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US firms' confidence in HK legal system hits 3-year high

By Zhang Tianyuan



In this Nov 18, 2024, file photo, people walk by the Department of Justice in Hong Kong. (SHAMIM ASHRAF / CHINA DAILY)

HONG KONG – Confidence of American businesses in the [Hong Kong Special Administrative Region's rule of law](#) has hit a three-year high, even as analysts warn the city could become a key battleground in [China-US trade tensions](#) under US President Donald Trump's presidency.

According to a survey released on Thursday by the American Chamber of Commerce in Hong Kong, 83 percent of over 500 corporate executives interviewed from various business sectors expressed trust in the city's legal system, up from 79 percent in 2024 and 73 percent in 2023.

The survey revealed that 70 percent of respondents reported no negative effects of the National Security Law for Hong Kong on their operations.

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However, the survey highlighted growing concerns about [China-US relations](#), with 67 percent of respondents expecting deterioration in 2025. Only 8 percent predicted improvement, while 25 percent expect relations to remain unchanged.

Neville Lai, CEO and co-founder of Trigrams Research Group, highlighted Hong Kong's fundamental business advantages, such as "a low and simple tax regime, [rule of law](#), and a large pool of English-speaking professionals".

"The next two years under President Trump are likely to be tumultuous, marked by unpredictability," Lai said, adding Hong Kong could explore tailored incentives for American businesses.

He advised foreign businesses to build teams with specialized geopolitical knowledge and consider local partnerships.

Winston Ma Wenyan, an author and adjunct professor at New York University's School of Law, shared similar concerns, warning that the Hong Kong SAR is expected to be one of the fronts in Trump's trade war against China.

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need to be on top of geopolitics-driven regulatory issues, especially those relating to cross-boundary data flow.”

Brian Ah-Chuen, managing director at Mauritius ABC Banking, struck an optimistic tone about Hong Kong’s prospects, saying, “Hong Kong’s position as an international financial center remains quite strong. Clients seek quality service and efficiency – and Hong Kong continues to deliver on both fronts.”

The AmCham survey found that 75 percent of respondents viewed Hong Kong as competitive or highly competitive internationally, citing advantages such as the free flow of capital, and the role as a gateway between the Chinese mainland and the rest of the world.

Business stability remains strong, with 79 percent of companies planning to maintain their Hong Kong headquarters over the next three years. About 35 percent indicated plans for business expansion, while 51 percent anticipated no changes in hiring.

The survey, conducted from Nov 11 to Jan 14, coincided with Trump’s reelection as US president, adding uncertainty to China-US relations.

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Trump expressed confidence in reaching a trade deal with China on Thursday. He said he would rather not use tariffs against China but called tariffs a “tremendous power”.

Trump’s remarks, coupled with US technology stock rebounds and a strong performance in the solar industry, boosted investor sentiment, according to Mofiz Chan, chairman of the Hong Kong Securities and Futures Professionals Association. The Hong Kong stock benchmark Hang Seng Index rose 1.86 percent to close at 20,066 on Friday.

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