

Hong Kong & Mainland China News – Sep-2013

InvestHK hailed for 3,000th project

by news.gov.hk, Hong Kong
Wednesday, September 4, 2013

Secretary for Commerce & Economic Development Gregory So today congratulated Invest Hong Kong for the completion of its 3,000th project.

He applauded the department for its continued success in attracting overseas and Mainland companies to set up business operations in Hong Kong.

“Each and every one of its projects is a strong vote of confidence in Hong Kong as Asia's leading business capital.”

Mr So presented a commemorative certificate to ASB Biodiesel from Bahrain, for being InvestHK's 3,000th investment project. It is also the first company from Bahrain to be successfully set up in Hong Kong by InvestHK.

“I believe with the unique business advantages and our status as a free port, Hong Kong provides an ideal platform for ASB Biodiesel to operate successfully,” Mr So said.

Since InvestHK's launch in 2000, the companies it has supported have created more than 33,950 new jobs in the first year of operation or expansion and brought almost \$79 billion in investment to Hong Kong.

'Asia will escape repeat of 1997 crisis'

by rthk.hk, Hong Kong
Monday, September 9, 2013

Premier Li Keqiang says he's confident that Asia will escape a repeat of the 1997 financial crisis, as recent talks of an end to the ultra-loose monetary policy of the US central bank has taken a toll on stock and currency markets in the region.

Mr Li made the comments ahead of the Summer Davos Forum in Dalian later this week - which he said will be closely watched for signs of the state of the mainland economy.

Writing in the Financial Times, the Premier said the possible unwinding of the monetary stimulus by the US Federal Reserve had led to fears that Asia could face a crisis similar to that of the late 1990s.

But Mr Li said Asian countries had learnt lessons from their past experiences and significantly enhanced their capabilities to fend off such risks.

The premier said he believed Asian countries are now in a better shape to cope with any external financial shock, as they have boosted their foreign exchange reserves and made their exchange rate more flexible.

He made the comments as a recent massive influx of capital to developed markets had led to sharp falls in many Asian currencies. That had triggered comparisons with the 1997 Asian financial crisis when southeast Asian currencies collapsed, resulting in a market meltdown.

But the Chinese yuan has remained stable lately due to the country's strict capital control.

Premier Li said, in the article, that China will stay on the path of reform in a bid to maintain a sustained and healthy economic growth.

He said the upgrading of the country's economy will give fresh impetus to the global economy.

China exports on rise

by thestandard.com.hk, Hong Kong

Monday, September 09, 2013

China's exports rose more than expected in August, boosted by improving demand for its goods in major markets and adding to evidence that the world's second- largest economy may have avoided a sharp slowdown.

The Customs Administration said yesterday that exports rose 7.2 percent in August from a year earlier and imports rose 7 percent, leaving a trade surplus of US\$28.6 billion (HK\$223.08 billion).

"China's August trade sustained the upward trend seen since July, in line with accelerating growth momentum and improving market sentiment, pointing to an upside bias in Q3 GDP growth," ANZ economists Liu Li-gang and Zhou Hao said.

The latest trade figures showed exports of electronics, textiles and machinery rose in the month. Exports to ASEAN nations jumped 30.8 percent in August, outpacing July's gains, while exports to the US rose 6.1 percent, faster than July's 5.3 percent gains.

Exports to the European Union rose 2.5 percent, little changed from July's gain, while exports to Japan shrank for the seventh straight month.

"There is no doubt that the external demand is improving, especially in developed countries," said Lu Zhengwei, chief economist at Industrial Bank in Shanghai.

"But we are still not optimistic about the outlook in H2. Emerging market economies are struggling even though advanced economies are on the mend. Many Chinese companies, such as steel firms, are exporting at losses." REUTERS

China's industrial output growth adds to recovery hopes

by bbc.co.uk, Hong Kong

Tuesday, September 10, 2013

China's industrial production rose by more than expected in August, the latest sign that the world's second-largest economy may be on the mend.

Factory output climbed by 10.4% from a year earlier. Most analysts had forecast a figure closer to 9.9%.

Other data released on Tuesday showed that retail sales and fixed asset investment also rose during the month.

China has been trying to boost its economy after its growth rate slowed for two quarters in a row.

"The better-than-expected figures showed the recovering momentum of China's economy is stronger than market expectations," said Li Huiyong, an economist at Shenyin & Wanguo Securities in Shanghai.

"The three key drivers of China's economy, including exports, investment and consumption, have shown [an] obvious rebounding trend in August."

'Solid domestic demand'

The numbers come just days after China reported a strong growth in exports during August.

The export and manufacturing sectors have been key drivers of China's economic growth in recent years. But a slowdown in demand from key markets such as the US and Europe had hurt their growth recently.

However, conditions in those economies, especially the US, have been improving - providing a boost to these sectors.

"The recent improvement is largely because of better exports amidst improving global demand," said Louis Kuijs, chief China economist with RBS in Hong Kong.

At the same time, Chinese authorities have taken steps to help boost domestic demand to try and rebalance the economy.

Analysts said these measures, which include the suspension of value-added tax and turnover tax for small businesses, had helped boost consumption at home and sustain a high growth rate.

"Continued solid domestic demand growth provided an important cushion during the slowdown and remains key now," said Mr Kuijs.

Macau profile

by bbc.co.uk, Hong Kong

Thursday, September 12, 2013

Tiny Macau, a special administrative region of China, has seen its low-key colonial character give way to massive commercial and tourist development.

The former Portuguese colony, a near neighbour of Hong Kong, occupies a small peninsula and two islands off China's southern coast.

Its economy revolves around tourism. Macau has capitalised on its long history as a gambling centre, drawing many thousands of visitors from China and Hong Kong.

Foreign casino companies have invested heavily since Hong Kong tycoon Stanley Ho's decades-long monopoly on the gaming industry ended in 2002. New "mega-casinos", which include major hotel developments, have replaced traditional gambling dens.

In 2006 the returns from the casino boom surpassed the revenues of the US gambling mecca, Las Vegas. But analysts warn that Macau risks relying too much on the industry.

Some politicians and academics say most locals have yet to benefit from the economic boom.

The former colony reverted to Chinese sovereignty in 1999 after 400 years of Portuguese rule. Beijing promised to uphold Western-style freedoms for at least 50 years.

Although it is part of China, Macau is governed under the "one country, two systems" principle, under which it has a large degree of autonomy.

Pro-reform forces are less vocal in Macau than in Hong Kong. A new state security law came into effect in 2009 with very little opposition, whereas attempts by the Chinese government to introduce a similar law in Hong Kong in 2003 triggered mass protests.

The campaign for universal suffrage in Hong Kong is being watched with keen interest in Macau. China is unlikely to grant greater democratic rights unless consistent pressure is applied by pro-democrat campaigners - something that seems far less likely to happen in Macau than in Hong Kong.

Portuguese seafarers settled in the area in the 1500s. Initially, the colony prospered on the lucrative returns from regional trade, and European-style mansions and churches mushroomed.

Trade dwindled from the 1600s, but the introduction of licensed gambling in the mid 1800s revived Macau's fortunes.

HK-Kuwait trade pact starts

by news.gov.hk, Hong Kong

Saturday, September 14, 2013

The Investment Promotion & Protection Agreement between Hong Kong and Kuwait came into force today.

The Trade & Industry Department says that under the agreement, the two sides will provide equal treatment of investors, compensation for expropriation of investments, free transfer abroad of investments and returns, and settlement of investment disputes in accordance with internationally accepted rules.

It will facilitate investment and trade flows between Hong Kong and Kuwait, benefiting the economic development of both places.

The agreement will be effective for 20 years, and remain in force unless terminated by either party.

Hong Kong has so far signed the same agreement with 17 economies.

HK risk management makes progress

by news.gov.hk, Hong Kong

Monday, September 16, 2013

Hong Kong's risk management services are making progress in pushing forward institutional reform, Commissioner of Insurance Annie Choi said today.

On the release of the OCI Annual Report 2012, Ms Choi said captive insurance in particular has reached a major milestone, as the Central Government announced its support for Mainland enterprises to set up captives in Hong Kong, while the Financial Secretary has proposed tax incentives for such enterprises.

The industry also strengthened controls in light of Hong Kong's new anti-money laundering regime.

"We have stepped up inspections on life insurers to examine their compliance with the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance and the related guideline," she said.

Other developments this year include the launch of a public consultation on establishing the independent Insurance Authority, for which draft legislation will be introduced in early 2014, and hosting Hong Kong's first-ever supervisory college for an insurance group.

As at December 31, 2012, there were 155 authorised insurers, 67,857 appointed insurance agents and 9,402 authorised brokers operating in Hong Kong.

Free trade plan submitted to Beijing

by rthk.hk, Hong Kong Kong

Tuesday, September 17, 2013

The Guangdong provincial government says a proposal to set up a free trade zone with Hong Kong and Macau has been submitted to Beijing for approval.

The plan aims to further boost the flow of trade and goods. This was revealed following the signing of several economic co-operation agreements between Hong Kong and Guangdong.

Speaking after the signing ceremony in Hong Kong, the Governor of Guangdong, Zhu Xiaodan, said the scale of the free trade zone will be much smaller than that in Shanghai, which is expected to be officially launched later this month.