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Author: Susie Xu
Email: susieyu@bochk.com
Tel: +852 282 66195

Contact: Ms. Chan
Email: ccchan@bochk.com
Tel: +852 282 66208



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Hong Kong Stands Firm as a Top Global Financial Center Further Strengthening Its Leading Position

Susie Xu, Economist

In the 37th edition of the Global Financial Centers Index (GFCI) report, released in March 2025, New York, London, and Hong Kong secured their positions as the top three global financial centers. Hong Kong not only maintained its third-place ranking but also narrowed the scoring gap with New York while expanding its lead over fourth-ranked Singapore, further solidifying its status as a global financial hub.

Hong Kong's performance across various areas was outstanding, marking a return to global leadership. Its rankings in human capital, infrastructure, and financial sector development rose to second globally, while its business environment and international reputation rebounded to historically high levels, significantly enhancing its global influence. In financial markets, Hong Kong ranked first globally in financing for the first time and achieved top positions in investment management and insurance. Its competitiveness in fintech surged to fourth place globally. Despite facing multiple challenges over the past few years, Hong Kong's GFCI performance has rebounded from its historic low in 2022 to pre-pandemic levels, demonstrating a further strengthening of its leading position.

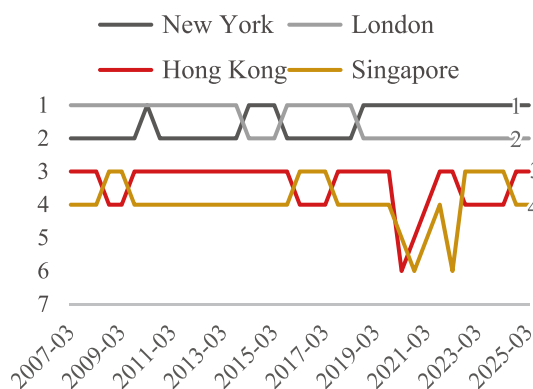
I. The "Nylonkong" Reinforces Its Dominance, Hong Kong Stands Firm as a Top Global Financial Center

The Global Financial Centers Index (GFCI), jointly published by the Z/Yen Group and the China Development Institute (Shenzhen), is a widely recognized benchmark for assessing the competitiveness of international financial centers. Since its inception in 2007, the index has been released biannually, tracking shifts in the competitive landscape of financial hubs, with the number of evaluated centers reaching 133 in 2025. The GFCI evaluates these financial centers based on their flexibility, adaptability, and growth potential, covering five key dimensions: business environment, financial sector development, infrastructure, human capital, and reputation.

Hong Kong's position remains leading, narrowing the gap with New York.
First introduced by TIME magazine in 2008, the term "Nylonkong" underscores the

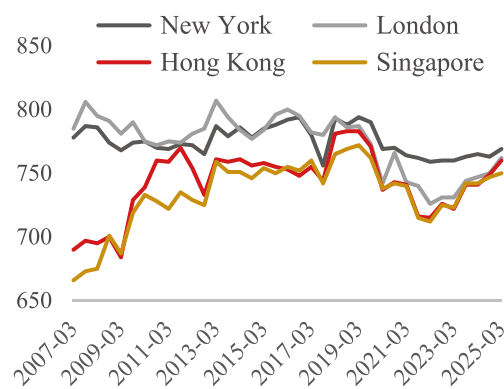
preeminent positions of New York, London, and Hong Kong within global finance. The latest GFCI report reaffirms their top-three rankings, with Hong Kong further closing the gap with New York. Historically, Hong Kong has consistently ranked between third and fourth (once dropping to fifth or sixth in 2020), with its score nearly matching those of New York and London in 2011 and 2018, reaching a record 783 points in 2018. After facing multiple challenges since 2019, Hong Kong's GFCI score hit a historic low in 2022. By March 2025, its score had continued to rebound, reducing the gap with New York to just 9 points, the smallest margin in 13 editions.

Figure 1: GFCI Top Four Rankings



Source: GFCI, BOCHK Financial Research Institute

Figure 2: GFCI Top Four Scores



Hong Kong expanded its lead over Singapore, surpassing it in multiple areas. As Asia's leading financial hubs, Hong Kong and Singapore have seen closely matched scores since 2020, with Singapore surpassing Hong Kong four times. In this edition, Hong Kong not only retained its third-place ranking but also expanded its lead over Singapore from 2 to 10 points. Hong Kong outperformed Singapore in five key areas, including business environment, infrastructure, financial sector development, reputation, and fintech, while maintaining leads over Singapore in human capital, banking, investment management, insurance, and financing. Additionally, Hong Kong also surpassed London in the areas of human capital, infrastructure, financial development, and insurance. Overall, the report highlights Hong Kong's growing advantage over Singapore and a further consolidation of its leading position.

Table : GFCI Rankings and Ratings for the 36th and 37th Editions

Center	2025-03		2024-09		Change in Rank	Change in Rating
	Rank	Rating	Rank	Rating		
New York	1	769	1	763	0	6
London	2	762	2	750	0	12
Hong Kong	3	760	3	749	0	11
Singapore	4	750	4	747	0	3
San Francisco	5	749	5	742	0	7
Chicago	6	746	6	740	0	6
Los Angeles	7	745	7	739	0	6
Shanghai	8	744	8	738	0	6
Shenzhen	9	743	9	732	0	11
Seoul	10	742	11	729	1	13
Frankfurt	11	741	10	730	-1	11
Dubai	12	740	16	723	4	17
Washington	13	739	12	728	-1	11
Dublin	14	738	14	725	0	13
Geneva	15	737	13	726	-2	11

Source: GFCI, BOCHK Financial Research Institute

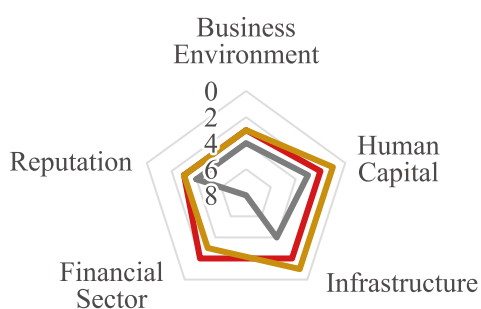
Global financial center rankings show dynamic stability, boosting industry confidence. The top nine centers maintained their rankings from the previous edition, reflecting a relatively stable status among leading hubs. Dubai experienced the most significant rise, climbing from 16th to 12th place. All financial centers recorded higher scores, with the average increase exceeding 2%, signaling stronger confidence among financial professionals. Eastern Europe and Central Asia saw the largest average score increase at 2.48%, while North America had the smallest increase at 1.48%. Western Europe and Asia-Pacific centers rose by 2.14% and 2.06%, respectively.

II. Hong Kong Leads in Multiple Areas, Showing Unique Strengths

Human capital, infrastructure, and financial sector development rise to second globally, reaching historic highs. The GFCI evaluates financial centers across five dimensions: business environment, human capital, infrastructure, financial sector development, and reputation. Hong Kong excelled in all five areas this time, reclaiming a top-tier global position. Human capital risen to second place, driven by talent-attraction policies implemented since late 2022. Infrastructure rebounded to second place (up two spots), reaching its highest position in 11 editions. Financial sector development also ranked second, achieving a record high. Hong Kong's financial industry contributed 24.9% to GDP in 2023, the highest among major financial centers.

Figure 3: HK's Ranking in Areas

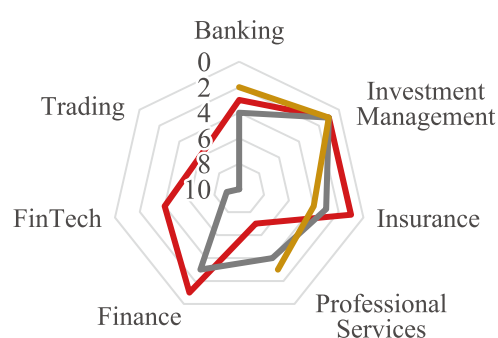
— 2025-03 — 2024-09 — 2018-09



Source: GFCI, BOCHK Financial Research Institute

Figure 4: HK's Rankings in Markets

— 2025-03 — 2024-09 — 2018-09



Business environment and international reputation rebounded to historic highs, with Western Europe showing strong confidence in Hong Kong. Hong Kong's business environment and reputation rankings both recovered to third globally, matching previous peaks. The GFCI defines "reputational advantage" as "recognition exceeding quantifiable competitiveness," reflecting survey respondents' perceptions. Hong Kong's reputational advantage surged eight spots to fifth globally, indicating strong international recognition, particularly from Western Europe, where respondents rated Hong Kong 96 points above the global average (a stark reversal from March 2024, when scores were 45 points below). Western Europe's average rating for Singapore was 204 points lower than that for Hong Kong, signaling strong confidence in Hong Kong's future.

Hong Kong ranks first globally in financing for the first time, while maintaining its leading position in investment management and insurance. Hong Kong has highly internationalized financial markets, with investment management retaining its top position and insurance reclaiming first place after 13 editions. The

banking sector rose to third place, and financial market trading jumped four spots to sixth. Notably, Hong Kong secured first place in financing, aligning with its capital market recovery. Hong Kong's IPO ranking rebounded to fourth globally in 2024, and Hong Kong remains Asia's top bond issuance hub. By market size, Hong Kong's stock market is second only to New York, 1.5 times larger than London's and 7.2 times Singapore's, underscoring its global leadership.

Fintech competitiveness climbed to fourth globally. New York, London, and Shenzhen retained their top-three rankings in fintech, while Hong Kong surged five spots to fourth, ahead of Singapore, which ranked eighth. San Francisco, Los Angeles, and Washington ranked fifth to seventh. Hong Kong's fintech ranking, which had previously lagged, saw a dramatic rise in this edition. Similarly, Hong Kong climbed three spots to seventh in the IMD's 2024 World Digital Competitiveness Ranking, excelling in "technology" and "knowledge." These gains reflect strong market recognition of Hong Kong's fintech advancements, driven by government efforts to enhance infrastructure and foster a vibrant ecosystem. In 2024, Hong Kong's startup count grew by 10% year-on-year, with fintech firms leading the growth. Over 600 fintech startups bolster Hong Kong's status as a key fintech hub.

III. Sustaining and Enhancing Hong Kong's Competitive Advantages

Preserve international characteristics and diversify markets. Hong Kong should maintain its globalized and open business environment, attracting international talent and resources while serving as a platform for technological cooperation, cultural exchange, and professional services. Expanding ties with Southeast Asia, the Middle East, and other emerging markets can further establish Hong Kong as a financing hub for these regions.

Advance high-level financial openness, reinforcing Hong Kong's role as a Super Connector. Under One Country Two Systems, Hong Kong bridges mainland China and global markets. Hong Kong should strengthen its role in facilitating outbound investment by mainland firms while attracting foreign financial institutions and long-term capital. Potential measures include innovating connectivity mechanisms, supporting mainland firms in establishing treasury centers in Hong Kong, and accelerating financial integration in the Greater Bay Area.

Enhance emerging financial sectors and diversify the financial ecosystem. Hong Kong should boost competitiveness in emerging areas beyond traditional strengths. First, increasing capital market vibrancy by optimizing connectivity schemes and attracting global investors. Second, supporting wealth management and family offices with tax incentives and subsidies. Third, attracting multinational corporations via targeted tax breaks. Forth, developing into a global commodity trading hub by fostering a synergistic ecosystem linking finance, trade, and shipping. Fifth, accelerating green finance through unified standards and product innovation, positioning Hong Kong as the Greater Bay Area's green finance center.

Strengthen Hong Kong's offshore RMB hub status, enhancing global influence and pricing power. As the world's largest offshore RMB center, Hong Kong can drive RMB internationalization and narrow the gap with the USD and EUR in global payments, reserves, and trading by improving liquidity, expanding clearing networks, deepening cooperation with Southeast Asia, and enriching RMB-denominated products.

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Author:

Susie Xu: She received her PhD in Economics from Hong Kong University of Science and Technology. She is currently an Economist at Hong Kong Financial Research Institute of Bank of China. Her main research areas are macroeconomics and real estate industry.

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主要經濟指標 (Key Economic Indicators)

一、本地生產總值 GDP	2022	2023	2024	2024/Q4
總量 (億港元) GDP(HKD 100million)	28,090	29,010	29,729	7,810
同比增長率 (%) YoY change(%)	-3.7	3.3	2.5	2.4
二、對外商品貿易 External merchandize trade			2025/2	2025/1-2
外貿總值 (億港元) Total trade(HKD 100million)				
總出口 Total exports	45,317	41,774	3,279	7,165
總進口 Total imports	49,275	46,450	3,642	7,511
貿易差額 Trade balance	-3,958	-4,676	-363	-346
年增長率 (%) YoY Growth(%)				
總出口 Total exports	-8.6	-7.8	15.4	6.5
總進口 Imports	-7.2	-5.7	11.8	5.7
三、消費物價 Consumer Price				
綜合消費物價升幅 (%) Change in Composite CPI(%)	1.9	2.1	1.4	1.7
四、零售市場 Retail market				
零售額同比升幅 (%) Change in value of total sales YoY(%)	-0.9	16.2	-13.0	-7.8
五、訪港遊客 Visitors				
總人數 (萬人次) Total arrivals(10 thousands)	60.5	3,400.0	366.8	841.0
年升幅 (%) YoY change(%)	561.5	5,523.8	-8.3	7.4
六、勞動就業 Employment			2024/11-2025/1	2024/12-2025/2
失業人數 (萬人) No. of unemployed(10 thousands)	16.3	11.3	11.0	11.2
失業率 (%) Unemployment rate(%)	4.3	2.9	3.1	3.2
就業不足率 (%) Underemployment rate(%)	2.3	1.1	1.1	1.1
七、住宅買賣 Domestic property sales and price index			2025/1	2025/2
合約宗數 (宗) No. of agreements	45,050	43,002	3,626	3,200
住宅售價指數 (1999=100) Domestic price index	369.7	337.4	287.2	284.7
八、金融市場 Financial market			2025/2	2025/3
港幣匯價 (US\$100=HK\$) 期末值	780.8	781.1	778.0	778.0
HKD exchange rate (US\$100 = HK\$), end of period				
銀行體系收市總結餘 (億港元) 期末值	962.5	449.5	447.0	446.2
Closing aggregate balance(HKD 100million), end of period				
銀行總存款升幅 (%)	1.7	5.1	1.3	-
Change in total deposits(%)				
銀行總貸款升幅 (%)	-3.0	-3.6	-0.2	-
Change in total loans & advances(%)				
最優惠貸款利率 (%) 期末值	5.6250	5.8750	5.2500	5.2500
Best lending rate (%), end of period				
恒生指數 Hang Seng Index	19,781	17,047	22,941	23,120