

## Hong Kong & Mainland China News – May-2016

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### **HK all set for Shenzhen stock connect: CY Leung**

By news.rthk.hk

Tuesday, May 10, 2016

The Chief Executive has expressed hope that the State Council can make an announcement on the launch of the Shenzhen-Hong Kong stock connect as soon as possible.

CY Leung said Hong Kong is already well prepared for it.

"We will strive for the opening of the Shenzhen-Hong Kong stock connect ... so it can be launched as soon as possible. Premier Li Keqiang said at the Boao forum that they will try to get it launched this year. Hong Kong is already prepared. We hope the State Council will make an announcement very soon."

Leung added that no matter whether the mainland is heading for "L", "U", or "V" shaped economic growth, Hong Kong people should still make use of this opportunity.

He stressed that the mainland is Hong Kong's largest and most important economic partner, and has the biggest potential for growth.

### **Two orders on avoidance of double taxation agreements gazetted**

By www.ird.gov.hk

Friday, May 13, 2016

Two orders made by the Chief Executive in Council under the Inland Revenue Ordinance were gazetted today (May 13). The orders implement the Comprehensive Agreements for the Avoidance of Double Taxation (CDTAs) with Romania and Russia.

"The CDTAs ensure that investors will not have to pay tax twice on a single source of income. In simple terms, the CDTAs will bring tax savings and a higher degree of certainty on taxation liabilities for investors from the respective places when they engage in trade and investment activities with Hong Kong and vice versa," a Government spokesman said.

The orders will be tabled at the Legislative Council on May 18 for negative vetting. The CDTAs will enter into force after both Hong Kong and the treaty partners have completed their ratification procedures.

Hong Kong signed the CDTAs with Romania and Russia in November 2015 and January 2016 respectively.

## **HK can handle economic adjustment**

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

Saturday, May 14, 2016

Secretary for Financial Services & the Treasury Prof KC Chan says he is confident in Hong Kong's ability to manage any kind of economic adjustments, adding he is not worried about economic growth for this year.

Prof Chan told reporters today that GDP growth in the first quarter was a bit low and very much affected by the external economic situation, particularly the European market.

He said Hong Kong now has full employment and people have enjoyed very good wage increases in recent years, domestic consumption is also strong, resulting in a good foundation to adjust to economic changes.

## **HK, Indonesia boost investment**

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

Wednesday, May 18, 2016

Invest Hong Kong and the Indonesian Investment Co-ordinating Board today signed a memorandum of understanding pledging mutual co-operation on investment promotion exchanges and best practices.

The pact was signed by Acting Director-General of Investment Promotion Charles Ng and Indonesian Investment Co-ordinating Board Chairman Franky Sibarani.

"This MOU is the ninth that we have signed with a country along the Belt & Road routes. Under the Belt & Road Initiative and as a 'super-connector' between Mainland China and the ASEAN region, Hong Kong could provide an excellent platform for Indonesian companies to tap into the vast Mainland market and for Mainland companies to explore the ASEAN market," Mr Ng said.

MrSibarani noted that Hong Kong has always been one the biggest foreign investors in Indonesia and is an important world financial, trading and investment hub, as well as a gateway for accessing East Asian markets, adding that Indonesia offers a unique gateway for accessing the ASEAN markets and a production base for international export markets as the 10 Southeast Asian countries are now integrated in one single market and production base within the ASEAN Economic Community.

He said the agreement will induce inward and outward investment flows, the exchange of information on potential investment opportunities, as well as investment co-operation between the two economies.

It provides a framework to enhance Hong Kong and Indonesia's close relationship in promoting both inward and outward investment.

Under the pact, both sides will exchange information on the investment environment and investment opportunities, promote investment between the two places and share their experience in attracting foreign investment and best practices.

The two sides will also encourage interested companies to set up or expand their business in the other jurisdictions.

## **HK key to Belt & Road**

Byarchive.news.gov.hk

Wednesday, May 18, 2016

National People's Congress Standing Committee Chairman Zhang Dejiang says Hong Kong, with its unique advantages, can make an important contribution to the Belt & Road initiatives.

Speaking at the inaugural Belt & Road Summit today, Mr Zhang said Hong Kong sits on the busiest international sea route, boasts a developed port economy and is an important gateway in China's opening-up.

He also outlined the city's easy, efficient and low cost land access to the Mainland as it is next to Guangdong, adding that Hong Kong is home to the world's busiest international airport, topping the list in passenger and goods transport.

Hong Kong borders on the Pearl River Delta, one of China's three economic growth poles and the pioneer of the country's institutional and structural reform and innovation-driven development, Mr Zhang noted.

He said Hong Kong, being next to Shenzhen - a centre for innovation and entrepreneurship - can join forces with the Guangdong Pilot Free Trade Zone, the Qianhai Shenzhen-Hong Kong cooperation zone and Fujian - a core area for the 21st Century Maritime Silk Road.

Hong Kong's strength in service can complement its neighbouring provinces' strength in manufacturing and have great potential in exploring international markets, Mr Zhang said, adding that Hong Kong and the Mainland have developed all-round, wide-ranging and high-level exchanges and co-operation.

Many opening-up policies were first experimented and practiced in Hong Kong, bringing experience for the Mainland while offering rare opportunities for Hong Kong. It can offer a good foundation for Hong Kong to seize new opportunities arising from the Belt & Road Initiative and achieve new progress, he said.

## Central Gov't backs HK

Byarchive.news.gov.hk

Wednesday, May 18, 2016

Hong Kong needs to take a more active part in the national development strategy, fully seize the major opportunities of the Belt & Road and further bring out its own advantages with a broader mind and vision, National People's Congress Standing Committee Chairman Zhang Dejiang says.

Delivering a keynote speech at the Belt & Road Summit this morning, Mr Zhang said the Central Government attaches great importance to Hong Kong's prosperity and stability and its role in the national strategy.

"We will support Hong Kong in building on its existing strengths and exploring new advantages, support closer exchange and co-operation between Hong Kong and the Mainland, and in expanding economic and trade ties with the world," he said.

Mr Zhang noted that the Central Government would support Hong Kong in playing an active role in responding to the Belt & Road and building a platform of comprehensive services.

It will also back Hong Kong in facilitating capital flows, promoting renminbi internationalisation and developing a Belt & Road investment and financing platform.

Mr Zhang said Hong Kong will also receive support in promoting cultural exchanges for greater mutual understanding among the people along the Belt & Road, and deepening co-operation with the Mainland and jointly developing markets along the Belt & Road.

He noted that this is the first year for the implementation of China's 13th Five-Year Plan and an important year for the Belt & Road development, adding that the summit in Hong Kong is of great importance for building consensus for co-operation along the Belt & Road.

## **iBond details on way**

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

Thursday, May 19, 2016

The Hong Kong Monetary Authority will today announce the sales arrangement of the sixth batch of inflation-linked bonds worth HK\$10 billion.

Observers expect the notes to carry an interest rate of about 2 percent. The government also is likely to issue its first batch of Silver Bonds offered to those aged 65 and above at the end of this month.

But iBonds are tipped to remain popular amid the economic downturn and stock market volatility.

A total of 2,160 clients reserved HK\$72 million worth of margin loans for the sixth batch of iBonds as of yesterday, according to Phillip Securities. This was 7.2 percent of the total margin loans that the company offered to buy the notes from last Tuesday.

It waived interest and commission fees to e-statement customers who subscribe to HK\$30,000 worth of iBonds using margin lending. BOC Hong Kong (2388) and HSBC will jointly arrange the note issuance.

## **HK regains top spot as competitive economy**

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

Tuesday, May 31, 2016

Hong Kong has overtaken the United States as the most competitive economy in the world, according to a ranking by a Swiss-based business school.

Hong Kong jumped one spot to the top of the table after losing the title for the past three years to the United States.

The IMD World Competitiveness Center, which compiled the ranking, gave top scores to the SAR in terms of business and government efficiency.

It said a consistent commitment to a favourable business environment was central to Hong Kong's rise, and it also valued the city's push for innovation through low and simple taxation, as well as its free flow of capital.

Hong Kong is followed by Switzerland, the United States and Singapore.

Many other Asian economies saw their rankings drop markedly from last year, with Taiwan, Malaysia, South Korea and Indonesia all suffering significant falls from their 2015 positions.

The mainland declined only slightly, retaining its place in the top 25 most competitive economies.