

Hong Kong economy grows at a faster pace

By rthk.hk

Friday, August 14, 2015

Hong Kong's economy has expanded at its fastest pace since the third quarter last year.

It grew 2.8 percent between April and June from the same period a year ago. The forecast was 2.3 percent.

In the wake of the accelerated growth, the government has lifted the bottom range of its full-year growth forecast to between 2 and 3 percent - up from 1 and 3 percent in its previous assessment in May.

It also lowered its annual inflation outlook slightly from 3.2 percent to 3.1 percent.

HK, Italy tax pact in force

By news.gov.hk

Friday, August 14, 2015

The agreement between Hong Kong and Italy on the avoidance of double taxation and the prevention of income tax evasion has entered into force.

Secretary for Financial Services & the Treasury Professor KC Chan said today that the treaty will bolster the economic and trade connections between the two places and offer added incentives for companies in Italy to do business or invest in Hong Kong.

Prof Chan added that the pact would also address Italy's concerns about Hong Kong's commitment to enhancing tax transparency and combating cross-border tax evasion, and facilitate the removal of Hong Kong from Italy's 'blacklist' as early as possible.

The agreement was signed in January 2013 and came into force on August 10, 2015 after both sides completed ratification procedures.

Three good reasons for the yuan devaluation

By Andrew Wong Wai-hong, an independent commentator, for thestandard.com.hk

Monday, August 17, 2015

There isn't a strong possibility the yuan devaluation means Beijing has joined the underground currency war openly.

One reason why the market does think so is recent poor export data.

But, judging from devaluations involving major currencies, not only did they not bring any economic stimulus, but exports hit new lows for many years.

So the main purpose of the yuan move must not be to boost exports.

There are three reasons: first, the US Federal Reserve may raise rates in the short term and the devaluation is a defensive move.

Second, Beijing needs to adjust the overvalued yuan since it had risen by 10.3 percent, adjusted for inflation, against all currencies since early 2014.

Third, China is hoping the International Monetary Fund will include the yuan in its special drawing rights basket by December, so the devaluation is a way of showing the world a more flexible exchange rate system in action.

But the three reasons do not mean Beijing will allow sustained yuan weakness, as foreign investors will worry and cause a rise in capital outflows, dragging down economic performance in China.

The IMF's response to the initial devaluation was positive, so the chance of a yuan inclusion is increasing. If that happens, because of increasing demand for forex reserves, the yuan will have back-up power. Therefore, the yuan could ride back to below the 6.3-level against the US dollar.

Firm stand on yuan

By thestandard.com.hk

Tuesday, August 18, 2015

China's yuan held steady against the dollar yesterday on a firmer official midpoint fix, pointing to continued efforts by the central bank to calm frayed nerves after last week's devaluation sliced 3 percent off the currency's value.

The onshore yuan depreciated another 0.06 percent to 6.3949 per dollar, compared to its fixing rate of 6.3969 before the market opened. The offshore yuan was trading 0.8 percent weaker than the onshore spot at 6.4451 per dollar at 9pm last night.

The yuan posted its biggest weekly loss on record of 3 percent and touched four-year lows after the central bank's surprise devaluation of its currency by nearly 2 percent last Tuesday. The move rattled markets on speculation Beijing would continue to guide the yuan lower, stoking fears of a global currency war.

But Standard & Poor's chief economist for Asia-Pacific Paul Gruenwald said that is unlikely as exports are underpinned by foreign demand rather than currency effects.

The Financial Times reported that its research service showed labor demand in China contracted last month for the first time since 2012, a distressing sign of the production slowdown.

Meanwhile, the China Financial Futures Exchange said it hopes to have a trial run on more yuan futures to provide more options for mainland companies to hedge their currency risks, mainland media reported.

HK, Guangdong IP meeting held

By news.gov.hk

Tuesday, August 18, 2015

The 14th Meeting of the Guangdong-Hong Kong Expert Group on Protection of Intellectual Property Rights was held in Hong Kong today.

Participants agreed to continue deepening and promoting co-operation.

The group's co-operation projects for 2015-16 include reinforcing work on cross-boundary protection of intellectual property, and organising publicity activities. They will also promote guidance service in intellectual property, and co-operation on intellectual property trading and services.

The two sides reviewed the co-operative projects completed in the past year, and noted law enforcement agencies in both places worked closely to combat the smuggling of contraband across the boundary under the co-ordination mechanism for handling intellectual property-related cases.

Director of Intellectual Property Ada Leung said fostering intellectual property trading in Guangdong and Hong Kong is the group's major development target in the next phase.

"We believe promoting the further development of intellectual property trading, including the effective use of intellectual property, will help drive economic development in the two places."

IMF decides to wait on using yuan

By rthk.hk

Thursday, August 20, 2015

The International Monetary Fund says China must wait until next year to join an exclusive club of the world's top currencies.

The IMF's board voted to not to change the basket of currencies used in IMF operations until next September. China, world's second-biggest economy, had wanted the IMF to include the yuan, in the basket along with the US dollar, euro, British pound and Japanese yen.

Unlike the other currencies, the yuan does not trade freely. China sets a daily target and lets the yuan trade 2 percent higher or lower.

Last week, Beijing devalued the yuan and said it would give market forces more say in determining the exchange rate - a move the IMF praised as a step in the right direction.

Gregory So promotes HK in Chile

By news.gov.hk

Wednesday, August 26, 2015

Secretary for Commerce & Economic Development Gregory So has encouraged Chilean businesses to make use of Hong Kong as an investment springboard when they venture into the Belt & Road markets.

Speaking at a business luncheon in Santiago yesterday, he said Hong Kong is well placed to serve as the super-connector for all the developments and will provide a wide range of professional services for Mainland enterprises to go global in pursuit of the Belt & Road opportunities.

Mr So had earlier attended a breakfast meeting with representatives of Chile's financial, securities, real estate and tourism sectors.

The commerce chief met with wine producers and exporters in Casablanca, and the Valparaiso Regional Government in the afternoon.

HK, Mexico to launch trade talks

By news.gov.hk

Thursday, August 27, 2015

Secretary for Commerce & Economic Development Gregory So and Mexican Secretary for Economy Ildefonso Guajardo announced after their meeting in Mexico City yesterday that Hong Kong and Mexico will launch negotiations on an investment promotion and protection agreement.

The two governments will make preparations for formal negotiations, which are expected to commence in 2016.

The negotiations will send a positive signal to the business communities of the two places, and help strengthen investor confidence and expand two-way investment flows.

Mexico is an emerging economy with tremendous potential for development, offering ample business opportunities for overseas investors.

In 2014, Mexico was the world's 15th largest economy and ranked second among Hong Kong's trading partners in Latin America. The agreement will strengthen the economic and investment ties between the two places, bringing mutual economic benefits.

Mr So also met with ProMexico Investment Promotion & International Business Unit Head Mario Chacon Carrillo, to discuss bilateral trade and investment promotion, and called on Chinese Ambassador to Mexico Qiu Xiaoqi.

At a meeting with the Mexican Automotive Industry Association and the National Industry of Auto Parts, Mr So noted that Hong Kong's comprehensive knowledge of the Mainland market provides plentiful areas for co-operation and collaboration between Mexico and Hong Kong in auto parts research and development, and for commercialisation of the developed products.