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## Explosion in Hong Kong's start-up culture as more people recognise opportunities

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*Almost a fifth had entrepreneurship intentions last year and 9.44 per cent started or operated new businesses*

Hong Kong has experienced “staggering” growth in entrepreneurship in recent years, a newly released report reveals.

Almost a fifth of adults had entrepreneurship intentions last year and 9.44 per cent reported starting or operating new businesses last year, up 159 per cent from 2009.

In comparison, total early-stage entrepreneurial activity across the border fell 45 per cent amid mainland China's economic slowdown.

[Surge in Hong Kong start-ups as more young people shun safe career paths](#) [1]

Some 56.8 per cent of adults in Hong Kong said they recognised start-up opportunities in the city, according to a study of 66 economies, part of the worldwide Global Entrepreneurship Monitor initiative. That was an increase of almost 300 per cent since 2009.

“There is a growing start-up culture and start-up investing culture that's being built,” report co-author Dr Marta Doweiko, assistant professor at Hong Kong Baptist University, said.

Innovation has become increasingly important for Hong Kong as it seeks to become a hub for financial technology (fintech) and to maintain its hi-tech global competitiveness. But the city has slipped in global innovation rankings against regional rivals such as Singapore and South Korea, and still falls behind activity in Shenzhen, China's southern tech hub.

But while most Hong Kong start-up founders are still “mostly male, experienced, educated, and wealthy,” with two male entrepreneurs for every female, women are becoming entrepreneurs at higher rates than men.

[Hong Kong start-up boosters and doubters lock horns at StartmeupHK festival](#) [2]

Total early-stage entrepreneurial activity for women reached over 200 per cent in Hong Kong, and women were more likely to start businesses out of opportunity rather than necessity, the report said.

“Starting up is no longer [just] the gentlemen's affair,” Doweiko said.

And Hong Kong is now the number one opportunity-driven hub for entrepreneurship worldwide, thanks to its strengthening start-up ecosystem from investor interest and government investment, according to report co-author Kevin Au Yuk-fai, a professor at Chinese University of Hong Kong.



A view of the Lok Ma Chau Loop, which will be developed into a hi-tech border zone. Photo: Nora Tam

But in [Shenzhen](#) [3], around 16 per cent of the adult population – largely immigrants from other parts of China – are engaged in entrepreneurship. They benefit from a well-developed supply chain and hi-tech industries, the ability to innovate quickly, and access to the mainland Chinese market, the report said.

There was an “uncertain regulatory landscape in Hong Kong” for things such as lab development and privacy, said Allen Yu, chief technology officer at local start-up Codex Genetics, which aims to provide personalised medicine and genetic screening for Asians.

“We hope that the Hong Kong government can do more ... to help Hong Kong companies enter the mainland market,” he said.

Hong Kong firms had the advantage of lower capital requirements, better access to global markets, greater intellectual property and legal protection, and better support systems, and the report’s experts recommended Hong Kong and Shenzhen join forces for “complementary advantages”.

The two cities have existing partnerships, such as the Shenzhen-Hong Kong stock connect, the Shenzhen-Hong Kong Innovation Circle, and the joint development of an innovation park at the [Lok Ma Chau Loop](#) [4].

The report, released on Wednesday, was a collaborative effort by Baptist University, Chinese University, the University of Hong Kong, Shenzhen Academy of Social Science and the Savantas Policy Research Institute.

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