

### **China GDP revised upward**

by thestandard.com.hk, Hong Kong

Tuesday, January 08, 2013

Ahead of China releasing its 2012 GDP data in just about 10 days, the country's statistics agency has given its final growth reading for 2011. And, as it turns out, China's economy expanded a notch faster than previously thought.

The National Bureau of Statistics says total economic output reached 47.3 trillion yuan in 2011. That's about 22 billion yuan more than the preliminary estimate, and represents a 9.3 percent annual growth rate, the same as the previous figure, Xinhua said.

The agriculture sector yielded about 4.7 trillion yuan in products and services, contributing 10 percent to total GDP. The secondary industry, or manufacturing and construction, contributed 22 trillion yuan, or about 46.6 percent to total output. And output from the tertiary industry was worth 20.5 trillion yuan, or more than 43 percent of the total.

### **Tax cut for medium-sized firms urged**

by rthk.hk, Hong Kong

Wednesday, January 09, 2013

PricewaterhouseCoopers is urging the government to slash profits tax for medium-sized companies from 16.5 percent to 10 percent to help boost their and Hong Kong's competitiveness.

The accounting firm made the call after saying that the government will enjoy another embarrassingly large surplus this fiscal year, despite budgeting for a small deficit last March.

It expects public finances to be nearly HK\$29 billion in the black. A partner at PricewaterhouseCoopers, Jeremy Choi, said Hong Kong's growth rate for the 2012-2013 financial year should be around 1 percent, with annual inflation of 4.5-percent.

## **HK ranked 'world's freest economy' again**

by news.gov.hk, Hong Kong  
Thursday, January 10, 2013

Acting Financial Secretary Prof KC Chan welcomed Hong Kong's Heritage Foundation ranking as the freest economy in the world for the 19th consecutive year.

According to the 2013 Index of Economic Freedom released today, Hong Kong scored 89.3 on a scale from 0 to 100, well above the global average of 59.6.

Among the 10 economic freedom factors assessed, Hong Kong maintains its top position in trade and financial freedom, remains second in investment freedom and property rights, and rises from third to second in business freedom.

The Heritage Foundation complimented Hong Kong's highly competitive regulatory regime which, coupled with an efficient and transparent legal framework, sustains vibrant engagement in global trade and investment. In addition, the highly motivated and skilled workforce was credited as a cornerstone of strength for the dynamic economy. The report also said there is little tolerance of corruption in Hong Kong.

Noting that Hong Kong's economic interaction with the Mainland has become more intense and sophisticated, and trade and financial linkages with the Mainland have grown significantly, the Heritage Foundation further complimented Hong Kong for continuing to demonstrate a high degree of economic resilience and remaining one of the world's most competitive financial and business centres.

## **Companies registered reach record high**

by news.gov.hk, Hong Kong  
Sunday, January 13, 2013

A record high of 150,165 new local companies were registered with the Companies Registry last year, with an average of more than 12,500 local companies incorporated each month.

According to the registry's annual statistics released today, by the end of 2012, the total number of live local companies registered under the Companies Ordinance stood at 1,044,644 - up 88,252 from 956,392 in 2011.

For non-Hong Kong companies that have newly established a place of business in Hong Kong, 686 companies were registered under the Companies Ordinance in 2012, 14% less than the 798 in 2011. The total number of registered non-Hong Kong companies stood at 8,848 at the end of last year.

## **HK, Italy sign tax pact**

by news.gov.hk, Hong Kong

Monday, January 14, 2013

Hong Kong and Italy have signed an agreement for the avoidance of double taxation and the prevention of income tax evasion.

Secretary for Financial Services & the Treasury Prof KC Chan signed the deal with Italian Minister of Economy & Finance Prof Vittorio Grilli in Hong Kong today.

It is the 27th comprehensive agreement for the avoidance of double taxation concluded by Hong Kong with its trading partners.

Prof Chan said the agreement clearly sets out the allocation of taxing rights between the two jurisdictions, and the relief on tax rates on different types of passive income. He said it will help investors better assess their potential tax liabilities from cross-border economic activities.

It will further strengthen economic and trade ties between the two places, and provide added incentives for Italian companies to do business or invest in Hong Kong, he added.

Under the agreement, Hong Kong airlines operating flights to Italy will be taxed at Hong Kong's corporation tax rate, and will not be taxed in Italy. Profits from international shipping transport earned by Hong Kong residents that arise in Italy, which are currently subject to tax there, will not be taxed in Italy.

## **CEPA expansion unveiled**

by news.gov.hk, Hong Kong

Tuesday, January 15, 2013

The Innovation & Technology Commission announced today the implementation details of the measure on testing and certification under Supplement IX to the Mainland & Hong Kong Closer Economic Partnership Arrangement.

The Central and Hong Kong Governments signed Supplement IX in June. It expands, on a pilot basis in Guangdong, the scope of certification services that can be undertaken by Hong Kong testing organisations to cover food.

The Mainland has informed the Hong Kong side of the scope of certification services applicable to this liberalisation measure, as well as the procedures for co-operation between Hong Kong's testing laboratories and the Mainland's certification bodies.

## **Economic body to boost HK**

by news.gov.hk, Hong Kong  
Thursday, January 17, 2013

The newly formed Economic Development Commission will study how to make the best use of Hong Kong's advantages and the opportunities brought by the Mainland, Secretary for Commerce & Economic Development Gregory So says.

The Chief Executive announced in his maiden Policy Address yesterday the setting up of the commission, as well as the Financial Services Development Council.

Speaking at a press conference co-chaired with Secretary for Financial Services & the Treasury Prof KC Chan today, Mr So said the Government will continue to collaborate with Hong Kong enterprises, particularly small and medium firms, to tap the vast and thriving Mainland market.

## **China releases Gini coefficient for first time**

by thestandard.com.hk, Hong Kong  
Friday, January 18, 2013

China released a decade's-worth of information on a key inequality statistic Friday, after keeping the measure a secret since 2000, as the issue becomes increasingly sensitive.

The Gini coefficient is a commonly used measure of income inequality, with a figure of 0 representing perfect equality and 1 total inequality. Some academics view 0.40 as a warning line.

China's peaked at 0.491 in 2008 before falling in recent years to 0.474 in 2012, Ma Jiantang, chief of the National Bureau of Statistics, told reporters as he announced readings for the decade from 2003, AFP reports.

The figures "showed the income gap is rather big", he said at a press conference on the country's economic growth.

It was the first time an official Gini coefficient for the country as a whole has been released since the figure for 2000, which the government put at 0.412. Ma said problems reconciling rural and urban components for the statistic were responsible.

China's growing wealth gap is a major concern for the communist authorities, who are keen to avoid public discontent that could lead to social unrest in the country of 1.3 billion people.

Other organisations have published their own readings in the interim, with some sharply higher than the official data.

A survey published last month by a research centre founded by the Southwestern University of Finance and Economics and the Institute of Financial Research, which operates under China's central bank, showed the coefficient at 0.61 in 2010.

That figure would put China at the top of a list of 16 countries by 2010 Gini coefficient on the World Bank website.

## **Gov't to promote quality tourism**

by news.gov.hk, Hong Kong

Tuesday, January 22, 2013

The Government is focused on promoting quality tourism, and conventions and exhibitions tourism in particular can benefit many other industries, Secretary for Commerce & Economic Development Gregory So said today.

Mr So made the remarks on a radio programme, noting that convention and exhibition visitors spent about \$1,700 more per visit than other types of visitors in 2011. He noted tourism is key to the economy, and provides many job opportunities.

Mr So said local design and professional services can add value and help overseas inventions meet the needs of Southeast Asia and Mainland China. He noted the Policy Address announced a working group would be set up to promote Hong Kong as a hub for intellectual property trading.

Disputes over intellectual property rights can be resolved through local professionals' arbitration, he said. Hong Kong provides a trusted platform to mediate and arbitrate international disputes, and foreign institutions can be more confident when investing in Mainland China if their disputes can be resolved in Hong Kong, he said.

## **New HK companies on the rise**

by news.gov.hk, Hong Kong

Thursday, January 24, 2013

A total of 316 overseas and Mainland companies set up or expanded in Hong Kong in 2012, up 4% over a year ago, Invest Hong Kong said today.

Announcing the department's annual results, Director-General of Investment Promotion Simon Galpin said these 316 companies plan to employ 2,937 people in Hong Kong in their first year of set up or expansion, an 8% increase on the previous year.