

Hong Kong & Mainland China News –April-2017

HK-Slovenia wine deal signed

By www.news.gov.hk

Monday, April 3, 2017

Secretary for Commerce & Economic Development Gregory So has signed a deal to boost Hong Kong's wine business with Slovenia.

The deal will boost co-operation in wine trading and investment promotion, education and training, tourism and prevention of counterfeiting.

Mr So signed the pact with Slovenian Deputy Prime Minister and Minister of Agriculture, Forestry & Food Dejan Zidan in Slovenia yesterday.

Mr So said: "Hong Kong is Asia's wine hub and a wine free-port. I look forward to Slovenia capitalising on Hong Kong's excellent business and logistics infrastructure, and showcasing its fine wine to wine professionals, trade and consumers across Asia."

Hong Kong has similar agreements with Australia, Chile, France, Germany, Hungary, Italy, New Zealand, Portugal, Romania, Spain and the US.

Tax pact done with Portugal, South Africa

By www.news.gov.hk

Monday, April 3, 2017

Hong Kong has signed agreements with Portugal and South Africa for conducting automatic exchange of financial account information in tax matters.

The signing of the agreements brings the number of Hong Kong's automatic exchange partners in financial account information to 11.

The other partners are Belgium, Canada, Guernsey, Italy, Japan, Korea, Mexico, the Netherlands and the UK.

A bill was tabled at the Legislative Council on March 29 seeking to include Hong Kong's newly confirmed partners and prospective ones in the list of "reportable jurisdictions" under the Inland Revenue Ordinance.

AIB benefits financial sectors

By www.news.gov.hk

Wednesday, April 12, 2017

Hong Kong's professional and financial services sectors will benefit from the Asian Infrastructure Investment Bank's operations.

Acting Secretary for Financial Services & the Treasury James Lau made the statement to legislators today, saying Hong Kong can take part in the planning, implementation and operation of the bank's infrastructure projects as it has experts in project negotiation, international law and professional arbitration services.

"Given the depth and breadth of Hong Kong's financial markets and availability of financial sector professionals, the professional services and financial services sectors of Hong Kong like project financing, bond issuance, investment management, financial management and foreign exchange management will stand to benefit from the AIB's operations."

Mr Lau said Under Secretary for Financial Services & the Treasury has been an Advisor of the China constituency at the bank, and participates in the board meetings in that capacity.

He added the role enables the Government to put forward Hong Kong's views on bank matters, and ensures the city is consulted on matters affecting its interests.

"We are confident that after Hong Kong has formally joined the bank, our representative can continue to be an Advisor of that constituency, and sit in the board meetings as necessary."

World economy gaining momentum: IMF

By news.rthk.hk

Wednesday, April 12, 2017

The head of the International Monetary Fund, Christine Lagarde, says that after six years of disappointing growth, the world economy is finally gaining momentum. But she warned of a number of potential threats, ranging from political uncertainty in Europe to protectionism that could hinder global trade.

Lagarde said there was a critical need for more international cooperation, not less. Restricting trade flows would be a “self-inflicted wound” that would harm workers and consumers, she said.

In the text of a speech to be delivered in Brussels on Wednesday, Lagarde did not single out any country for specific criticism on the issue of protectionism.

US President Donald Trump had vowed to impose punitive tariffs on goods from countries he believes harm American workers by flouting global trade rules. He has threatened to impose tariffs as high as 45 percent on goods from China and Mexico unless those nations stop practices he says violate trade laws.

Resorting to protectionism would have a number of consequences, from disrupting supply chains for domestic companies to inflating prices that companies and consumer must pay, Lagarde said. A better approach would be for countries running large trade surpluses and those running deficits to cooperate in pursuing policies to deal with the imbalances, she said.

“Cooperation means working together to ensure that countries observe a level playing field”, Lagarde added.

The World Trade Organization says it expects global trade to rebound slightly in 2017 but warned the threat of protectionism and other uncertainties risked hampering the recovery.

The organisation forecast that global trade would expand by 2.4 percent in 2017, up from just 1.3 percent last year.

Mainland's March exports, imports beat forecast

By news.rthk.hk

Thursday, April 13, 2017

The mainland's March exports rose 16.4 percent from a year earlier, while imports increased 20.3 percent, both exceeding market expectations, official data showed on Thursday.

That left the country with a trade surplus of US\$23.93 billion for the month, the General Administration of Customs said, reversing a rare deficit in February.

Exports in the first quarter of the year rose 8.2 percent from the same period last year, while imports surged 24.0 percent.

The mainland's first-quarter trade surplus was US\$65.61 billion.

Analysts polled by Reuters had expected March exports to rise 3.2 percent on-year, after a surprise drop of 1.3 percent in February.

Imports had been expected to grow 18 percent, after a blowout 38.1 percent expansion the previous month.

Analysts had expected the mainland to return to a surplus of US\$10.0 billion in March, versus February's US\$9.15 billion deficit.

The mainland's economic data in January and February can be highly skewed by the timing of the long Lunar New Year holidays, when offices and factories shut for a week or more.

Economy accelerates in straight quarters

By www.thestandard.com.hk

Tuesday, April 18, 2017

China's economy accelerated for a second straight quarter as investment picked up, retail sales rebounded and factory output strengthened, amid robust credit growth and further strength in property markets.

Gross domestic product rose 6.9 percent in the first quarter from a year earlier, compared to a 6.8 percent median estimate in a Bloomberg survey. It was the first back-to-back acceleration in seven years.

Other indicators released by the National Bureau of Statistics showed: fixed-asset investment, excluding rural areas, expanded 9.2 percent for the first three months, accelerating from 8.1 percent growth last year; retail sales climbed 10.9 percent from a year earlier in March, compared to a median estimate of 9.7 percent in a Bloomberg survey; and industrial output rose 7.6 percent, compared to an estimated 6.3 percent.

"For the first time in the recent years, China starts a year with a strong headline GDP," said Raymond Yeung, chief greater China economist at Australia & New Zealand Banking Group in Hong Kong, who correctly forecast the growth pace.

"Thanks to strong investment and property, the economy is performing well."

The expansion further cements a rebound as producer prices surge, industrial output picks up, and soaring credit fuels investment. Policy makers have shifted to a more neutral monetary stance, as they seek to ease financial risk and reduce excess industrial capacity.

"The first quarter growth is mainly driven by reflation and very strong property sales and investment," said Larry Hu, head of China economics at Macquarie Securities in Hong Kong. "This strong data would give more confidence to maintain a tightening stance."

The broadest measure of new credit rose more than estimated last month amid strong growth in shadow banking. Aggregate financing grew 2.12 trillion yuan (HK\$2.39 trillion).

In current price terms, the economy expanded 11.8 percent from a year earlier, Bloomberg Intelligence said.

China, EU pledge to work for more free trade

By www.news.rthk.hk

Thursday, April 20, 2017

Top diplomats from China and the European Union have pledged to work together on issues including Syria and North Korea and cooperate more closely to advance free trade, striking a contrast with American economic nationalism being promoted by US President Donald Trump.

The statements came as China and the EU held their first high-level talks since Trump took office in January. EU foreign policy chief Federica Mogherini co-chaired the Seventh EU-China Strategic Dialogue with State Councillor Yang Jiechi, China's highest-ranking diplomat.

“At present, the international situation is complex with many new developments, challenges and problems,” Yang told Mogherini at the outset.

“Against this backdrop, for China and the EU to deepen cooperation and coordinate positions not only concerns the common interests of the two sides, but also is of great significance” for international relations, he added.

Mogherini said China and the EU had “a big responsibility” during “times of uncertainty”.

The one-day talks come ahead of an EU-China summit scheduled for Brussels in June.

On Tuesday, Mogherini met Premier Li Keqiang, who said that the international community was looking at how China and the EU would work together to tackle challenges including the world economic recovery, global conflicts and terrorism, and Britain's pending withdrawal from the EU.

HK should join bay area development

By www.news.gov.hk

Tuesday, April 25, 2017

Chief Executive CY Leung said Hong Kong should make use of its advantages in financial and professional services to contribute to the joint development of the Guangdong-Hong Kong-Macao Bay Area.

Speaking ahead of the Executive Council meeting today, Mr Leung said as the nine Mainland cities within the bay area are developing rapidly, Hong Kong should also join the development plan.

He added Hong Kong's trade and financial industries cannot afford to lose the Mainland market which has been providing jobs for many local professionals.

He also said as the infrastructure projects linking Hong Kong and the bay area cities will be completed next year, more Hong Kong people will work and retire on the Mainland.