'HK has a unique role in IP development'

by news.rthk.hk
Thursday, Dec 01, 2022

The Director-General of the World Intellectual Property Organisation, Daren Tang, on Thursday hailed Hong Kong's strategic positioning for developing intellectual property businesses.

Speaking to RTHK at the 12th Business of Intellectual Property Asia Forum, Tang said the city has brought together IP experts and provided opportunities for exchanges.

"Hong Kong is a place where east meets west. You've got the ability to navigate between different cultures. You're the gateway to mainland China and also the gateway the other way around. This is very powerful. Hong Kong has the ability to bring people together because IP is collaborative," he said.

Speaking at the same forum, Secretary for Commerce and Economic Development Algernon Yau echoed Tang's views, describing Hong Kong's role as unique in the development of intellectual property.

"Hong Kong remains the only place in the world where the global advantage and the China advantage come together in a single city. This unique convergence makes Hong Kong the irreplaceable connection between the mainland and the rest of the world," he said.

"With Hong Kong's strong IP protection regime, sound legal and judicial systems, and sophisticated professional services sectors, we strongly believe that Hong Kong is in a unique position to become a regional centre for IP trading to tap the flourishing IP market and tremendous business opportunities in mainland China and beyond."

Meanwhile, Rowel Barba, chairman of ASEAN Working Group on IP Cooperation said Hong Kong is advanced in the development of intellectual property compared to Southeast Asian countries.

HK irreplaceable in China's Belt & Road plans: HKMAO

by news.rthk.hk
Saturday, Dec 03, 2022

A senior mainland official said on Saturday that Hong Kong plays an irreplaceable role in the country's Belt and Road Initiative.

Wang Linggui, a deputy director at Beijing's Hong Kong and Macau Affairs Office, made the comment in a recorded speech at a legal forum on Belt and Road and the One Country, Two Systems principle.

"In the process of implementing the Belt and Road Initiative within the rule of law, Hong Kong, as an important city, is the only common law jurisdiction of our country, it has a natural advantage in legal services," he said.

Wang said legal practitioners in Hong Kong can surely provide quality professional services to different sides taking part in the Belt and Road Initiative, especially Chinese companies.

He added that Hong Kong is currently thoroughly learning and implementing the spirit of the 20th Community Party Congress, and the SAR has drawn strong reaction from the international community after recently hosting a number of major events.

Speaking at the same function, Chief Executive John Lee said Hong Kong has a unique edge in having a robust legal system, including an independent judiciary.

He said this allows the SAR to act as a bridge between the country and the world in business and legal cooperation.

"Hong Kong will continue to capitalise on the unique advantages of "One country, Two systems", safeguard the rule of law under the Basic Law, and integrate actively into the development of the Belt and Road Initiative to foster co-operation in the global arena," Lee said.

"We will make full use of the gifts that are bestowed upon us, and strive to let our Pearl of the Orient shine brighter than ever."

Hong Kong to take third spot in IPO fundraising

by www.thestandard.com.hk
Friday, Dec 09, 2022

Hong Kong will be the third largest initial public offering venue in terms of total funds raised in 2022, following a resurgence in IPO activity in the second half of the year, KPMG said.

The top two rankings are taken by the Shanghai Stock Exchange and Shenzhen Stock Exchange.

Many mainland firms delayed their listing plans considering the fluctuating stock market, said Louis Lau, the partner in capital markets advisory group at KPMG China.

Lau added that fundraising in the second half of the year accounted for 80 percent of the entire year's total, but it was difficult to raise capital amid interest rate hikes and global inflation.

KPMG forecasts that over HK$180 billion will be raised in Hong Kong from 90 deals next year, with over 120 firms already filing IPO applications, and more specialized technology companies will also seek to list under the proposed new rules.

Meanwhile, Ruqi Mobility, Chinese state-backed automaker Guangzhou Automobile's (2238) ride-hailing firm, plans a Hong Kong IPO as soon as next year to raise around US$200 million (HK$1.56 billion), Bloomberg reported.

Ruqi is joining a crowded field of Chinese ride-hailing companies seeking first-time share sales in Hong Kong, including Zhejiang Geely-backed Cao Cao Mobility and Tencent-linked T3 Mobility.

In other news, Sunshine Insurance, one of the largest IPOs of the year in Hong Kong, slightly fell in the gray market after only 13 percent of its shares were subscribed. Its shares were priced at HK$5.83 each, the bottom of the price range.

The insurer declined 0.343 percent to HK$5.81 on Futu Securities' platform and slipped by 0.51 percent to HK$5.8 on Bright Smart Securities' platform.

China sets record US$92b IPO haul

by www.thestandard.com.hk
Monday, Dec 12, 2022

China's A-share markets have raised a record US$92 billion (HK$717 billion) this year through initial public offerings (IPOs), according to data compiled by Bloomberg.

That has propelled China's share in the global tally for IPO proceeds to 46 percent, nearly four times that of the US, from just 13 percent at the end of 2021.

Shares of mainland IPOs are up by a weighted average of 29 percent in 2022 over their listing price, versus a 5.5 percent increase in New York and a 6.2 percent drop in Hong Kong.

Overall, there have been 391 debuts in China in 2022. Nine of them raised above US$1 billion accounting for about 40 percent of all deals of that size or bigger globally. New York bourses hosted only two IPOs of that magnitude, while Hong Kong had three and Europe had just one in Germany.

China's domestic pipeline for 2023 is solid. About 376 companies have announced IPO plans over the past six months that are now under pending status, data compiled by Bloomberg show, meaning they could go public in 2023.

The news came when about 60 percent of the surveyed 134 fund managers in a Bloomberg News survey recommended buying Chinese stocks for 2023, while 31 percent said they are a sell.

Meanwhile, Goldman Sachs group president John Waldron said China's road to reopening could be "bumpy," which coupled with the scenario of a mild recession in Europe and the US could lead to a tougher economic climate. Nevertheless, he said Goldman's business in China, primarily capital markets, is doing well.

Reopening may boost HK GDP by 7.6pc says Goldman

by www.thestandard.com.hk
Tuesday, Dec 13, 2022

China's reopening may boost Hong Kong's economic growth by 7.6 percent, says Goldman Sachs.

Hong Kong, Thailand, and Singapore will likely be the biggest beneficiaries as China drops its Covid restrictions and reopens its economy, driving up demand for imports and overseas travel, according to the investment bank.

The estimates are based on the assumption that China's reopening currently underway will increase the nation's domestic demand by 5 percentage points and push international trips back to 2019 levels, Goldman's economists Hui Shan and Goohoon Kwon wrote in the note on Sunday.

"China's reopening is likely to have the most positive effect on international travel followed by stronger goods imports," they said.

Hong Kong will likely see a boost to travel spending amounting to 6 percent of its GDP, while the impact on Thailand is estimated at 3 percent, Goldman said. The impact may be even stronger if Chinese citizens turn out to have significant "pent-up" demand for travel after three years of borders being closed, the economists said.

Excluding Hong Kong and Singapore, the direct trade boost from China's reopening will be small for most Asian economies, driving up their GDPs by 0.2-0.4 percentage points, the economists estimated. The increase in Chinese oil demand could lift global oil prices by US$15 (HK$117) per barrel, which would have a negative impact on some economies like Hong Kong and Singapore.

The economists said their analysis is based on the direct effects only of China's reopening on trade and travel and doesn't take into account potential supply chain disruptions, like what happened in Shanghai and Zhengzhou previously, when workers get infected.

In other news, about half of Hong Kong firms surveyed expect their profitability to be worse this year than in 2021, according to a report from American Express.

Among them, SMEs (51 percent) are more pessimistic than larger companies (37 percent).

Looking ahead, one-third of the respondents were pessimistic about the overall business environment next year.

Meanwhile, over 60 percent of surveyed enterprises believed the relaxation of travel restrictions would bring more business opportunities, to meet these opportunities, 21 percent rated increasing manpower as the most important mission and 15 percent believed enhancing marketing is more critical.

The survey was conducted by the Hong Kong Productivity Council, commissioned by American Express, which interviewed more than 1,000 local companies of various sizes in October.

Stock Connect expansion welcomed

by news.gov.hk
Monday, Dec 19, 2022

The Hong Kong Special Administrative Region Government today warmly welcomed the expansion of the scope of eligible stocks under Stock Connect.

The China Securities Regulatory Commission and the Securities & Futures Commission issued a joint announcement today on the in-principle approval for the Mainland and Hong Kong exchanges to further expand the scope of eligible stocks under the programme.

Expressing gratitude towards the country's staunch support for Hong Kong, Chief Executive John Lee said that in accordance with the development direction in the National 14th Five-Year Plan, the Hong Kong SAR Government has strived to strengthen Hong Kong's position and function as an international financial centre and global offshore renminbi business hub, while deepening and widening the mutual access between financial markets of the Mainland and Hong Kong.

He said the measure announced by the regulators of the two places today signifies another milestone after the inclusion of Exchange-traded Funds in the mutual access programme in July, further enhancing Hong Kong's role as the bridge connecting Mainland and overseas investors.

The measure also offers more diverse investment choices to Mainland and overseas investors, thereby injecting impetus into cross-boundary market liquidity, Mr Lee added.

Financial Secretary Paul Chan supplemented that the arrangement to expand mutual access is of strategic meaning to both the future development of Hong Kong's securities market and the higher-quality opening up of the Mainland's securities market.

He said: “Notably, in addition to enriching asset allocation choices for Mainland investors, the inclusion of eligible stocks of foreign companies under Southbound trading is also conducive to attracting other quality international enterprises to list in Hong Kong and enhancing the competitiveness of the fundraising platform, thereby facilitating further development of the Hong Kong market.”

Mr Chan said he was also grateful to the Central People's Government for the strong support, and the regulators of the two places for their efforts in taking forward the initiative.

He added that the Hong Kong SAR Government will closely collaborate with relevant Mainland institutions with a view to implementing the arrangement promptly.

According to the joint announcement, the scope of eligible stocks for Northbound trading will be expanded to include constituent stocks of the Shanghai Stock Exchange (SSE) A Share Index and the Shenzhen Stock Exchange (SZSE) Composite Index, which have a market capitalisation of RMB5 billion or above and meet certain liquidity criteria, etc, as well as stocks of companies listed on SSE/SZSE which have issued both A shares and H shares.

The scope of eligible stocks for Southbound trading will include stocks of foreign companies meeting relevant criteria, ie constituents of the Hang Seng Composite LargeCap Index and the Hang Seng Composite MidCap Index, and constituents of the Hang Seng Composite SmallCap Index with a market capitalisation of HK$5 billion or above.

In addition, Southbound trading under Shanghai-Hong Kong Connect will be aligned with Southbound trading under Shenzhen-Hong Kong Connect, ie to include constituents of the Hang Seng Composite SmallCap Index with a market capitalisation of HK$5 billion or above.

Mainland economy to see 'stronger, healthier' growth

by news.rthk.hk
Tuesday, Dec 20, 2022

President Xi Jinping has stressed the need to boost economic development while ensuring stability at the Central Economic Work Conference.

According to the annual meeting, China will continue to implement a proactive fiscal policy and a prudent monetary policy in 2023, and is poised for stronger and healthier economic growth.

The conference was held in Beijing on December 15 and 16. It set the policy priorities for the world's second-largest economy in the coming year.

Xi, who's also general secretary of the Communist Party, said in a speech that development should continue to be the top priority for the party in governing and rejuvenating China.

According to Xinhua News Agency, Xi said "the country should pursue high-quality development, ensuring both appropriate economic growth and structural improvements and upgrades".

"While highlighting development as a priority, Xi also stressed adhering to the general principle of pursuing progress while ensuring stability, upholding and improving basic socialist economic systems, promoting high-level opening up, and advancing economic development under the rule of law," Xinhua added.

Xi also highlighted the need to boost domestic demand and attract quality foreign investment.

Meanwhile, an official at the office of the Central Committee for Financial and Economic Affairs said the economy is expected to see "an independent upward trajectory with an overall recovery" in 2023 despite projections of weaker global growth, thanks to an improved Covid-19 response, pro-growth policies and a low base this year.

Family offices find a home in HK

by news.rthk.hk
Saturday, Dec 24, 2022

An operator of family offices said Hong Kong needs to bring in more high-tech enterprises to cater for people's investment needs.

In his maiden Policy Address, Chief Executive John Lee set the target of getting no fewer than 200 family offices – investment vehicles for the wealthy – to set up shop in Hong Kong or expand their business by the end of 2025.

According to market estimates, in the first half of this year, there were 15,000 people in Hong Kong with more than US$30 million in net assets each. The number of such individuals is the highest of all world cities, according to government papers submitted to the legislature.

A managing director of a family office in Hong Kong, Juen Lee, said there are many unique advantages in the SAR for these investment vehicles, including high transaction volumes in the local bourse.

"In the first quarter of 2022, the daily turnover for Singapore is US$890 million. It's US$16.5 billion in Hong Kong. Also, the total market value of listed companies in Hong Kong is eight times of that in Singapore," he told RTHK.

Wendell Chen, whose firm has set up two family offices in Hong Kong, said a "flexible" regulatory system and favourable tax policies are important factors for these investment vehicles.

"The second and third generations of these family offices, they set their sights on more investment opportunities on high-tech and innovation and technology projects," Chen added.

"For Hong Kong, there's a need to bring in these high-tech firms, projects and talents, and ultimately promote the development of the relevant eco-system."

The government plans to provide tax relief for eligible family offices, and the relevant bill is being scrutinised by the Legislative Council.

The financial services minister, Christopher Hui, said the government is working towards the target relating to home offices unveiled in the Policy Address.

"The threshold for tax relief for family offices is at HK$240 million worth of investments. Actually for Hong Kong, this may drive the demands for investment services," he told RTHK.

"Of course they don't need to put the entire amount of money in the SAR, part of that can be put elsewhere. But at least when they need to serve these investments, they need our relevant experts."