

Hong Kong's future as leasing hub

As a homegrown lessor in Hong Kong, CALC has the privilege of enjoying onshore China and overseas dual platforms for aircraft transactions and financing, thanks to the unique “super connector” positioning of the city. We see Hong Kong's role as a leasing hub for the future more promising than ever as business and transactional activities gravitate increasingly towards aviation markets in Asia, led by the recovery from the pandemic in China which emerge as the world's biggest market in a few years. This prospect is further secured by endorsements from the Chinese government and support policies to reinforce the “One Country, Two Systems” competitive advantage of Hong Kong and the city's strategic importance in China's continuing reforms and opening up.

The Greater Bay Area Blueprint has highlighted Hong Kong's positioning in the masterplan to continue to be an international financial centre, an international aviation hub and an international legal and dispute resolution hub in the Asia-Pacific region. Meanwhile, the People's Bank of China, together with regulators in the Mainland for the banking, securities and foreign exchange sectors, have unveiled new measures supporting cross-border extension of financing in the Greater Bay Area. All these would provide the Hong Kong aviation industry with additional resources and liquidity to tap opportunities in the new global economy landscape.

In addition, Hong Kong, with this special positioning, is ready to leverage its established infrastructure to cooperate with the leasing hubs of Tianjin, Shanghai and Nansha in China to exploit future opportunities, especially those emerged from industry consolidation and increasing aircraft leasing penetration in the post-pandemic period. CALC has been proposing to the free trade zones a number of lease financing structures that benefit from Hong Kong's legal system and favorable tax regime, including but not limited to “Lease-in-Lease-out” structure. Cooperation in this area will extend the reach beyond the domestic market. We believe Hong Kong will become a major hub for Chinese lessors for leasing and trading activities in the overseas markets to facilitate endeavors for expanding their shares in the global aviation industry.

We have confidence that with a growing market and rich resources, Hong Kong will attract more cross-border leasing and aircraft trading businesses, and gradually become an aviation cluster for the region on which every global aviation player and relevant service provider will be eager to establish a foothold.