

Hong Kong & Mainland China News – April-2018

Retail sales grow by 15.7pc in first two months

By www.thestandard.com.hk

Tuesday, April 3, 2018

Retail sales climbed by 29.8 percent to HK\$45.2 billion, from the same month in 2017, the Census and Statistics Department said today.

January's retail sales growth came in at a revised 4.2 percent from the year before.

In the volatile first two months retail sales increased by 15.7 percent over the same period in 2017. The estimate is provisional.

As the Lunar New Year fell on February 16 this year but on January 28 last year, it is more appropriate to analyze the January and February data together in making year-on-year comparison, the department said.

The highest growth in the first two months was seen in sales of electrical goods and other consumer durable goods, which jumped by 27.9 percent, while other consumer goods sales grew by 22.3 percent. The third highest sales were in motor vehicles and parts, up by 19.9 percent.

Xi casts Belt and Road as platform for international cooperation

By www.thestandard.com.hk

Tuesday, April 10, 2018

President Xi Jinping said today that the Belt and Road Initiative may be China's idea, but its opportunities and outcomes are going to benefit the world.

Xi made the remarks while delivering a keynote speech at the opening ceremony of the Boao Forum for Asia in Hainan.

China has no geopolitical calculations, seeks no exclusionary blocs and imposes no business deals on others, he said.

"It must be pointed out that as the BRI is a new initiative, it is perfectly natural for there to be different views in cooperation. As long as the parties embrace the principle of extensive consultation, joint contribution and shared benefits, we can surely enhance cooperation and resolve differences," he said.

"This way, we can make the BRI the broadest platform for international cooperation in keeping with the trend of economic globalization and to the greater benefit of all our peoples," Xi said.

Xi pledges to cut auto import duties, ease foreign ownership limits

By www.thestandard.com.hk

Tuesday, April 10, 2018

President Xi Jinping has promised to cut China's auto import tariffs and ease restrictions on foreign ownership in its auto industry amid an escalating tariff spat with Washington.

In a speech today at a business conference, Xi made no direct mention of the dispute with President Donald Trump but pledged to open China's markets further and improve conditions for foreign companies.

Xi said Beijing will "significantly lower" tariffs on auto imports this year and ease restrictions on foreign ownership in the auto industry "as soon as possible."

He also said China will strengthen protection of intellectual property rights.

Xi tried to position China as a defender of free trade and cooperation in response to Trump's "America first" calls for import restrictions and an overhaul of trade deals to make them more favorable to the United States.

"China's door of opening up will not be closed and will only open wider," said Xi.

Trump has threatened to raise tariffs on Chinese goods worth US\$50 billion in response to complaints Beijing pressures foreign companies to hand over technology in violation of its market-opening pledges. Beijing responded with its own US\$50 billion list of U.S. goods for possible retaliation.

The Chinese leader didn't refer directly to that dispute but promised to encourage "normal technological exchange" and to "protect the lawful ownership rights of foreign enterprises."

Gov't hails stock quota rise

By www.news.gov.hk

Wednesday, April 11, 2018

The Hong Kong Special Administrative Region Government and the Monetary Authority today welcomed the announcement to increase daily quotas for stock connects between Hong Kong, Shanghai and Shenzhen.

Financial Secretary Paul Chan said: "This will facilitate the healthy development of Stock Connect, and facilitate international investors' access to the Mainland's stock markets and Mainland investors' access to Hong Kong's stock market, thereby reinforcing Hong Kong's status as an international financial centre.

"Hong Kong's capital markets will play a more significant role and make greater contributions in the two-way opening-up of the Mainland's capital markets to the rest of the world."

The authority's Chief Executive Norman Chan said: "Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are important mutual access arrangements between the Hong Kong and Mainland capital markets.

"They have been operating smoothly since launch. The expansion of daily quota will further enhance the smoothness and certainty of trading."

The authority added it will continue to monitor market developments and maintain close contact with Mainland authorities.

ADB predicts sustainable growth in China

By www.thestandard.com.hk

Wednesday, April 11, 2018

China's economic growth is expected to reach 6.6 percent this year, the Asian Development Bank forecast in a report today.

In its annual publication Asian Development Outlook 2018, the Manila-based bank said China's growth accelerated on strong demand from home and abroad.

"Expansion in China should moderate to 6.6 percent in 2018 and 6.4 percent in 2019 as economic policy leans further toward financial stability and a more sustainable growth trajectory," the ADB said, Xinhua reports.

According to the Chinese government work report released in March, China has set its GDP growth target at around 6.5 percent for 2018.

The ADB said that the services sector is fueling China's continued growth, increasing by 8 percent in 2017. Strong demand at home and abroad together with economic reforms lay the foundation for continued growth and macroeconomic stability in China, it added.

"Further progress on reforms such as strengthening financial sector regulation and supervision and addressing debt issues would lay a foundation for solid macroeconomic stability," the ADB said.

Hong Kong's economy to grow by 3.2% this year: ADB

By news.rthk.hk

Wednesday, April 11, 2018

Hong Kong's GDP is expected to grow by a moderate 3.2% this year, the Asian Development Bank said on Wednesday, as it warned of rising threats from trade spats between Beijing and Washington.

The bank said Hong Kong's favourable employment and wage conditions, and income effects from last year's buoyant asset and property markets will prop up consumer sentiment.

It said government infrastructure mega-projects will push up capital spending while private investment could also rise on business optimism. It also said Hong Kong's growth rate will be 3.0% next year.

But the bank warned that exports may show slower growth due to slower demand from the mainland and uncertainty spawned by rising global trade and protectionism.

Growth in the mainland's economy is set to cool to 6.6 percent this year and 6.4 percent next year after logging 6.9 percent growth last year, it said.

The bank said trade spats between China the United States may cast a shadow on the economies of other countries in the region too.

The Philippines-based lender said it expects the region to expand at a 6 percent clip in 2018, slightly above its previous forecast, after recording 6.1 percent growth last year.

For 2019, it predicts growth will ease to 5.9 percent.

The bank said robust exports and strong domestic consumer demand are supporting activity across the 45 economies it covers in its annual report.

Risks to the growth outlook are driven mainly by "fears of escalating trade tensions," it said, referring to China-US trade tensions that have threatened to escalate into an all-out trade war.

Mainland's GDP growth beats forecasts

By news.rthk.hk

Tuesday, April 17, 2018

The mainland's economy grew by a better-than-expected 6.8 percent in the first quarter, official data showed on Tuesday, overcoming Beijing's battle against financial risk and trade tensions with the United States.

The world's number two economy exceeded the 6.7 percent growth forecast by analysts surveyed by AFP, and equalled the fourth quarter performance.

"The national economy maintained the momentum of steady and sound development," said Xing Zhihong, a spokesman for the National Statistics Bureau.

"The economic performance continued to improve and the economy was off to a good start."

The mainland's sustained growth shows the economy has remained resilient even as Beijing kicked its war on pollution into a high gear during the winter months by cutting production for many steel smelters, mills and factories.

Fears of a trade war with the US have also roiled markets in recent weeks, with Washington and Beijing exchanging warnings of tit-for-tat tariffs on a significant portion of their bilateral trade.

The tensions have yet to cause real harm to the economy, analysts say, but that may change in coming months when tariffs threatened by US President Donald Trump are expected to be implemented.

Along with exports, debt-fuelled investment has driven China's economy over the last decade – but with fears growing over a possible credit crisis, officials in Beijing are stepping up their battle against debt and financial risk.

Output at China's factories and workshops expanded by 6.8 percent year-on-year in the first quarter, below the 6.9 percent forecast by Bloomberg News. Industrial production grew by six percent in March.

HKEx sees a lot of interest in new listing regime

By news.rthk.hk

Tuesday, April 24, 2018

The Chief Executive of the Hong Kong Exchanges and Clearing, Charles Li, has expressed confidence over the market response to a new share structure regime.

Biotech and innovative start-ups will be able to apply for a Hong Kong listing under the new regime from next Monday.

The market operator published its final listing rules on Tuesday – after it released final rules on a weighted-voting rights structure. Small amendments have been made to its original proposal.

Li said a number of new companies may be floated on the market under the new structure this summer.

"There is a large number of companies that had indicated to us that they are ready to file. And that there are pre-IPO and earlier confidential discussions on various issues ... and I think everybody is just waiting for the rules to be published today. I don't want to speculate on the numbers, but I do think we are talking about not single numbers, single-digits numbers, we are talking about numbers that are potentially going into the dozens," Li said.

The local listing rule reform has come less than a month after Beijing announced a system to let qualified foreign-listed innovative companies float on the A-share market.

Li also played down concerns that the so-called Chinese Depository Receipt mechanism will pose a significant threat to Hong Kong.

He said instead, he sees opportunities, even if firms may be attracted to list on the mainland.