

## Hong Kong & Mainland China News – Jul-2023

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### HK shares Saudi Arabia's vision

by news.gov.hk  
Sunday, Jul 02, 2023

Chief Executive John Lee

It is my great privilege to welcome, on behalf of the Hong Kong Special Administrative Region, His Excellency Abdullah Alswaha, Minister of Communications & Information Technology of the Kingdom of Saudi Arabia.

I also warmly welcome the high-profile business delegation visiting Hong Kong from the Kingdom of Saudi Arabia.

My first visit to Riyadh five months ago yielded rewarding achievements for our two economies. It also brought me a lot of memorable moments. Thank you, Your Excellency, you are a great friend.

One of those moments was my attendance at the LEAP 2023 technology conference. There, I met with His Excellency for the first time. We talked about the tremendous opportunities of collaboration in innovation and technology between the two places. I felt a deep sense of warmth and friendship at the meeting in Riyadh.

And now, less than five months later, His Excellency is here with us in Hong Kong, here to continue our communication, to strengthen our friendship, and to explore the expanding opportunities between our two economies - in business, investment and much more.

This is indeed an opportune time for us to work together on furthering co-operation. Yesterday, we celebrated the 26th anniversary of the establishment of the Hong Kong Special Administrative Region of the People's Republic of China. That also marked the 26th anniversary of the successful implementation of the "one country, two systems" principle in Hong Kong.

Under the auspices of "one country, two systems", Hong Kong is bestowed with the unparalleled advantage of having the strong support of national strategies, while maintaining seamless connections with the world. It enables us to continue to be one of the world's freest economies with a free flow of information and capital, buttressed by the rule of law. We champion free trade and collaboration, and are committed to promoting high-quality development.

From the outset, the current term of the Hong Kong SAR Government - now a year and a day running - has put a priority on revitalising our relations with Saudi Arabia - and the Middle East in general.

That is why in February, as I mentioned earlier, I led a high-level business delegation to Saudi Arabia. I wanted to see first-hand, the large-scale infrastructure projects being implemented in Saudi Arabia under the Belt & Road Initiative, a key national strategy launched personally by President Xi Jinping 10 years ago.

I wanted too, to better appreciate Vision 2030, Saudi Arabia's dynamic blueprint for the future, designed to transform the country into a global economic powerhouse, one built on diversity, sustainability, innovation and technology.

We have certainly come a good long way in the past five months. During our stay in Saudi Arabia, Hong Kong businesses and institutions signed six memoranda of understanding and letters of intent with Saudi organisations.

Since then, a number of Hong Kong companies have followed up with Saudi businesses, exploring opportunities in such sectors as banking, investing and architecture.

Saudi Arabia's Future Investment Initiative Institute or the FII Institute, which has been organising its very successful annual global gatherings in Riyadh, will host its first PRIORITY Asia Summit, right here in Hong Kong this December. I very much look forward to that and to its great success.

There is more, I am pleased to say. eWTP Arabia Capital, in concert with the newly launched Saudi Arabia-China Entrepreneurs Association, is setting up an office in Hong Kong.

More good news: Hong Kong's annual Belt & Road Summit will celebrate the 10th anniversary of the Belt & Road Initiative in September. This year, the summit will feature a dedicated Middle East Forum for the very first time. That will present manifold opportunities for Belt & Road companies and investors to talk business with their Saudi and Middle Eastern counterparts.

Saudi Arabia's Vision 2030 is built on innovation and technology (I&T). Hong Kong shares that vision. We released our I&T Development Blueprint six months ago. It outlines Hong Kong's commitment to new industrialisation and our rise as an international I&T centre in the years ahead.

The blueprint charts Hong Kong's I&T development in four broad directions. They include integrating into the overall development of our country and consolidating our role as a bridge connecting the Mainland and the world.

We are well on our way to doing just that. Our InnoHK Research Clusters at the Science Park, which is where we are now, target healthcare technologies, AI and robotics, and they encourage I&T cooperation on a global level.

Hong Kong now boasts some 4,000 startups and over 10 unicorns. We ranked first in Asia, and second globally, among the top emerging startup ecosystems in the Global Startup Ecosystem Report 2023.

We are also boosting technology collaboration between Hong Kong and our fellow cities in the Guangdong-Hong Kong-Macao Greater Bay Area, the cluster-city development integrating Hong Kong, Macau and nine cities in Guangdong province. The Greater Bay Area (GBA) unites some 86 million consumers and a gross domestic product of about US\$1.7 trillion.

The GBA market presents boundless opportunities for tech companies, startups and talent. And I welcome our friends from Saudi Arabia and the Middle East to join us in building an innovative future, right here in Hong Kong.

*Chief Executive John Lee gave these remarks at the "One Gateway Shared Vision - Hong Kong Special Administrative Region x Kingdom of Saudi Arabia" Gala Dinner on July 2.*

## Connect schemes to be fleshed out

by [www.thestandard.com.hk](http://www.thestandard.com.hk)  
Thursday, Jul 06, 2023

The Hong Kong Monetary Authority will focus on expanding existing Connect schemes with the mainland including the Wealth Connect trading link in the next few years instead of launching ones, chief executive Eddie Yue Wai-man said.

The de-facto central bank of Hong Kong is trying to expand the products of Wealth Connect from only bond funds to equity funds and to raise the quota, Yue told delegates at the Global Finance Forum yesterday.

He also said the HKMA had held discussions with Chinese authorities about adding Chinese Treasury Futures to the Bond Connect.

But no new Connect schemes will be added in the next few years, as Hong Kong and Beijing need to make sure the existing products work in the right way and safely at the early stage, he said.

Commenting on the recent bank turmoil in US and Europe, Yue said he is more concerned about the non-bank sectors amid interest rate hikes, such as commercial real estate and money market funds, instead of banks which he thinks are highly regulated and tightly supervised in Hong Kong.

Regarding inflation in the city, Yue expects the city's private rents to climb by 10 percent this year, pushing up full-year inflation to 2.5 percent.

Home rents rose 3 percent for the first five months, data from Rating and Valuation department showed.

On Singapore, Yue said the city-state and Hong Kong are "definitely complementary" instead of rival, as the two serve different markets.

## **70k companies newly registered**

by news.gov.hk

Friday, Jul 14, 2023

The Companies Registry today announced that 72,588 local companies were newly registered during the first half of 2023, bringing the total number of registered local companies to 1,416,643.

Meanwhile, 422 non-Hong Kong companies have newly established a place of business in the city and were registered under the Companies Ordinance. The total number of registered non-Hong Kong companies reached 14,621 as at the end of June.

From January to June, the number of charges on properties of companies received for registration was 6,500, while the number of notifications of payments and releases was 8,314. There were also 1,518,638 documents delivered to the registry for registration.

For electronic search services, 2,527,281 searches of document image records were carried out.

As for the licensing of trust or company service providers, 182 licences were granted, resulting in 6,854 licensees up to mid-2023.

Separately, the registry noted that the Companies (Amendment) Ordinance 2023 which came into effect on April 28, expressly provides for fully virtual or hybrid general meetings, providing flexibility for companies to conduct corporate affairs smoothly and effectively having regard to their own circumstances and needs.

## China's economy grew 6.3pc on-year Q2

by news.rthk.hk

Monday, Jul 17, 2023

The nation's economy grew 6.3 percent year-on-year in the second quarter of 2023, official data showed Monday, despite a patchy post-Covid rebound in recent months.

The National Bureau of Statistics (NBS) said in a statement that the economy "showed a good momentum of recovery".

"By quarter, the GDP grew by 4.5 percent year on year in the first quarter and 6.3 percent in the second quarter," NBS spokesman Fu Linghui said.

"Market demand gradually recovered, production supply continued to increase, employment and price were generally stable, and residents' income grew steadily," he said.

Fu noted that the nation is full of confidence and has the capability to achieve its annual economic growth targets despite facing challenges.

The economy is improving, but the international political and economic situation remains complex and the foundation of domestic economic recovery is not solid, Fu added.

Growth in quarter-on-quarter terms shows the world's second-largest economy expanded just 0.8 percent in April-June.

That is down from 2.2 percent growth seen in the previous three months after lukewarm activity from October to December.

Additional data released on Monday showed its post-pandemic recovery petering out, likely boosting calls for greater economic stimulus.

Unemployment among mainland youths jumped to a record 21.3 percent in June, up from 20.8 percent in May, the NBS also said Monday.

"I think what the Q2 numbers tell us is that even though the year-on-year growth seems to be still quite strong because of a low base effect, there will still be more challenges in the second half of the year," Natixis Asia Pacific economist Gary Ng told RTHK.

He expects GDP growth in the second half to slow to 4 to 5 percent, citing weak confidence towards the property sector, sluggish consumption due to slower growth in disposable income, and high global interest rates putting pressure on exports and manufacturing, among other factors.

Ng added that the longer-term economic outlook is uncertain as well.

"The biggest problem for the mainland economy will not be in 2023, but it's really about 2024 onwards, to see whether there can be a rebound in confidence from households and also private firms."

## HK signs trade, financial MOUs with Singapore

by news.rthk.hk

Monday, Jul 24, 2023

Chief Executive John Lee hailed the signing of seven memorandums of understanding (MOUs) between enterprises and institutions of Hong Kong and Singapore on Monday evening as “opening a door” for more opportunity to cooperate.

Speaking to reporters during the second day of his visit to Singapore, Lee said the seven MOUs cover areas like trade, financial services, fintech, I&T and research collaboration.

Lee said he was positive they will help develop more opportunities for cooperation in the seven areas.

“Signing of MOUs is like opening a door for people to then pass through and carry out the activities in those areas,” he said.

“For example, following my last visit to the Middle East, we signed over ten MOUs, and I’ve already known of some deals being closed, some offices being set up in Hong Kong. And actually visits have been made to Hong Kong as well, to look for investment opportunities and also organising conferences and summits.”

Lee added that to his understanding, relevant parties have “geared up” for promoting further co-operation.

Speaking to Singapore’s business leaders at a dinner gathering, Trade Development Council chairman Peter Lam said Singapore and Hong Kong can combine their strengths to achieve higher goals.

“Whether it’s in financial investment co-operation, cultural and education exchanges, infrastructures on new market assets, there are so many opportunities that will bring benefits to Singapore and Hong Kong, as well as the wider Asian region,” he said.

Singapore’s Deputy Prime Minister and Coordinating Minister for Economic Policies Heng Swee Keat told the dinner gathering that all parties should work together to create opportunities for both sides.

“Building closer ties digs the collective efforts of the public and private sectors. While governments can build institutional bridges, businesses catalyse trade investment,” he said.

During an earlier meeting with Lee, Singapore’s Prime Minister Lee Hsien Loong told the Chief Executive that the city-state and Hong Kong should “ramp up relations” again as the world recovers from the pandemic.

He emphasised that Singapore has a very important relationship with the SAR.

For his part, Lee said the relationship will continue to develop.

He also thanked Singapore for its support for Hong Kong joining the world’s largest free-trade pact, the Regional Comprehensive Economic Partnership (RCEP).

Hong Kong’s Chief Executive will travel to the Indonesian capital, Jakarta, on Tuesday for the second leg of his Asean countries trip.

## **HK-Indonesia cooperation has reached new heights: CE**

by news.rthk.hk

Wednesday, Jul 26, 2023

Chief Executive John Lee said in Jakarta on Wednesday that co-operation between Hong Kong and Indonesia has reached new heights.

On the second stop of his trip to three Asean countries, the CE said he would sign 15 memorandums of understanding, covering a range of areas, during a luncheon with political and business leaders.

"First, Hong Kong's traditional strengths of trading and finance, with a collaboration between our stock exchanges and the promotion of ESG and green finance," Lee said.

"Second, commerce, logistics, maritime services and professional services, as well as third, the exchange of meteorological information to enhance disaster control, and even cooperation in aerospace technology."

Lee met Indonesian President Joko Widodo on Tuesday, with the pair discussing issues including the protection of Indonesian citizens in Hong Kong.

Asked whether the topic coming up suggests Hong Kong is not doing enough to protect Indonesian domestic helpers, Lee said it was natural for a country's leader to bring up such matters.

"I have highlighted a series of measures that protect people working in Hong Kong, whether they are local people or they are imported labour. Our law on the protection of labour applies equally to local labour and imported labour," he said.

Lee's delegation was to visit the newly built high-speed railway in Jakarta before heading to Kuala Lumpur on Thursday.

## **HKMA forges deeper ties with Saudi Central Bank**

by [www.thestandard.com.hk](http://www.thestandard.com.hk)

Friday, Jul 28, 2023

The central banks of Hong Kong and Saudi have signed a memorandum of understanding to strengthen financial collaboration.

The Saudi Central Bank and the Hong Kong Monetary Authority deliberated on several initiatives across four key areas, including financial infrastructure development, open market operations, market connectivity and sustainable development.

The MoU aims to facilitate knowledge-sharing in financial innovation and Fintech. The focus will be on emerging trends, best practices, regulatory issues, policies and legislations in these fields.

Both authorities also exchanged their experiences in research and innovation, emphasizing the latest advancements in areas like supervision technologies, tokenization and payment infrastructure.

HKMA chief executive Eddie Yue Wai-man said that the collaboration with the kingdom's central bank will enhance investment opportunities and foster financial market connectivity between the Middle East and Asia.

Meanwhile, vice chairman of the Financial Services Development Council Daniel Fung Wah-kin stated that the FSDC plans to visit the Middle East in November to further promote collaborative opportunities.

And chairman Laurence Li Lu-jen said the FSDC also aims to offer insurance and specialized financial services to parties in the Middle East.



## 'Use Malaysia as springboard to enter Asean market'

by news.rthk.hk  
Friday, Jul 28, 2023

The Malaysian Chamber of Commerce in Hong Kong said the SAR should use Malaysia as a springboard into Asean and Muslim markets.

The chamber's deputy chairman, Lawrence Liu, said Hong Kong is the fourth largest source of foreign investment in Malaysia, and noted that more service-based businesses from the SAR, including insurance and trading, have been entering the Malaysian market in recent years.

Liu said Hong Kong can go a step further by making use of Malaysia as a base to reach out to other parts of Asean.

“Malaysia has very good connectivity to the rest of the Asean countries. Most Malaysians speak many languages or dialects. With that population base and the market size, I think that is something that should be seriously considered,” he told RTHK.

Hong Kong has already established a framework for Islamic bonds after issuing three rounds, and Liu said Malaysia can help the SAR further develop Islamic finance.

“Most of the population in Malaysia are Muslims, so we are very strong in Islamic banking. Hong Kong is an international financial centre. Hong Kong has a lot of liquidity, and the infrastructure is here, the money is here, the talent is here. But for the expertise in [Islamic banking], I think Malaysia probably would have an advantage,” he said.

Last year, Hong Kong formally requested to join the world's largest free-trade agreement, the Regional Comprehensive Economic Partnership (RCEP).

Liu said the Malaysian authorities and businesses welcome the SAR to join RCEP, pointing out that Hong Kong will have a unique role in the partnership.

“(Hong Kong) has all the infrastructures that are needed to become a trading hub. We’ve got a good logistic network, good banking and a very low tax rate. The trading hub for RCEP is what Hong Kong should be positioning,” he said.

Chief Executive John Lee is leading a delegation to Singapore, Indonesia and Malaysia this week to boost ties with Asean countries.