

Hong Kong & Mainland China News –August-2017

China factory activity expands in July: survey

By news.rthk.hk

Tuesday, August 1, 2017

A private survey indicates that manufacturing activity in the mainland expanded last month, with factory output and new orders rising at their fastest pace since February on strong export sales.

The Caixin/Markit Manufacturing Purchasing Managers' Index rose to 51.1 in July, above the 50-point mark that separates growth from contraction. The figure for June was 50.4.

However, it said employment at factories fell at the fastest pace in 10 months and a reading on business outlook was the lowest since last August – a sign that economic momentum may start to ebb in the months ahead.

The index contradicts an official survey on Monday that showed slower growth.

AIIB chief expects Hong Kong to play a key role

By news.rthk.hk

Monday, August 7, 2017

The president of the Asian Infrastructure Investment Bank (AIIB), Jin Liqun, said on Monday that he's expecting Hong Kong to take up an important role at the regional development bank.

Hong Kong joined the Beijing-led bank in June, pledging to contribute HK\$1.2 billion over the next five years to support the building of infrastructure in developing countries.

Jin was speaking to the Chief Executive Carrie Lam in Beijing.

Lam also said she hopes Hong Kong will benefit from future projects led by the bank.

The bank has 57 founding members and it's aiming to grow its membership to 85 by the end of this year.

Despite the opposition of Washington, many major US allies like Australia, Britain, Germany, Italy and the Philippines have joined the bank. Beijing says it will be an international institution and not a forum to boost its influence.

HK-Mainland tourism pact signed

By www.news.gov.hk

Wednesday, August 9, 2017

Secretary for Commerce & Economic Development Edward Yau has signed a deal to enhance tourism co-operation with the Mainland.

He signed the Agreement on Further Enhancement of Tourism Co-operation between the Mainland & Hong Kong with China National Tourism Administration Vice Chairman Du Jiang in Beijing today.

The deal will see the joint development of Maritime Silk Road tourism products, promote Belt & Road markets and enrich multi-destination travel itineraries.

It will promote bilateral co-operation in cruise tourism and allow more Hong Kong travel agents to operate outbound travel business for Mainland residents under the Closer Economic Partnership Arrangement framework.

It will also see the formation of a regular communication and co-ordination mechanism to study issues on regional tourism co-operation and regulation.

The Commerce & Economic Development Bureau said about half of international visitors on short-haul trips travel to Hong Kong on multi-destination itineraries, compared to more than 90% of those on long-haul trips.

Developing multi-destination travel itineraries will help attract more Hong Kong visitors who will travel on to other cities, and complement the Belt & Road Initiative and the development of the Guangdong-Hong Kong-Macao Bay Area, the bureau added..

Philip Yung woos Malaysian businesses

By www.news.gov.hk

Wednesday, August 9, 2017

Permanent Secretary for Commerce & Economic Development Philip Yung addressed Malaysian business leaders at a Belt & Road seminar in Kuala Lumpur today.

More than 150 entrepreneurs attended the forum organised by the Hong Kong Economic & Trade Office in Jakarta and the Hong Kong-Malaysia Business Association.

Mr Yung outlined the unique advantages enjoyed by Hong Kong under “one country, two systems”, saying Hong Kong is keen to boost co-operation with Malaysia to make the most of the Belt & Road Initiative.

"The Mainland & Hong Kong Closer Economic Partnership Arrangement (CEPA) provides preferential access to the Mainland market for Hong Kong service suppliers as well as tariff-free treatment for products of Hong Kong origin.

"International businesses established in Hong Kong can enjoy this preferential treatment together with our domestic suppliers.

"Since its implementation 13 years ago, CEPA has become the premier platform connecting foreign businesses to Mainland China through Hong Kong, and will continue to be a freeway serving traffic under the Belt & Road Initiative."

He also said Hong Kong offers a pool of well-trained professionals across different disciplines to lead consultancies, construction projects, operations and management of infrastructure projects under the initiative.

The Association of Southeast Asian Nations is Hong Kong's second-largest trading partner, with the value of trade growing by 72% over the past 10 years, reaching US\$107 billion in 2016.

Mr Yung said the Hong Kong Special Administrative Region Government has been working intensively with ASEAN partners on a free trade agreement which will further facilitate the flow of trade and investment.

He also officiated at a gala dinner last night celebrating the Hong Kong Special Administrative Region's 20th anniversary.

HK growth accelerates in first half, eases in second quarter

By www.thestandard.com.hk

Friday, August 11, 2017

Hong Kong's economy grew by 3.8 percent in real terms in the second quarter over a year earlier, following growth of 4.3 percent in the first quarter, the Government said today.

But growth in the first half expanded by 4 percent year-on-year, doubling from 2 percent last year.

In the second quarter, domestic demand growth was robust and was supported by favorable labour market conditions and improved economic sentiment, the deputy government economist, Andrew Au, said. On a seasonally adjusted quarter-to-quarter comparison, real GDP picked up by 1 percent in the second quarter, following 0.7 percent growth in the preceding quarter.

Exports of goods grew by 5.6 percent year-on-year in real terms in the second quarter, with exports to Asian markets providing the main growth impetus. Exports of services grew at a steady pace of 2.3 percent year-on-year in real terms.

Growth in the first and second quarters was "stronger than the trend growth of 2.9 percent per annum over the past 10 years," Au explained.

Profits tax reform plans ready, says Paul Chan

By news.rthk.hk

Monday, August 14, 2017

The Financial Secretary, Paul Chan, said on Monday that the government's plans to reform profits tax are ready and it is up to the Chief Executive, Carrie Lam, to decide when to announce them.

During her campaign for the top job, Lam had floated plans to lower the tax rate for the first HK\$2 million of profits from the current 16.5 to 10 percent.

Chan denied the reforms would complicate the tax system.

"We have studied several schemes and found this proposal workable. But it requires amendment to the Inland Revenue Ordinance," he said.

After the announcement by the Chief Executive, the proposal will be tabled before the Legislative Council for scrutiny, Chan said.

The financial secretary also defended the Securities and Futures Commission, saying its recent "early interventions" into the market do not mean it is changing its role as a regulator.

The SFC has recently stepped up action against firms seeking to list on the market, but which have failed to fully comply with regulations, by stopping them from listing.

Chan said the government fully supports the SFC's action against so-called "cheater stocks".

Govt plans tax incentives for tech sector: Yang

By news.rthk.hk

Saturday, August 19, 2017

The Secretary for Innovation and Technology, Nicholas Yang, says the government will introduce tax incentives as part of its broader strategy to help the development of high value-added industries in Hong Kong.

He says Hong Kong has already laid good foundations for innovation and a technology ecosystem, but the government will continue to encourage the private sector to conduct research and development.

He said the tax measures would probably be announced in the Policy Address of the Chief Executive, Carrie Lam, in October.

He added that the Innovation and Technology Venture Fund will be kickstarted in September, but details were still being finalised.

HK, Saudi Arabia sign tax plan

By www.news.gov.hk

Thursday, August 24, 2017

Hong Kong and Saudi Arabia have signed a comprehensive agreement for the avoidance of double taxation.

Secretary for Financial Services & the Treasury James Lau signed the deal with Saudi Consul-General Omar Bakheet Al Bunayan today.

The document sets out the allocation of taxing rights between the two jurisdictions which will help investors better assess their potential tax liabilities from cross-boundary economic activities.

It is the 38th tax agreement Hong Kong has signed with its trading partners.

Under it, any Saudi Arabian tax paid by Hong Kong companies will be allowed as a credit against the tax payable in Hong Kong on the same profits, subject to the provisions of Hong Kong tax laws.

For Saudi Arabian companies, the tax they pay in Hong Kong will be allowed as a deduction from the tax payable on the same income in Saudi Arabia.

The agreement will come into force after the completion of ratification procedures on both sides.

For Hong Kong, it will be implemented by an order to be made by the Chief Executive in Council under the Inland Revenue Ordinance, subject to Legislative Council vetting.