

Hong Kong & Mainland China News – January-2019

1.4m local companies registered

By www.news.gov.hk

Sunday, January 6, 2019

The total number of registered local companies reached 1,400,950 in 2018, up by 17,004 on 2017, the Companies Registry announced today.

The total number of local companies newly registered in the year was 151,739, among which 52,962 were incorporated online with the e-Registry or the CR eFiling mobile apps.

Since March of last year, the registry has taken up the role of a licensing authority for trust or company service providers under the Anti-Money Laundering & Counter-Terrorist Financing Ordinance.

A total of 6,150 licences were granted in 2018 and 323 applications were rejected or withdrawn.

Registrar of Companies Ada Chung said the new initiatives have brought Hong Kong's regulatory regime for combating money laundering and terrorist financing in line with international requirements.

She added vigorous site inspection programmes have been carried out to ensure companies and trust or company service providers are complying with statutory requirements.

In 2018, a total of 1,193 non-Hong Kong companies that have newly established a place of business in Hong Kong were registered, up 16.05% compared to the previous year.

The number of registered non-Hong Kong companies reached 11,061 by the end of the year.

HKIA sets new records in 2018

By www.thestandard.com.hk

Monday, January 14, 2019

Hong Kong International Airport recorded continuous traffic growth in 2018 and set new records in all three categories, but saw declines in overall cargo throughput in December amid "uncertain global economic situations."

During the year, HKIA handled 74.7 million passengers and 427,725 flight movements, representing yearly increases of 2.5 percent and 1.7 percent respectively. Total cargo throughput also increased by 1.5 percent to 5.1 million tonnes.

Flight movements in December rose 1.2 percent to 37,085, but cargo throughput decreased 5.2 percent to 448,000 tonnes. Passenger volume increased 1.7 percent yearly to 6.53 million last month, mainly driven by 3 percent growth in visitor traffic. Overall passenger traffic to/from Japan, Southeast Asia and Europe recorded the most significant increases.

Both imports and exports dropped by 7 percent last month. Among the key trading regions, traffic to/from Europe and Southeast Asia decreased most significantly in the month.

"Looking forward, several capacity enhancement projects will commence to cater for the surging demand, said chief executive officer Fred Lam. "The Terminal 1 annex building will commence operation in 2019. After the commissioning, there will be over 40 new check-in counters with self-bag drop facilities and two additional baggage reclaim carousels. The project will also provide more seats, shops and catering outlets in the expanded Arrivals Hall."

Govt will continue to bolster economy: Li Keqiang

By www.news.rthk.hk

Thursday, January 17, 2019

China will step in to support private businesses and cut taxes to boost the slowing economy, Premier Li Keqiang said on Wednesday.

Growth in the world's second largest economy is flagging, dragged down by the trade dispute with the US, and growth should slip to 6.2 percent this year according to the World Bank.

The slowdown complicates Beijing's efforts to cut debt levels and transition away from an economic model based on exports, manufacturing and investment to one more reliant on domestic consumption.

In a meeting with senior officials and leading businessmen including Alibaba's Jack Ma, Li outlined measures to fight the "downward pressure on the economy".

"We need to further stimulate the vitality of the market," Li said, according to state news agency Xinhua.

"This is an important support in the face of downward pressure and an important direction of reform," Li said.

In recent years, China has moved in the opposite direction, with state-owned enterprises growing in importance and privately owned companies facing greater obstacles.

"We must focus on creating a relaxed and fair business environment and focus on helping enterprises, especially helping private small and micro enterprises solve their difficulties," Li said, according to Xinhua.

He vowed to implement tax cuts, in a repeat of previous pledges made by other officials.

"We must encourage the expansion of domestic consumption and take advantage of our massive domestic market," Li said, according to Xinhua.

Economic growth is a sensitive topic for the Communist Party, which has based its ruling legitimacy largely on delivering constant expansion and rising living standards.

SAR No 2 for equities

By www.thestandard.com.hk

Thursday, January 17, 2019

Financial Secretary Paul Chan Mo-po said Hong Kong has become the second largest private equity market in Asia.

As of the end of 2018, Hong Kong private equities managed US\$152 billion (HK\$1.19 trillion) assets, accounting for 16 percent of the Asian market. In addition, local private equities raised US\$12 billion funds during the first half of 2018.

Chan said that the continuous growing wealth in the mainland will support the asset and wealth management market development in Hong Kong. As of the end of 2017, Hong Kong's total assets under management reached US\$3.1 trillion, with two-thirds of foreign investors, he said.

Meanwhile, Chan said that the government suggested that the profit tax exemption should be expanded to apply to onshore private equities - currently it is only for the offshore private equity market.

The motion has been filed to the Legislative Council the measure is likely to be implemented soon, he said.

Record number of firms invest in HK

By www.news.gov.hk

Monday, January 21, 2019

Invest Hong Kong assisted 436 overseas and Mainland companies to set up or expand in Hong Kong last year, up 8.5% year-on-year, setting a new record.

The firms come from 43 economies.

The Mainland continues to lead with a total of 101 companies, followed by 63 from the United States, 43 from the United Kingdom, 26 from France, followed by Australia and Singapore each with 20.

The companies are from a broad range of sectors. The top sector being innovation and technology, followed by tourism and hospitality, and transport and industrial.

Director-General of Investment Promotion Stephen Phillips said Hong Kong continues to attract overseas and Mainland investors because of its core advantages and emerging business opportunities, especially in light of the Belt & Road initiative and the latest developments in the Guangdong-Hong Kong-Macao Bay area.

"Our targets in 2019 include companies ranging from entrepreneur-led ventures to multinationals that plan to set up or expand in the city.

"Special focus is also being put on attracting innovation and technology companies in line with the Government's policy objectives," he added.

HK-Georgia trade pact to take effect

By www.news.gov.hk

Tuesday, January 22, 2019

A Free Trade Agreement between Hong Kong and Georgia will come into effect on February 13.

Signed on June 28, 2018, it is the first free trade agreement Hong Kong has signed with a Caucasus country.

Secretary for Commerce & Economic Development Edward Yau said: "With Georgia being a gateway to the Caucasus, this agreement not only enhances trade and investment flows between Hong Kong and Georgia, but also paves the way for the business community to tap into opportunities in the Caucasus under the Belt & Road Initiative."

The agreement covers areas including trade in goods and services, investment, and settlement mechanisms.

On the issue of trade in goods originating from Hong Kong, Georgia will abolish import tariffs on about 96% of its tariff lines.

For trade in services, commitments made by Georgia cover sectors including financial services, telecommunications services, various business services, wholesale and retailing services, arbitration services, audio-visual services, construction and related engineering services, environmental services, various transport services and printing and publishing services.

On the investment side, Hong Kong investors will have safeguards that are no less favourable than those enjoyed by Georgian investors.

HK ranked freest economy again

By www.news.gov.hk

Friday, January 25, 2019

The Government today welcomed the Heritage Foundation's recognition of Hong Kong as the world's freest economy for the 25th consecutive year.

Hong Kong's overall score in the 2019 Index of Economic Freedom report was 90.2, the only economy with an overall score of more than 90.

It achieved high scores of 90 or above in eight of 12 components measured in the report.

The foundation recognised Hong Kong's economic resilience, high-quality legal framework, low tolerance for corruption, high degree of government transparency, efficient regulatory framework and openness to global commerce.

Financial Secretary Paul Chan said: "This achievement reaffirms the Government's steadfast commitment in upholding the free market principles over the years.

"The Government will continue to uphold Hong Kong's fine tradition of the rule of law, maintain a simple and low tax system, improve government efficiency, safeguard the open and free trade regime and build a level playing field for all."

IMF commends Hong Kong

By www.news.gov.hk

Friday, January 25, 2019

Financial Secretary Paul Chan today welcomed an International Monetary Fund (IMF) report which commended Hong Kong for maintaining robust financial regulation and supervision.

The IMF's Staff Report reaffirmed its long-standing support for the Linked Exchange Rate System, and said that it should remain as an anchor of economic and financial stability for Hong Kong.

Noting initial signs of softening in the property market, the IMF considers it appropriate for Hong Kong to maintain its three-pronged approach of increasing housing supply and retaining tight macroprudential measures and demand side measures to safeguard financial stability.

It also applauded the city for its continued efforts to maintain competitiveness and expand its role as a leading financial centre.

In response to the report, Mr Chan welcomed the IMF's positive assessment and recognition of Hong Kong's sound policies.

He said: "With ample buffers, strong economic fundamentals and a robust regulatory and supervisory framework, Hong Kong is well placed to navigate through the challenges ahead.

"As an international financial centre and the pivotal gateway to the Mainland of China, we will continue to sharpen our competitive edge and reap the opportunities from further regional economic integration, especially in the context of the Guangdong-Hong Kong-Macao Greater Bay Area development."

Monetary Authority Chief Executive Norman Chan also welcomed the IMF's continued support for the Linked Exchange Rate System.