

## Hong Kong & Mainland China News – December-2018

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### China's import-export value passes 2017 level

By [www.news.rthk.hk](http://www.news.rthk.hk)

Saturday, December 1, 2018

The total value of China's imports and exports already exceeded the full-year figure for 2017 as of mid-November, China's customs administration said Saturday.

The General Administration of Customs said in a statement on its website that as of mid-November, the total value of imports and exports had risen nearly 15 percent, compared with the same period a year earlier. It did not give a specific figure.

The value of China's yuan-denominated imports and exports was 27.79 trillion yuan in 2017, according to previously released customs data.

### More foreign businesses set up HK offices

By [www.news.rthk.hk](http://www.news.rthk.hk)

Wednesday, December 12, 2018

Sino-US trade tensions have so far failed to put foreign businesses off setting up in Hong Kong, according to a new survey by investment promotion body InvestHK.

The latest survey by the group found that the number of overseas or mainland-headquartered businesses with operations in the SAR reached 8,754 this year, compared to 8,225 a year ago, an increase of 6.4 percent.

And Stephen Phillips, director-general of investment promotion, saw reason for optimism about the year ahead.

"I think if we look at the economic fundamentals for Hong Kong, China, Asia more widely, they remain strong," he said. "But that's not to dismiss the fact that the trade tensions are causing a degree of uncertainty."

He said bigger investors were looking at how to respond to the tensions, but Hong Kong would continue to play an important role due to its location.

The survey found that the city's low tax rate and simple tax system was the biggest attraction for overseas companies, followed by its free flow of information, status as a free port, and geography.

InvestHK's study also found an 18 per cent increase in the number of startups operating in the city's co-working spaces and business incubators.

## **IMF commends Hong Kong**

By [www.news.gov.hk](http://www.news.gov.hk)

Wednesday, December 12, 2018

The International Monetary Fund (IMF) has commended the Hong Kong Special Administrative Region in its latest assessment of the city.

An IMF Staff Mission said many years of prudent macroeconomic policies have endowed the city with strong buffers to navigate through challenges and ensure continued stability despite increasing risks confronting global growth.

The mission made the assessment in a statement published today, following the 2018 Article IV Consultation with the HKSAR.

Financial Secretary Paul Chan welcomed the IMF's reassuring forecast for Hong Kong and reaffirmation of the city's strong buffers and robust policy frameworks.

“While we are well placed to navigate the challenges ahead, the Government will stay vigilant in monitoring risks, and spare no efforts in boosting economic vibrancy and promoting economic growth.

“To support long-term growth, the Government is working to increase labour force participation and further enhance Hong Kong's competitiveness.”

Mr Chan also welcomed the mission's acknowledgement of the steps taken by the Government, including capitalising on the development of the Guangdong-Hong Kong-Macao Greater Bay Area and rapid advancement in innovation and technology.

Monetary Authority Chief Executive Norman Chan welcomed the mission's reaffirmation that the Linked Exchange Rate System remains the appropriate arrangement for Hong Kong, serving as an anchor of stability for the economy.

The mission visited Hong Kong from October 29 to November 9 to hold discussions with government officials, regulators and private sector representatives for the 2018 Article IV consultation.

## **HK a magnet for businesses**

By [www.news.gov.hk](http://www.news.gov.hk)

Wednesday, December 12, 2018

Hong Kong remains a magnet for overseas and Mainland businesses while its startup ecosystem is thriving, Invest Hong Kong surveys show.

Invest Hong Kong Director-General of Investment Promotion Stephen Phillips said the city continues to attract and retain leading overseas and Mainland companies as well as entrepreneurs from around the globe setting up leading edge and innovative businesses.

“Factors that attract world-class investment include Hong Kong's strategic position in the region as well as its international status as a sophisticated business and financial city with a business-friendly environment.

“Companies are increasingly seizing new opportunities arising from the Belt & Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development.”

According to the 2018 Annual Survey of Companies in Hong Kong with Parent Companies Located Outside Hong Kong jointly conducted by Invest Hong Kong and the Census & Statistics Department, the number of business operations in Hong Kong with parent companies overseas and in the Mainland climbed 6.4% to 8,754 in 2018.

The 8,754 companies comprised 1,530 operating as regional headquarters, 2,425 as regional offices and 4,799 as local offices.

The number of regional headquarters showed a robust growth of 8.3% from 1,413 last year, revealing the key role Hong Kong plays for many businesses across Asia.

In terms of jobs, the number of people engaged by the companies reached an all-time high at 485,000, compared to 443,000 in 2017.

In terms of where the companies came from, the Mainland ranked first with 1,591 companies, followed by Japan with 1,393, the US with 1,351, the UK with 712 and Singapore with 427.

Regarding the city's startups, another survey showed that there were 2,625 startups operating in major public and private co-work spaces and incubators, up 18% from 2,229 in 2017.

These startups employed 9,548 people, a 51% rise from 2017.

Mr Phillips said Hong Kong's startup ecosystem has skyrocketed in the past few years, adding the startup community is highly international.

## **China vows growth**

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

Friday, December 14, 2018

China will keep its economic growth within a reasonable range next year, striving to support jobs, trade and investment while pushing reforms and curbing risks, the politburo said yesterday.

Economic growth slowed to 6.5 percent in the third quarter, the weakest since the global financial crisis, although the full-year expansion could slightly exceed the government's target of around 6.5 percent. "We will promote steady growth, promote reform, adjust structure, benefit people's livelihood and prevent risks in a coordinated way, and keep economic operation in a reasonable range," Xinhua reported, citing a politburo meeting chaired by President Xi Jinping.

The government has launched a raft of measures to ward off a sharp deceleration in the economy. Further steps to bolster growth are expected.

## **More economic support steps promised**

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

Monday, December 24, 2018

The head of China's top economic planning agency says it will roll out more support measures to boost the economy, especially in the advanced manufacturing sector, state media reported.

China will vigorously support the private sector and resolve the financing difficulties of private firms, Xinhua News Agency quoted National Development and Reform Commission chairman He Lifeng as saying at a year-end conference.

China will keep economic growth within a reasonable range and actively manage external risks and challenges, He said, in comments largely in line with those made by leaders at the Central Economic Work Conference, a gathering of party leaders and policymakers that concluded on Friday. He said China will also speed up the restructuring of traditional industries and will step up financial support to provide medium-to-long-term capital to the technological transformation of manufacturing firms.

China's economic growth slowed to 6.5 percent in the third quarter, the weakest pace since the global financial crisis. The government has launched a raft of measures, including reductions in reserve requirements for banks, tax cuts and more infrastructure spending, to ward off a sharp deceleration.

## **China forecasts US\$2 trillion-plus imports for 2018**

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

Monday, December 24, 2018

China's total imports will likely exceed US\$2 trillion this year, setting a new record, a trade official said.

Song Xianmao, deputy director of the foreign trade department under the Ministry of Commerce, made the remarks at a trade meeting Saturday, adding that multiple measures will be taken to further expand imports in next year, Xinhua reports.

China lowered tariffs on an array of products from medicines to vehicles in 2018, with the general duty level down from 9.8 percent to 7.5 percent.

Customs data showed imports increased 14.6 percent year on year in the first 11 months, contributing more than 60 percent to foreign trade growth.

To continue the stable trend, the ministry pledged efforts to strengthen trade quality over the next year.

The second import expo scheduled for 2019 will create more opportunities for importers, and measures are in the pipeline to encourage imports of advanced technology, farm produce, consumer goods and services, Song said, adding that lower tariffs, easier customs clearance and improved car imports policies could also be expected.

## **China confirms January meeting for trade talks**

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

Thursday, December 27, 2018

China's Commerce Ministry said today that China and the United States have made plans for a face-to-face meeting over trade in January.

Consultations through "intensive" telephone calls will continue in the meantime, Gao Feng, spokesman at the commerce ministry, told reporters, Reuters said.

Consultations have been steadily moving forward despite the Christmas break in the United States, Gao said.

A U.S. trade team will travel to Beijing the week of January 7 to hold talks with Chinese officials, Bloomberg reported on Wednesday, citing two people familiar with the matter.

A person familiar with the matter told Reuters last week that talks were likely in early January.