

## Hong Kong dismisses business pushback over 'zero-COVID' strategy

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International companies choose Hong Kong for its regional access, low taxes, legal system and financial services.

Hong Kong's leader doubled down on her zero-COVID strategy on Tuesday, brushing off growing pushback from the business community



over the city's indefinite international isolation.

The European Chamber of Commerce in Hong Kong wrote a rare open letter to Chief Executive Carrie Lam earlier this month warning that the finance hub's business reputation was at risk and residents were "indefinitely trapped".

But Lam said there are no plans to change course, reinforcing concerns that there is no current end in sight to <u>travel</u> restrictions.

"Now the most important defence is to prevent importation of cases as far as possible," Lam told reporters.

She also said normalising transit with the Chinese mainland would be prioritised over global travel, even as chief regional rival Singapore prepares to live with the coronavirus and open up to the world.

"The more you relax on the overseas arrivals, the less you will have a chance to go into the mainland," she told reporters.

Lam said she believed most international businesses also favoured reopening mainland China travel first.

"Yes international businesses want to travel, they want to travel to the mainland, they want to travel back to their home countries and all over the world," she said.

"But the most important advantage of Hong Kong is being the gateway into mainland China because that's a huge market."

Her comments will be welcome news for those with businesses in China, but little comfort to those international companies that choose Hong Kong for its regional access, low taxes, legal system and <u>financial</u>



## services.

China has also shown little appetite for relaxing its own strict travel restrictions, including to Hong Kong.

Local media in Hong Kong this week said mainland Chinese officials will keep restrictions tight until at least after the 2022 Winter Olympics.

Hong Kong has largely kept the coronavirus at bay—thanks to maskwearing, stringent social distancing and some of the world's strictest quarantine measures—but its vaccination rates trail Singapore's despite ample supplies.

Singapore has one of the world's most successful inoculation campaigns with more than 80 percent of its population fully vaccinated, including 84 percent of those aged above 70.

In contrast, only 46 percent of eligible Hong Kong residents are fully vaccinated, with just 25 percent of those aged 70 or over double jabbed.

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