

Hong Kong & Mainland China News – July-2016

HKMA unit aims to tap into belt and road

By www.thestandard.com.hk

Tuesday, July 5, 2016

The Hong Kong Monetary Authority launched the Infrastructure Financing Facilitation Office yesterday to tap into "one belt, one road" opportunities, for which an estimated HK\$62 trillion is needed for infrastructure development in Asia from 2010 to 2020.

Eddie Yue Wai-man, deputy chief executive of the HKMA and also the director of the IFFO, said Hong Kong can help bridge the funding gap in Asia and belt and road countries and the office will look into turning projects bankable through effective financial intermediation and collaboration.

Financial Secretary John Tsang Chun-wah said at the launch ceremony that Hong Kong is well-placed to serve as the center for fund-raising project financing and asset management for infrastructure projects in the region.

The IFFO platform will allow interested parties to seek investment opportunities and the office's operation will be informal and flexible, Yue said.

IFFO has so far enlisted 41 partners including the three note-issuing banks in Hong Kong, MTR Corp Ltd (0066), CLP Group (0002), Airport Authority, China Development Bank Corporation, China Investment Corporation, BlackRock, Blackstone Group, as well as foreign institutions such as Canada Pension Plan Investment Board, among others.

Standard Chartered Bank (2888) chief executive Benjamin Hung Pi-cheng said Hong Kong can help attract different kinds of investors, match capital with projects and conduct risk management.

Victor Fung Kwok-king, adviser of IFFO, said Hong Kong's small and medium enterprises and entrepreneurs can also look into business opportunities in emerging markets that would come after the infrastructures are set in place.

HSBC (0005) deputy chairman Peter Wong Tung-shun said the belt and road plan will need enormous capital and Hong Kong is the ideal place for fund-raising.

The HKMA also signed memorandums of understanding with International Finance Corporation, a member of World Bank Group, and Global Infrastructure Hub on infrastructure financing facilitation yesterday.

SAR 'has role in infastructure finance

By www.thestandard.com.hk

Wednesday, July 6, 2016

Jin Liqun, president of Asian Infrastructure Investment Bank said in the Boao Forum for Asia Financial Cooperation Conference, co-organized with the Hong Kong Monetary Authority, that the SAR could provide "capital intermediation, technical and financial intelligence service or generally speaking knowledge sharing, legal service and etc."

Stephen Groff, vice president of Asian Development Bank said projects were the core activity of the bank and expected other initiatives like the Infrastructure Financing Facilitation Office, launched by the HKMA on Monday to promote SAR as an infrastructure financing hub. Hu Xiaolian, chairman of the Export-Import Bank of China, noted that there were plenty of projects but banks were selective in investment given the long return period and low economic benefits of the infrastructure nature.

Chief Executive Leung Chun-ying described Hong Kong's role as a superconnector between the mainland and the global market and Hong Kong had enough talent to support the "one belt, one road initiative." Also, as an offshore yuan hub, would keep fueling the offshore yuan clearing business.

China forex reserves rise unexpectedly in June

By news.rthk.hk

Thursday, July 7, 2016

The mainland's foreign exchange reserves unexpectedly increased by US\$13 billion last month, officials said on Thursday, as pressure on the yuan to depreciate apparently eased.

The world's largest currency hoard rose to US\$3.21 trillion in June, the People's Bank of China said on its website.

The result follows months of declines as Beijing sold dollars to defend the yuan against depreciation caused by capital outflows as China's economy slows.

A forecast by Bloomberg News had predicted the reserves would decline US\$20 billion.

Part of the increase is explained by the rising value in recent weeks of the Japanese yen, which makes up some of China's foreign exchange reserves, while capital outflows from the mainland seem to have slowed.

"The latest numbers nonetheless underline that pressure on the currency has eased significantly, for now at least," research firm Capital Economics said in a note. It added that the figures implied China received US\$19bn of net capital inflows in June, the first time that such inflows have outpaced outflows since 2014.

China's total forex reserves remain down 20 percent from their US\$4 trillion peak in 2014.

The yuan fell to its lowest since 2010 this week, pressured by rising demand for the safe-haven dollar and the yen after Britain voted to leave the EU. That suggests that Beijing will begin to run down its reserves again in the near future, to avoid more rapid depreciation, analysts said. (AFP)

Over 1.3m local companies registered

By news.gov.hk
Sunday, July 10, 2016

The total number of local companies registered reached 1,314,655 at the end of June, up by 25,989 on the end of 2015, the Companies Registry announced today.

The total number of local companies newly registered in the first half of 2016 was 71,769, among which 17,452 companies were incorporated online using the e-Registry.

Registrar of Companies Ada Chung said the registry launched the Company Search Mobile Service in May, which allows users to conduct all types of searches using smartphones and mobile devices to obtain up-to-date company information, including document image records.

For non-Hong Kong companies that have established a place of business in Hong Kong, 466 were newly registered in the first half of 2016, compared to 478 in the second half of last year.

The total number of registered non-Hong Kong companies reached 10,273 by the end of June.

HK-Macau CEPA in the works

By news.gov.hk
Friday, July 15, 2016

Financial Secretary John Tsang has witnessed the initialling of the draft main text of the HK-Macao Closer Economic Partnership Arrangement.

It was held at the 9th Hong Kong-Macao Co-operation High-level Meeting in Macau today.

The deal will ensure free and open trade between the two cities.

Trade officials from the two jurisdictions will continue to work out the arrangement's details in accordance with the framework laid out in the main text so the deal can be formally signed within this year.

Speaking after the meeting, Mr Tsang said both sides also agree to form a working group to explore the opportunities brought about by the Hong Kong-Zhuhai-Macao Bridge and HK-Macao CEPA.

They discussed cross-boundary infrastructure and promoting youth development.

Economic development meeting held

By archive.news.gov.hk

Monday, July 18, 2016

The Economic Development Commission chaired by Chief Executive CY Leung held its 11th meeting at the Central Government Offices today.

It was briefed on the Government's follow-up work on the 13th Five-Year Plan chapter dedicated to Hong Kong and Macau.

Members discussed ways to better leverage Hong Kong's advantages and potential areas for further development under the plan.

The commission was also briefed on the work progress of its working groups.

The working group on transportation is working on the tax concession policy to take forward its recommendation to promote aerospace financing in Hong Kong and noted the Airport Authority's task force teams for setting up the Civil Aviation Academy are working on detailed planning.

It is exploring the feasibility to further promote the development of the maritime industry, such as by introducing insurance products.

The working group on exhibition industries and tourism welcomed the mega events being organised by the Tourism Board and other organisations this year, agreeing they will enrich visitors' experience and promote Hong Kong.

The working group on manufacturing industries, innovative technology, and cultural and creative industries said the Government will launch a number of new funding initiatives to foster the adoption of new technologies and encourage young graduates to join the innovation and technology workforce.

Its expert group on e-commerce is identifying problems businesses face in developing and operating innovative technology and will discuss solutions.

The working group on professional services has taken forward its support initiatives by enhancing the image of professionals, improving service quality and exploring opportunities.

Plans for visiting Mainland cities and Belt & Road countries are being drawn up to promote Hong Kong's mode of services and its success stories.

The commission provides visionary direction and advises on overall strategy and policy to broaden Hong Kong's economic base and enhance its economic growth and development.

BOCHK turns to corporate world

By www.thestandard.com.hk

Monday, July 18, 2016

Bank of China Hong Kong (2388) is focusing on corporate businesses after identifying an increased demand for banking services from more than 310,000 small and medium enterprises and has rearranged its 196 branches in seven major business districts since July 4.

With the most branches in the local market, BOCHK has one central branch in each of the seven districts and a total of 27 integrated branches in Hong Kong. The rest are standard branches, each of which has customer managers for corporate and wealth management business.

Ann Kung Yeung Yun-chi, deputy chief executive of BOCHK, said it would lower the threshold for SMEs to open accounts and get loans by deploying corporate banking customer managers to branches from the corporate business center.

She said the pilot project, which was launched after the Spring Festival, saw the number of new corporate accounts in June climb to twice that of January and the number of business customer credit card applications surge more than three times from that of January. Also, the mid-end and high-end customers increased 30 percent when the family securities service rose about 60 percent.

The SME market has huge potential as reflected by their investment needs, Kung said. On average, corporate accounts invested 22 times in the past three months via branches and customers with more than HK\$1 million invested 6.5 times.

As for the manpower deployment, Kung said BOCHK would train customer managers in branches to handle more products. She emphasized that the bank would not lay off employees but might hire more. From the beginning of this year, the number of wealth management customer managers increased 30 percent and the number of corporate business customer managers amounted to nearly 300.

Tourists up 5.3%

By news.gov.hk

Thursday, July 28, 2016

Secretary for Commerce & Economic Development Gregory So has welcomed figures showing overall visitor arrivals for the first half of July were up 5.3% year-on-year.

Speaking to the media today he said it is too early to determine whether the rise suggests a new trend.

"We can see that in the month of June, overall, there is a decrease in tourist inflow of about 1.7% (year-on-year), but to turn that tide around in the first half of July is quite a positive sign.

"I hope this momentum will continue and I hope the Food Truck Pilot Scheme when it is implemented will add to the fabric of the attractions that we offer to our tourists."