

Hong Kong & Mainland China News – February-2015

HK, Mexico sign copyright deal

By news.gov.hk

Thursday, February 5, 2015

Hong Kong and Mexico have signed a memorandum of understanding on intellectual property co-operation.

Director of Intellectual Property Ada Leung signed the deal today with the visiting Director General of the Mexican Institute of Industrial Property Miguel Angel Margain.

Permanent Secretary for Commerce & Economic Development (Commerce, Industry & Tourism) Philip Yung witnessed the signing along with Mexican Consul-General Alicia Buenrostro Massieu.

Mr Yung said Hong Kong is a premier regional trading hub, and like Mexico, embraces the value of protecting, promoting and commercialising intellectual property rights in driving innovation and economic growth.

The deal includes exchange of information, best practices and experience, training of personnel, and joint organisation of seminars and conferences.

Calls for broader yuan trading band

By thestandard.com.hk

Friday, February 6, 2015

China should allow its currency to swing within a wider band to counter imported deflation, an expert wrote yesterday in the official People's Daily.

Liu Yuanchun, dean of the National Academy of Development and Strategy of the Renmin University of China, said Beijing should strengthen efforts to preset fine-tuning to avoid low price levels leading to deflation.

Calling the latest central bank move a fine-tuning measure, Ma Jun, chief economist of the research bureau at the People's Bank of China, said the central bank should shift policies toward stabilizing growth amid significant downward pressure on the economy that is seeing weak manufacturing, sluggish property investment, and low inflation.

Ma gave three reasons for the cut in lenders' reserve requirement ratio, or RRR. "Because the PBOC has basically stopped its regular interventions in the foreign exchange market, foreign exchange is no longer a source of long-term liquidity so you must use other channels and tools to deliver liquidity," Ma told Shanghai Securities News.

"Using the reserve requirement and other monetary tools is needed to increase the monetary multiplier, to maintain the reasonable growth of broad money and a moderate level of liquidity and lending and to guarantee the stable growth of total social financing," Ma added.

Need to fill a liquidity gap usually seen on the eve of the Lunar New Year, and changes in the macro environment are other reasons for the PBOC move.

Andy Yao Shaohua, senior economist at Hang Seng Bank, forecasts the yuan to edge down 1.5 percent by the end of the year under pressure by the cut in the reserve requirement ratio.

PBOC to continue with prudent policy

By rthk.hk

Wednesday, February 11, 2015

The People's Bank of China has said it will continue with prudent monetary policy and lay more stress on striking a balance between tight and loose.

In its fourth quarter monetary policy report, the central bank said it will maintain its "policy continuity and stability" and create a financial environment conducive to the Chinese economy's restructuring and upgrading.

The PBOC said it will use a string of monetary policy tools to manage liquidity in the market and facilitate monetary market stability in line with domestic and foreign economic indicators.

HK, Vietnam protocol to tax treaty in force

By ird.gov.hk

Monday, February 23, 2015

The second protocol to the agreement between Hong Kong and Vietnam for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income has entered into force, a government spokesman said today (February 23).

The second protocol was signed in January last year. It came into force on January 8, 2015, after completion of ratification procedures on both sides and shall have effect in respect of Hong Kong tax for any year of assessment beginning on or after April 1, 2016.

Consumer prices up 4.1%

By news.gov.hk

Monday, February 23, 2015

Overall consumer prices rose 4.1% year-on-year in January, down from December's 4.9% increase, the Census & Statistics Department announced today.

Netting out the effects of the Government's one-off relief measures, the underlying inflation rate was 2.3% compared to 3.1% in December.

Year-on-year increases were recorded for electricity, gas and water, housing, alcohol and tobacco, meals bought away from home, food and miscellaneous goods.

Year-on-year decreases were recorded for durable goods, clothing and footwear, and miscellaneous services.

The department said inflation continued to ease in January, partly due to the Lunar New Year being in mid-February this year but in late January last year. It said it will be more meaningful to compare the combined figures for January and February when they are available.

It forecast inflationary pressures should be contained in the near term, as soft international commodity prices and lower global inflation should keep imported inflation mild, while local cost pressures will likely stay moderate.

No plan for GST

By news.gov.hk

Wednesday, February 25, 2015

Financial Secretary John Tsang has ruled out implementing a goods and services tax for now.

Speaking during his televised panel discussion with the media tonight on his 2015-16 Budget, he said the Government must study how to broaden the tax base to create room for direct tax concessions, however, there is no plan for a goods and services tax.

He said Hong Kong's tax base is very narrow, with only 40% of the workforce paying salaries tax, and 10% of registered corporations paying profits tax.

Goods and services taxes implemented in other jurisdictions around the world are an effective means to broaden the tax base, he said, but curbing parallel trading activities should not be a factor in considering whether to implement the tax in Hong Kong.

On the plan to start a Future Fund, he said the fund will be placed in long-term investments to achieve higher returns. The target is to use the money to maintain economic drive in times of financial difficulties.

On housing, he said over 70,000 units will be put on the market in the coming three to four years, which he hoped will stabilise prices.

In the meantime, the Government will monitor the situation and introduce more measures if the situation requires, he added.

Renminbi trade quota increase on cards

By rthk.hk

Wednesday, February 25, 2015

The Financial Secretary said the government will work with the mainland authorities to further increase Hong Kong's investment quota for the Renminbi Qualified Foreign Institutional Investor Scheme.

He said the yuan trade settlement conducted through Hong Kong banks in 2014 surged 60 percent year-on-year to 6.3 trillion yuan.

Renminbi bond issuance rose 70 percent to 200 billion yuan during the same period.

The Financial Secretary said the government will work with the financial industry to stage roadshows on the mainland to promote Hong Kong's securities market to mainland investors.

He said the Shanghai-Hong Kong Stock Connect programme, which allows investors in both places to trade and settle shares listed on each others markets, has been operating smoothly since its launch last November.

China manufacturing activity up: HSBC

By rthk.hk

Wednesday, February 25, 2015

A private survey says China's manufacturing activity edged up to a four-month high in February although export orders decreased for the first time since April.

HSBC's preliminary purchasing managers' index released Wednesday rose to 50.1 this month from 49.7 in January.

The index is based on a 100-point scale on which numbers below 50 indicate contraction.

The report said there was a "marginal improvement" in China's manufacturing sector heading into the Lunar New Year period, though domestic demand would likely "remain sluggish" while foreign demand "looks uncertain."

China's economy grew last year at its slowest pace in nearly a quarter-century and economists forecast further slowing.