

Hong Kong & Mainland China News – Mar-2021

February business activity in HK edges up

By www.thestanadard.com.hk

Wednesday, Mar 03, 2021

Hong Kong economic activities returned to growth for the first time in three months.

The Purchasing Manager's Index climbed to 50.2 in February from 47.8 in January, according to IHS Markit. This signals a fractional improvement in the health of the private sector economy, as the fourth wave of coronavirus disease infections eased.

Output has dropped over 35 successive months, but the latest fall was the softest since last November. New orders also fell.

Local companies expressed optimism regarding the 12-month outlook for business for the first time since January 2018.

Although muted, the level of positive sentiment in February was the highest since September 2014.

Overall input costs increased. Purchase cost inflation quickened for the third month. In contrast, staff costs continued to fall slightly.

Facing competitive pressures and requests for discounts from customers, selling prices fell for the 12th successive month.

(Two sessions) 2021 economic growth target set at above 6pc

by www.thestanadard.com.hk

Friday, Mar 05, 2021

China has set its 2021 economic growth target at more than 6 percent, Premier Li Keqiang said in his annual work report at the opening of this year's national legislative session.

China did not set a gross domestic product target last year due to uncertainties arising from the coronavirus disease pandemic that first emerged in the mainland.

The 2021 target for consumer price inflation is set at around 3 percent and its budget deficit goal of around 3.2 percent of GDP, Li said.

In 2020, China set an inflation target of about 3.5 percent and a budget deficit target of above 3.6 percent.

China economy to rebound in first quarter

by www.thestanadard.com.hk

Tuesday, Mar 16, 2021

China's economy is expected to score a sharp on-year rebound in the first quarter due to a low base in the same period a year before, said Liu Aihua, a National Bureau of Statistics spokeswoman.

This came after China's first-quarter gross domestic product contracted by 6.8 percent in 2020 from a year ago.

Industrial output rose 35.1 percent in the first two months from a year earlier, up from a 7.3 percent on-year uptick seen in December, data from the National Bureau of Statistics showed, stronger than a forecast for a 30 percent surge in a Reuters poll of analysts.

Retail sales increased 33.8 percent, also faster than a forecast 32 percent rise and marking a significant jump from 4.6 percent growth in December and a 20.5 percent contraction for January-February of 2020.

While the impressive set of numbers released yesterday were heavily skewed by the very low base from last year's massive slump, analysts said they nonetheless showed China's strong rebound remained intact.

"We have a positive outlook for exports and manufacturing investment this year," said Louis Kuijs, head of Asia economics and Oxford Economics. "And we expect household consumption to become a key driver of growth from Q2 onwards as confidence improves and the government's call to reduce travel is toned down."

Meanwhile, surveyed urban unemployment reversed a steady decline and rose to 5.5 percent in February from 5.2 percent in December, indicating increasing pressure on China's job market.

HK's financial ranking rises

by news.rthk.hk

Wednesday, Mar 17, 2021

Hong Kong has ranked fourth in the latest Global Financial Centres Index (GFCI) Report, up by one place from the last index, the Government said today.

The GFCI Report was published by the Z/Yen from the UK and the China Development Institute from Shenzhen.

The Government said the overall ratings of financial centres ranked second to fourth in the report were very close, with a marginal difference of only one point among them, adding that Hong Kong ranked in the top five in five areas of competitiveness.

The report pointed out that the overall ratings of financial centres had yet to recover to the levels in 2019 and this reflected the continuing uncertainty brought about by international trade, the impact of the COVID-19 pandemic and the geopolitical environment.

The Government noted that the global financial market became more volatile in the past year or so due to the evolving situation of the COVID-19 pandemic and other uncertainties in the global environment.

Nevertheless, Hong Kong's financial system had been operating smoothly. The Linked Exchange Rate System and various facets of the markets had also been functioning in an orderly manner.

Meanwhile, Hong Kong has the institutional strengths of an international financial centre. Its markets are highly open and internationalised, with robust infrastructure support, internationally aligned regulatory regimes, rule of law, a large pool of financial talents and a full range of financial products as well as free flow of information and capital.

These competitive edges will continue to consolidate Hong Kong's status as a leading international financial centre, the Government said.

It added that the 14th Five-Year Plan approved by the National People's Congress recognised Hong Kong's functions in the country's overall development.

Those related to developments of Hong Kong's financial services sector include supporting the city to enhance its status as an international financial centre, consolidating its function as a global offshore RMB business hub as well as an international asset and risk management centre, and deepening and widening of mutual access between the financial markets of Hong Kong and the Mainland.

The Government said it will continue to enhance Hong Kong's role as the gateway between the Mainland and international markets, and leverage the vast opportunities presented by the Guangdong-Hong Kong-Macao Greater Bay Area and the Belt & Road Initiative while capitalising on the unique advantages under the "one country, two systems" principle.

Govt clarifies tax policy

by news.rthk.hk

Monday, Mar 22, 2021

The Government said Hong Kong has maintained a high level of transparency in taxation policy with a low and simple tax regime and will continue to do so.

It made the remarks in response to media enquiries on an article by the Financial Times published on March 22 carrying an interview with the Chief Secretary.

The Government stressed that Hong Kong's economic success has been built on a thriving market economy and a small government underpinned by a simple, transparent and low tax regime. Businesses and individuals in Hong Kong enjoy one of the most competitive tax systems in the world.

It pointed out that Hong Kong has always been a staunch supporter of international efforts to enhance tax transparency and combat tax evasion and money laundering.

Since 2018 Hong Kong has implemented the Organisation for Economic Co-operation & Development's minimum standards against base erosion and profit shifting, and conducted automatic exchange of financial account information in tax matters with relevant jurisdictions.

Hong Kong will continue to make sustained efforts to comply with new international tax requirements according to the international consensus, including the implementation of the global minimum tax proposal to be promulgated by the organisation to address tax challenges arising from the digitalisation of the economy.

On the National People's Congress' decision on improving the electoral system of the Hong Kong Special Administrative Region, the Government will fully and resolutely implement "one country, two systems", administer Hong Kong according to the rule of law, safeguard the Hong Kong SAR's constitutional order as defined under the Constitution and the Basic Law, safeguard the country's sovereignty, security and development interests, and ensure the overall stability of Hong Kong.

Under "one country, two systems", issues such as housing, land and the wealth gap are squarely within the Hong Kong SAR's high degree of autonomy.

The Chief Secretary did not say that the Hong Kong SAR Government was instructed by the Central People's Government to focus on such areas as wrongly stated in the article.

On the oath-taking of judges and civil servants, the Government said that all judges are required to take judicial oaths on the assumption of office in accordance with Article 104 of the Basic Law and the Oaths & Declarations Ordinance.

It stressed that the contents of both the judicial oath and the oath or declaration by civil servants similarly require the person taking an oath or making a declaration to uphold the Basic Law and bear allegiance to the Hong Kong SAR of the People's Republic of China. The oath taking does not intend to crack down or to purge any civil servant.

It pointed out that according to Annex I to the Basic Law, the Chief Executive shall be elected by a broadly representative Election Committee in accordance with the Basic Law and appointed by the Central People's Government, and not appointed by an election committee as wrongly stated in the article.

HK has an edge on rivals says Yue

by www.thestandard.com.hk
Wednesday, Mar 24, 2021

Hong Kong Monetary Authority chief executive Eddie Yue Wai-man said Hong Kong's financial system is competitive, as indicators such as the capital adequacy ratio and bad debt ratio of the banking industry are ideal compared to other international financial centers.

Coupled with the advantages of professional services such as law and accounting, and the internationally recognized common law, Hong Kong's financial industry is a cornerstone for future development, Yue told an online forum.

Speaking on the prospects for Hong Kong's financial industry, Yue reckoned that they mainly revolve around three major opportunities: the mainland's integration with international standards, financial technology and green finance.

Financial Secretary Paul Chan Mo-po told the forum that Hong Kong expects economic growth of between 3.5 and 5.5 percent this year.

However, Peter Wong Tung-shun, the deputy chairman and chief executive of The Hongkong and Shanghai Banking Corporation, said that the impact of the pandemic on the global economy has not fully emerged yet.

And Hong Kong Exchanges and Clearing (0388) chairman Laura Cha Shih May-lung said the bourse has launched microstructure enhancements such as volatility control mechanisms to stabilize the market.

IP protection awareness remains high

by news.rthk.hk

Monday, Mar 29, 2021

Hong Kong has maintained a high level of awareness of intellectual property (IP) rights protection and respect for such rights, the Intellectual Property Department said today.

The department announced the results of the Survey on Public Awareness of Intellectual Property Right Protection and noted that a total of 1,000 people responded to the survey.

An overwhelming 92.9% of respondents considered it necessary to protect IP rights in Hong Kong, while over 87% were aware that copyright, trademarks and patents are protected under the laws of Hong Kong.

The department pointed out that most of the respondents believed that IP rights protection could help attract foreign investments and the development of local creative industries in the long run.

Meanwhile, 92.8% of the respondents said they had seldom or never bought pirated or counterfeit goods, and 86.2% agreed that it is morally wrong to buy pirated or counterfeit goods knowing that it is an infringement of IP rights.

Additionally, 83.9% of the respondents who purchased products with brands or logos online said they would pay attention to whether the products were genuine, which reflected a significant increase from the results in 2018.

On the use of copyright content, 57.2% of the respondents indicated that they would either definitely or possibly pay authorised websites for listening to songs, watching movies online or downloading songs, movies, computer software, etc, representing a continued upward trend since 2008.

About 80% of the respondents shared the view that it is morally wrong to listen to music or watch movies and TV shows online knowing that they were pirated versions.

Director of Intellectual Property David Wong emphasised that the department has all along been striving to raise the public awareness of IP rights at all levels through various educational and promotional programmes.

"We will keep up our efforts in promoting IP rights protection to underpin the development of Hong Kong as a knowledge-based economy," he added.

Mainland factory activity gains steam in March

by news.rthk.hk

Wednesday, Mar 31, 2021

Factory activity in China picked up in March, official data showed on Wednesday, as the country's economic recovery broadened after the Lunar New Year holiday.

The Purchasing Managers' Index (PMI), a key gauge of manufacturing activity, grew more than expected to 51.9 -- from 50.6 in February -- according to the National Bureau of Statistics, with production accelerating after the holiday lull and major economies abroad recovering from coronavirus slowdowns as well.

Non-manufacturing PMI made a significant rebound to 56.3, higher than the Bloomberg forecast of 52.0 and pointing to better performance in service industries and higher expectations for hard-hit sectors such as accommodation.

NBS senior statistician Zhao Qinghe said that with China's control of the Covid-19 outbreak, consumer demand returned and "the service industry accelerated its recovery".

For manufacturing, Zhao added that companies -- including smaller ones -- have done better as well, although there have been some delays in imported raw materials due to the Covid-19 spread abroad, leading to higher prices and longer delivery times.