

HK first to join trade agreement

By news.gov.hk

Thursday, December 11, 2014

World Trade Organisation announced yesterday that Hong Kong is the first among the 160 WTO Members to join the WTO Trade Facilitation Agreement.

Secretary for Commerce & Economic Development Gregory So said: "The agreement is the first multilateral agreement concluded since the establishment of the WTO. We reaffirm our strong commitment to the multilateral trading system by being the first WTO member to join this agreement."

It sets out binding obligations for all WTO members to improve and harmonise their import-export and customs procedures.

The agreement will bring substantial benefits to the world economy by removing inefficiencies in the movement of goods.

The WTO estimates the agreement will cut worldwide barriers to global supply chains and red tape by half, and expand the world economy by 4.5%, which is about US\$1 trillion.

"The agreement will help reduce costs and improve efficiency in doing business under a more transparent and predictable trading environment," Mr So added.

WTO Director-General Roberto Azevedo and General Council Chairman Jonathan Fried commended Hong Kong for its early acceptance of the agreement.

HK, UAE sign tax pact

By news.gov.hk

Thursday, December 11, 2014

Financial Secretary John Tsang today signed an agreement on the avoidance of double taxation with United Arab Emirates Financial Affairs Minister Obaid Humaid Al Tayer in Dubai.

It is the 32nd comprehensive agreement for the avoidance of double taxation Hong Kong has signed with its trading partners.

It clearly sets out the allocation of taxing rights between the two jurisdictions and will help investors assess their potential tax liabilities.

Mr Tsang said it will bolster economic and trade connections between the two places and offer added incentives for companies in the UAE to do business and invest in Hong Kong and vice-versa.

Under the agreement, double taxation will be avoided in that any Emirati tax paid by Hong Kong companies doing business through a permanent establishment there will be allowed as a credit against the tax payable in Hong Kong in respect of the income, subject to the provisions of Hong Kong's tax laws.

Tax paid in Hong Kong by UAE residents will be allowed as a credit against tax payable in the UAE.

The agreement also sets out rules on exchange of information, which enhance tax transparency and can help combat tax evasion.

It will come into force after the completion of ratification procedures in both places.

Beijing committed to 'new normal' growth

By rthk.hk

Friday, December 12, 2014

The central government has affirmed its commitment to a "new normal" of slower economic growth next year and promised to help the poor and promote market-oriented reforms.

Statements carried by official media following the annual planning meeting led by President Xi Jinping gave no growth target for 2015. But private sector economists expect it to be lowered to 7 percent from the 7.5 percent level of recent years.

Following an explosive decade-long expansion, mainland leaders are trying to steer the world's second-largest economy to more sustainable growth based on domestic consumption instead of trade and investment.

Growth eased to a five-year low of 7.3 percent in the quarter ending in September – barely half the 14.2 percent high of 2007. Mainland leaders have expressed confidence they can manage the slowdown but unexpectedly cut interest rates on November 22, suggesting they worried it might be deepening too abruptly.

Thursday's statements pledged to "take initiative to adapt to the new normal" and promote innovation and "structural adjustment." The leaders promised to "expand access to basic public services" and education for children and poor families.

China to establish three more free trade zones

By rthk.hk

Wednesday, December 17, 2014

China says it will establish three new free trade zones.

The move comes 15 months after it set up the first one in Shanghai.

Commerce ministry spokesman Shen Danyang said the new zones would be in Guangdong province, Fujian, and the provincial-level city of Tianjin southeast of Beijing.

All three new zones will be on a trial basis.

"The three regions are making plans on the FTAs based mainly on the trial programmes in the Shanghai FTA with local geographical and industrial features taken into account," Shen told reporters in a monthly briefing.

The Shanghai free trade zone was set up in September last year.

New CEPA deal signed

By news.gov.hk

Thursday, December 18, 2014

Financial Secretary John Tsang today signed an agreement between the Mainland and Hong Kong on achieving basic liberalisation of trade in services.

He signed it with Vice Minister of Commerce Gao Yan in Guangdong, under the framework of the Mainland & Hong Kong Closer Economic Partnership Arrangement (CEPA).

It will be implemented on March 1.

Chief Executive CY Leung, Deputy Director of the Liaison Office of the Central People's Government in the Hong Kong Special Administrative Region Qiu Hong, and Guangdong Vice-Governor Zhao Yufang witnessed the signing.

The agreement is also the first one drawn up by the Mainland making reference to international standards and in the form of pre-establishment national treatment and a negative list, surpassing the previous CEPA measures in terms of breadth and depth of liberalisation.

It contains a most-favoured treatment provision which states any CEPA-plus preferential treatments the Mainland offers to other countries and regions will be extended to Hong Kong to ensure the city enjoys the most preferential liberalisation measures.

It enables Hong Kong investors to take early advantage of the opening up of the Guangdong market in various service sectors, and sets a model for basic liberalisation of trade in services nationwide next year.

Guangdong more - open to HK firms

By thestandard.com.hk

Friday, December 19, 2014

Hong Kong and China signed a new pact yesterday covering 153 services trade sub-sectors under the Closer Economic Partnership Arrangement.

The deal was signed in Hong Kong by Financial Secretary John Tsang Chun-wah and Vice Minister of Commerce Gao Yan.

Chief Executive Leung Chun-ying along with senior officials from both the SAR and the mainland attended the ceremony.

The new agreement includes the opening up of the banking, insurance, telecom and tourism industries in Guangdong to Hong Kong businesses.

"The agreement is a breakthrough in terms of both its form and content," said Tsang. "The breadth and depth of liberalization surpass the previous CEPA measures."

From March 1, locally incorporated banks set up by Hong Kong lenders in Guangdong can conduct the businesses as mainland commercial banks. Local telecom operators can open call-center and internet businesses in Guangdong with no shareholding restrictions.

The deal will also allow up to five local travel agents to set up wholly owned branches offering overseas tours, while joint ventures face no limit.

Guangdong insurers are encouraged to cede their business to Hong Kong peers using yuan as the settlement currency, and they can appoint local firms to sell yuan insurance policies in the SAR.

Hong Kong General Chamber of Commerce chief Shirley Yuen said local service firms setting up in Guangdong in principle face no restriction on serving clients beyond the province.

Under the pact, a negative list will emerge. Previously, what Hong Kong businesses were allowed to do in the mainland was organized into a positive list.

But due to the liberalization, the list is now too long.

So from now on, mostly the restrictions will be listed and the compilation will be referred to as the negative list.

Mainland's economy was 3.4% larger in 2013

By rthk.hk

Sunday, December 21, 2014

Mainland authorities say gross domestic product last year was 3.4 percent larger than originally announced - a revision equal to about the size of Malaysia's economy.

The National Bureau of Statistics said the economy was valued at 58.8 trillion yuan in 2013 after surveying millions of businesses across the country.

The amount is 1.92 trillion yuan more than the official figure released in January.

The mainland's economy grew 7.3 percent in the third quarter this year - the slowest since the height of the global financial crisis in early 2009.

It faces multiple challenges including weakening manufacturing, falling property prices, high debt levels and what some economists believe a looming threat of deflation.

China unveils new support for offshore investment

By rthk.hk

Thursday, December 25, 2014

China will simplify currency rules and step up credit support for firms investing overseas. It was the latest move by the government to tackle excess factory capacity at home and help local firms grow globally.

The government will cut red-tape for firms investing abroad, allowing them to exchange money directly at banks, no longer needing to register with the authorities prior to such deals. It will also widen the financing channel to help firms "go out" with more bank support for major equipment makers.

The government has been encouraging outbound direct investment by local firms to help slow down the rapid build-up of the country's foreign exchange reserves and help improve local firms' competitiveness in the global market.