

## Hong Kong & Mainland China News – Nov-2024

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### Hong Kong to relaunch Islamic finance drive: Paul Chan

by rthk.hk

Nov 01, 2024

Financial Secretary Paul Chan says Hong Kong is ready to relaunch its drive to develop Islamic finance, after a three-day trip to the Saudi capital Riyadh opened his eyes to the untapped potential of developing more financial products that comply with Islamic law.

During the visit, the Hong Kong delegation led by the finance chief signed 10 memoranda of understanding to further cooperation between the two sides.

The agreements covered areas from mutual investment to collaborations in technology and innovation development, while a local tech firm signed on to launch insurance products with two Saudi companies.

Speaking to reporters on Thursday to conclude his visit, Chan said his exchanges made it apparent that Saudi Arabia is more interested in the Hong Kong, mainland and Asian markets than he had previously thought.

He told reporters that he came to understand that the kingdom wants to attract different sources of funding to support its infrastructure and industrial development, and hence there's a demand for diverse forms of financing.

"Previously, we thought that market demand for Islamic finance wasn't that high. But after talking to them, we think we'll relaunch Islamic finance soon," Chan said.

"They have to do a lot of infrastructure work. During our exchanges with them, we discussed Islamic finance, as well as using funds raised from issuing green and sustainable bonds in the Hong Kong bond market to support them."

Islamic finance involves business transactions that are in full compliance with Islamic law – and which prohibits any involvement with, for example, gambling, alcohol and pork, while interest payments are also banned.

The finance minister also revealed that the Future Investment Initiative, or FII Institute, is eager to stage the FII Priority Summit in Hong Kong again.

He pointed out that Saudi Arabia is very interested in research and development of technologies, and welcomes SAR companies to set up shop in the kingdom.

Saudi Arabia found that it is worth taking reference to Hong Kong's way of nurturing start-ups and talent, according to Chan.

"They think that our way of nurturing talent through two parks and offering funds to support them, or even the tailor-made listing regime that allows start-ups without profits and income to be listed, is very worth taking reference to."

"As for nurturing talent, their insurance authority recently went to Hong Kong for an exchange with the local authority. They want to send someone to Hong Kong on secondment, so as to introduce some of our practice to the country. I think this is a good thing."

Chan also said there was no need to adjust Hong Kong's full-year economic growth forecast, even though the city's third quarter growth has slowed to 1.8 percent.

"During the announcement of the Financial Budget at the beginning of this year, we expected the economy to grow by 2.5 to 3.5 percent. I think that the growth could still be within this range. Therefore there's no need to adjust it," he said.

He added that the government will remain both cautious and optimistic.

## 'HK's economic growth internationally recognised'

by rthk.hk

Nov 05, 2024

A senior Beijing official overseeing Hong Kong affairs on Tuesday said the territory's economic development has been recognised internationally and that the SAR has unlimited opportunities.

Zhou Ji, executive deputy director of the Hong Kong and Macau Affairs Office, also hailed Chief Executive John Lee's leadership in supporting the economy, seeking development opportunities and improving people's livelihoods.

"Hong Kong's economy has continued to expand. Its external economic and trade relations have also continued to improve. And the capital market is full of vitality," Zhou told the China International Import Expo in Shanghai.

"These achievements have also been fully recognised and highly praised by the international community."

Citing recent data on the city's economy and competitiveness, Zhou added that Hong Kong is full of business opportunities and development potential.

He also said Beijing would continue to work with different departments to roll out measures beneficial to the SAR, while supporting cooperation between the city and Shanghai.

At the same event, Chief Executive John Lee said Hong Kong could become a financing platform for mainland enterprises. He said there are more than 2,000 mainland firms in the city with more than 1,400 listed on the city's bourse.

"Among them were nearly 200 Shanghai companies that had a market value of more than HK\$2 trillion. This fully demonstrates that Hong Kong can become an investment and financing platform serving the development of Shanghai and mainland enterprises," Lee said.

"We welcome more Shanghai and mainland enterprises to use Hong Kong to go global and achieve mutual development."

Lee led a delegation that included Financial Secretary Paul Chan and commerce minister Algernon Yau to attend the seventh edition of the expo, where he toured the Hong Kong exhibition area and reported to Premier Li Qiang on the city's development.

The finance chief, for his part, said Hong Kong is a prime treasury centre with a free flow of capital.

Chan added that the SAR could facilitate the allocation of funds for mainland firms that set up their headquarters in Hong Kong, while providing tax concessions.

## **HK ranks first in finance, trade and culture**

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

Nov 06, 2024

Stacy Shi

A survey conducted by Our Hong Kong Foundation and Dah Sing Bank highlights the SAR's continued leadership in financial services and trade and logistics as well as in culture, sports and tourism sectors within the Greater Bay Area.

The study examined the development status of 11 GBA cities across six industries, with Hong Kong ranking highest in three sectors after surveying more than 3,000 enterprises.

In financial services, Hong Kong scored highest with 82.6 out of 100.

Kenny Shui Chi-wai, vice president and co-head of the Institute for Public Policy Research at the foundation, attributed this success to "Hong Kong's highly internationalized macro-environment, a well-established talent development system and strong policy support for connectivity with mainland financial markets."

Hong Kong also excelled in trade and logistics, receiving a score of 83.

Shui said the city benefits from an extensive international network, efficient air transportation capabilities and a favorable position in international trade arbitration.

In the areas of culture, sports and tourism, Hong Kong ranked first with a score of 79.4, thanks in part to government initiatives focused on safeguarding, preserving and promoting intangible cultural heritage.

The survey also revealed that Shenzhen leads in innovation and technology as well as manufacturing, while Guangzhou ranks first in construction and real estate.

However, GBA cities are currently facing challenges related to cash flow and rising costs, which are adversely affecting the construction and real estate sectors.

Pascal Siu Yat-ku, a senior researcher at the foundation, expressed optimism about the recovery of the real estate industry, particularly with the mainland's easing of restrictive property measures and Hong Kong's ongoing infrastructure projects.

The foundation said that leveraging the unique strengths of each of the 11 cities and promoting effective resource allocation will yield overall benefits for the GBA.

It hopes the survey results will serve as a valuable reference for industries seeking to navigate future development trends in the region.

## **Hong Kong climbs three places to rank seventh globally in digital competitiveness**

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

Nov 14, 2024

Hong Kong's ranking in digital competitiveness improved by three places to seventh globally, according to the latest World Digital Competitiveness Ranking (WDCR) 2024 published by the International Institute for Management Development (IMD).

Among the three factors in WDCR 2024, Hong Kong continued to perform well in "Technology" and "Knowledge", ranking third and fifth respectively. The city's ranking in "Future readiness" also improved.

Commenting on the ranking, a government spokesman said it recognized that Hong Kong remains one of the most digitally competitive economies in the world, also noting that I&T is a core element in cultivating new quality productive forces and also a key impetus for Hong Kong's high-quality economic development as the Central Government indicates clear support for Hong Kong's development into an international I&T center.

The spokesman said the abundant networks and opportunities available in Hong Kong, as well as the synergies with sister cities in the Guangdong-Hong Kong-Macao Greater Bay Area, further enhance its appeal as a leading destination for I&T.

"As home to five of the world's top 100 universities, Hong Kong possesses world-class research and development capabilities and I&T infrastructure, as well as a diverse talent pool. A thriving start-up ecosystem, a free, open and fair business environment, a simple tax system with low tax rates, together with strong policy support also position Hong Kong favorably to attract strategic enterprises and top talent from around the world.

"Going forward, the HKSAR Government will continue to collaborate with various sectors of the society to further enhance Hong Kong's I&T ecosystem, thereby upholding our competitive edge in the global market and injecting new impetus to economic development." The spokesman said.

## **HK and Peru sign free trade pact**

by news.gov.hk

Nov 16, 2024

Hong Kong and Peru signed a free trade agreement (FTA) on the sidelines of the Asia-Pacific Economic Cooperation Economic Leaders' Meeting in Lima, Peru, on November 15.

In the witness of Chief Executive John Lee and Peruvian President Dina Boluarte, Secretary for Commerce & Economic Development Algernon Yau and Peruvian Minister of Foreign Trade & Tourism Úrsula Desilú León Chempén signed the Free Trade Agreement between Hong Kong, China & Peru.

The FTA encompasses trade in services, trade in goods, investment and other related areas. Its overall commitments go beyond those undertaken by the two economies under the World Trade Organization, and the trade in Hong Kong can benefit from the elimination or reduction of tariff, and the reduction of trade barriers.

Meanwhile, service providers and investors can benefit from the legal certainty of better market access and national treatment when entering and operating in Peru.

The agreement will enter into force after Hong Kong and Peru have completed their respective internal procedures.

Noting that Peru is Hong Kong's valued trading partner in Latin America and also one of the participating countries of the Belt & Road Initiative, Mr Lee highlighted that the pact is the first one signed by the current-term Hong Kong Special Administrative Region Government, carrying strategic value to both Hong Kong and Peru.

“Apart from helping Hong Kong to gain entry into the great potential market of Peru, the FTA also provides manufacturers, service providers and investors of Hong Kong and Peru with legal certainty and better conditions, creating business opportunities and enhancing bilateral trade and investment between the two places.”

Mr Lee added that the commencement of negotiations of a separate Investment Promotion & Protection Agreement between Hong Kong and Peru is encouraging, and trusted that the two places will further enhance bilateral investment flows to bring about economic growth of both sides.

Mr Yau said that the FTA, being Hong Kong's second one forged with Latin American economies, would create synergy with the agreement between Hong Kong and Chile, reinforcing the message to other Latin American trading partners that Hong Kong is ready to forge closer economic partnerships in the region.

“We look forward to Hong Kong's traders and investors to grasp the opportunities brought by the FTA, and expand their businesses in Peru and through Peru to the Latin American markets.

“At the same time, the FTA would also help more Peruvian businesses to expand into Hong Kong and through Hong Kong in the region, in particular the Greater Bay Area.”

Under the FTA, Hong Kong service providers can enjoy benefits in over 150 services sectors where Peru has made specific commitments under the FTA. These commitments encompass sectors where Hong Kong has traditional strengths or has potential for development, including professional services, computer and related services, research and development services, financial services, and transport services.

For trade in goods, Peru committed to eliminate tariffs on approximately 98.3% of its tariff lines for Hong Kong's originating goods exported to Peru, among which tariff elimination concerning 91.3% of the tariff lines would take immediate effect upon the entry into force of the FTA, while tariffs of the remaining 7% tariff lines would be phased out gradually.

Following the signing of the FTA with Peru, the geographical scope of the Dedicated Fund on Branding, Upgrading & Domestic Sales is also extended to cover Peru to further support Hong Kong enterprises in developing their businesses there.

## **HK to surpass Switzerland in wealth management**

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

Nov 18, 2024

June Chen

Hong Kong is expected to surpass Switzerland by 2027, becoming the world's largest cross-boundary wealth management center. The business-friendly environment combined with a robust financial infrastructure, makes the city an ideal destination for investors seeking to diversify their portfolios and capitalize on the significant growth potential in Asia, according to Invest Hong Kong.

The authority believed that ultra-high-net-worth individuals in European countries are drawn by Hong Kong's more favorable tax policies and strategically shifting their wealth management focus to the city as a response to the increasingly uncertain tax environment in Europe that could significantly impact their financial legacies.

"Europe is a crucial market for Hong Kong as we strive to promote our city as the preferred destination for family offices looking to expand in the Asia-Pacific region," said the Associate Director-General of Investment Promotion at Invest Hong Kong, Charles Ng.

Ng commenced his week-long duty visit to Europe yesterday, where he will visit key cities including London, Milan, Lugano, Switzerland and Paris

During this trip, he will engage with family offices in Europe to highlight Hong Kong's unique advantages as a strategic hub for family office operations in the Asia-Pacific region and share insights on the evolving wealth management landscape in Hong Kong's dynamic economic environment.

## **SAR ranks second in billionaires**

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

Nov 25, 2024

June Chen

Hong Kong has the highest number of billionaires only after New York, according to a Altrata report on the distribution of the world's wealthiest individuals.

Although the number of billionaires has dropped by five to 107, Hong Kong is ahead of Singapore by 49 billionaires, the Altrata report says.

The US and China are the only two countries in the world with more than one city ranking among the top 10.

New York tops the list with a total of 144 billionaires, nine more than a year ago.

Following Hong Kong in the top 10 are San Francisco, London, Moscow, Los Angeles, Beijing, Singapore, Shenzhen and Mumbai, the 2024 Billionaire Census shows.

Coming in the third spot, San Francisco has 87 billionaires, three more from last year. There are 60 billionaires in Beijing, two lesser than a year ago, making the capital city the seventh on the global chart.

Hangzhou in Zhejiang province ranked 15th, with 33 billionaires.

However, China has experienced the largest drop in billionaire numbers for the second consecutive year, with its billionaire population falling by almost 15 percent to a total of 304 in the midst of an economy slowdown and real estate slump, according to the report.

The US ranked top with 1,050 billionaires.

The global billionaire population expanded by 4 percent in 2023 to 3,323 individuals, reversing the decline of the previous year to hit a new high in billionaire numbers.



## **New Three-Runway System opens today, set to boost capacity and economic growth**

by news.gov.hk

Oct 28, 2024

The newly completed three-runway system at Hong Kong International Airport, which has incurred an investment of HK\$141.5 billion and required 13 years from the initiation of public consultation to full operational status, is scheduled to officially launch at noon today.

Chief Executive John Lee Ka-chiu, alongside other officials, will participate in the opening ceremony, which signifies a significant advancement in the aviation development of the city.

The Airport Authority (AA) expects the new system to gradually increase aircraft movement capacity from the current 69 movements per hour to 102 movements per hour. By 2035, the airport aims to handle 120 million passengers and 10 million tons of cargo annually.

A 2015 study by an independent consultant projected that the three-runway system would contribute HK\$184 billion to Hong Kong's economy by 2030, accounting for 4.9 percent of the GDP. This growth is anticipated to come from increased passenger and cargo volumes and the introduction of more budget airlines.

Law Cheung-kuok, a senior adviser at the Chinese University's Aviation Policy and Research Centre, noted the potential growth in low-cost carriers. He mentioned that while regions like Singapore and Thailand see over 30 percent of their routes operated by low-cost airlines, Hong Kong's figure stands at about 12 percent. The new runway system is expected to attract more budget airlines, boosting tourist numbers and enhancing Hong Kong's status as a travel hub.

Despite the expansion, challenges remain, especially in recovering pre-pandemic passenger volumes, which previously reached 70 million visitors annually. Geopolitical factors and a decrease in long-distance flights continue to pose limitations.

Furthermore, the ongoing China–United States trade war and other geopolitical tensions have impacted international flights, with airlines like Virgin Atlantic and Delta Air Lines reducing or ceasing their operations to Hong Kong due to restrictions on flying through Russian airspace.

On the logistics front, Hong Kong Airport maintained its position as the world's busiest cargo airport last year, handling 4.33 million tonnes of cargo. Elsa Yuen May-yee, president of the Hong Kong Logistics Association, expressed optimism that the three-runway system would boost re-exports and attract more low-cost carriers, further solidifying Hong Kong's role as a major aviation and freight hub.

Despite potential challenges from the trade war, Yuen remains confident in Hong Kong's appeal as an entrepôt, thanks to its low tax rates and efficient customs procedures. The new runway system is poised to enhance Hong Kong's connectivity and economic contributions significantly.

A ceremony was held on the three runways to commemorate this iconic moment. The Airport Authority arranged for three aircraft to take off and land simultaneously on the three runways.

As observed at the scene, a Cathay Pacific CX8333 passenger aircraft carrying students was the first to take off from the Centre Runway. Subsequently, a Hong Kong Airlines HX238 flight departed from the South Runway bound for Shanghai Hongqiao International Airport. Meanwhile, a Greater Bay Airlines flight HB861 from Zhoushan, Zhejiang, landed on the North Runway in Hong Kong.