

SBS Consulting Compares Singapore and Hong Kong on the Ease of Doing Business

“Although, Hong Kong and Singapore economies compete, they have diverged enough to attract businesses upholding different business plans and goals.”

SINGAPORE, SINGAPORE, SINGAPORE, July 8, 2015 /EINPresswire.com/ -- SBS Consulting, a provider of Singapore incorporation

services, has come up with a report that elaborates on the ease of doing business in Singapore and Hong Kong. Its content will assist the foreign corporate in deciding which of them is the most suitable for their needs.



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“In the economic sense the relation between Singapore and Hong Kong is of rivalry to become Asia’s Financial hub, a haven for investors and to attract global businesses.”

SBS Consulting

The report tries to compare these economies based on their workforce, IP (Intellectual Property) protection, the investor-friendly environment, corporate income tax rates, and the company incorporation procedures adhered to by these countries.

The information that this comparison is based on is available in reports like 'Ease of Doing Business June 2014' (World Bank), 'Global Competitiveness 2014-2015' (World Economic Forum), and Global Enabling Trade reports 2014.

Labor Market Efficiency

Singapore and Hong Kong, both, ranks high in efficiency of their labor market. Singapore is well ahead of Hong Kong as it performed well in 9 indicators out of 10.

Singapore accepts immigrant professionals and labors and has successfully achieved a balance between quality and quantity. The restrictive labor regulations that it imposes have enabled it to gather English speaking and educated workforce.

This is of a great advantage to the multinational companies and they prefer Singapore to Hong Kong that wields, to a large proportion, an uneducated workforce. Hong Kong’s performance, when compared to Singapore, in the indicators like redundancy costs, professional management, and women’s labor pool is not up to the mark.

Strength of Investor Protection Index

Regional economies, nowadays, depend on the infusion of global capital. However, it flows only to those that take firm steps to protect it. Singapore scored 9.3 out of 10 against 9 scored by Hong Kong

in the Strength of Investor Protection Index.

Singapore's high score in this index vouch for its adherence to the transparent transactions, the effectiveness of the regulations in force, protection of investors, and their ability to sue self-serving or incompetent officers and directors.

In addition, the business entities that operate in Singapore must comply with the Singapore Financial Reporting Standards (SFRS), FATCA, and BASEL III.

Singapore provides protection to the investors. It ranks second because of it in the Global Competitiveness Report 2014-2015. Hong Kong occupies third position.

Singapore has signed more than 70 double taxation avoidance treaties and sound inter-regional trade agreements with the other trading countries. It enabled it to rank first in the 2014-2015 Global Enabling Trade report. Hong Kong achieved the second position.

Intellectual Property (IP) Protection

Singapore enforces strict IP protection laws to safeguard the interests of its subjects as well as that of the foreign investors. On this count, it ranked second in Global Competitiveness Report 2014-2015.

Singapore offers tax incentives on the expenses incurred on the acquisition of IP rights. Under its PIC (Productivity and Innovation Credit) scheme, it awards 400% rebate in corporate income tax or reimburses 60% of the cost in cash payouts to the eligible private limited companies.

Incorporate in Singapore or in Hong Kong

[Singapore Company Setup](#) is the most viable option for a business wanting to establish its regional headquarters in Asia. It enables the company representatives to reach growing Asian markets within 6-8 hours of flight. Singapore ranks first in the quality of Air transport infrastructure.

The Global Competitiveness Index (GCI) 2014-2015 pegs Singapore on first position for the public trusts in its politicians, second for the property rights, fourth for the organized crimes, third for favoritism in decisions of government officials and the corruption.

The GCI ranks Singapore in the third position for the ethical behavior of its firms, 2nd for the higher education and training, second for the burden of government regulations, first for inflation, fifth for the quality of its overall infrastructure, sixth for the quality of roads and electricity supply.

The choice of where to incorporate a new company is not always very clear. However, a business intending to be active in mainland China should necessarily incorporate in Hong Kong.

Hong Kong fares better than Singapore especially, in enforcing contracts, paying taxes, handling construction permits, and electricity supply.

“Choosing between Singapore and Hong Kong is indeed a difficult decision even for the seasoned businesspersons. Both the economies are known for their pro-business attitude that is well supported by their business-friendly policies and lower tax rates,” commented www.SBSGroup.com.sg, one of the leading company incorporation portals in Singapore.

“However, the lower traffic congestion, lower air pollution, excellent education facilities, and the safe social environment are tilting the scale in favor of Singapore. A large number of the global investors

and entrepreneurs are opting for [Singapore Company Registration](#). They are also choosing this island-nation to relocate their families,” said Ms. Meena, the business head of SBS Consulting.

About SBS Consulting:

SBS Consulting assists its clients in [Incorporate Company in Singapore](#). This Singapore-based firm delivers its business solutions with equal zest to the Singapore startups, Small and Medium Enterprises (SMEs), and the multinational companies.

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