

African states mull adopting yuan as forex reserve

By news.rthk.hk

Friday, December 04, 2015

African countries discussed adopting the yuan currency as a foreign exchange reserve during meetings with China at a summit in South Africa, a senior mainland official said on Friday.

"Some countries raised this at bilateral meetings. Leaders of both sides attach great importance to this issue," Special Representative of the Chinese Government on African Affairs Zhong Jianhua said, without elaborating.

President Xi Jinping earlier pledged US\$60 billion for development projects in Africa at the start of the two-day summit of the Forum on China-Africa Cooperation.

Direct investment grows

By archive.news.gov.hk

Thursday, December 10, 2015

At the end of last year the position of Hong Kong's direct investment liabilities increased by 12.1% from a year earlier to \$12.7145 trillion, the Census & Statistics Department announced today. Its ratio to GDP stood at 564%.

The British Virgin Islands was the most important source of inward direct investment, with a share of 35.5%. The Mainland was second at 30.1%

The position of Hong Kong's direct investment assets increased by 17.9% over the same period to \$12.3585 trillion. Its ratio to GDP was 548%.

The British Virgin Islands was the most important investment destination for outward direct investment with a share of 40.9%. The Mainland accounted for 40.5%.

Total direct investment inflow in 2014 rose to \$1.0068 trillion year on year, while outflow increased to \$1.0925 trillion over the same period, accounting for a net outflow of \$85.7 billion.

The British Virgin Islands was a major source of direct investment inflow, amounting to \$476.7 billion, while the Mainland accounted for \$221.8 billion.

The Mainland also accounted for a predominant share of Hong Kong's direct investment outflow at \$637.9 billion.

The department said direct investment liabilities and assets grew appreciably year on year, despite the unsteady global economic and financial environment in 2014, reflecting Hong Kong's competitive strength as an international financial and business centre.

The Mainland continued to feature prominently in Hong Kong's external direct investment both as a source and as a destination. It said investment activities between the Mainland and Hong Kong should continue to grow amid the strengthening economic co-operation between the two places and the deepening reforms of the Mainland economy under the National 13th Five-Year Plan.

The Government will continue to enhance Hong Kong's competitiveness and strive to foster closer linkages with economic partners, it added.

The e-Cheque launches

By archive.news.gov.hk

Friday, December 11, 2015

The Monetary Authority and the Association of Banks today held a ceremony to formally launch the e-Cheque service.

Clients can use the Internet banking platform or the e-Cheque Drop Box service provided by Hong Kong Interbank Clearing to settle and receive payments by e-Cheque.

Monetary Authority Chief Executive Norman Chan said the launch of the e-Cheque shows the continuous effort of Hong Kong's banks to provide a wide range of payment services. It also signifies the authority's commitment to promoting efficiency and modernisation in Hong Kong's financial infrastructure.

Mr Chan said he will liaise with the People's Bank of China and the Monetary Authority of Macau to promote the use and clearing of cross-boundary e-Cheques.

He added the authority will explore with the banking industry the use of e-Cheques for online payments and shopping portals.

China approved as EBRD member

By news.rthk.hk

Tuesday, December 15, 2015

The European Bank for Reconstruction and Development said on Monday it had accepted China as a member, handing the world's second biggest economy investment routes into Europe, Africa and Middle East.

"China's membership of the EBRD will open up significant further opportunities for sustainable investment by Chinese groups in the regions where the EBRD works," bank president Suma Chakrabarti said in a statement.

Founded in 1991 to aid central and east European states emerging from Soviet rule to make the transition toward market economies, the bank now oversees development projects in 36 countries, including Ukraine, Egypt and Mongolia.

Some of the countries where the London-based EBRD operates include what China calls the "Silk Road economic belt" where Beijing is developing trade and investment links.

"China could greatly contribute to EBRD as a transition bank by sharing our own experiences of transition," said People's Bank of China governor Zhou Xiaochuan.

Chinese membership of the institution had been seen as politically sensitive by some, given the EBRD's founding principles include commitment to "multi-party democracy" and "respect for human rights".

Most stakeholders in the bank, jointly owned by its 64 member nations, the European Union and the European Investment Bank, are European countries, although some non-European states, including the United States and Japan, participate in decision-making.

Beijing promises 'reasonable' growth in 2016

By news.rthk.hk

Tuesday, December 15, 2015

Mainland leaders, meeting ahead of an agenda-setting conference, pledged on Monday to keep the country's economic growth in a "reasonable range" in 2016 by expanding domestic demand and making supply-side improvements.

The pledge was reported by the official Xinhua news agency, which said the Politburo, a top decision-making body of the ruling Communist Party that President Xi Jinping chairs, convened on Monday.

No numbers were reported for what leaders see as "reasonable", but Monday's meeting signals that the annual Central Economic Conference - at which policymakers are expected map out 2016 economic and reform plans and targets - should open soon.

In reporting Monday's Politburo meeting, Xinhua said without elaborating that macro-economic policies will be kept stable while micro-policies will be flexible.

"While appropriately expanding aggregate demand, more efforts will be made to improve the quality of efficiency of the supply system," Xinhua said.

Premier Li Keqiang recently pledged to step up "supply-side" reforms to generate new growth engines in the economy while tackling factory overcapacity and so-called zombie firms.

Xinhua said that the government will take more steps next year to help companies lower costs, tackle property inventories and ward off financial risks.

Mainland funds ready to sell here

By www.thestandard.com.hk

Friday, December 18, 2015

Five mainland funds have been approved under the Mutual Recognition of Funds scheme to sell in Hong Kong and vice versa.

An announcement will come today, a report said yesterday.

Eleven Hong Kong-domiciled funds have applied to sell in China while 14 mainland funds are seeking to sell in the SAR.

The approval rate is low as the China Securities Regulatory Commission wanted to maintain a stable market without causing an abrupt capital flow, the Hong Kong Economic Journal quoted sources as saying.

Most of the approved funds will invest in equities, the report said. The local applicants include BOCHK Asset Management, JPMorgan Asset Management and Hang Seng Investment.

Mainland fund managers such as joint ventures of HSBC Global Asset Management, Invesco and JPMorgan Asset Management, as well as Guangzhou-based GF Fund Management, have applied.

Sales of the approved funds are expected to start after the Lunar New Year in February, Hong Kong Investment Funds Association chairman Terry Pan San-kong said earlier. But many details have yet to be confirmed, such as tax issues of mainland funds.

HK, United Arab Emirates tax treaty in force

By ird.gov.hk

Friday, December 18, 2015

The agreement between Hong Kong and the United Arab Emirates for the avoidance of double taxation and prevention of fiscal evasion with respect to taxes on income has entered into force, a Government spokesman said today (December 18).

The agreement was signed in December last year. It came into force on December 10, 2015, after the completion of ratification procedures on both sides. It will be in effect in Hong Kong for any year of assessment beginning on or after April 1, 2016.

Hong Kong tops 2015 - global IPO rankings

By www.thestandard.com.hk

Tuesday, December 22, 2015

Hong Kong tops this year's global initial public offering market, with HK\$260.3 billion raised from 123 new listings, Deloitte China said. H-share offerings provided a strong boost to the local IPO market.

Nine "mega IPOs," each of which raised more than HK\$10 billion, accounted for nearly 65 percent of the funds raised in the primary market this year. The offerings were all made by mainland firms, including GF Securities (1776), HTSC (6886) and bad debts manager China Huarong Asset Management (2799). A total of 31 new H shares were listed on the local bourse this year, a record high since their launch in 1994.

Deloitte China said Hong Kong remains the most favorable place for state-owned mainland firms to list next year.

Edward Au Chun-hing, co-leader of Deloitte China's national public offering group, said there is "room for discussion" on the shares placement system for new GEM board listings.

Share prices of GEM-board listed firms have been very volatile this year. He said a better mechanism should be developed to balance expectations of different parties, including investors.

Next year, the local bourse is expected to draw at least 115 new listings and raise about HK\$260 billion to HK\$280 billion.