All signs point to a relaxation of years of grueling health restrictions that have put the city's financial hub at risk. Now the question is how far and how fast.

Yesterday, local media reports claimed that the Hong Kong government was preparing to announce a decision to scrap hotel quarantine for inbound travelers while also easing certain social distancing measures. And today, chief executive John Lee noted that efforts were underway to consider loosening travel curbs without providing a specific timeline.

«Different departments are actively studying, as the confirmed cases are falling, what room it gives us to adjust quarantine arrangement for people arriving at the airport to Hong Kong,» Lee said at a press briefing. «We will make a decision soon and announce it to the public.»

Rival Hubs
Hong Kong Expedites Reopening Plans
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According to one report by «Oriental Daily» (Chinese only) citing unnamed politicians, the original plan was to relax border controls before the start of November but that efforts have been sped up due to an acceleration of similar steps by other Asia Pacific countries, though no further details were provided.

In the region, an increasing number of countries are rolling out programs to attract talent and investment, including Australia, Malaysia, and Thailand. Rival hub Singapore has been notable for its new visa program aimed at high-end workers alongside the launch of a strategy that aims to create up to 20,000 jobs in the financial sector over the next five years.

Reopening Measures

As part of the reopening measures, the government is expected to scrap hotel quarantine for inbound travelers and instead require them to self-monitor for seven days at home. There is also a possibility of ending the necessity for a polymerase chain reaction testing rule 48 hours before passengers board flights to the city, which means they will only have to undergo screening on arrival.

Separately, the Securities and Futures Commission (SFC) is in talks with financial firms to return licensed staff working abroad. According to a «Bloomberg» report citing unnamed sources, there are concerns about risks from licensed companies operating without a responsible manager located in the city. The appetite for a large-scale return, however, is expected to be limited as long as Covid restrictions remain in place.

In early 2020, at the onset of the pandemic, the SFC allowed staff at financial firms to work overseas as a temporary contingency. According to a report by the Hong Kong Investment Fund Association (HKIFA), one-third of global asset managers surveyed allowed staff to permanently work overseas, including Hong Kong-based employees.

Financial Sector Casualties

Hong Kong's financial sector has already suffered significant damage as a result of zero-Covid restrictions.

The city lost more than 718 professionals to Singapore in 2021, according to Robert Walters. And the abovementioned HKIFA survey found that 35 percent of asset managers had moved regional and global posts out of Hong Kong while 13 percent had cut headcount.
How Far and How Fast?

Hong Kong is hardly out of the woods yet. While the announcement on reopening efforts is a move in the right direction, the focus will now be directed on the extent and the speed of execution. Even Lee himself acknowledges the risk of false stops, underlining that the government will try its best not to make reversals on already loosened restrictions such as forcing individuals who fail COVID-19 tests to isolate in the now infamous Penny Bay facility.

«We want to be connected with the different places in the world,» Lee said. «We would like to have an orderly opening up.»