

Hong Kong & Mainland China News –September-2017

Tax pacts are big a break

By www.thestandard.com.hk

Monday, September 4, 2017

Hong Kong has signed agreements to offset double taxation with 38 trading partners and thus encourage international investments, Secretary for Financial Services and the Treasury James Lau Yee-cheung said.

Lau noted in his blog yesterday that 19 of the countries are among the 60 in the One Belt, One Road initiative.

The total value of trade from these countries amounted to more than over HK\$5.3 trillion, accounting for about 70 percent of Hong Kong's total trade.

The agreements not only help reduce or eliminate double taxation but also help investors arrive at more accurate tax requirements and to attract more investors, Lau said.

The authority is now in discussions with 13 tax jurisdictions including Germany, India and Cambodia.

China services PMI rises on new orders

By www.thestandard.com.hk

Wednesday, September 6, 2017

China's services sector expanded at a faster clip in August as new business orders picked up, a private business survey showed yesterday, pointing to renewed strength in a key part of the economy.

The Caixin/Markit services PMI rose to 52.7 in August - the highest reading in three months - from 51.5 in July.

New business expanded at the fastest pace in three months with a reading of 53.1 in August, while companies also hired the most workers in four months.

China is counting on services, particularly high value-added services in finance and technology, to lessen the economy's traditional reliance on heavy industry and investment.

Meanwhile, BlackRock head of China Equities Helen Zhu said the positive performance of Chinese equities this year so far was supported by China's stable economic growth, progress on reform and improvement in capital mobility where some overseas capital is going back into China.

ASEAN pact negotiation concluded

By www.news.gov.hk

Saturday, September 9, 2017

Hong Kong and the Association of Southeast Asian Nations have announced the conclusion of negotiations for a free trade plan and a related investment agreement.

The announcement was made today at the 2nd ASEAN Economic Ministers-Hong Kong, China Consultations, chaired by Secretary for Commerce & Economic Development Edward Yau and Philippine Secretary of Trade & Industry Ramon Lopez in Pasay City, the Philippines.

The negotiations started in July 2014. The agreements will be signed in November.

Mr Yau said the agreements are comprehensive and the commitments encompass trade in goods, trade in services, investment, economic and technical co-operation, and dispute settlement mechanisms.

He said: "ASEAN is a very important trading partner of Hong Kong. It was our second largest trading partner in merchandise trade in 2016 and the fourth largest in services trade in 2015.

"Our economy stands to benefit from the free trade agreement and the investment agreement, which will bring us more and better access to the ASEAN markets, create new business opportunities and further enhance trade and investment flows."

Total merchandise trade between Hong Kong and ASEAN amounted to \$833 billion last year. Total services trade between the two sides was \$121 billion in 2015.

On investment, as at the end of 2015, ASEAN ranked sixth among Hong Kong's destinations of outward direct investment, with a stock of \$218 billion, and it ranked sixth among Hong Kong's sources of inward direct investment with a stock of \$555 billion.

New economic pact with mainland on the works: CE

By news.rthk.hk

Monday, September 11, 2017

Chief executive Carrie Lam has revealed that another major trade and economic agreement between Hong Kong and Beijing is in the works.

In her keynote speech at a Belt and Road Summit, Lam said it will be a landmark deal, like the Closer Economic Partnership Arrangement (Cepa) signed in 2003.

Lam did not offer a timetable for the signing.

She said the areas covered under the pact will cover finance and capital raising, infrastructure facilities, trade and investment as well as dispute resolution. She added that it will also promote "people to people" contacts.

She said the agreement will serve as a guide and roadmap for future cooperation and understanding.

HK-UK fintech deal signed

By www.news.gov.hk

Thursday, September 21, 2017

Hong Kong has signed a fintech agreement with the UK to foster bilateral collaboration in promoting financial innovation.

Witnessed by Chief Executive Carrie Lam, Secretary for Financial Services & the Treasury James Lau and UK Chancellor of the Exchequer Philip Hammond, Special Representative for Hong Kong Economic & Trade Affairs to the European Union Shirley Lam and Director General for Financial Services of the UK Katharine Braddick signed the pact in London yesterday.

It provides a solid framework for fintech firms from the two places to share facilities and know-how to explore new business opportunities.

Mr Lau said the agreement shows the Government's staunch efforts in promoting fintech development and collaboration with other fintech hubs.

"With strengthened co-operation with the UK in fintech development and promotion, we hope to see Hong Kong's homegrown fintech firms grow and expand their business to the UK.

"We also welcome UK fintech firms to establish presence in Hong Kong and to use Hong Kong as a gateway to tap into the Mainland and Asian markets."

During his visit to London, Mr Lau also visited Accenture's Fintech Innovation Lab and the Royal Bank of Scotland to learn about the latest developments on the UK fintech scene.

He also met members of the All-Party Parliamentary groups on China and fintech to discuss the global economic outlook and green finance.

Mr Lau will join Mrs Lam's visit programme in London today and tomorrow.

Hong Kong's GDP to grow 3.6 percent this year: ADB

By news.rthk.hk

Tuesday, September 26, 2017

The Asian Development Bank on Tuesday predicted a huge hike in Hong Kong's GDP growth for this year – revising the figure from 2 to 3.6 per cent.

ADB's chief economist Yasuyuki Sawada said strong consumer demand linked to growth in income and wealth value due to the rising asset market was a strong factor in boosting the city's outlook.

This, along with better than expected growth in the global economy in the first half of this year, forced the bank to raise Hong Kong's growth rate, Sawada said.

The bank increased its forecast for mainland GDP growth to 6.7 per cent in 2017 from 6.5 per cent.

ADB said the growth is pushed by stronger than expected external demand, proactive fiscal policy and strong domestic consumption.

The bank also raised its estimate for the mainland's GDP growth in 2018 to 6.4 per cent from 6.2 per cent.

Sawada rejected concerns about the rising debt level on the mainland, saying authorities are putting in measures to tackle the situation.

City ranked as sixth most competitive economy

By www.thestandard.com.hk

Wednesday, September 27, 2017

Hong Kong has been ranked as the sixth most competitive economy, according to the latest World Economic Forum Global Competitiveness Report, while Singapore remains Asia's most competitive economy.

The Swiss nonprofit foundation's Global Competitiveness Index ranks 137 economies by their ability to sustain inclusive growth that delivers positive change and benefits citizens and the environment.

The index looks at 12 pillars of competitiveness including innovation, infrastructure and the macroeconomic environment and ranks economies on how they score in each category.

Hong Kong (6), ranked ninth last year, has made the largest leap among the top 10 economies this year, moving ahead of Sweden (7), the United Kingdom (8), and Japan (9).

The city is still endowed with the world's best physical infrastructure and its healthy level of competition and openness ensure extremely efficient markets, which in turn are supported by strong and stable financial markets, the World Economic Forum report explained.

The labor market is highly flexible and efficient, it pointed out, but the city could do better in terms of harnessing talent from its workforce.

The yearly report added that Hong Kong has advanced its macroeconomic environment by slightly bringing down its inflation rate in 2016.

"The most significant improvement can be observed across the business sophistication and innovation pillars, which is a step in the right direction given that the business community consistently cites their insufficient capacity to innovate as one of the most problematic factors for doing business."

Taiwan (15) dropped one place while China (27) climbed one place this year.

Switzerland (1) remains the most competitive economy, while United States (2) moved up one place this year ahead of Singapore (3). Netherlands (4) remains Europe's most competitive economy followed by Germany (5).

HK rated freest economy

By www.news.gov.hk

Thursday, September 28, 2017

The Hong Kong Special Administrative Region Government today welcomed the Fraser Institute's recognition of Hong Kong as the world's freest economy in its latest report on economic freedom.

In a statement tonight, the Government said the institute's high regard of Hong Kong affirms the administration's commitment in upholding economic freedom and in sustaining a favourable business environment.

The Government said it will support the principles of economic freedom, which is vital for Hong Kong to maintain its competitiveness.

Of the five broad areas of assessment, Hong Kong continued to attain a high ranking in regulation and freedom to trade internationally.

The Government said it will uphold Hong Kong's institutional strengths, including the open and free environment for trade and business, the rule of law and an independent judiciary, as well as an efficient government, to further promote economic prosperity.

On the claim in the institute's press release that there is a concern interference from the Mainland will lead to a deterioration of the rule of law of Hong Kong, the Government said there are no objective facts showing the rule of law or judicial independence has been undermined.