law, international regulation, and Chinese corporate governance — is well positioned to structure and sustain such transactions.

The same institutional foundation underpins Hong Kong’s cross-border dispute resolution proposition. Its comprehensive mutual legal assistance arrangements with the Chinese Mainland, including the reciprocal enforcement of civil and commercial judgments and the provision of interim measures in aid of arbitral proceedings, are unmatched by those of any other jurisdiction. Building on this, the Judiciary is establishing the Hong Kong International Commercial Court (HKICC) as a specialist division of the High Court to adjudicate complex, high-value international and cross-border commercial disputes. Together with the Hong Kong International Arbitration Centre and the International Organization for Mediation headquartered in Hong Kong, the HKICC will offer businesses a full spectrum of dispute resolution options under a single, trusted legal system.

This institutional architecture is accompanied by a low, simple, and transparent tax regime — no VAT, no capital gains tax, and low-income tax rates. Trade barriers are minimal. There are no capital or foreign exchange controls and no restrictions on foreign ownership. On top of all these, local and foreign enterprises are treated equally.

The Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) extends these advantages by granting Hong Kong-registered firms, including foreign-owned entities, tariff-free access for eligible goods entering the Chinese Mainland.²

¹ Z/Yen and China Development Institute. (2026, March). *The Global Financial Centres Index 39*.
https://www.longfinance.net/media/documents/GFCI_39_Report_2026.03.26_v1.1.pdf

² Trade and Industry Department. (Last review date: 2026, April 8). *Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA)*.
https://www.tid.gov.hk/en/our_work/cepa.html

Together, free port status, liberal trade and investment regimes, and unhindered movement of capital and information have earned Hong Kong recognition as the world's freest economy,³ underpinning its capacity to support global supply-chain adjustment and regional capital redeployment.

Anchors of Long-term Financial Stability

The Linked Exchange Rate System anchors confidence in the Hong Kong dollar and has proven resilient through global economic cycles. This stability is reinforced by a coordinated regulatory architecture — spanning the Hong Kong Monetary Authority (HKMA), Securities and Futures Commission (SFC), Insurance Authority (IA), Mandatory Provident Fund Schemes Authority, and Accounting and Financial Reporting Council (AFRC), which together with the Hong Kong Exchanges and Clearing Limited (HKEX) safeguard market integrity without stifling innovation. Operating through well-defined mandates and effective coordination, these regulators form a world-class supervisory ecosystem recognised internationally for consistency and credibility, reinforcing Hong Kong's reputation as a dependable platform amid market volatility.

On the fiscal front, Hong Kong's tax system is simple and transparent. On top of low-income taxes compared to global peers, there is neither a value-added tax nor a capital gains tax. The unanimous affirmation of top credit ratings by S&P (AA+/A-1+), Moody's (Aa3), and Fitch (AA-) underscores the government's robust fiscal buffers, resilient economic growth, and strong external balance sheet. This collective endorsement reinforces investor confidence in Hong Kong's financial stability, institutional framework, and rule of law.

Global Market Access and Deep Liquidity Pool

Hong Kong's financial and capital market ecosystem is distinguished by its depth, breadth, and strong international connectivity. Beyond its highly liquid equity market, the city offers a comprehensive platform spanning international banking, bonds, insurance, wealth and asset management, private market, commodity market, as well as offshore RMB financing. This enables issuers and investors to access multiple channels of capital formation, risk management, and asset allocation through a single international marketplace.

Market liquidity has remained strong, supported by a diverse base of local, Chinese Mainland, and international investors. In the stock market, average daily turnover in the cash market rose 90% year-on-year to HK\$250 billion in 2025.^{4,5} Hong Kong also retained its position as the world's leading IPO venue as of end-May 2026, raising HK\$166.8 billion through 62 listings.⁶ At the same time, reforms such as Listing Rules Chapters 18A and 18C and the Technology Enterprises Channel have broadened the issuer base, attracting companies across healthcare, green technology, AI, and other future-oriented sectors.⁷

Together, these strengths reinforce Hong Kong's role as a full-service international financing and investment platform, capable of supporting companies at different stages of growth and connecting global capital with opportunities across the Chinese Mainland, Asia, and Belt and Road markets.

3 Fraser Institute. (2025, September 25). *Economic Freedom of the World: 2025 Annual Report*.
<https://www.fraserinstitute.org/studies/economic-freedom-world-2025-annual-report>

4 Hong Kong Exchanges and Clearing Limited. (2026, April 2). *ECM Series: Hong Kong's Diversifying Pool of Liquidity*.
https://www.hkexgroup.com/Media-Centre/Insight/Insight/2026/ECM-Series/Hong-Kong-Diversifying-Pool-of-Liquidity?sc_lang=en

5 Hong Kong Exchanges and Clearing Limited. (2026, April 29). *Q1 2026 Hong Kong Market Update*.
https://www.hkexgroup.com/Media-Centre/Insight/Insight/2026/HKEX-Insight/Q1-2026-Hong-Kong-Market-Update?sc_lang=en

6 Hong Kong Exchanges and Clearing Limited. (2026, June 9). *AI IPOs Create a New Issuer Ecosystem*.
https://www.hkexgroup.com/Media-Centre/Insight/Insight/2026/Johnson-Chui/AI-IPOs-Create-a-New-Issuer-Ecosystem?sc_lang=en

7 Hong Kong Exchanges and Clearing Limited. (2026, April 2). *ECM Series: Hong Kong's Diversifying Pool of Liquidity*.
https://www.hkexgroup.com/Media-Centre/Insight/Insight/2026/ECM-Series/Hong-Kong-Diversifying-Pool-of-Liquidity?sc_lang=en

The Offshore Renminbi Nexus and the Springboard for Mainland Companies “Going Global”

The 15th FYP reaffirms Hong Kong's role as the global offshore RMB business hub, anchoring the city's position in advancing RMB internationalisation and greater capital account openness. Hong Kong handles approximately 75% of global offshore RMB payments and holds the largest liquidity pool, with RMB deposits (including Certificates of Deposit) exceeding RMB1.2 trillion as of end-June 2026.⁸ The RMB Real-Time Gross Settlement System recorded average daily turnover of RMB2.5 trillion in 2025.⁹ What increasingly generates this activity is the internationalisation of Mainland enterprises rather than trade settlement alone. China's outbound direct investment reached US\$174.38 billion in 2025, with over 50,000 overseas enterprises across 190 countries, including 19,000 in Belt and Road economies, and roughly 60% of that investment flows through Hong Kong.¹⁰

Hong Kong is therefore the natural springboard for this expansion, and the Government has moved to institutionalise the role. Offshore RMB liquidity, international capital markets, common-law legal and professional services, and global connectivity together enable Mainland enterprises to raise funds, manage risk, and structure outbound investment in Belt and Road markets through a single trusted platform. The Chief Executive's 2025 Policy Address established the GoGlobal Task Force as a one-stop platform,¹¹ alongside commitments to attract Mainland banks to set up regional headquarters serving clients' expansion into Southeast Asia and the Middle East.¹² The dynamic is self-reinforcing: expansion into ASEAN and Central Asia generates the settlement and financing demand that deepens Hong Kong's offshore pool, and that depth makes the city the rational base for the next phase of expansion.

Financial infrastructure is advancing in parallel, though the binding constraint sits partly onshore. The HKEX signed an MoU with the CIPS Co. Ltd., operator of China's Cross-border Interbank Payment System, to explore strategic cooperation in cross-border RMB business and to support the long-term development of Hong Kong's fixed income and currencies ecosystem.¹³ Additionally, the HKMA, the People's Bank of China and the SFC have announced a series of measures to support the development of Hong Kong's fixed income and currency market and offshore RMB business (Please refer to subsequent sections for further details).¹⁴ With sustained support from the Central People's Government and the HKSAR Government, these efforts reinforce the city's function as the principal offshore RMB platform, advancing the currency's broader international use in trade, investment and asset management.

8 HKSAR Government. (2026, August). *Half-yearly Economic Report 2026*.
https://www.hkeconomy.gov.hk/en/pdf/er_26q2.pdf

9 Brand Hong Kong. (Revision date: 2026, June 1). *International Financial Centre*.
https://www.brandhk.gov.hk/docs/default-source/factsheets-library/hong-kong-themes/2026-06-05/international-financial-centre_en_jun-2026.pdf

10 The State Council Information Office, the People's Republic of China. (2026, January 23). *Commerce ministry: China's outbound investment maintains steady growth in 2025*.
http://english.scio.gov.cn/pressroom/2026-01/23/content_118295750.html

11 HKSAR Government. (2025, October 6). *GoGlobal Task Force officially launched as one-stop platform to attract Mainland enterprises to go global via Hong Kong*.
<https://www.info.gov.hk/gia/general/202510/06/P2025100600200.htm>

12 HKSAR Government. (2025, September 17). *CE's speech in delivering "The Chief Executive's 2025 Policy Address" to LegCo (5)*.
<https://www.info.gov.hk/gia/general/202509/17/P2025091700222.htm>

13 Hong Kong Exchanges and Clearing Limited. (2026, July 7). *HKEX, CIPS Sign MOU to Strengthen Hong Kong's Offshore RMB Settlement Infrastructure*.
https://www.hkex.com.hk/News/News-Release/2026/2607071news?sc_lang=en

14 HKSAR Government. (2026, July 7). *New Measures to support development of Hong Kong's fixed income and currency market and offshore Renminbi business*.
<https://www.info.gov.hk/gia/general/202607/07/P2026070700530.htm>

“Finance+” Strategy: Driving Real Economy Growth

Hong Kong’s forward competitiveness is underpinned by the “Finance+” strategy, articulated in the 2026–27 Budget, which drives the city’s vision of high-quality growth by deepening financial markets and aligning capital formation with industrial innovation.¹⁵ Complemented by patient capital, the enhanced Capital Investment Entrant Scheme, and targeted tax incentives, “Finance+” builds a more resilient funding and investment ecosystem that supports innovation and technology, green development, emerging industries, and family capital.

On the capital side, the Hong Kong Investment Corporation (HKIC) serves as a cornerstone investor, channelling patient capital into strategic industries such as semiconductors and innovation technologies. As of March 2026, HKIC has invested in over 200 projects, with 10 portfolio companies already listed and 30 more preparing for listing in 2026. Each dollar invested by HKIC has attracted more than eight dollars of follow-on private capital — illustrating its multiplier effect in resource mobilisation.¹⁶

Beyond funding, “Finance+” is catalysing demand for new professional services, including valuation and risk assessment of intellectual property, data, and other intangible assets, alongside related assurance, certification, and financing solutions.¹⁷ This ecosystem upgrade aligns Hong Kong’s financial capabilities with the real economy needs of the innovation era, advancing its position as both financier and enabler of next-generation industries.

Taken together, Hong Kong’s position as a premier financial hub is anchored in a powerful combination of institutional credibility, financial resilience, and adaptive capacity. These strengths are mutually reinforcing, equipping the city to extend its role to a broader connector across ASEAN and Central Asia.

15 Financial Secretary. (2026, February 25). *The 2026-27 Budget*.

https://www.budget.gov.hk/2026/eng/pdf/e_budget_speech_2026-27.pdf

16 Panel on Financial Affairs. (2026, June 1). *Briefing on the work of Hong Kong Investment Corporation Limited*.

<https://www.legco.gov.hk/yr2026/english/panels/fa/papers/fa20260601cb1-530-4-ce.pdf>

17 Financial Secretary. (2026, March 1). *Synergistic development of “AI+” and “Finance+”*.

<https://www.fso.gov.hk/eng/blog/blog20260301.htm>



Hong Kong: Building the Belt and Road Growth Corridor with ASEAN and Central Asia



Hong Kong: Building the Belt and Road Growth Corridor with ASEAN and Central Asia

ASEAN and Central Asia are among the world's most promising regions, underpinned by strong growth potential, large and youthful populations, and abundant natural resources. Both regions are also well positioned to benefit from ongoing geopolitical realignment and industrial relocation, as global companies diversify supply chains and seek new engines of growth.

Hong Kong has long maintained solid economic and institutional ties with ASEAN and Central Asia, well before the launch of the Belt and Road Initiative. These relationships have been built over decades through trade, investment, financial connectivity, and people-to-people exchanges. In the new era, the Belt and Road Initiative has further sustained and reinforced these foundations, injecting fresh impetus into Hong Kong's engagement with both regions as capital, manufacturing capacity and consumer demand increasingly concentrate in emerging Asia.

Southeast Asia is consolidating its position as the world's most dynamic manufacturing and services corridor, while Central Asia's resource-rich, reform-minded economies are opening to diversified capital as they reduce dependence on narrow commodity exports. Hong Kong's opportunity sits at the intersection of both trends, converting treaty relationships, exchange partnerships and institutional programmes into executable cross-border transactions between these two regions, the Chinese Mainland and the wider international market.

The logic runs in both directions. ASEAN and Central Asian economies need access to international capital markets, treasury infrastructure, and deal-execution capability as they industrialise and diversify; Hong Kong and Chinese Mainland enterprises need new markets, supply-chain resilience, and exposure to resources and infrastructure as competition intensifies at home and traditional Western markets grow more contested. The value of Hong Kong is epitomised: it serves as the global capital nexus, turning geographic proximity and legal certainty into investable structures across jurisdictions with very different institutional starting points.

Expanding Regional Footprints: Deepening Ties with ASEAN and Central Asia

ASEAN — One of the Fastest-growing Regions in the World

Trade and investment are key enablers of regional integration, fostering deeper economic linkages and cross-border collaboration. To capture opportunities under the BRI — Hong Kong and ASEAN signed a Free Trade Agreement (FTA) and an Investment Agreement in November 2017.^{18,19} Comprehensive in scope, the agreements cover trade in goods and services, investment, economic and technical co-operation, and dispute settlement mechanisms.

Building on this framework, the First Protocol to Amend the FTA, signed in January 2024, expanded Product Specific Rules of origin coverage from over 200 to nearly 600 product categories, making it easier for Hong Kong businesses to secure preferential tariff treatment when exporting to ASEAN.²⁰ This is further supported by Comprehensive Agreements for the Avoidance of Double Taxation with six

¹⁸ Trade and Industry Department. (Last revision date: 2026, April 8). *Free Trade Agreement between Hong Kong, China and the Association of Southeast Asian Nations*.

https://www.tid.gov.hk/en/our_work/trade_and_investment_agreements/ftas/hkasean.html

¹⁹ Timor-Leste became the 11th ASEAN Member State (AMS) on 26 October 2025. At present, the ASEAN-Hong Kong, China FTA and the Investment Agreement only cover Hong Kong and 10 AMS, i.e. Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam. Source: https://www.tid.gov.hk/en/our_work/statistics/trade_partners/asean.html

²⁰ HKSAR Government. (2024, January 9). *Hong Kong signs first protocol to amend ASEAN - Hong Kong, China free trade agreement*. <https://www.info.gov.hk/gia/general/202401/09/P2024010900389.htm>

ASEAN states — Brunei, Cambodia, Indonesia, Malaysia, Thailand, and Vietnam²¹ — which delineate taxing rights and provide tax relief on cross-border income, enhancing certainty for investors moving capital in both directions.

Building on these foundations, Hong Kong is preparing to elevate its engagement through accession to the Regional Comprehensive Economic Partnership — the world's largest free-trade bloc, encompassing China, Japan, Korea, and the ASEAN member states. To this end, the Government aims to establish an Accession Working Group for Hong Kong to consolidate its status as an international trading centre and expand cooperation with the region's economies.²²

Institutional collaboration has advanced in parallel with these frameworks. Within ASEAN, Hong Kong is represented by four Economic and Trade Offices in Bangkok, Jakarta, Kuala Lumpur, and Singapore. These offices promote international understanding of Hong Kong's unique advantages, advance its interests in global markets, and support overseas enterprises seeking to establish or expand their presence in the city.

The FSDC established the ASEAN Advisory Group in September 2024 and launched the Collaborative Financial Services Capacity Building Programme in May 2025, with the first cohort invited industry practitioners from ASEAN to strengthen professional exchanges across the region. The ASEAN Chamber of Commerce (Hong Kong), launched in June 2026, further anchors economic ties by promoting two-way trade and investment.^{23,24}

Underpinned by these strengthened trade and investment frameworks, the partnership between Hong Kong and ASEAN has continued to expand in both scale and depth. ASEAN has remained Hong Kong's second-largest merchandise trading partner for sixteen consecutive years,²⁵ reflecting the region's deepening economic integration with the city.

In 2025, ASEAN accounted for 15.3% of Hong Kong's total merchandise trade, with bilateral trade in goods reaching HK\$1,668.5 billion (US\$214.0 billion), a 29% year-on-year increase (See Figure 1).²⁶ This growth reflects the complementarity between the two economies, as ASEAN's industrial upgrading is increasingly supported by Hong Kong's expertise in logistics, finance, and professional services.

Investment relations have been equally buoyant: since the 2017 ASEAN-Hong Kong FTA and Investment Agreement, the city's outward investment into ASEAN has risen by 54%,²⁷ reflecting sustained investor confidence in the region's prospects. As at end-2024, ASEAN was Hong Kong's third-largest destination for outward direct investment, with a stock of HK\$671.2 billion. It also ranked as the city's sixth-largest source of inward direct investment, with a stock of HK\$448.5 billion.²⁸

21 Inland Revenue Department. (n.d.). Comprehensive double taxation agreements concluded. Government of the Hong Kong Special Administrative Region. Retrieved September 6, 2026, https://www.ird.gov.hk/eng/tax/dta_inc.htm

22 HKSAR Government. (2026, June 30). *Speech by CE at South China Morning Post GBA-Asean Summit 2026*. <https://www.info.gov.hk/gia/general/202606/30/P2026063000212.htm>

23 HKSAR Government. (2025, May 22). *SFST's closing remarks at FSDC-HKSI Capacity Building Programme for ASEAN Financial Executives*. <https://www.info.gov.hk/gia/general/202505/22/P2025052200515.htm>

24 HKSAR Government. (2026, June 30). *Invest Hong Kong welcomes establishment of ASEAN Chamber of Commerce (Hong Kong) and organises Northern Metropolis visit*. <https://www.info.gov.hk/gia/general/202606/30/P2026062900466.htm>

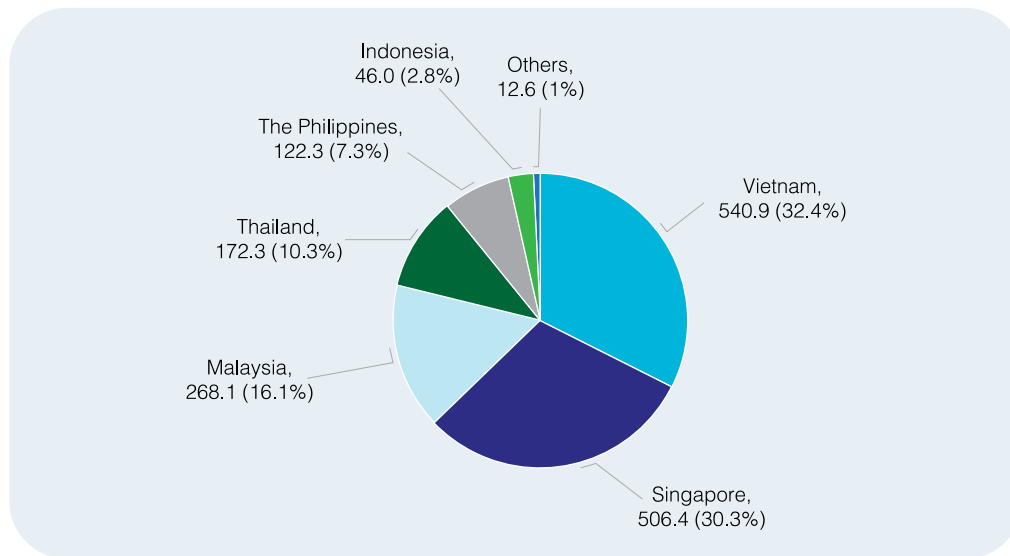
25 HKSAR Government. (2026, June 30). *Speech by CE at South China Morning Post GBA-Asean Summit 2026*. <https://www.info.gov.hk/gia/general/202606/30/P2026063000212.htm>

26 HKSAR Government. (2026, June 30). *Speech by CE at South China Morning Post GBA-Asean Summit 2026*. <https://www.info.gov.hk/gia/general/202606/30/P2026063000212.htm>

27 HKSAR Government. (2026, June 30). *Speech by CE at South China Morning Post GBA-Asean Summit 2026*. <https://www.info.gov.hk/gia/general/202606/30/P2026063000212.htm>

28 Trade and Industry Department. (Last revision date: 2026, June 22). *Free Trade Agreement between Hong Kong, China and the Association of Southeast Asian Nations*. https://www.tid.gov.hk/en/our_work/trade_and_investment_agreements/ftas/hkasean.html

Figure 1: Hong Kong's merchandise trade with ASEAN member states in 2025



Notes: (i) "Others" include Cambodia, Myanmar, Brunei Darussalam, Laos, and Timor-Leste; (ii) due to rounding, the figures may not add up to the total.

Unit: HK\$ billion (percentage share)

Source: Trade and Industry Department ²⁹

Central Asia — Strong Growth, with a Wealth of Economic Bright Spots

Central Asia occupies a pivotal position within the Belt and Road Initiative, first articulated by President Xi Jinping at Nazarbayev University in Astana in 2013. Endowed with substantial natural resources and undergoing rapid economic transformation, the region is generating rising demand for modern infrastructure, logistics, and digital-economy solutions.

As the region's largest economy and a key logistics hub, Kazakhstan — Hong Kong's largest trading partner in Central Asia — offers significant opportunities for collaboration, anchored by its ambitious development agenda and the Digital Qazaqstan initiative.³⁰ Uzbekistan, the region's most populous nation and a recognised leader in economic reform, presents considerable consumer-market potential under the Digital Uzbekistan 2030 strategy and its evolving IT Park ecosystem.³¹ Both countries also possess substantial gold reserves, aligning with Hong Kong's objective to enhance its role as an international gold trading centre.

The Chief Executive's delegation visit to Kazakhstan and Uzbekistan in June 2026 converted this trajectory into concrete commercial outcomes: 61 MOUs and cooperation agreements were signed in Kazakhstan alone, and the broader trade mission secured 96 agreements involving US\$1.65 billion in committed investment. Among others, HKEX signed two MOUs with the Astana International Exchange (AIX) and the Astana International Financial Centre Authority (AIFC Authority) in Kazakhstan.³² These partnerships mark a new phase of capital markets connectivity between Hong Kong and Central Asia within the broader BRI framework.

²⁹ Trade and Industry Department. (2026, April). *Hong Kong - Association of Southeast Asian Nations (ASEAN) Trade Relations*. https://www.tid.gov.hk/en/our_work/statistics/trade_partners/asean.html

³⁰ Digital Qazaqstan. (Access date: 2026, August 31). *Digital Qazaqstan*. <https://digitalqazaqstan.kz/en/>

³¹ OECD. (Updated: 2025, December 25). *Digital Uzbekistan - 2030*. <https://oecd.ai/en/dashboards/policy-initiatives/digital-uzbekistan-2030-3968>

³² Hong Kong Exchanges and Clearing Limited. (2026, June 2). *HKEX Enhances Central Asia Market Connectivity with AIFC, Astana International Exchange MOUs*. https://www.hkex.com.hk/News/News-Release/2026/260602news?sc_lang=en

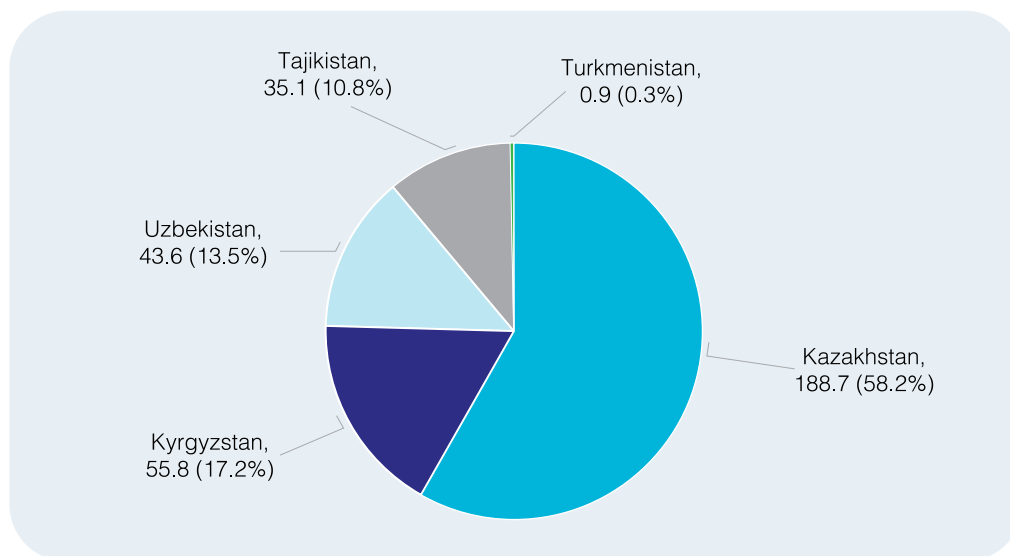
Under the MOU with the AIFC Authority, cooperation focuses on climate-transition and green-finance initiatives, including the development, financing, and implementation of sustainable aviation and decarbonisation projects. The agreement also supports collaboration in the commodities sector, particularly in ecosystem development and the financing of early-stage mining projects, areas where Hong Kong's expertise and access to capital can add significant value. In parallel, the MOU with the AIX seeks to broaden cross-border listing opportunities, promoting dual listings of equities and debt securities between the two exchanges. The collaboration aims to facilitate greater capital mobility and information exchange, with both parties establishing regular communication channels to deepen their understanding of market developments and to evaluate further business opportunities.

Complementing these efforts, Invest Hong Kong and the Hong Kong Trade Development Council have established consultant offices in Almaty, Kazakhstan, providing a dedicated platform to jointly strengthen Hong Kong's investment and trade promotion across Central Asia.³³

Together, these initiatives underscore Hong Kong's evolving role as a multifaceted economic corridor, linking ASEAN's dynamic manufacturing and services base and Central Asia's resource-driven economies with global capital, trade, and financial expertise.

Economic and trade exchanges between Hong Kong and the region have expanded significantly, with total merchandise trade reaching US\$324.1 million in 2025 (See Figure 2),³⁴ representing a 27% increase compared with 2020.³⁵ Economies such as Kazakhstan and Uzbekistan are drawing Hong Kong investors into infrastructure, manufacturing, and energy transition projects that align with the BRI. Hong Kong's investment presence in the region is also notable. As of 1 January 2026, the city was Kazakhstan's 10th-largest net investor globally and its fourth-largest Asian net investor, after the Chinese Mainland, Japan, and Singapore.³⁶

Figure 2: Hong Kong's merchandise trade with Central Asia economies in 2025



Note: Due to rounding, the figures may not add up to the total.

Unit: US\$ million (percentage share)

Source: Hong Kong Trade and Development Council ³⁷

³³ HKSAR Government. (2026, June 3). *LCQ9: Exploration of Central Asian markets for industrial and commercial sectors*. <https://www.info.gov.hk/gia/general/202606/03/P2026060300271.htm>

³⁴ Hong Kong Trade and Development Council. (2026, April 23). *Uzbekistan: Market Profile*. <https://research.hktdc.com/en/article/MzU3ODExODA3>

³⁵ HKSAR Government. (2026, May 31). *Harnessing Central Asia's potential*. <https://www.info.gov.hk/gia/general/202605/31/P2026052900613.htm>

³⁶ Hong Kong Trade and Development Council. (2026, April 23). *Kazakhstan: Market Profile*. <https://research.hktdc.com/en/article/MzU3OTcxNDk5>

³⁷ Hong Kong Trade and Development Council. (2026, April 23). *Uzbekistan: Market Profile*. <https://research.hktdc.com/en/article/MzU3ODExODA3>



Hong Kong: Showcasing the Multi-segment Corridors with ASEAN & Central Asia



Hong Kong: Showcasing the Multi-segment Corridors with ASEAN & Central Asia

The deepening of financial ties across ASEAN and Central Asia reflects the increasing scale and sophistication of regional capital flows spurred by the BRI. Within this evolving landscape, Hong Kong serves as a catalyst for financial integration, facilitating the efficient allocation of funds and strengthening cross-border market connectivity.

Building on strengthened trade and economic partnerships, the city has expanded collaboration across key financial segments — including asset and wealth management, banking, capital markets, FinTech and digital-finance infrastructure, green and sustainable finance, and insurance — to foster more structured, transparent, and accessible regional channels. Together, these linkages are transforming financial cooperation into tangible pathways for growth, reinforcing Hong Kong's position as the nexus of capital and connectivity.

At-a-Glance: The Multi-Segment Corridor

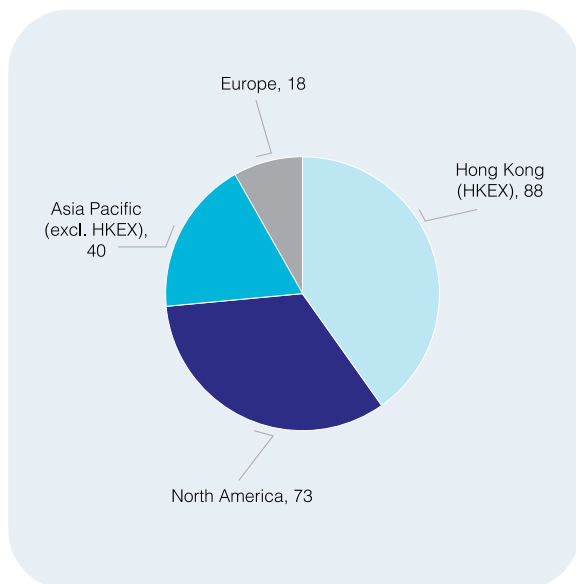
Corridor Segment	Key Achievements	Strategic Role in the Corridor
Capital markets	Top overseas listing venue for ASEAN issuers, 2014-2025; 21 recognised stock exchanges from 19 jurisdictions; cross-border listings between HKEX and AIX; Dim Sum bonds issuance from Kazakhstan and listed in Hong Kong; new cross-border indices and ETFs	The visible front door of the corridor — where regional issuers and investors first connect with Hong Kong's markets
Asset and wealth management	AUM up 20% to HK\$42.2tn; world's largest cross-border wealth booking centre; Mutual Recognition of Funds with Malaysia and Thailand; First HKIC overseas project — EV technology into Thailand	Converts market and banking infrastructure into long-term capital retention and private-wealth connectivities
Banking	RMB Business Facility expanded to RMB500bn; HKMA MOUs with seven ASEAN banking regulators; Bank Indonesia-PBOC-HKMA local-currency MOU	The liquidity backbone that makes listings, trade and investment bankable and settleable
Green and sustainable finance	US\$38bn sustainable bonds arranged in 2025 (40% of Asia's market); Core Climate carbon platform; ISSB adoption roadmap; Alliance for Green Commercial Banks with International Finance Corporation (IFC), spanning six ASEAN economies	The growth theme aligning the corridor with the region's decarbonisation and energy-transition needs
Insurance and risk transfer	Bespoke ILS framework with catastrophe bonds raising ~US\$800m; MoU with Thailand's Office of Insurance Commission; MoU between FSDC and Indonesia Financial Group	The resilience layer — protecting capital and infrastructure against catastrophic and climate-related risk
Fintech and digital-finance infrastructure	PvP links with Malaysia, Indonesia and Thailand; FPS x PromptPay Link with Thailand	The efficiency layer — reducing settlement risk, cost and time across the corridor

Capital Markets: From Recognition to Product Connectivity

Hong Kong's capital markets have become a central pillar in advancing regional financial connectivity, underpinned by expanding exchange recognitions, new index products, and growing dim sum bond issuance.

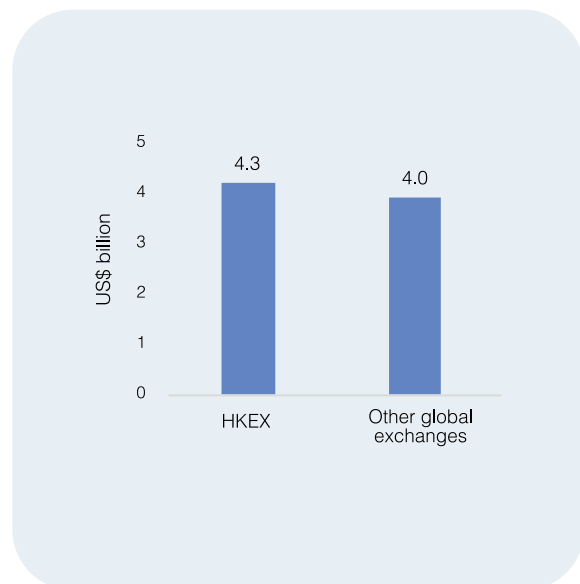
Between 2014 and 2025, 88 of the 219 Southeast Asian companies seeking overseas listing chose the HKEX, raising over US\$4.3 billion — the highest total among global exchanges for ASEAN issuers (See Figures 3 and 4).³⁸ For these enterprises, Hong Kong offers deep liquidity, international visibility, and a robust yet flexible regulatory environment, providing an ideal platform for regional companies to access global capital.

Figure 3: Overseas listings of ASEAN companies by destination, 2014-2025



Source: Hong Kong Exchanges and Clearing Limited ³⁹

Figure 4: Total funds raised by overseas listings of ASEAN companies, 2014-2025



Source: Hong Kong Exchanges and Clearing Limited ⁴⁰

³⁸ Hong Kong Exchanges and Clearing Limited. (2026). *HKEX: A hub for Southeast Asian issuers*. https://www.hkex.com.hk/Join-Our-Market/IPO/Listing-with-HKEX/Southeast-Asia-Hub?sc_lang=en

³⁹ Hong Kong Exchanges and Clearing Limited. (2026). *HKEX: A hub for Southeast Asian issuers*. https://www.hkex.com.hk/Join-Our-Market/IPO/Listing-with-HKEX/Southeast-Asia-Hub?sc_lang=en

⁴⁰ Hong Kong Exchanges and Clearing Limited. (2026). *HKEX: A hub for Southeast Asian issuers*. https://www.hkex.com.hk/Join-Our-Market/IPO/Listing-with-HKEX/Southeast-Asia-Hub?sc_lang=en

Key milestones:

- ▶ **Exchange recognitions and listing frameworks:** HKEX has expanded cooperation with major overseas exchanges.
 - By July 2026, 21 exchanges from 19 jurisdictions — including Singapore, Indonesia, Thailand, and Malaysia — had been formally recognised as recognised stock exchanges.⁴¹ This development has enhanced Hong Kong's attractiveness as a venue for secondary listings by overseas listed companies, including those from Southeast Asia. Companies from ASEAN markets can leverage Hong Kong's deep liquidity and regulatory strengths to gain greater visibility and valuation in international markets.
 - Reach into Central Asia has been extended through the July 2026 MoU with AIX, covering dual primary and secondary equity listings and cross-border debt listings, while establishing intelligence exchange.
- ▶ **Resource-sector listings demonstrating traction:**
 - **ASEAN listings:** The listing of PT Merdeka Gold Resources Tbk, a leading Indonesian gold producer, on HKEX,⁴² underscores the confidence of international mining and resource enterprises in Hong Kong as a premier capital-raising and trading hub, and reflects their strong belief in the city's strategy to develop a comprehensive gold-market ecosystem within the Asia time zone. The listing also reaffirms the close economic partnership between Hong Kong and Indonesia, while strengthening the city's broader engagement with its B&R partners.
 - **Central Asia dual listings:** In 2025, a Hong Kong-incorporated enterprise with its principal operations in Kazakhstan, and which leads the region's largest tungsten project, completed dual listings in Hong Kong and Kazakhstan.^{43,44} This underscored Hong Kong's growing capacity to connect resource-based economies with global capital flows.
- ▶ **Offshore RMB financing with dim sum bond issuance:**
 - Notable rising issuance of dim sum bonds by sovereign and corporate borrowers from ASEAN and Central Asia. In October 2025, the Government of Indonesia issued its inaugural offshore RMB-denominated sovereign bond in Hong Kong, and returned for a second issuance in 2026, with a total size of approximately RMB15 billion.^{45,46} Separately, the Development Bank of Kazakhstan issued a RMB2 billion dim sum bond in Hong Kong — the first issuance of its kind by a Central Asian entity — marking an important milestone in expanding RMB financing channels for the region.⁴⁷

41 Hong Kong Exchanges and Clearing Limited. (2026, July 23). *HKEX Adds Bursa Malaysia as Recognised Stock Exchange*. https://www.hkex.com.hk/News/News-Release/2026/260723news?sc_lang=en

42 HKSAR Government. (2026, June 26). *Speech by SFST at listing ceremony of PT Merdeka Gold Resources Tbk*. <https://www.info.gov.hk/gia/general/202606/26/P2026062600250.htm>

43 South China Morning Post. (2026, May 28). *Hong Kong eyes Central Asian listings as HKEX CEO pitches city's deep liquidity*. <https://www.scmp.com/news/hong-kong/hong-kong-economy/article/3355077/hong-kong-eyes-central-asian-listings-hkex-ceo-pitches-citys-deep-liquidity>

44 HKSAR Government. (2026, June 2). *Speech by CE at "Partnering for Success - Hong Kong as a 'Super Connector' and 'Super Value-Adder' for Central Asia" High-level Business Luncheon in Astana*. <https://www.info.gov.hk/gia/general/202606/02/P2026060200587.htm>

45 HKSAR Government. (2026, July 7). *Speech by FS at Hong Kong FIC & Bond Connect Summit*. <https://www.info.gov.hk/gia/general/202607/07/P2026070700567.htm>

46 Bank of China (Hong Kong). (2026, February 27). *BOCHK supports the Government of Indonesia in issuing offshore RMB bonds again and participates in the Government's Euro public bond issuance for the first time*. https://www.bochk.com/dam/bochk/desktop/top/aboutus/pressrelease2/2026/260227009_Press_Release_EN.pdf

47 HKSAR Government. (2026, June 2). *Speech by CE at "Partnering for Success - Hong Kong as a 'Super Connector' and 'Super Value-Adder' for Central Asia" High-level Business Luncheon in Astana*. <https://www.info.gov.hk/gia/general/202606/02/P2026060200587.htm>

► **Cross-listing:**

- In July 2026, the SFC and the Securities Commission Malaysia entered into an MoU concerning mutual recognition of covered funds and a simplified dual IPO listing framework for cross-listings of equity securities. The MoU expands the scope of eligible products under the mutual recognition of funds arrangement to include non-Islamic exchange-traded funds, leveraged and inverse products, and real estate investment trusts, while strengthening regulatory cooperation between the two markets and enhancing market access. The authorities have also agreed to cooperate to streamline the framework for cross-listings of equity securities between Hong Kong and Malaysia, including both dual primary listings and primary-secondary listings.
- The Government of Malaysia's US\$1.5 billion dual-tranche sukuk listed on HKEX and Bursa Malaysia on 30 July 2026, building on the MoU between the two exchanges.⁴⁸

► **Index and ETF product innovations:** The introduction of the HKEX-Bursa Malaysia Large Cap Index and the Galaxy Bosera MSCI China-ASEAN Economic Linkage Select Index ETF in 2026 has enabled investors to achieve broader regional diversification.^{49,50}

► **Regulatory collaboration:**

- HKEX has signed MOUs with Bursa Malaysia and the Indonesia Stock Exchange to enhance capital market connectivity,^{51,52} while the SFC has deepened cooperation with regulators in Singapore to promote information exchange, supervisory alignment, and market transparency.⁵³
- Another MOU was signed between the AFRC and the Securities Commission Malaysia to formalise a strategic partnership, strengthening cross-border regulatory cooperation in audit oversight and financial reporting compliance, with a view to enhancing investor protection and reinforcing public confidence in auditing and financial reporting.⁵⁴

48 Ministry of Finance of Malaysia. (2026, July 24). *Malaysia's Global Sukuk 4.7 Times Oversubscribed, Priced at Record-Low Spreads*.
<https://www.mof.gov.my/portal/en/news/press-release/malaysia-global-sukuk-240726>

49 Hong Kong Exchanges and Clearing Limited. (2026, March 27). *HKEX, Bursa Malaysia Launch Co-Branded Index, Sign MOU to Enhance Market Connectivity*.
https://www.hkex.com.hk/News/News-Release/2026/260327news?sc_lang=en

50 Hong Kong Exchanges and Clearing Limited. (Access date: 2026, June 2). *Bosera Global Exchange Traded Funds Series Open-ended Fund Company - Galaxy Bosera MSCI China ASEAN Economic Linkage Select Index ETF*.
<https://ifp.hkex.com.hk/fund/BXC620>

51 Hong Kong Exchanges and Clearing Limited. (2023, July 26). *HKEX Signs Cooperation Agreement with Indonesia Stock Exchange*.
https://www.hkex.com.hk/News/News-Release/2023/230726news?sc_lang=en

52 Hong Kong Exchanges and Clearing Limited. (2026, March 27). *HKEX, Bursa Malaysia Launch Co-Branded Index, Sign MOU to Enhance Market Connectivity*.
https://www.hkex.com.hk/News/News-Release/2026/260327news?sc_lang=en

53 Securities and Futures Commission. (2020, November 10). *Memorandum of Understanding concerning cooperation and the exchange of information related to the supervision of cross-border clearing organizations*.
https://www.sfc.hk/-/media/EN/files/ER/MOU/SFC_MAS_MOU_NOV2020_updated.pdf?rev=c926f1f12890404bbb2db8b1ede25bea&hash=A87BC58F-8BA3E932B7AF0328E34FD8CD

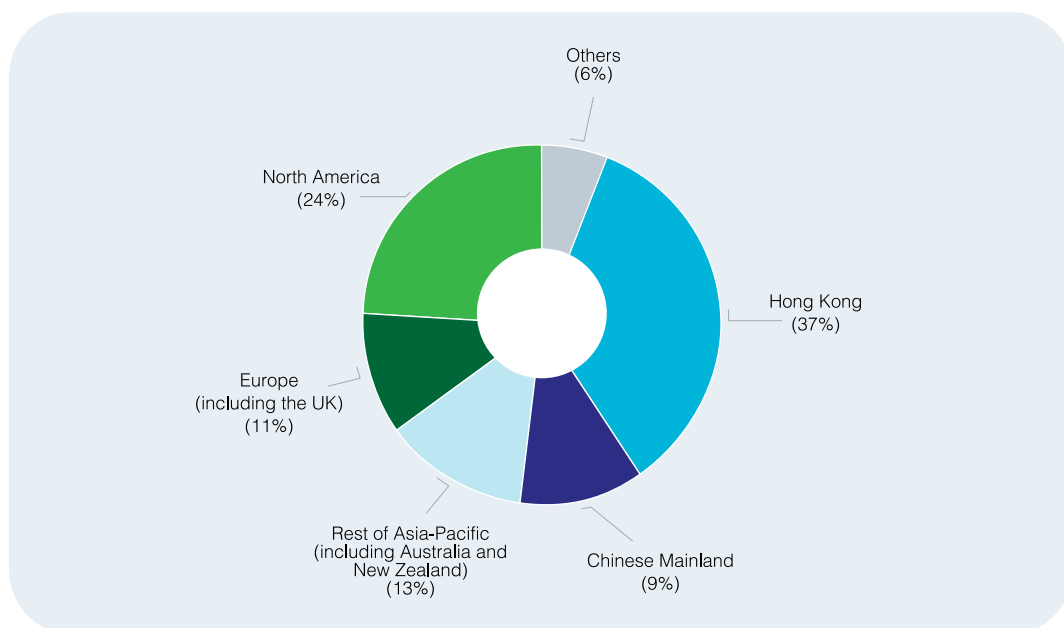
54 HKSAR Government. (2026, July 23). *SFST leads Hong Kong financial and accounting regulators to enhance co-operation with Malaysian counterparts*.
<https://www.info.gov.hk/gia/general/202607/23/P2026072300263.htm>

Asset and Wealth Management: From Capital Attraction to Fund Distribution

In 2025, Hong Kong rode a new wave of growth as a pre-eminent international asset and wealth management (AWM) hub, recording a robust 20% year-on-year increase in assets under management to reach HK\$42.2 trillion.⁵⁵ The industry is underpinned by a globally diversified investor base, a deep pool of investment products, and a supportive policy environment.

Non-Hong Kong investors accounted for HK\$26.1 trillion as of end-2025, representing 63% of total AUM. Investors outside Hong Kong and Chinese Mainland contributed 54%, including a notable 13% from the rest of the Asia-Pacific region, while Hong Kong and Chinese Mainland investors accounted for 37% and 9%, respectively. This distribution underscores Hong Kong's role as a leading international AWM centre with strong regional connectivity (see Figure 5).⁵⁶

Figure 5: Asset and Wealth Management Business in Hong Kong — by Investor Base



Source: Securities and Futures Commission

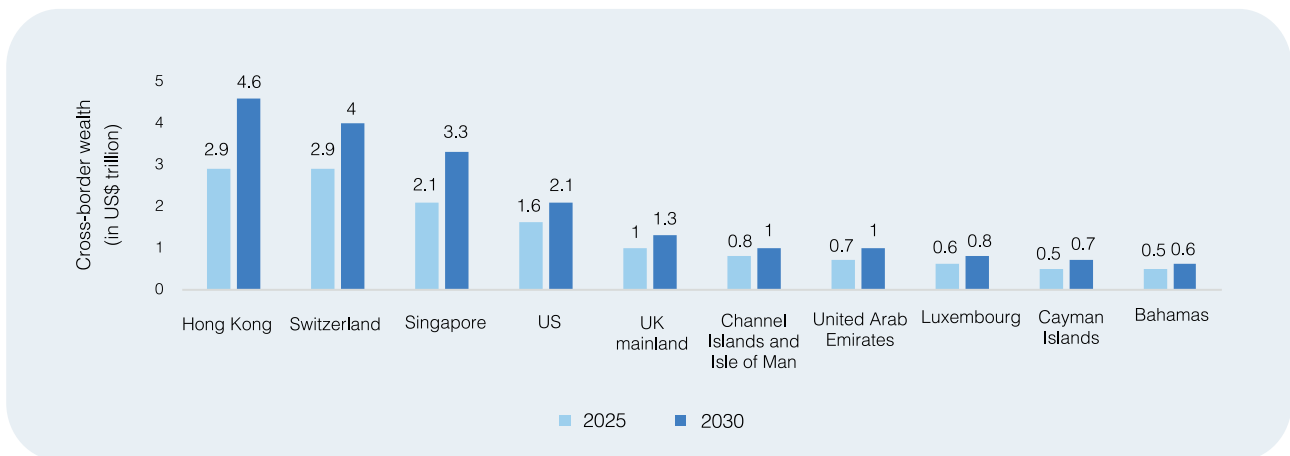
The city has also consolidated its position as the world's largest cross-border wealth booking centre (See Figure 6),⁵⁷ with cross-border wealth expected to grow by an average of 9% annually from 2025 to 2030, enabling the city to maintain its global leadership in this sector.

⁵⁵ Securities and Futures Commission. (2026, July). *Asset and Wealth Management Activities Survey 2025*. <https://www.sfc.hk/-/media/EN/files/COM/Reports-and-surveys/AWMAS-report-English.pdf?rev=355c352ea18b409f8bef3388ae259d7f&hash=2FD55F1D-F15EDBEC0375F08B63CA0B9>

⁵⁶ Securities and Futures Commission. (2026, July). *Asset and Wealth Management Activities Survey 2025*. <https://www.sfc.hk/-/media/EN/files/COM/Reports-and-surveys/AWMAS-report-English.pdf?rev=355c352ea18b409f8bef3388ae259d7f&hash=2FD55F1D-F15EDBEC0375F08B63CA0B9>

⁵⁷ Boston Consulting Group. (2026, May). *Global Wealth Report 2026*. <https://web-assets.bcg.com/84/95/538c1f4b439a91d3ef8ae90b6e89/2026-gwr-may-2026.pdf>

Figure 6: Top ten cross-border wealth booking centres



Source: Boston Consulting Group⁵⁸

Policy support has further strengthened this momentum. Building on the tax incentives for the family office and wealth management sectors first announced in the 2023-24 Budget, the Government announced in the Chief Executive's 2025 Policy Address further enhancements to the preferential tax regimes for funds, single family offices and carried interest. Market participants note that these incentives have generated significant inbound interest, particularly from Southeast Asia and the Middle East.⁵⁹

This has been matched by direct engagement. The Secretary for Financial Services and the Treasury undertook a mission to Malaysia in 2026. The visit was primarily geared towards promoting Hong Kong's unique advantages as a destination for ASEAN family offices and the gateway of choice for family wealth looking to access Greater China and broader Asian markets. In 2025, the Hong Kong Investment Corporation (HKIC) travelled to the ASEAN region to attract long-term, stable investments.

Key milestones:

- ▶ **Mutual recognition of funds:** The expansion has opened distribution channels connecting Hong Kong, Malaysia and Thailand, allowing eligible funds to be offered across borders with streamlined approval procedures.⁶⁰ The resulting mobility of regional capital underscores Hong Kong's emerging role as a fulcrum for collective investment management in Asia.
- ▶ **HKIC's investment:** In August 2024, HKIC launched its first announced overseas initiative, backing Hong Kong–Thai joint venture Spark to deploy over 1,000 EV charging stations across Thailand with Bangchak Corporation within five years, exporting Hong Kong green technology into Southeast Asia.⁶¹

⁵⁸ Boston Consulting Group. (2026, May). *Global Wealth Report 2026*.

<https://web-assets.bcg.com/84/95/538c1f4b439a91d3ef8ae90b6e89/2026-gwr-may-2026.pdf>

⁵⁹ Private Wealth Management Association, KPMG China. (2025, November). *Hong Kong Private Wealth Management Report 2025*.

<https://assets.kpmg.com/content/dam/kpmgsites/cn/pdf/en/2025/11/hong-kong-private-wealth-management-report-2025.pdf>

⁶⁰ Securities and Futures Commission. (Last update: 2026, July 23). *Mutual recognition of funds arrangements*.

<https://www.sfc.hk/en/Regulatory-functions/Products/List-of-publicly-offered-investment-products/Mutual-recognition-of-funds-arrangements>

⁶¹ Hong Kong Investment Corporation Limited. (2024, August 22). *Hong Kong Investment Corporation Limited and Spark launch e-mobility ecosystem partnership*.

https://www.hkic.org.hk/latest-updates/emobility_ecosystem_partnership_pr

Banking: Supporting Trade, RMB Liquidity and Financial Intermediation

A cornerstone of Hong Kong's status as a leading international financial centre lies in its ability to channel capital efficiently across borders while maintaining a robust and sound banking system. In recent years, the HKMA has launched a series of initiatives to deepen Hong Kong's role as the global offshore RMB business hub and to strengthen supervisory cooperation with regional counterparts.

Major Hong Kong-based banks, including HSBC and Bank of East Asia, have established branches and offices across ASEAN, with deep operational footprints in the region. At the same time, Chinese Mainland banks have chosen Hong Kong as the base for their Asia headquarters — Bank of China (Hong Kong) being a prime example. Reflecting this two-way exchange, according to the HKMA, ASEAN banks had set up 14 licensed banks, 4 restricted licence banks, and 4 deposit-taking companies in Hong Kong as of 2025.⁶²

Key milestones:

► RMB Business Facility upgrade:

- HKMA launched the RMB Business Facility (RBF) in October 2025 to provide participating banks with a stable and relatively lower-cost funding source to support their provision of RMB trade finance, capital expenditure and working capital term loans for corporate clients. The RBF has received overwhelming response from the banking sector since its launch, and the facility size was doubled to RMB200 billion in February 2026.⁶³
- The Facility has not only served corporates in Hong Kong but has also successfully channelled offshore RMB funds to regions such as the ASEAN countries, the Middle East, and Europe.⁶⁴
- In view of the positive market feedback, the HKMA further expanded the RBF to RMB500 billion and extended the tenor options to include nine-month, two-year and three-year, effective 10 July 2026.⁶⁵ The upgrading and expansion of the RBF provide timely and sufficient RMB liquidity to meet market development needs, enabling banks to enhance RMB business capabilities, promote the wider use of RMB in real economic activities, and radiates offshore RMB funds globally.

- **Supervisory cooperation:** The HKMA has strengthened supervisory cooperation with overseas regulatory counterparts to safeguard the stability of cross-border banking operations. Formal MOUs and related cooperative arrangements have been established with banking supervisors across ASEAN economies — including Cambodia, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam — and other major jurisdictions.⁶⁶ These frameworks provide a formal basis for the exchange of supervisory information, consultation on cross-border establishments or investments, and regular dialogue on matters of mutual interest, while ensuring that all shared information remains confidential and used solely for supervisory purposes.

62 Hong Kong Monetary Authority. (n.d.). *Annual Report 2025*.

https://www.hkma.gov.hk/media/eng/publication-and-research/annual-report/2025/AR_2025E.pdf

63 Hong Kong Monetary Authority. (2026, January 26). *HKMA RMB Business Facility doubles to RMB200 billion in size*.
<https://www.hkma.gov.hk/eng/news-and-media/press-releases/2026/01/20260126-3/>

64 Hong Kong Monetary Authority, Securities and Futures Commission. (2026, July 7). *New Measures to Support the Development of Hong Kong's Fixed Income and Currency Market and Offshore RMB Business*.
https://www.sfc.hk/-/media/EN/files/COM/PDF/Initiatives-to-advance-Hong-Kongs-fixed-income-and-currency-markets_EN.pdf

65 HKSAR Government. (2026, July 7). *New Measures to support development of Hong Kong's fixed income and currency market and offshore Renminbi business*.
<https://www.info.gov.hk/gia/general/202607/07/P2026070700530.htm>

66 Hong Kong Monetary Authority. (Last revision date: 2026, June 2). *Supervisory Co-operation*.

<https://www.hkma.gov.hk/eng/key-functions/banking/banking-regulatory-and-supervisory-regime/supervisory-co-operation/>

► **Bank Indonesia-PBOC-HKMA tripartite MOU to advance monetary and financial cooperation with regional partners:** To promote local-currency use and cross-border transaction efficiency, in June 2026, Bank Indonesia, the People's Bank of China, and the HKMA signed a tripartite MOU to promote bilateral transactions in Indonesian Rupiah (IDR) and offshore RMB between Indonesia and Hong Kong.⁶⁷ This initiative will enhance transaction efficiency, support broader regional-currency adoption, and further strengthen Hong Kong's role as a pivotal platform for regional financial integration and cross-border liquidity flows.

► **Strategic regional engagement:**

- In August 2025, the HKMA supported the Hong Kong Association of Banks (HKAB) in hosting the inaugural Hong Kong–ASEAN Banking Exchange Conference—drawing nearly 100 senior banking executives during ABA's Inter-Regional Relations Study Tour 2025—to facilitate dialogue between Hong Kong and ASEAN, promoting cross-border cooperation, innovation and growth.⁶⁸
- In September 2025, the HKMA joined HKAB and the Federation of Hong Kong Industries on a visit to Vietnam. The visit aimed to explore new business opportunities and deepen financial co-operation between the two markets in the areas of trade and investment, banking, capital markets, fintech and sustainable finance. The delegation held meetings with officials from Vietnam's Ministry of Finance and the State Bank of Vietnam, and business leaders from the Vietnam Chamber of Commerce and Industry.⁶⁹
- Throughout 2025, the HKMA also co-organised with HKAB's Corridor Business Committee a range of promotional and outreach activities, including three ASEAN seminars focused on the economic landscapes and growth potentials of Malaysia, Vietnam and Indonesia, providing practical insights to banking and corporate participants seeking to expand into the region.⁷⁰
- In April 2026, supported by the HKMA, HKAB's Kazakhstan Forum brought together nearly 200 government officials, banking professionals and business representatives from Hong Kong and Kazakhstan, to explore collaboration opportunities across the economy, finance, energy and sustainable development.⁷¹
- In May 2026, the HKMA joined HKAB for an overseas delegation to Thailand for a three-day visit. During the visit, the delegation met with Thai authorities and major enterprises to strengthen bilateral ties, and hosted a networking dinner which attracted over 250 government officials, banking professionals and business leaders from Hong Kong and Thailand to explore collaboration opportunities in the digital economy, AI, and sustainable development.⁷²

67 Hong Kong Monetary Authority. (2026, June 11). *Bank Indonesia, Hong Kong Monetary Authority and People's Bank of China sign MoU to promote bilateral transactions in Indonesian Rupiah and offshore Chinese Renminbi between Indonesia and Hong Kong*. <https://www.hkma.gov.hk/eng/news-and-media/press-releases/2026/06/20260611-4/>

68 Hong Kong Association of Banks. (n.d.). *HKAB Hosted the Inaugural Hong Kong-ASEAN Banking Exchange Conference Forging New Pathways with 9 ASEAN Bank Associations*. <https://www.hkab.org.hk/en/news/press-release/324>

69 Hong Kong Association of Banks. (n.d.). *HKAB and FHKI jointly organise an overseas delegation for the first time*. <https://www.hkab.org.hk/en/news/press-release/326>

70 Hong Kong Monetary Authority. (n.d.). *Annual Report 2025*. https://www.hkma.gov.hk/media/eng/publication-and-research/annual-report/2025/AR_2025E.pdf

71 Hong Kong Association of Banks. (n.d.). *Hong Kong Association of Banks Organises Kazakhstan Forum Exploring New Opportunities for Financial Cooperation in Central Asia*. <https://www.hkab.org.hk/en/news/press-release/344>

72 Hong Kong Association of Banks. (n.d.). *Hong Kong Association of Banks Organises Overseas Delegation to Thailand to Deepen Regional Financial Cooperation*. <https://www.hkab.org.hk/en/news/press-release/345>

Green and Sustainable Finance: Financing Transition

Capitalising on its strong foundation and established reputation as a green and sustainable finance hub, Hong Kong is further positioning itself as a leading centre for transition finance — facilitating the decarbonisation and sustainable development of emerging Asian economies. The city continues to strengthen its leadership through both policy support and market innovation, advancing green investment flows, carbon-market infrastructure, and international disclosure alignment.

Key milestones:

- ▶ **Leadership in Asian green bonds:** Sustainable bonds arranged in Hong Kong reached US\$38 billion in 2025, accounting for approximately 40% of Asia's market share;⁷³ the Government has issued close to US\$33 billion equivalent in green bonds since 2019.⁷⁴
- ▶ **Core Climate carbon marketplace:** HKEX's Core Climate platform — an international marketplace enabling enterprises from B&R economies, including those in Central and Southeast Asia — to trade verified carbon credits in a transparent and well-regulated environment. As of March 2026, the platform boasted over 130 registered participants and offered credits from more than 60 projects verified by leading international standards, solidifying its position as a vital platform for regional carbon trading.⁷⁵
- ▶ **ISSB disclosure alignment:** A robust and transparent information framework further underpins Hong Kong's sustainable finance ecosystem. The Roadmap on Sustainability Disclosure sets out a well-defined pathway for large publicly accountable entities to fully adopt the International Sustainability Standards Board (ISSB) standards no later than 2028.⁷⁶ The International Financial Reporting Standards Foundation has recognised Hong Kong as one of the first jurisdictions to set a clear target for full ISSB adoption,⁷⁷ reflecting the city's proactive approach to strengthening transparency in sustainability-related information across capital markets.
- ▶ **Alliance for Green Commercial Banks (The Alliance):** Convened and led by IFC, with the HKMA serving as the Regional Anchor, the Alliance brings together member banks from 10 markets, including 6 from ASEAN, namely Cambodia, Indonesia, Lao PDR, the Philippines, Thailand and Vietnam, to forge actionable and innovative green investment opportunities.⁷⁸
- ▶ **Other green-development partnerships:** The HKMA Infrastructure Financing Facilitation Office joined, as an inaugural member, the Capacity-building Alliance of Sustainable Investment and the Green Investment and Finance Partnership under the BRI International Green Development Coalition.⁷⁹ Together, these partnerships aim to promote capacity building and knowledge sharing, and in turn, support the channelling of capital to green and sustainable projects across Asia and beyond.

73 International Capital Market Association. (2026, March). *The Asian international bond markets: Issuance trends and dynamics (6th ed.)*. <https://www.icmagroup.org/assets/documents/About-ICMA/APAC/ICMA-Report-The-Asian-International-Bond-Markets-Issuance-Trends-and-Dynamics-Sixth-Edition-March-2026-300326.pdf>

74 HKSAR Government. (2026, July 8). *Speech by SFST at Asia Climate Summit 2026 opening ceremony*. <https://www.info.gov.hk/gia/general/202607/08/P2026070800263.htm>

75 HKSAR Government. (2026, July 8). *Speech by SFST at Asia Climate Summit 2026 opening ceremony*. <https://www.info.gov.hk/gia/general/202607/08/P2026070800263.htm>

76 HKSAR Government. (2024, December 10). *Government launches roadmap on sustainability disclosure in Hong Kong*. <https://www.info.gov.hk/gia/general/202412/10/P2024121000243.htm>

77 HKSAR Government. (2025, June 12). *Government welcomes International Financial Reporting Standards Foundation's publication of jurisdictional profiles on adoption of ISSB Standards*. <https://www.info.gov.hk/gia/general/202506/12/P2025061200525.htm>

78 The Alliance for Green Commercial Banks. (Access date: 2026, June 29). *The Alliance*. <https://www.allianceforgreencommercialbanks.org/alliance>

79 Hong Kong Monetary Authority. (2023, May). *2023 Sustainability Report*.

https://www.hkma.gov.hk/media/eng/publication-and-research/sustainability-report/2023/5_Enhancing-the-Green-and-Sustainable-Finance-Ecosystem.pdf

► **Recent collaborations in the private sector:**

- Standard Chartered was appointed to lead a US\$89.6 million sustainability-linked loan for Vista Shipping, a joint venture between Hafnia and CSSC Shipping Hong Kong, to finance the purchase of its first pair of liquefied natural gas dual-fuelled vessels in support of both organisations' decarbonisation ambitions.⁸⁰
- China Power International Holding, based in Hong Kong, issued China's first "green panda bond" to finance wind and solar projects in Kazakhstan, exploiting favourable currency spreads to cut costs.⁸¹
- Hong Kong-based Risen Energy has completed projects including the 50-megawatt Chulakurgan Solar installation, which saves 67,000 tonnes of CO₂ annually with backing from the European Bank for Reconstruction and Development and the Green Climate Fund.⁸²

Insurance: Expanding Risk Transfer for New-Economy Corridors

Insurance and re-insurance play an essential role in deepening regional financial connectivity and supporting long-term economic resilience. As cross-border investment and infrastructure development in ASEAN and Central Asia expand, effective risk transfer mechanisms and regulatory cooperation are critical to sustaining growth and mitigating financial exposure.

Key milestones:

- **Regulatory collaboration with regional peers:** The Insurance Authority (IA) has been maintaining regulatory dialogue and cooperation with counterparts in the region through active participation in the International Association of Insurance Supervisors and the Asian Forum of Insurance Regulators. The IA also signed an MOU in December 2018 with the Office of Insurance Commission of Thailand to enhance cooperation in insurance regulation.⁸³ This lays a strong basis for deeper integration between Hong Kong and ASEAN insurance markets, fostering a more interconnected regional risk-management ecosystem.
- **Insurance-Linked Securities (ILS) framework to strengthen risk transfer:** The bespoke regulatory framework, introduced in 2021, enables insurers and reinsurers to securitise risks and access global capital through the issuance of instruments such as catastrophe bonds. Since launch, seven catastrophe bonds have been issued in Hong Kong, raising a total of around US\$800 million — two of which were listed on the HKEX — providing protection against typhoon and earthquake losses in the Chinese Mainland and other overseas jurisdictions.⁸⁴

80 Standard Chartered. (2023, March 28). *We played a lead role in Vista Shipping's USD89.6 million sustainability-linked loan.*
<https://www.sc.com/en/press-release/we-played-a-lead-role-in-vista-shippings-usd89-6-million-sustainability-linked-loan/>

81 Asian Infrastructure Investment Bank. (2025, January 16). *Kazakhstan: CPIH Kazakhstan 220MW wind portfolio.*
<https://www.aiib.org/en/projects/details/2025/approved/Kazakhstan-CPIH-Kazakhstan-220MW-Wind-Portfolio.html>

82 Global Infrastructure Hub. (2021, January 26). *Chulakurgan Solar. Quality Infrastructure Investment Database.*
<https://www.gihub.org/quality-infrastructure-database/case-studies/chulakurgan-solar/>

83 Insurance Authority. (2018, December 12). *Memorandum Of Understanding Between The Insurance Authority Of The Hong Kong Special Administrative Region Of The People's Republic Of China And The Office Of Insurance Commission Of Thailand Regarding Insurance Regulatory Cooperation.*
https://www.ia.org.hk/en/supervision/int_dom_cooperation/files/MoU_between_IA_and_OIC_12_December_2018.pdf

84 Brand Hong Kong. (Last revision date: 2026, February 11). *International Financial Centre.*
https://www.brandhk.gov.hk/docs/default-source/factsheets-library/hong-kong-themes/2026-02-23/international-financial-centre_en_feb_2026_0220.pdf

- ▶ **Pilot ILS Grant Scheme to foster market development:** Introduced in May 2021 to subsidise 50% to 100% of upfront issuance costs — capped at HK\$7 million for new issuances and HK\$3 million for renewals. The scheme, open to both onshore and offshore sponsors, supports issuances covering risks of any type and location. In the 2025–26 Budget, the Government announced the extension of the scheme until 2028,⁸⁵ reaffirming its commitment to nurturing an ILS ecosystem in Hong Kong.
- ▶ **Captive Insurance:** With facilitative policies and tax incentives, the Government and the IA encourages Mainland and overseas enterprises to establish captive insurers in Hong Kong for risk management purpose. The IA hosted dedicated sessions at the Belt and Road Summit to promote Hong Kong as a captive domicile for enterprises managing overseas project risks, including energy transition, infrastructure and auto-related exposures.
- ▶ **FSDC regional cooperation:** The FSDC has signed an MOU with Indonesia Financial Group (IFG), a government-owned insurance and underwriting holding company pivotal to Indonesia's non-bank financial industry, reflecting a shared recognition of the growing importance of cross-border collaboration.

Hong Kong is consolidating its position as a regional hub for insurance and re-insurance services. These efforts enhance financial resilience, expand capacity for managing catastrophic and climate-related risks, and strengthen Hong Kong's role as a connector of capital and risk-management expertise across ASEAN and Central Asia.

Fintech and Digital-finance: From Bilateral Links to Interoperable Settlement

Technological collaboration has emerged as a key driver of Hong Kong's progress in strengthening cross-border payment connectivity and regional financial integration. Over the past two decades, Hong Kong has built an extensive network of payment-versus-payment (PvP) links that settle US dollar payments against key regional currencies, thereby eliminating settlement risk in foreign exchange transactions.

Key milestones:

- ▶ **PvP links:** The Malaysian Ringgit RTGS link (2006) was Asia's first cross-border PvP arrangement, followed by links with Indonesia's Rupiah system (2010) and Thailand's Baht system (2014). These arrangements have long supported secure and efficient foreign exchange transactions between Hong Kong and key ASEAN economies.⁸⁶
- ▶ **FPS x PromptPay Link:** Launched in December 2023 between Hong Kong and Thailand, this cross-border QR payment platform enables instant, low-cost payments in local currencies for travellers and merchants.⁸⁷ The successful rollout of the FPS x PromptPay Link exemplifies ASEAN–Hong Kong collaboration in digital finance, demonstrating how technology can directly enhance financial inclusion and cross-border economic activity.

⁸⁵ Insurance Authority. (Last revision date: 2026, May 19). *Insurance-linked Securities ("ILS")*.
https://www.ia.org.hk/en/reinsurance_specialty/ILS_HK.html

⁸⁶ Hong Kong Monetary Authority. (Last revision date: 2026, April 30). *System Linkages*.
<https://www.hkma.gov.hk/eng/key-functions/international-financial-centre/financial-market-infrastructure/system-linkages/>

⁸⁷ Hong Kong Monetary Authority. (2023, December 4). *Launch of FPS x PromptPay Link between Hong Kong and Thailand*.
<https://www.hkma.gov.hk/eng/news-and-media/press-releases/2023/12/20231204-3/>

What the Milestones Show

The milestones reviewed here show that Hong Kong's relationship with ASEAN has entered a more mature phase, while engagement with Central Asia remains at an earlier, foundational stage. What matters is not the number of initiatives, but the way they are beginning to connect across markets, institutions and sectors — linking capital formation with fund distribution, banking infrastructure with RMB intermediation, and professional services with enterprise expansion. This gives Hong Kong a broader proposition than market access alone, positioning the city as a two-way platform: a channel through which regional capital reaches Chinese Mainland and Asia, and through which Asian enterprises expand into ASEAN and Central Asia.

The strategic task now is to convert this architecture into market habit — moving from announcements to repeat transactions, and from institutional dialogue to regular commercial use. Durable corridors rest not on one-off inflows but on recurring usage by issuers, investors, corporates and regulators. The direction is clear: if sustained across listings, funds, RMB settlement and sustainable finance, this corridor can become a meaningful extension of Hong Kong's international financial-centre role and a durable source of growth for its financial and professional-services ecosystem.



Decoding the ASEAN and Central Asia Landscape: Economic Profiles & Capital Dynamics

Decoding the ASEAN and Central Asia Landscape: Economic Profiles & Capital Dynamics

ASEAN

ASEAN's core divide is between financial/manufacturing hubs, large, diversified growth markets, and smaller frontier economies building institutional depth. Real GDP growth in the region is projected to remain broadly resilient through 2026, led by Vietnam (7.1%), Indonesia (5%), and Malaysia (4.7%),⁸⁸ even as global trade uncertainty weighs on export-dependent members.

Financial & trade hub: Singapore is a mature, high-income capital-allocation centre and home to GIC and Temasek, functioning as ASEAN's outbound gateway to global markets. It is a cross-listing and co-investment partner across the region. The country is also notable in its physical side of finance, handling close to 20% of global energy and metals trading.

Diversified growth markets: Indonesia, Vietnam, Malaysia, Thailand and the Philippines form ASEAN's economic core — large populations, expanding middle classes, and increasingly sophisticated manufacturing and services bases. Vietnam and the Philippines were both upgraded to upper-middle-income status by the World Bank in its July 2026 classification update, reflecting export-led and broad-based GDP growth averaging 7–8% and 5.8% respectively over recent years.⁸⁹ Indonesia, Vietnam, and Malaysia are among the priority nodes in supply-chain diversification (China+1) strategies,^{90,91} while Malaysia and the Philippines rank among the Milken Institute's leading Southeast Asian investment destinations for 2026.⁹² Layered on top of manufacturing is a resource dimension now wielded as policy rather than held as a passive endowment — Indonesia's nickel downstreaming and state-channelled commodity exports, Malaysia's palm oil and LNG, and the Philippines' nickel. These markets remain predominantly inbound but are generating rising outbound flows through sovereign vehicles, and their commodity-processing build-out creates demand for trade finance, hedging, and warehousing that Hong Kong's emerging commodity ecosystem can contest.

Frontier & transition economies: Cambodia, Laos, and Myanmar remain lower-middle-income, commodity-dependent, with Myanmar additionally constrained by internal conflict and sanctions exposure. Brunei is a small, hydrocarbon-dependent high-income outlier with limited external investment relevance. Timor-Leste joined ASEAN in 2025, providing a timely platform to accelerate its transition from an oil-dependent economy to one driven by productive firms, exports, and skills. These markets are inbound-only, dependent on Belt and Road-linked and regional (Chinese, Thai, Vietnamese) capital, and carry elevated governance and political risks that limit mainstream institutional participation.

88 International Monetary Fund. (2026). *World Economic Outlook database: Real GDP growth*.

https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/OEMDC/ADVEC/WEOWORLD/AS5

89 World Bank. (2025, July 1). *Who moves up and why? A closer look at the new World Bank Group country classifications by income*.

<https://blogs.worldbank.org/en/opendata/who-moves-up-and-why--a-closer-look-at-the-new-world-bank-group->

90 McKinsey & Company. (2022). *Diversifying global supply chains: Opportunities in Southeast Asia*.

<https://www.mckinsey.com/industries/logistics/our-insights/diversifying-global-supply-chains-opportunities-in-southeast-asia>

91 South China Morning Post. (2023). *US-China rivalry is reshaping global supply chains: Who benefits most?*

<https://www.scmp.com/economy/global-economy/article/3314609/us-china-rivalry-reshaping-global-supply-chains-who-benefits-most>

92 Milken Institute. (2026, April 7). *From Kuala Lumpur to Hanoi: Milken Institute's 2026 Global Opportunity Index Portrays Resiliency and Encouraging Growth Trend in Emerging Southeast Asia*.

<https://milkeninstitute.org/content-hub/news-releases/milken-institute-2026-global-opportunity-index-southeast-asia-investment-growth-leader>

Group	Key Economies	Core Economic Model	Primary Challenge	Investment Focus	Potential Opportunities
Financial & Trade Hub	Singapore	Financial services, trade, asset management, commodity trading	Cost competitiveness, competition from other financial centres	Outbound & two-way gateway	Asset and wealth management partnerships, digital finance
Diversified Growth Markets	Indonesia, Vietnam, Philippines, Malaysia, Thailand	Manufacturing, export, digital economy, consumption, resource downstreaming ^{93,94}	Middle-income transition, tariff exposure plus energy-price and inflation pressure ⁹⁵	Primarily inbound, rising outbound	Infrastructure & green bonds, listing pipeline, supply-chain finance, FDI facilitation, sovereign fund co-investment, commodity trade finance and hedging
Frontier & Transition Economies	Cambodia, Laos, Myanmar, Brunei, Timor-Leste	Resources, hydrocarbons	Governance gaps, conflict/sanctions risk (Myanmar)	Inbound only, high risk	Trade finance, payment corridors, development-bank co-financing

Central Asia

Central Asia is smaller and more concentrated than ASEAN, with regional growth projected above 6% in 2026 and combined GDP surpassing US\$600 billion,⁹⁶ but capital flows remain skewed towards certain dominant economies.

The regional economic anchor: Kazakhstan is Central Asia's largest economy and by far its dominant investment destination, holding roughly 66% of the region's accumulated FDI stock in 2025 (US\$156.4 billion, equivalent to about 52% of its GDP).⁹⁷ It is built on hydrocarbons and extractives but is diversifying into manufacturing, transport and digital sectors, with fixed capital investment grew by 9.6% in 1H 2026.⁹⁸ Kazakhstan is also Central Asia's notable outbound investor, with outward investment stock reaching roughly US\$18 billion by 2025.⁹⁹ The IMF's 2025 Article IV consultation recommends accelerating structural reform to deepen the domestic financial market, noting that growth has been driven substantially by state-owned enterprise investment rather than private capital activity.¹⁰⁰

The development of international financial centres is further strengthening Central Asia's investment architecture. Opened in July 2018, the Astana International Financial Centre (AIFC) is Central Asia's first international financial centre, operating as a special jurisdiction independent of Kazakhstan's national legal system and supported by a regulatory framework based on common law principles. Its court is composed of experienced judges from established common law jurisdictions, enhancing legal certainty and investor confidence.¹⁰¹ Similarly, the Tashkent International Financial Centre marks an important step in Uzbekistan's ambition to become a leading financial hub in Central Asia.¹⁰² Its adoption of English

⁹³ World Bank. (2025, July 1). *Who moves up and why? A closer look at the new World Bank Group country classifications by income*.

<https://blogs.worldbank.org/en/pendata/who-moves-up-and-why--a-closer-look-at-the-new-world-bank-group>

⁹⁴ Milken Institute. (2026, January). *Milken Institute 2026 Global Opportunity Index: Southeast Asia investment*.

<https://milkeninstitute.org/content-hub/news-releases/milken-institute-2026-global-opportunity-index-southeast-asia-investment-g>

⁹⁵ Asian Development Bank. (2026, April). *Asian Development Outlook April 2026*.

<https://www.adb.org/publications/asian-development-outlook-april-2026>

⁹⁶ <https://eabr.org/en/press/news/central-asia-s-economy-is-set-to-grow-by-more-than-6-5-in-2026-and-exceed-600-billion-edb-s-new-macr/>

⁹⁷ United Nations Conference on Trade and Development. (2026). World Investment Report 2026: Country fact sheet, Kazakhstan [Fact sheet]. https://unctad.org/system/files/non-official-document/wir_fs_kz_en.pdf

⁹⁸ Prime Minister of the Republic of Kazakhstan. (2026, July 14). *Kazakhstan's economic growth for the first half of the year accelerated to 4.1%: Ministry of National Economy*. <https://primeminister.kz/en/news/kazakhstan-s-economic-growth-for-the-first-half-of-the-year-accelerated-to-4-1-ministry-of-national-economy-31645>

⁹⁹ United Nations Conference on Trade and Development. (2026). World Investment Report 2026: Country fact sheet, Kazakhstan [Fact sheet]. https://unctad.org/system/files/non-official-document/wir_fs_kz_en.pdf

¹⁰⁰ International Monetary Fund. (2026, January 27). *IMF Executive Board concludes 2025 Article IV consultation with Kazakhstan (Press Release No. 26/021)*. <https://www.imf.org/en/news/articles/2026/01/27/pr-26021-kazakhstan-imf-executive-board-concludes-2025-article-iv-consultation>

¹⁰¹ The Law Society of Hong Kong. (2022, June 16). *MOU signing with AIFC Authority*.

<https://www.hklawsoc.org.hk/en/Reach-Out-and-Connect/International-Desk/News-and-Events/2022/20220616-MOU-signing-with-AIFC-Authority>

¹⁰² RÖDL. (2026, June 29). *TIFC Uzbekistan: English law and tax benefits explained*.

<https://www.roedl.com/en/insights/tifc-uzbekistan-english-law-tax-incentives/>

common law and principles of equity is designed to appeal to foreign investors familiar with the legal systems of common-law jurisdictions.

The reform-driven diversifier: Uzbekistan is the region's visible liberalisation case, posting 8.7% GDP growth in 1Q 2026 on consumer-led expansion, with foreign investment inflows targeted at US\$53 billion for the full year and a venture and startup ecosystem valued near US\$4.3 billion.^{103,104,105} Its privatisation drive, expanding textiles, minerals and industrial base, and deliberate courting of investors from the UK, Europe, the US and Southeast Asia make it Central Asia's leading “story” for inbound capital diversification.

Smaller & resource-dependent economies: The Kyrgyz Republic, Tajikistan, and Turkmenistan post high headline growth (7–9% in 2026)¹⁰⁶ but rest on narrower foundations — hydropower and hydrocarbon exports concentrated on single trading partners (Russia for remittances, China for gas). These markets are inbound-only, dependent on multilateral development banks and bilateral Chinese financing, with limited institutional-grade access for global investors.

Cross-cutting theme — regional integration push: Unlike ASEAN, Central Asia lacks a unifying economic bloc; the AIFC and regional think tanks are now explicitly promoting a “unified investment destination” narrative to overcome investors’ tendency to treat the five countries as frontier markets rather than an economic zone.

Group	Key Economies	Core Economic Model	Primary Challenge	Investment Focus	Potential Opportunities
Regional Economic Anchor	Kazakhstan	Hydrocarbons, extractives, diversifying manufacturing	Oil/pipeline overdependence, still net capital importer	Primarily inbound, emerging outbound	Commodity trade & hedging, AIFC capital-markets linkage, sovereign co-investment, green/transition finance
Reform-Driven Diversifier	Uzbekistan	Industrial diversification, privatisation, consumer-led growth ¹⁰⁷	Sustaining reform momentum, energy price exposure	Primarily inbound	Privatisation/IPO advisory, venture capital & fintech, textiles/industrial FDI facilitation
Smaller & Resource-Dependent	Kyrgyz Republic, Tajikistan, Turkmenistan	Hydropower, hydrocarbons	Sanctions exposure, Russia/China dependence, narrow diversification	Inbound only, multilateral-backed	Digital payment corridors, development-bank co-financing, hydropower project finance

¹⁰³ International Monetary Fund. (2026, June 18). *IMF Executive Board concludes 2026 Article IV consultation with the Republic of Uzbekistan* (Press Release No. 26/214). <https://www.imf.org/en/news/articles/2026/06/18/pr-26214-uzbekistan-imf-executive-board-concludes-2026-article-iv-consultation>

¹⁰⁴ NOVA24.UZ. (2026, April 25). Uzbekistan aims to attract \$53 billion in foreign investment. <https://nova24.uz/en/uzbekistan/uzbekistan-aims-to-attract-53-billion-in-foreign-investment/>

¹⁰⁵ Dealroom. (2026, June 22). Uzbek tech ecosystem – 2026 (with IT Park). <https://dealroom.co/reports/uzbek-tech-ecosystem-2026/>

¹⁰⁶ European Bank for Reconstruction and Development. (2026, June 3). Central Asia and Mongolia to see highest economic growth in the EBRD regions. <https://www.ebrd.com/home/news-and-events/news/2026/central-asia-and-mongolia-to-see-highest-economic-growth-in-the-ebrd-regions.html>

¹⁰⁷ Euronews. (2026, April 7). *Venture capital surges to \$320mn as Central Asia's startup scene takes off*. <https://www.euronews.com/business/2026/04/07/venture-capital-surges-to-320mn-as-central-asias-startup-scene-takes-off>



Positioning for the Future: Capturing Emerging Financial Opportunities



Positioning for the Future: Capturing Emerging Financial Opportunities

As regional financial integration accelerates, Hong Kong is poised to strengthen its position as a “super-connector” and “super value-adder”, bridging the dynamic economies of ASEAN and Central Asia. By deepening institutional, market, and technological linkages, the city can capture emerging financial opportunities and unlock new growth channels.

A Gateway for Two-way Capital

Hong Kong's opening in ASEAN and Central Asia rests on a favourable asymmetry: both regions are generating large-scale financing demand — state privatisations, infrastructure, energy transition and a maturing technology cohort — faster than their domestic markets can absorb it, while capital in the Chinese Mainland, in global institutional portfolios and within the regions' own sovereign funds is seeking that exposure. What is missing is an efficient nexus that intermediates all. Hong Kong's opportunity is to host the full chain in one jurisdiction — formation, deployment, listing, exit and reinvestment — with its listing platform, fund-domicile regime, wealth-management ecosystem, specialist channels and others, operating as one continuous capital lifecycle.

(i) Capital Markets: Capturing the Offshore Listing Pipeline through Cross Listing

The structural constraint driving regional issuers offshore works in Hong Kong's favour. ASEAN and Central Asian capital markets have deepened materially, yet many ASEAN bourses and the newer Central Asian exchanges remain comparatively shallow, with limited liquidity and narrow institutional investor bases. They are unevenly equipped to finance large corporates, growth companies and state-owned enterprises.¹⁰⁸

Southeast Asia recorded 47 IPOs raising more than US\$3.07 billion in the first half of 2026 — proceeds up 117% year-on-year even as deal count fell 11% — with Malaysia leading at US\$1.34 billion, average deal size rising from US\$26 million to US\$65 million. Investors concentrated capital in fewer, larger and more mature issuers.¹⁰⁹ Reform mitigates the constraint without resolving it. Vietnam's reclassification to FTSE Secondary Emerging Market status takes effect on 21 September 2026 through a phased inclusion running to September 2027, yet the World Bank estimates only US\$3–5 billion of portfolio inflows in the initial years.¹¹⁰ Central Asia also illustrates the ceiling, with the Kazakhstan Stock Exchange, the region's largest exchange, capitalised at roughly US\$90 billion in mid-2026, being insufficient to absorb national champions of scale.¹¹¹ Offshore listing therefore remains complementary to domestic market development.

The resulting offshore issuance is recurring, and it spans both state and private issuers. Hong Kong's cross-listing toolkit — recognised stock exchange status, dual and secondary listing options, and the Connect schemes — positions it to capture the flow. Uzbekistan has committed to listing a total of 12 state enterprises by 2028 on domestic and international capital markets under its privatisation programme,¹¹² and Kazakhstan is moving comparable assets to market, beginning with Kazakhstan Temir Zholy (KTZ),

¹⁰⁸ Organisation for Economic Co-operation and Development. (2026, June). *Asia capital markets report 2026*.

https://www.oecd.org/en/publications/2026/06/asia-capital-markets-report-2026_c2b3e716/full-report.html

¹⁰⁹ Deloitte. (2026, July). *Southeast Asia mid-year IPO snapshot 2026*.

<https://www.deloitte.com/southeast-asia/en/services/audit-assurance/perspectives/sea-mid-year-ipo-snapshot-2026.html>

¹¹⁰ World Bank. (2026, April 22). *A turning point for Viet Nam's capital markets*.

<https://www.worldbank.org/en/news/feature/2026/04/22/a-turning-point-for-viet-nam-s-capital-markets>

¹¹¹ Kazakhstan Stock Exchange. (2026). *Overview of KASE equity market in May 2026*.

<https://kase.kz/en/information/news/show/1567911>

¹¹² Dunyo Information Agency. (2026, June 4). *Business Central Asia*: Uzbekistan strengthens its status as a leading investment hub in Central Asia*.

<https://dunyo.info/en/news/business-central-asia-uzbekistan-ukrepyaet-status-vedushchego>

the national railway operator and a Samruk-Kazyna subsidiary, which filed a Main Board application with HKEX in June 2026 as part of a triple listing across Astana, London and Hong Kong.^{113,114} Such a triple listing retains the domestic float that regional regulators require while placing the international demand book where liquidity is deepest. The private flow is also visible: Southeast Asian intake in the first half of 2026 comprised a Malaysian infrastructure firm and an Indonesian miner that took a secondary listing in June, with around 10 international listings in the pipeline for the year.¹¹⁵

Hong Kong's role is accordingly best understood as the international demand book for the region's largest issuers, state and private alike — privatisation candidates requiring a float larger than domestic markets can price, family-controlled conglomerates seeking a second liquidity pool, and technology companies needing valuation comparables their home markets cannot supply. Extending RSE recognition to the remaining Central Asian and ASEAN exchanges, applying the Malaysian dual listing cooperation model for Central Asian issuers, and setting out clearly the Connect consequences of listing structure could together convert a sequence of individually negotiated cases into a standing channel — with the distinction, unavailable in other financial centres, of a pathway to Mainland institutional capital.

(ii) Structuring the Asset Flow: From Access Gap to Domicile of Choice

Listing addresses only one side of the relationship. Investors seeking exposure in the opposite direction — into regional markets they cannot access efficiently — need benchmarked substitutes, which is the function of the co-branded indices, ETF cross-listings and fund-recognition arrangements already established with ASEAN counterparts. The limitation of these channels lies in their coverage rather than their design.

Beyond public-market access, the corporates, private-equity sponsors and sovereign co-investors driving these flows deploy through funds and holding vehicles, and therefore need a structuring domicile. Hong Kong provides this through the open-ended fund company (OFC) and limited partnership fund (LPF) regimes, the company re-domiciliation mechanism, and carried-interest tax concessions. The Inland Revenue (Amendment) (Preferential Tax Regimes for Funds, Family-owned Investment Holding Vehicles and Carried Interest) Bill 2026 also extends the tax concessions relating to funds and single-family offices to private credit, insurance-linked securities, digital assets, and other instruments, broadening the range of strategies that can be housed in Hong Kong.¹¹⁶

Two policy currents are moving capital towards this configuration. The State Council's first overarching Regulation on Outbound Investment, effective 1 July 2026, endorses outbound industrial-chain and Belt and Road investment while tightening approval, reporting and security review,¹¹⁷ raising the value of a platform that is offshore, RMB-capable and demonstrably compliant. Concurrently, closer scrutiny of substance and transparency is prompting managers to shift from traditional offshore domiciles to jurisdictions aligned with their operating markets.¹¹⁸

113 Mamyshev, Z. (2026, July 16). *Kazakh Railways to launch triple-exchange IPO on LSE, AIX and HKEX.*

<https://kz.kursiv.media/en/2026-07-16/engk-yeri-kazakh-railways-to-launch-triple-exchange-ipo-on-lse-aix-and-hkex/>

114 HKEX news - Joint Stock Company National Company Kazakhstan Temir Zholy. (2026). *Application proof for listing on The Stock Exchange of Hong Kong Limited.*

<https://www1.hkexnews.hk/app/sehk/2026/108706/documents/sehk26063003580.pdf>

115 The Business Times. (2026). *HKEX offers deeper capital pools via primary and secondary listings for Southeast Asia.*

<https://www.businesstimes.com.sg/companies-markets/hkex-offers-deeper-capital-pools-primary-secondary-listings-s-e-asia>

116 HKSAR Government. (2026, June 12). Inland Revenue (Amendment) (Preferential Tax Regimes for Funds, Family-owned Investment Holding Vehicles and Carried Interest) Bill 2026 gazetted.

<https://www.info.gov.hk/gia/general/202606/12/P2026061200200.htm>

117 The State Council of the People's Republic of China. (2026, June 1). *China unveils regulation on outbound investment.*

https://english.www.gov.cn/policies/latestreleases/202606/01/content_WS6a1d2e29c6d00ca5f9a0b59e.html

118 PwC. (2026, April). *Navigating tax residency and substance requirements for fund structures in the Asia Pacific.*

<https://www.pwc.in/assets/pdfs/navigating-tax-residency-substance-requirements-fund-structures-asia-pacific.pdf>

The early evidence suggests Hong Kong is capturing part of this shift: in the first half of 2026, Hong Kong recorded 406 new LPF registrations and 79 new OFC incorporations, bringing the cumulative totals to 1,729 LPFs and 752 OFCs as at end-June. Since the company re-domiciliation regime came into operation in May 2025, 42 companies have re-domiciled to Hong Kong.^{119,120} The binding constraint, on this evidence, is market coverage and distribution reach.¹²¹

Anchoring regional sovereign and private wealth

The more durable prize is a share of regional capital under management. PwC projects that Asia-Pacific assets under management will reach US\$34.5 trillion by 2030, yet regional managers oversee under a quarter of client assets, compared with close to 60% in North America, a sign that much of this capital remains externally intermediated and available to whichever centre supplies the structures its owners need.¹²²

Client segment projections (USD tn)

Clients	2020	2022	2024	2030e Low	2030e Base	2030e High	CAGR 2020-2024	CAGR Low	CAGR Base	CAGR High
Pension assets	5.2	5.3	6.0	7.3	7.7	8.3	3.3%	3.4%	4.3%	5.6%
Insurance companies	11.6	9.7	12.6	15.5	16.4	17.2	2.1%	3.5%	4.4%	5.3%
Sovereign Wealth Funds	4.1	4.4	5.2	7.5	7.8	8.3	6.1%	6.3%	7.2%	8.3%
HNWIS	28.8	30.2	35.0	46.1	52.4	55.0	5.0%	4.7%	6.9%	7.8%
Mass affluent	42.3	44.4	48.5	60.5	70.1	74.1	3.4%	3.8%	6.3%	7.3%
Total Client Assets	92.1	93.9	107.2	136.8	154.3	162.9	3.9%	4.1%	6.3%	7.2%
Total AuM	19.9	20.2	23.2	30.5	34.5	38.0	3.9%	4.6%	6.8%	8.6%
Penetration rate	21.6%	21.5%	21.7%	22.3%	22.4%	23.4%				

Note: Numbers might not add-up due to rounding

Sources: PwC Global AWM & ESG Research Centre, OECD, Pension Fund and Insurance Associations, UBS Global Wealth Report

The private layer is expanding quickly alongside the sovereign one, with the ultra-high-net-worth populations of Indonesia, Vietnam and the Philippines projected to grow 82%, 59% and 49% respectively by 2031¹²³ — a cohort whose succession-structuring and direct-investment needs align naturally with Hong Kong's family-office and fund platforms.

As for the sovereign layer, most markets in scope now operate a state investment vehicle, from Danantara Indonesia, with assets under management of approximately US\$900 billion across its ecosystem,¹²⁴ to Central Asia's state holding companies. These institutions are actively awarding external mandates — Uzbekistan's fund appointed an international manager and listed in London, while Samruk-Kazyna

119 HKSAR Government. (2026, July 17). *Companies Registry releases statistics for first half of 2026*.

<https://www.info.gov.hk/gia/general/202607/17/P2026071600593.htm>

120 HKSAR Government. (2026, July 17). *Companies Registry releases statistics for first half of 2026*.

<https://www.info.gov.hk/gia/general/202607/17/P2026071600593.htm>

121 Financial Services and the Treasury Bureau. (Last revision date: 2026, March 31). *Asset and wealth management*.

https://www.fstb.gov.hk/fsb/en/business/policy_highlights/asset-and-wealth-management.html

122 PricewaterhouseCoopers (PwC). (2026). *Asset and wealth management revolution Asia-Pacific: Ahead of the curve, capitalising on rising wealth, innovation, and market openings*.

<https://www.pwc.com/au/industry/asset-management/assets/pwc-asset-and-wealth-management-revolution-asia-pacific.pdf>

123 Knight Frank. (2026). *The Wealth Report 2026*.

https://i.emfiles4.com/cmpdoc/0/4/8/5/2/1/files/146815_the-wealth-report-2026.pdf

124 Danantara Indonesia. (n.d.). Driving economic transformation and global investment for Indonesia's future. <https://www.danantaraindonesia.co.id/>

issued the first Central Asian panda bond,¹²⁵ indicating RMB funding appetite that Hong Kong is well placed to serve.

Increasingly, these investors seek co-investment partners with sector expertise — in digital infrastructure and renewables — rather than passive allocations, precisely the gateway role Hong Kong can play in channelling international and Chinese capital into domestic platforms.¹²⁶ The HKMA's memorandum of understanding with Saudi Arabia's Public Investment Fund, targeting a US\$1 billion jointly anchored fund in manufacturing, renewables, fintech and healthcare, offers a partial template.¹²⁷ Sovereign wealth funds are already exempt under the unified fund exemption regime, and the Inland Revenue (Amendment) Bill 2026 — gazetted in June 2026, would further remove the requirement that such funds be managed by an SFO-licensed specified person, easing a structuring friction for their participation in Hong Kong-domiciled vehicles. Replicating that model would position sovereign capital as partners rather than solely as issuers — the step that converts episodic flow into a continuing institutional relationship.

Owning the exit: venture capital and the technology pipeline

This same toolkit extends naturally to venture capital, where the regional gap is relatively acute. Both regions are generating fast-growing deep-tech and sustainability pipelines constrained by thin capital and relatively weak exit routes — the two functions Hong Kong supplies at scale. In Southeast Asia, venture value fell by around 34% in 2025 amid what analysts call a recalibration, with exits rather than deployment as the binding constraint.¹²⁸ Central Asia shows the same pattern on a smaller base: a record US\$320 million in 2025, but only 4.6 funded start-ups per million people and an estimated annual pipeline gap of US\$0.5–1.1 billion,¹²⁹ even as Kazakhstan's venture investment nearly tripled to US\$209 million, roughly half of it in AI.¹³⁰

Hong Kong answers both constraints: the LPF and OFC regimes give regional general partners a ready structuring base, while HKEX's Chapter 18C specialist-technology listing channel raised US\$2.5 billion in 1Q 2026 alone — more than double the total raised through the chapter across 2024 and 2025 combined, concentrated in AI, robotics and semiconductors and drawing cornerstone backing from sovereign wealth and Mainland funds.¹³¹ For regional sponsors, this is the closing link in the cycle: capital formed in a Hong Kong vehicle can be deployed regionally, exited on a Hong Kong listing, and recycled into the next fund without leaving the jurisdiction.

Competing centres each match one component of this offering, but none combines them with RMB capability and Connect access. Hong Kong's proposition is therefore best presented as a single lifecycle — formation, deployment, listing, exit and reinvestment. The case for moving now is straightforward: founding mandates, once awarded, tend to determine where subsequent business is placed, and the pipeline forming across both regions offers Hong Kong a rare opportunity to establish those relationships at the outset.

125 Astana International Exchange (AIX). (2026, July 8). *AIX presents its results for 1H2026*.
<https://aifc.kz/news/aix-presents-its-results-for-1h2026/>

126 Global SWF. (2026, January 1). Global SWF 2026 annual report. <https://globalswf.beehiiv.com/p/global-swf-2026-annual-report>

127 HKMA. (2024, October 31). *PIF and Hong Kong Monetary Authority sign memorandum of understanding for investment fund at FII8*.
<https://www.hkma.gov.hk/eng/news-and-media/press-releases/2024/10/20241031-10/>

128 PitchBook. (2026). *Southeast Asia's private capital shake-up: Declining venture funding highlights the region's exit challenges*. *Thailand Business News*.
<https://www.thailand-business-news.com/tech/ecommerce/294609-southeast-asias-private-capital-shake-up-declining-venture-funding-highlights-the-regions-exit-challenges>

129 RISE Research. (2026). *Central Asia's VC ecosystem hits record US\$320m in 2025 but faces a critical pipeline capital gap*. *The Tribune*.
<https://www.tribuneindia.com/news/business/central-asias-vc-ecosystem-hits-record-usd-320m-in-2025-but-faces-a-critical-pipeline-capital-gap-report/>

130 Forbes. (2026, July 17). *Central Asia's startups lure global capital as growth surges*.
<https://www.forbes.com/sites/josipamajic/2026/07/17/central-asias-startups-lure-global-capital-as-growth-surges/>

131 Hong Kong Exchanges and Clearing Limited. (2026). *Specialist fundraising via Chapter 18C*.
https://www.hkexgroup.com/Media-Centre/Insight/Insight/2026/ECM-Series/Specialist-Fundraising-via-Chapter-18C?sc_lang=en

(iii) Islamic Finance: Unlocking New Channels for Regional Capital Mobilisation

Islamic finance has evolved from a niche market into a dynamic segment of the global financial system. Global Islamic financial assets are projected to reach US\$7.5 trillion by 2028, up from US\$5.5 trillion in 2024, with growth concentrated along the ASEAN–Central Asia–Gulf corridor.¹³²

Hong Kong's opportunity lies in connecting these three positions. Within ASEAN, the industry surpassed US\$1 trillion in 1Q 2026, led by Malaysia, Indonesia, and Brunei, where strong policy support, large Muslim populations, and the growth of the halal economy continue to drive expansion.¹³³ The development remains uneven across the bloc, but deeper GCC linkages and intra-ASEAN connectivity could meaningfully boost penetration. Central Asia sits at a far earlier stage, valued at over US\$600 million as of end-2025 and driven primarily by Islamic banking, with sukuk issuance still nascent although activity in Kazakhstan is gradually expanding, signalling institutional interest and policy support for Shariah-compliant instruments.¹³⁴ In both cases, the binding constraint is distribution and investor reach — precisely the functions that an external hub with established bond-market infrastructure can supply, and a role that potentially positions Hong Kong as an intermediary rather than as a competing domestic Islamic finance market.

Recent activity indicates that this intermediary function is already being tested at sovereign scale. The Government of Malaysia's US\$1.5 billion dual-tranche sukuk was listed on HKEX on 30 July 2026, dual-listed with Bursa Malaysia under the MoU signed by the two exchanges to enhance market connectivity — demonstrating that a sovereign issuer with immediate access to the world's deepest sukuk market nonetheless sees value in Hong Kong's platform for reaching a diverse international investor base.¹³⁵

The transaction is instructive because it establishes a replicable template. Extending the same model with diversification across currencies, assets and jurisdictions offers a pathway to deeper cross-regional linkages, while Hong Kong's connectivity with the Mainland adds a further dimension by giving regional issuers a channel towards Mainland institutional capital and Mainland investors diversified exposure to Shariah-compliant assets.

To fully realise the potential of these initiatives, greater emphasis should be placed on investor education and market awareness. Building understanding of sukuk structures, risk-return profiles, and regulatory frameworks will be essential to market acceptance. Collaboration among regulators, financial institutions, and industry bodies can be explored to further develop professional expertise and enhance investor confidence in Shariah-compliant instruments.

With the Belt and Road Initiative continuing to deepen trade and investment ties across the Mainland, ASEAN and Central Asia and generating structural demand for alternative financing, Hong Kong's Asian time zone, legal framework and financial infrastructure position the city to bridge the needs of issuers and investors across all three markets.

132 Standard Chartered. (2025, May 19). *Islamic banking for financial institutions: Unlocking growth amidst global shifts*.
https://www.sc.com/en/uploads/sites/66/content/docs/SCB_Islamic-banking-for-Financial-Institutions__Digital_Final.pdf

133 Fitch Ratings. (2026, May 18). *ASEAN Islamic Finance Rising in Importance, Passes USD1 Trillion*.
<https://www.fitchratings.com/research/islamic-finance/asean-islamic-finance-rising-in-importance-passes-usd1-trillion-18-05-2026>

134 Fitch Ratings. (2026, May 11). *Central Asia Islamic Finance Potential Catalysed by Reforms, GCC Interest*.
<https://www.fitchratings.com/research/islamic-finance/central-asia-islamic-finance-potential-catalysed-by-reforms-gcc-interest-11-05-2026>

135 Ministry of Finance of Malaysia. (2026, July 24). *Malaysia's Global Sukuk 4.7 Times Oversubscribed, Priced at Record-Low Spreads*.
<https://www.mof.gov.my/portal/en/news/press-release/malaysia-global-sukuk-240726>

Financing the Real Economy

(i) Commodities and Critical Minerals: Strengthening Hong Kong's Role in Regional Resource Finance

Asia's evolving industrial landscape is reshaping global trade and investment in commodities and critical minerals, with ASEAN and Central Asia assuming increasingly pivotal roles in the global transition to clean energy, advanced manufacturing, and sustainable infrastructure. The connective thread running through both regions is Chinese Mainland's resource appetite: they consume more than half of the world's base metals, and sustained growth in new energy, artificial intelligence infrastructure, and advanced manufacturing continues to drive long-run demand for the raw materials these two regions supply.¹³⁶

This dynamic presents a distinct opportunity for Hong Kong: a financing and intermediation role centred on China-anchored resource flows. While the city is globally recognised for its strength in capital markets, its participation in commodity trading and finance remains comparatively nascent — a capability that, if cultivated, could meaningfully broaden its role as an international financial centre. That direction is reinforced by the 15th FYP's support for the city's commodity-market development, and the FSDC examined this opportunity in its 2025 research report on developing Hong Kong's commodity market, which identified the Chinese Mainland and related Belt and Road markets, including ASEAN and Central Asia, as priority markets for the city's commodity development strategy.¹³⁷

Across ASEAN, abundant resource endowment underpins this transformation. The region holds substantial reserves of nickel, copper, cobalt, and rare earth elements (REEs) — materials essential to electric vehicles, renewable energy systems, and advanced defence technologies. Indonesia, the world's largest nickel producer, is projected to supply 67% of global mined nickel by 2030 and 75% by 2040,¹³⁸ while Malaysia, Myanmar, Thailand, and Vietnam collectively produced over 11% of global REEs in 2024. Emerging producers such as Brunei and Timor Leste are also exploring new mineral projects to diversify their economies.¹³⁹ This resource base is deeply integrated with China's industrial strategy. Taking nickel as an example, China accounts for approximately 75% of Indonesia's nickel-refining capacity, having supplied capital and technology that Jakarta's down streaming policies alone could not.¹⁴⁰

In Central Asia, resource potential remains vast but under-utilised. In 2025, Uzbekistan ranked among the world's top ten gold producers with approximately 125 tonnes of output,¹⁴¹ while Kazakhstan retained its position as the leading producer of unenriched uranium, supplying over 40% of the world's total.¹⁴² These figures underscore the region's strategic importance in the global commodities supply chain. Trade patterns remain heavily concentrated towards China, Russia, and Türkiye, with limited diversification beyond these markets.¹⁴³ This structural concentration highlights the need for alternative financial and trading channels that can connect Central Asia's resource exports to a broader, more diversified global investor base.

136 World Bank. (2026, June 11). *Metal prices surge as supply pressures intensify*.

<https://blogs.worldbank.org/en/opendata/metal-prices-surge-as-supply-pressures-intensify>

137 Financial Services Development Council. (2025, November). *Unveiling Hong Kong's Potential: Prospective Growth in the Expanding Commodity Market*.
<https://www.fsdcc.org.hk/media/3vynjcoi/fsdc-commodity-paper-en-20251111.pdf>

138 International Energy Agency. (2025, May). *Global Critical Minerals Outlook 2025*.
<https://iea.blob.core.windows.net/assets/ef5e9b70-3374-4caa-ba9d-19c72253bfc4/GlobalCriticalMineralsOutlook2025.pdf>

139 S&P Global. (2025, December 18). *COMMODITIES 2026: Southeast Asia navigates power rivalry for critical minerals*.
<https://www.spglobal.com/energy/en/news-research/latest-news/metals/121825-commodities-2026-southeast-asia-navigates-power-rivalry-for-critical-minerals>

140 The National Bureau of Asian Research. (2026, January). *China's influence in Indonesia's nickel sector and implications for the United States*.
<https://www.nbr.org/wp-content/uploads/pdfs/publications/brief-brunelli-jan26.pdf>

141 World Gold Council. (2026, June 9). *Global mine production*. <https://www.gold.org/goldhub/data/gold-production-by-country>

142 World Nuclear Association. (2026, July 1). *Uranium and Nuclear Power in Kazakhstan*.
<https://world-nuclear.org/information-library/country-profiles/countries-g-n/kazakhstan>

143 Organisation for Economic Co-operation and Development. (2026, April). *Regional Note on Critical Minerals in Central Asia*.
<https://www.oecd.org/content/dam/oecd/en/events/2026/04/critical-minerals-forum/oecd-critical-minerals-regional-note-central-asia.pdf>

Capturing this opportunity depends largely on sequencing: trading, clearing, hedging, and storage capacity generally need to be in place before activity migrates, as participants tend to concentrate where the necessary infrastructure already exists. On this measure, Hong Kong has begun to build. Its central clearing and settlement system for gold commenced trial operation in July 2026.¹⁴⁴ Operated by the government-owned Hong Kong Precious Metals Central Clearing Limited, the platform offers a comprehensive suite of services spanning gold deposits and withdrawals to over-the-counter transaction settlement. Together with the London Metal Exchange's 2025 approval of Hong Kong as a warehouse location and the Government's subsequent support for an expansion to multiple LME-approved warehouses, this provides the physical delivery capacity and inventory transparency that a credible metals market depends on.¹⁴⁵ Sourcing arrangements are beginning to follow. In July 2026, the FSTB signed a MoU with the Ministry of Finance of Laos on gold market and financial services cooperation, facilitating access for Lao gold owners to Hong Kong's accredited refining network and the delivery of internationally standard refined bars in the city.¹⁴⁶

Gold represents a starting point, and extending this foundation across the wider suite of precious and base metals, supported by RMB-denominated products that deepen offshore liquidity while helping Mainland and international participants manage currency risk, is where Hong Kong's distinctive advantage lies.

(ii) Infrastructure and Real-economy Financing: Strengthening the “Finance+” Nexus for Sustainable Growth

As economies across ASEAN and Central Asia pursue diversification and sustainable growth, infrastructure and real-economy financing have become critical to regional development. The OECD remarked that an annual infrastructure investment shortfall of approximately 5–7% of GDP across Central and Southeast Asia, with Central Asia alone faces a gap of some US\$33 billion per year to modernise transport, energy, and logistics networks.¹⁴⁷ A parallel gap exists on the energy transition side: ASEAN, ambitious net-zero pledges sit uneasily alongside continued reliance on fossil fuels, and the region will require at least US\$200 billion in annual energy investment by 2030 to achieve its expansion on a sustainable footing.¹⁴⁸ Meeting these needs demands not only international capital but financing structures capable of accommodating regional realities, placing private and blended finance at the centre of the opportunity.

Hong Kong's market depth provides the foundation. The city offers a full range of funding channels — green bonds, sustainability-linked loans and project-finance structures — matched to the scale and complexity of regional energy, transport and environmental needs, with over US\$76.5 billion in green and sustainable debt instruments issued in 2025.¹⁴⁹

Offshore RMB financing adds a distinctive dimension to this capability. Dim sum bond issuance exceeded RMB1 trillion in each of 2024 and 2025, with outstanding stock surpassing RMB1.6 trillion.^{150,151}

144 HKSAR Government. (2026, July 7). *Hong Kong's gold central clearing and settlement system commences trial operation today supported by full package of targeted initiatives*. <https://www.info.gov.hk/gia/general/202607/07/P2026070700223.htm>

145 HKSAR Government. (2025, September 22). *SFST welcomes LME's approval of three additional approved warehouses*. <https://www.info.gov.hk/gia/general/202509/22/P2025092200492.htm>

146 HKSAR Government. (2026, July 20). *SFST signs MOU on gold market co-operation with Ministry of Finance of Laos*. <https://www.info.gov.hk/gia/general/202607/20/P2026072000324.htm>

147 OECD. (2026). *Accelerating sustainable infrastructure investments: Assessing policies for planning, delivery and financing in Central and Southeast Asia*. OECD Publishing. <https://doi.org/10.1787/031d486e-en>

148 World Economic Forum. (2025, June 20). *What happened at the Energy Transition Meeting in ASEAN*. <https://www.weforum.org/stories/2025/06/asean-energy-transition-meeting/>

149 Hong Kong Monetary Authority. (2026, March). *The Hong Kong Bond Market in 2025*. <https://www.hkma.gov.hk/media/eng/publication-and-research/quarterly-bulletin/b202603/ra1.pdf>

150 Hong Kong Monetary Authority. (2025, March). *The Hong Kong Bond Market in 2024*. <https://www.hkma.gov.hk/media/eng/publication-and-research/quarterly-bulletin/qb202503/fa1.pdf>

151 Hong Kong Monetary Authority. (2026, March). *The Hong Kong Bond Market in 2025*.

Transactions by regional sovereign, corporate and multilateral borrowers — including the Development Bank of Kazakhstan and Indonesia's sovereign dim sum bonds — indicate growing demand from ASEAN and Central Asia. Hong Kong could build on this foundation by further developing RMB-denominated project bonds, syndicated loans and refinancing structures for infrastructure, energy-transition and resource projects, particularly where trade, procurement or project revenues are linked to RMB. This would connect offshore RMB liquidity more directly with real-economy activity while allowing suitable borrowers to align their funding currency more closely with underlying cash flows.

Meanwhile, the HKMA Infrastructure Financing Facilitation Office (IFFO) seeks to facilitate investments and financing of sustainable infrastructure and green development by providing key stakeholders with a platform to connect and explore collaboration. To date, around 90 organisations from Chinese Mainland, Hong Kong and overseas have joined IFFO as Partners. They include multilateral financial agencies and development banks, public sector investors, private sector investors/asset managers, banks, insurance companies, project developers and operators, professional service firms and international business council. IFFO has collaborated with its partners to organise more than 30 conferences, seminars, and workshops on topics such as infrastructure financing opportunities, ways to manage risks, promotion of public-private partnerships in infrastructure financing, and green infrastructure, sharing experience and best practices. convenes capital providers, project developers and multilateral institutions around individual projects.

Combining with its financial depth, product innovation, and regulatory trust — Hong Kong can play a pivotal role in bridging capital with real-economy transformation across ASEAN and Central Asia, reinforcing its position as the region's preferred hub for sustainable and high-impact infrastructure financing under the evolving B&R framework.

(iii) Insurance and Risk Transfer: Strengthening Hong Kong's Catastrophe Bond Ecosystem

As ASEAN and Central Asia confront rising climate exposure and expanding infrastructure investment, the growing frequency and severity of natural catastrophes have widened protection gaps across both regions, intensifying demand for risk-transfer capacity. Against this backdrop, Hong Kong is well positioned to deepen its role as a regional risk management centre, connecting global capital with emerging insurance and catastrophe-risk financing needs.

ILS represent an area of growth potential. Globally, the asset class has attracted rising interest from institutional investors seeking diversified, risk-adjusted returns, with assets under management exceeding US\$137.8 billion.¹⁵² Among ILS instruments, catastrophe (CAT) bonds have gained prominence as an efficient mechanism for transferring natural catastrophe risks to capital markets — a trend reflected in record issuance, with quarterly CAT bond issuance surpassing US\$11 billion for the first time in 2Q 2026.¹⁵³

That constraint is most visible in Asia. Global catastrophe exposures remain concentrated in the United States, Europe and Japan, and the region's ILS market remains nascent. This reflects not only limited modelling coverage and the absence of established sponsor pipelines, but also broader structural challenges, including the relatively higher issuance and transaction costs associated with ILS compared with traditional reinsurance, gaps in historical loss and exposure data, and limited familiarity with ILS structures among both potential sponsors and investors.

<https://www.hkma.gov.hk/media/eng/publication-and-research/quarterly-bulletin/b202603/ra1.pdf>

152 Artemis. (Access date: 2026, September 6). *Insurance Linked Securities Investment Managers & Funds Directory*.

<https://www.artemis.bm/ils-fund-managers/>

153 Artemis. (2026, July). *Q2 2026 Catastrophe Bond & ILS Market Reports*.

https://www.artemis.bm/wp-content/uploads/2026/07/catastrophe-bond-ils-market-report-q2-2026.pdf?utm_source=ReportsPage&utm_medium=Link&utm_content=Q22026Report&utm_campaign=Q22026Report

Recent activity nonetheless signals traction: the Asian Development Bank's inaugural CAT bonds covering earthquake and extreme precipitation risk in the Kyrgyz Republic and Tajikistan marked a significant step in integrating Central Asia into the global ILS market,¹⁵⁴ demonstrating that frontier-market sponsors can access capital-market risk transfer and that investors will price exposures beyond the traditional peril regions.

Hong Kong is well placed to capture these opportunities. The city has established a dedicated regulatory framework for ILS and successfully facilitated multiple CAT bond issuances, demonstrating its capability to support sophisticated risk-transfer structures. By serving as a platform connecting insurers, reinsurers, investors, and public-sector sponsors, Hong Kong can play a greater role in channelling global capital towards the region's growing catastrophe-risk financing needs.

¹⁵⁴ Asian Development Bank. (2026, May 3). *ADB Issues Inaugural Disaster Relief Bonds Targeting Earthquake and Extreme Precipitation Risk in the Kyrgyz Republic and Tajikistan*.
<https://www.adb.org/news/adb-issues-inaugural-disaster-relief-bonds-targeting-earthquake-and-extreme-precipitation-risk>

Capturing the Corporate Flow

(i) Corporate Treasury Centres: Shaping Hong Kong as the Regional Treasury and Liquidity Hub

Deepening connectivity across ASEAN, Central Asia and Greater China is generating a larger volume of cross-border treasury activity — intercompany financing, multi-currency pooling and FX hedging — and demand for a centralised base is emerging from both China-linked and independently regional corporates.

Chinese Mainland expansion remains the most direct driver: China's outbound direct investment reached US\$174.38 billion in 2025,¹⁵⁵ with over 50,000 overseas enterprises established across 190 countries and regions, much of it flowing into ASEAN, which absorbed a record US\$245.7 billion in FDI in 2024 as manufacturing FDI rose sharply across Vietnam, Thailand, Malaysia and Indonesia under “China+1” diversification.¹⁵⁶

This dispersed, multi-currency footprint is precisely the complexity that centralised treasury structures are designed to resolve. Roughly 80% of Chinese Mainland enterprises already use Hong Kong as their global launch pad,¹⁵⁷ and the opportunity extends beyond a purely China-linked story. ASEAN corporates illustrate this directly: as of June 2025, Hong Kong hosted 80 regional headquarters, 140 regional offices and 610 local offices with ASEAN parent companies,¹⁵⁸ and the number of ASEAN companies assisted by InvestHK to set up or expand grew nearly 30% year-on-year in the first half of 2026¹⁵⁹ — suggesting that ASEAN groups increasingly use the city to manage their own regional liquidity, typically co-located with regional headquarters functions. Central Asia presents an analogous case, where corporate exposure is concentrated in mining, metals and energy and therefore turns as much on the availability of hedging and settlement tools as on tax. Hong Kong's diplomacy is addressing this directly, with the Chief Executive's June 2026 visit yielding 96 agreements and commitments to fast-track double taxation treaties that currently deter treasury centralisation through the city.¹⁶⁰

This combined demand — China-linked and independently regional — is what Hong Kong's institutional upgrade now targets. The Government plays a pivotal role in strengthening this development. The 2026–27 Budget reaffirmed Hong Kong's commitment to consolidating its status as a premier CTC hub and a two-way platform for “bringing in and going global”.¹⁶¹ The accompanying Action Plan to Promote the Development of Corporate Treasury Centres in Hong Kong (Action Plan) seeks to attract more multinationals to establish CTCs locally, while encouraging existing centres to scale up operations and fully leverage the city's financial ecosystem. The Action Plan focuses on enhancing the tax regime through a tiered concession structure with pre-approval certainty, expanding double taxation agreements with a particular focus on economies along the Belt and Road, and deepening talent development and market outreach.¹⁶²

155 State Council of the People's Republic of China. (2026, January 22). *China's outbound investment maintains steady growth in 2025*. https://english.www.gov.cn/archive/statistics/202601/22/content_WS69722062c6d00ca5f9a08b92.html

156 ASEAN Secretariat. (2026). Flows of inward foreign direct investment (FDI) into ASEAN by source country [Data set]. ASEANstats. <https://data.aseanstats.org/fdi-by-hosts-and-sources>

157 Deloitte China. (2026, September 4). “Rooted in the Mainland, empowered in Hong Kong, thriving in global markets” sets new model for Chinese enterprises going global. <https://www.deloitte.com/cn/en/about/press-room/deloitte-china-go-global-taskforce.html>

158 Trade and Industry Department, HKSAR. (2026). *Trade relations between Hong Kong and ASEAN*. https://www.tid.gov.hk/en/our_work/statistics/trade_partners/asean.html?page=link

159 HKSAR Government. (2026, June 30). *Invest Hong Kong welcomes establishment of ASEAN Chamber of Commerce (Hong Kong) and organises Northern Metropolis visit*. <https://www.info.gov.hk/gia/general/202606/30/P2026062900466.htm>

160 InvestHK. (2026, July 20). *Hong Kong–Central Asia Partnerships Driving Belt and Road Growth and Global Investment*. <https://www.investhk.gov.hk/en/news/hong-kong-central-asia-partnerships-driving-belt-and-road-growth-and-global-investment/>

161 Financial Secretary. (2026, February 25). *The 2026–27 Budget*. <https://www.budget.gov.hk/2026/eng/budget15.html>

162 Financial Services and the Treasury Bureau, Inland Revenue Department, the Hong Kong Monetary Authority, Invest Hong Kong. (2026, June 9). *Action Plan to Promote the Development of Corporate Treasury Centres in Hong Kong*. https://gia.info.gov.hk/general/202606/09/P2026060900365_545884_1_1780996851093.pdf

The opportunity to become a hub for corporate treasury centres is a differentiated role built on offshore RMB depth, Chinese Mainland proximity, Belt and Road connectivity and an already-demonstrated base of independent regional demand. Capturing it fully will depend on sustained coordination between HK Inc. partners and industry practitioners to raise awareness of Hong Kong's CTC advantages among ASEAN and Central Asian corporates.

(ii) FinTech and Digital Finance: Deriving Payments Integration

Trade between Hong Kong, ASEAN and Central Asia is expanding relatively faster than the payment infrastructure connecting these markets, and closing that gap is the core opportunity. Realising the financial upside of this trade growth requires payment, treasury, and settlement infrastructure that keeps pace.

ASEAN's retail payment integration is advancing. As of December 2025, the bloc had established 29 QR-payment and P2P instant-payment linkages within ASEAN and with external partners, carrying 36.2 million cross-border QR transactions worth US\$716 million in 2025 plus a further US\$306 million in P2P transfers.¹⁶³ The ASEAN Connectivity Strategic Plan names seamless payments connectivity a central regional priority.¹⁶⁴

Hong Kong's Faster Payment System (FPS), a 24/7 real-time payment infrastructure supporting Hong Kong dollar and renminbi transactions, currently maintains cross-boundary linkages with Thailand's PromptPay and the Chinese Mainland's Internet Banking Payment System (IBPS) through the Payment Connect arrangement.^{165,166} Building on these developments, and noting that customers in Hong Kong are already well served by a diverse range of payment options, including credit cards, debit cards and e-wallets, consideration may be given to exploring further expansion of FPS linkages through bilateral or multilateral arrangements where appropriate. Subject to valid use cases and relevant legal, regulatory, business and technical considerations in the jurisdictions concerned, such efforts could facilitate more convenient cross-border payments and provide individuals and businesses with a broader range of payment choices for transactions between Hong Kong and other economies, including ASEAN members.

At the wholesale level, cross-boundary trade and financial activities continue to grow in scale and sophistication. China's cross-border e-commerce trade reached RMB2.75 trillion in 2025¹⁶⁷ and CIPS handled over RMB180 trillion in RMB settlement.¹⁶⁸ Hong Kong operates multi-currency real-time gross settlement systems and remains the largest offshore RMB clearing centre, giving regional corporates settlement, liquidity and hedging capacity in the currency in which a rising share of their China-facing trade is invoiced. As Mainland trade deepens, this demand is likely to grow ahead of demand for newer instruments, making conventional infrastructure an addressable part of the opportunity.

Digital infrastructure extends that base further. In June 2026, the PBOC's digital yuan operations centre onboarded its first 26 direct participants — including bank branches in Thailand, Singapore, Laos and Qatar — onto Cross-border e-CNY Transfer Services (CBETS),¹⁶⁹ a distributed-ledger platform that shortens the traditional multi-bank correspondent chain and reduces settlement from several working

163 ASEAN. (2026, April 10). *Joint Statement of the Thirteenth ASEAN Finance Ministers' and Central Bank Governors' Meeting (13th AFMGM)*. <https://photos.asean2026.gov.ph/uploads/ada042c9-25c1-4b83-ba97-7613b83e8a93.pdf>

164 ASEAN. (2025, May 26). *ASEAN connectivity strategic plan*. https://asean.org/wp-content/uploads/2025/05/09-ASEAN-Connectivity-Strategic-Plan_adopted.pdf

165 Hong Kong Monetary Authority. (2023, December 4). *Launch of FPS x PromptPay Link between Hong Kong and Thailand*. <https://www.hkma.gov.hk/eng/news-and-media/press-releases/2023/12/20231204-3/>

166 Hong Kong Monetary Authority. (2026). *Payment Connect*. <https://www.hkma.gov.hk/eng/smart-consumers/payment-connect/>

167 State Council Information Office of the People's Republic of China. (2026, January 28). *China's cross-border e-commerce trade tops 2.75 trillion yuan in 2025*. http://english.scio.gov.cn/m/pressroom/2026-01/28/content_118304543_10.html

168 Cross-border Interbank Payment Clearing Co., Ltd. (n.d.). CIPS services. <https://www.cips.com.cn/kjzqgs/cipsfw/index.shtml>

169 The State Council Information Office, the People's Republic of China. (2026, June 17). *26 financial institutions sign on as direct participants with e-CNY Center International*. http://english.scio.gov.cn/chinavoices/2026-06/17/content_118552798.html

days to a few hours. With Hong Kong entities already inside this network, the task is to convert participation into an active intermediation role. Reinforcing this, the city's unified digital asset framework, spanning exchanges, stablecoin issuers, dealers, and custodians, offers regional counterparties end-to-end coverage within a single jurisdiction. Two openings follow from it: multi-currency stablecoins, since the Stablecoins Ordinance does not confine licensed issuers to a single reference currency, allowing regional corridors to settle in the currencies those flows actually use; and tokenised deposits, where Project Ensemble pilots real-value tokenised transactions, allowing market participants to manage liquidity and treasury needs in real time.

Central Asia's needs are distinct but complementary, shaped more by financial inclusion and early digital-asset experimentation than by deep banking penetration. Uzbekistan's stablecoin sandbox permits regulated stablecoin settlement domestically and across borders,¹⁷⁰ while Kazakhstan's AIFC has begun licensing tokenised real-world-asset platforms.¹⁷¹ Neither market yet has an established external partner for custody, tokenisation standards or offshore liquidity access — a role for which Hong Kong's more developed regulatory framework could potentially be suited.

¹⁷⁰ Kursiv. (2026, April 17). *Uzbekistan launches regulatory sandbox for fiat-backed stablecoins.*

<https://uz.kursiv.media/en/2026-04-17/uzbekistan-launches-regulatory-sandbox-for-fiat-backed-stablecoins/>

¹⁷¹ Astana International Financial Centre. (2026). *First in Central Asia: AIFC licenses a platform for trading tokenised real-world assets in the agricultural sector.* <https://aifc.kz/news/first-in-central-asia-aifc-licenses-a-platform-for-trading-tokenised-real-world-assets-in-the-agricultural-sector/>



Three Fundamental Pillars for Deeper Engagement with ASEAN & Central Asia



Three Fundamental Pillars for Deeper Engagement with ASEAN & Central Asia

The vision is compelling: developing Hong Kong as the nexus for ASEAN and Central Asian capital flows. Underpinning this vision are three fundamental pillars, which Hong Kong needs to strengthen through sustained efforts: enhancing its relevance, leveraging the RMB internationalisation, and developing the Islamic finance ecosystem.

Enhancing Hong Kong's Relevance

Underlying both dynamics is a positioning question: many prospective partners in ASEAN and Central Asia are not fully aware of how Hong Kong differs from — and complements — direct engagement with the Chinese Mainland. The region is increasingly transacting with the Chinese Mainland, as illustrated by Kazakhstan's onshore Panda route and by Indonesia's Danantara striking its ASEAN-China investment platform directly with China Investment Corporation.

Hong Kong's distinctive proposition — being inside China for market access through the Connect schemes, yet having different investor pools, a different legal system, different regulatory standards, and a multi-currency platform — is precisely complementary to the Mainland bond market. That said, Hong Kong needs to communicate its role far more clearly to demonstrate the concrete, differentiated, and complementary role it can play alongside the domestic market.

Leveraging the RMB Internationalisation

There is a clear upward trend in the RMB's regional role. As a medium of exchange, the adoption of RMB is advancing rapidly in ASEAN and Central Asia — cross-border RMB settlements with ASEAN reached RMB 8.9 trillion in 2025, up 50.7% year-on-year,¹⁷² with Central Asia diversifying into RMB as China becomes its dominant trading partner. As a store of value, progress nevertheless remains limited: the RMB accounts for only around 2% of allocated global foreign-exchange reserves and a similar single-digit share of global payments,¹⁷³ and third-party usage that would generate self-sustaining network effects appears minimal.

The RMB bond market currently consists of several sub-markets — principally dim sum bonds, panda bonds, and free trade account instruments — each with separate documentation and regulatory approval requirements. This offers prospective ASEAN and Central Asian issuers and investors various choices depending on their nationality/registration place and source/use of funds.

The offshore RMB bond market has advanced rapidly, as issuers take advantage of lower interest rates¹⁷⁴ and investors are attracted by the RMB's stable exchange rate and the benefits of diversification. Still, the challenge in the offshore market is the thin secondary-market liquidity, characterised by a “buy-and-hold” culture with limited market-making. This constrains price discovery, prevents regional issuers from building meaningful yield curves for follow-on issuance, and limits investors' ability to hedge.

172 Standard Chartered. (2026). Renminbi in motion for corporates: Understanding RMB internationalisation in a multi-currency world. <https://www.sc.com/en/uploads/sites/66/content/docs/Renminbi-in-motion-for-corporates.pdf>

173 IMF. (2026, March 27). *IMF Data Brief: Currency Composition of Official Foreign Exchange Reserves*. <https://data.imf.org/en/news/imf%20data%20brief%20march%2027>

174 Ministry of Finance of the Republic of Kazakhstan. (2026, May 26). *The Republic of Kazakhstan successfully completes debut sovereign panda bond issuance*. <https://www.gov.kz/memleket/entities/minfin/press/news/details/1228961?lang=en>

Developing the Ecosystem for Islamic Finance

Islamic finance is directly relevant to this corridor, given that ASEAN contains the world's largest Muslim-majority economies in Indonesia and Malaysia and that Central Asia's predominantly Muslim republics represent a parallel demand base for Shariah-compliant capital. Hong Kong laid early foundations — its aspiration began in 2007, and legislative amendments in 2013 and 2014 established sukuk tax parity with conventional bonds and enabled issuance under the Government Bond Programme, supporting three sovereign sukuk issued in 2014, 2015 and 2017. The three issuances have successfully demonstrated the viability of the Hong Kong platform, and that our legal, regulatory and taxation framework can readily support sukuk issuances, including sukuk of different structures.¹⁷⁵ Momentum has since moderated, however: new Islamic products remain limited, a plateau that observers attribute to a shortage of Islamic finance professionals — including qualified Shariah scholars — and to a regulatory approach that leaves the tax treatment of products other than sukuk unclear.¹⁷⁶

This origination profile should nonetheless be read alongside Hong Kong's continuing role as a listing venue. HKEX remains an active platform for third-party Islamic paper, most recently hosting the listing of Malaysia's US\$1.5 billion sovereign sukuk on 30 July 2026, which followed the 2025 launch of Asia's first sovereign sukuk ETF in Hong Kong.

Hong Kong's institutional architecture for the two regions has advanced meaningfully. That said, converting this foundation into deeper, more routine two-way engagement will depend on establishing a strong institutional footprint, articulating its complementary role relative to direct Chinese Mainland channels, strengthening the RMB's store-of-value function and secondary-market liquidity, and building momentum in Islamic finance.

¹⁷⁵ Financial Services and the Treasury Bureau. (2018, February 28). *LCQ19: Development of an Islamic financial market in Hong Kong*.
https://www.fstb.gov.hk/fsb/en/legco/docs/pr28022018a_e.pdf

¹⁷⁶ LegCo Research Office. (2025, August). *Measures to facilitate the development of Islamic finance in the UK*.
<https://www.legco.gov.hk/research-publications/english/essentials-2025ise05-measures-to-facilitate-the-development-of-islamic-finance-in-the-uk.htm>



Conclusion



Conclusion

The global economy is undergoing a fundamental reconfiguration marked by shifting supply chains, evolving investment flows, and the steady rise of the Global South as a key driver of growth. In this changing landscape, complacency is not an option. Hong Kong must continue to strengthen its institutional foundations, deepen market connectivity, and enhance its policy adaptability to sustain relevance and resilience amid an increasingly complex regional environment.

Deeper integration with ASEAN and Central Asia forms a core component of this strategic response. Leveraging its trusted legal system, transparent regulatory regime, and internationally connected financial markets, Hong Kong is well positioned to facilitate capital, trade, and technology linkages across emerging economies. By consolidating external partnerships, advancing policy coherence, and strengthening frameworks that promote sustainable, inclusive growth, the city can further entrench its role as the principal conduit between the Chinese Mainland and the broader Global South.

Looking forward, Hong Kong's competitiveness will rest on its ability to remain secure, dynamic, and globally connected while serving as a catalyst for inclusive and sustainable growth. By maintaining openness, regulatory excellence, and strategic agility, the city will continue to evolve from a "super-connector" into a "super value-adder", cementing its position as the indispensable financial capital at the heart of the Global South nexus.



Appendix



Appendix: The Northern Metropolis—Strategic Gateway to the Chinese Mainland

The Northern Metropolis stands as a cornerstone of Hong Kong's long-term development. The 15th FYP expressly supports accelerating its implementation, signalling the Central Government's firm commitment to this strategic initiative and marking the project as a key pathway for Hong Kong's deeper integration into, and contribution to, the nation's overall development.¹⁷⁷ Beyond serving as a base for local and Chinese Mainland enterprises, the Northern Metropolis is envisioned as a hub for innovation and industry — a platform to strengthen collaboration between the international community and the GBA.

As a new engine of growth, the Northern Metropolis will inject fresh economic impetus into the city. By unlocking land for the innovation and technology (I&T) industry, it advances Hong Kong's ambition to develop into an international I&T centre under the emerging “South-North dual engine” framework, which pairs financial services in the south with I&T in the north. Its strategic value is reinforced by geography. Situated adjacent to Shenzhen's metropolitan core — the I&T base with the strongest development momentum — and served by seven land-based boundary control points, the Metropolis constitutes an essential platform for cooperation with other GBA cities.¹⁷⁸

This combination of scale, industrial depth and cross-boundary connectivity equips the Northern Metropolis to advance Hong Kong's role of “bringing in and going global” under the national development strategy. For the regions central to this paper, the implications are direct. The Metropolis offers enterprises from ASEAN and Central Asia a gateway to the GBA and the wider Chinese Mainland market, while serving equally as a launchpad from which Chinese Mainland enterprises expand overseas. It thus functions as a two-way conduit, reinforcing Hong Kong's position as the nexus through which regional capital and the Chinese Mainland connect.

Realising this potential now depends on execution. With the planning framework largely in place, attention has shifted from blueprint to delivery and enterprise attraction. The Government has adopted a multi-pronged approach to accelerate development and attract investment, comprising dedicated legislation to fast-track the project; diversified implementation modes such as large-scale land disposal and the establishment of industry park companies; and comprehensive facilitation measures including preferential policy packages and a dedicated project supervision office.¹⁷⁹ Together, these measures streamline procedures and lower the barriers to entry for incoming businesses.

Taken as a whole, these efforts aim to ensure that investors from ASEAN, Central Asia and beyond can establish themselves seamlessly within the Northern Metropolis. In so doing, the Metropolis becomes more than a development zone: it serves as the physical anchor of Hong Kong's role as the gateway linking ASEAN and Central Asia capital flows to the opportunities of the Chinese Mainland.

177 Legislative Council Secretariat. (2026, March). *Northern Metropolis: Accelerating development through industry-driven momentum*. <https://www.legco.gov.hk/yr2026/english/policy-pulse/pp2026-11-northern-metropolis-accelerating-development-e.pdf>

178 Northern Metropolis. (Last revision date: 2026, June 16). *About NM*. <https://www.nm.gov.hk/en/about-nm/vision>

179 Legislative Council Secretariat. (2026, March). *Northern Metropolis: Accelerating development through industry-driven momentum*. <https://www.legco.gov.hk/yr2026/english/policy-pulse/pp2026-11-northern-metropolis-accelerating-development-e.pdf>

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FSDC Weblink

Financial Services Development Council

About the FSDC

The Financial Services Development Council (FSDC) was established in 2013 by the Government of the HKSAR as a high-level advisory body to engage the industry in formulating proposals to promote the further development of the financial services industry of Hong Kong and to map out the strategic direction for the development.

In September 2018, the FSDC was incorporated as a company limited by guarantee. This change allows it to better discharge its functions through research, market promotion, and human capital development with greater flexibility.

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