

## Hong Kong & Mainland China News – March-2017

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### **Manufacturing picks up in February**

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

Thursday, March 2, 2017

Activity in China's manufacturing sector expanded faster than expected last month, a survey showed yesterday.

The official Purchasing Managers' Index rose to a three-month high of 51.6 in February, compared with the previous month's 51.3, and above the 50-point mark that separates growth from contraction.

Analysts had predicted a reading of 51.1, pointing to a modest expansion as China's industrial firms continued to benefit from higher sales prices and a recovery in demand fueled by a construction boom.

Euro zone manufacturing growth accelerated to a six-year high in February as a weaker euro helped drive strong demand for its exports, with inflationary pressure showing further signs of recovering, a business survey showed.

While the upturn in euro zone factory activity was not shared by all major economies, particularly France, prices rose faster across most countries.

The IHS Markit euro zone manufacturing Purchasing Managers' Index rose to 55.4 in February - the highest reading since April 2011 - from 55.2 in January.

### **China aims for 6.5 percent GDP growth: Premier Li**

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

Sunday, March 5, 2017

China is aiming to expand its economy by around 6.5 percent in 2017 as it continues to implement a proactive fiscal policy and maintain a prudent monetary policy, Premier Li Keqiang said on Sunday.

Top leaders at the National People's Congress are tolerating slightly slower economic growth this year to give them more room to push through reforms to deal with a build-up in debt.

A lending binge and increased government spending last year have fuelled worries about high debt levels and an overheating housing market.

Gross domestic product grew 6.7 percent in 2016, the slowest in 26 years, but within the government's target range of 6.5 to 7 percent.

The country will push forward with supply-side reforms this year and achieve new progress in structural adjustments in key areas, Li said in remarks prepared for delivery at the opening of the annual meeting of parliament.

The mainland will also take steps to control risks and ensure safety in the financial sector, and should increase its vigilance against risks from non-performing assets, debt defaults, shadow banking and internet finance, he said.

It will steadily push forward with de-leveraging this year, mainly in the non-financial corporate sector, he said. The mainland would also push forward with asset securitisation and debt-to-equity swaps this year.

## **Chinese billionaires climb up the global ladder**

By news.rthk.hk

Tuesday, March 7, 2017

Mainland billionaires are rising fast on a global rich list, with three of them making into the top 25.

According to data from the Hurun Report, SF Express founder Wang Wei surged 305 positions from last year to become the 25th richest man in the world.

His wealth shot up five-fold to US\$27 billion, on the back of a flotation of his logistic company last month.

Alibaba's Jack Ma jumped 16 positions to just make it to the top 20.

Dalian Wanda's chairman Wang Jianlin is one spot ahead of him and remains the richest man on the mainland.

The number of Chinese billionaires has risen by 41 to 609, further pulling away from the US.

But sitting on the top three of the global list are Americans. Bill Gates remains the world's richest man, followed by Warren Buffet and Amazon's Jeff Bezos.

But Hong Kong tycoons are sliding on the global ranking. Li Ka-shing slipped nine positions to 32nd on the list. Lee Shau-kee dropped seven spots to the 34th. The falls came as their wealth did not increase at all in the past year.

## **Mainland's factory prices rise for the sixth month**

By news.rthk.hk

Thursday, March 9, 2017

Prices for goods at the factory gate on the mainland rose for the sixth straight month in February, officials said on Thursday, slightly beating expectations as strong demand boosted the world's second-largest economy.

The Producer Price Index (PPI) rose 7.8 percent year-on-year, according to the National Bureau of Statistics (NBS), topping economist expectations of a 7.7 percent increase in a Bloomberg poll.

It marked an acceleration from the previous five months and fuelled expectations that the country could begin exporting inflation to the global economy, despite fears that trade tensions may surge under new US President, Donald Trump.

The on-year rise in producer prices was partly due to the comparison with a low figure last year, when prices saw a "sharp decrease" in February, NBS analyst Sheng Guoqing said in a statement.

Increase in oil and natural gas exploitation, coal mining, as well as metal smelting also contributed to the expansion, he added.

The Consumer Price Index (CPI), a key gauge of retail inflation, rose 0.8 percent last month, missing the 1.7 percent increase estimated by economists, and marking its slowest growth in two years.

The authorities had vowed to keep the CPI increase "at around three percent" in a work report delivered to the National People's Congress on Sunday.

## **Roundtable promotes corporate governance**

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

Monday, March 13, 2017

Good corporate governance is indispensable to Hong Kong's development.

Secretary for Financial Services & the Treasury Prof KC Chan made the statement today when addressing the Corporate Governance Roundtable organised by the Companies Registry.

He said the high standard of corporate governance has strengthened the competitiveness of Hong Kong.

"As a leading international financial and business centre, Hong Kong attaches great importance to corporate governance. We believe that for companies to be successful, competitive and sustainable in the long term, a high standard of governance is indispensable."

In addition to sharing how the Government enhances corporate transparency and company information disclosure, Prof Chan also touched on the corporate governance of listed companies.

He said market quality should be upheld and investors' interests protected for the sustained competitiveness of the listing market in Hong Kong.

Attended by 350 participants, the roundtable is one of the events to celebrate the 20th anniversary of the establishment of the Hong Kong Special Administrative Region.

It includes discussions on corporate governance reforms and implementation strategies, corporate transparency, board leadership and risk management.

## **Mainland economy in robust start**

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

Wednesday, March 15, 2017

China released a raft of upbeat data yesterday, showing its economy got off to a strong start to 2017, supported by strong bank lending, a government infrastructure spree, and much-needed resurgence in private investment.

Analysts singled out an unexpected robust rebound in investment as particularly encouraging for the country's outlook.

Fixed-asset investment growth accelerated to 8.9 percent in January and February from the same period last year, largely due to strong property and infrastructure construction. Growth in private investment quickened to 6.7 percent - more than doubling last year's pace - suggesting private firms are growing more optimistic about the business outlook.

Private investment accounts for about 60 percent of overall investment in China.

Sheng Laiyun, a spokesperson for the statistics bureau, attributed the rebound largely to better implementation of Public-Private Partnership projects, which the government has been pushing to attract more private capital into traditionally state-dominated areas.

Industrial output rose 6.3 percent, slightly more than expected, and the best pace in nearly a year.

China's central bank in February sold the smallest amount of foreign exchange in nine months, supporting the government's assertions that capital outflows are easing, amid tighter scrutiny of cross-border flows.

Net foreign exchange sales amounted to 58.1 billion yuan (HK\$65.3 billion) last month.

## **HK signs tax pacts with 6 jurisdictions**

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

Friday, March 17, 2017

Hong Kong has signed agreements with six jurisdictions for conducting automatic exchange of financial account information on tax matters.

They are Belgium, Canada, Guernsey, Italy, Mexico and the Netherlands.

They joined Japan, Korea and the UK which have signed such an agreement with Hong Kong, bringing the number of exchange partners to nine.

The Government will put the six places on the list of "reportable jurisdictions" under the Inland Revenue Ordinance.

## Asia infrastructure bank takes in SAR, 12 others

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

Friday, March 24, 2017

The applications by Hong Kong and 12 other jurisdictions to join the China-led Asian Infrastructure Investment Bank were approved yesterday.

New members have to pay capital stocks to take part in AIIB. Hong Kong has to pay 1,530 paid-in shares in five years or HK\$1.2 billion. Another 6,121 shares, worth HK\$4.8 billion, will be callable at a later date if the AIIB runs out of cash.

After a funding request is approved by the Legislative Council's finance committee, Hong Kong will be able to pay for the first round of capital for paid-in shares, officially becoming an AIIB member.

Financial Secretary Paul Chan Mo-po said Hong Kong's participation in AIIB will bring new opportunities to the local financial sector. He said Hong Kong's professional services and finance sectors will make contributions to the AIIB.

Jakit Wong, an economist from Coface, said Hong Kong would take part in Belt and Road projects.

HSBC deputy chairman Peter Wong Tung-shun said Hong Kong is likely to play an active and multifaceted role in the Belt and Road initiative, especially in treasury management, debt financing and private equity investments.

"Being the leading offshore renminbi hub, Hong Kong hopes to become the treasury center for the AIIB," he said.

Echoing Wong's view, Bank of China (Hong Kong) vice chairman Yue Yi said the projects can link up China, Europe and Asian countries, thereby creating financing demand. Against this backdrop, Hong Kong can expand its yuan market.

Yue believes that being a part of AIIB can strengthen Hong Kong's role as one of the world's leading financing platforms by offering project loans, syndicated loans, issuing bonds and providing initial funds for Belt and Road projects.

He said more state-owned enterprises will see Hong Kong as a stepping stone to expand their investments in infrastructures of countries along the Silk Road.