

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

---

### **Nordic tax deals in force**

By archive.news.gov.hk

Wednesday, March 02, 2016

Agreements between Hong Kong and the six Nordic jurisdictions of Denmark, the Faroes, Iceland, Norway, Sweden and Greenland for exchanging tax information have entered into force.

The agreements were signed in August 2014.

After ratification procedures were completed in Hong Kong and the Nordic jurisdictions, the tax agreements with Denmark, the Faroes, Iceland and Norway entered into force on December 4 last year.

The pacts with Sweden and Greenland came into effect on January 16 and February 17 respectively.

The agreements shall have effect for the taxable periods beginning on or after the respective dates on which the agreements entered into force, or where there is no taxable period, for all charges to tax arising on or after the respective dates on which the agreements entered into force.

### **Double taxation pact in force**

By archive.news.gov.hk

Wednesday, March 02, 2016

The Fourth Protocol to the comprehensive arrangement for avoiding double taxation between the Mainland and Hong Kong has entered into force, the Government said today.

The protocol, signed in April last year, facilitates avoidance of double taxation with the Mainland in a clearer manner. It came into force on December 29 last year after both sides completed ratification procedures.

## **China to expand economy by 6.5 to 7 percent**

By news.rthk.hk

Saturday, March 05, 2016

China is aiming to expand its economy by 6.5 percent to 7 percent in 2016 and keep consumer inflation around 3 percent, Premier Li Keqiang said in remarks prepared for delivery at the opening of the annual meeting of parliament on Saturday.

The government is also aiming for annual growth in broad M2 money supply of around 13 percent and a budget deficit of 3 percent of gross domestic product in 2016, Li said in the work report.

Weighed down by sluggish demand at home and abroad, industrial overcapacity and faltering investment, China's economic growth slowed to 6.9 percent in 2015, its weakest in a quarter of a century, and economists widely expect it to cool further to around 6.5 percent this year.

Some China watchers believe real growth levels are already much weaker than official data suggests.

China's leaders had been widely expected to target economic growth at between 6.5 percent and 7 percent this year, setting a range for the first time because policymakers are uncertain about the economy's prospects.

Premier Li also reiterated Beijing's determination to uphold the "one country two systems" principle and a high degree of autonomy in the governance of Hong Kong. He also expressed full support for the Chief Executive CY Leung.

On cross-strait relations, the premier warned of separatist activities, a clause that was absent in last year's report.

## **State planner says economy won't have hard landing**

By news.rthk.hk

Sunday, March 06, 2016

The mainland is not headed for a hard economic landing, and it is not dragging the global economy, the country's top economic planner said on Sunday.

"China will absolutely not experience a hard landing", Xu Shaoshi, head of the National Development and Reform Commission told reporters at a briefing in Beijing. "You need to look at the situation objectively. These predictions of a hard landing are destined to come to nothing", he said.

Beijing aims to keep its economy growing by at least 6.5 percent over the next five years while pushing hard to create more jobs and restructure inefficient state-owned enterprises. But some analysts believe real growth levels may already be much weaker than official data suggests.

## **Mainland inflation rises in February**

By news.rthk.hk

Thursday, March 10, 2016

Mainland consumer inflation jumped to 2.3 percent in February, powered by rising food prices - a positive sign for demand in the world's second-largest economy.

That compares with a 1.8 percent inflation rate in January.

The rise in the consumer price index released by the National Bureau of Statistics on Thursday was the largest in nearly two years.

The producer price index, which measures prices of goods at the factory gate, fell 4.9 percent year-on-year - an improvement on January's 5.3 percent drop.

## **Premier reassures world on mainland's economy**

By news.rthk.hk

Thursday, March 24, 2016

Premier Li Keqiang said on Thursday that he thinks there are more hopes than difficulties ahead for the mainland's economy, amid global concerns of an economic slowdown.

Speaking at the Boao Forum for Asia in Hainan, he said the economy has got off to a good start this year. But as it restructures, growth fluctuations in the short term are unavoidable.

Li asked observers to consider the mainland's economy "as a whole". He said if growth dips to what he called "unreasonable levels" and becomes stagnant, Beijing will adopt decisive policies to strengthen economic growth.

Li went on to say that the mainland will not try to stimulate its exports by devaluing the yuan. He said as a responsible country, it will keep its currency stable and at a reasonable level.

He reiterated that the mainland still intends to launch a stock connect programme between Hong Kong and Shenzhen within this year.

Li also said while the Asian economy is facing increasing uncertainty such as higher geopolitical risks, countries should maintain close cooperation so as to drive global economic growth.

## **AIIB chief says HK could soon become a member**

By news.rthk.hk

Friday, March 25, 2016

Hong Kong could soon be able to join the China-backed Asian Infrastructure Investment Bank (AIIB), its president said on Friday.

Speaking on the sidelines of the Boao Forum on Hainan island, JinLiqun said Hong Kong has a role to play in facilitating the financing of the AIIB.

"For instance, the AIIB can issue bonds in Hong Kong and can also have currency swaps with Hong Kong", Jin said.

He added that more than 30 countries are waiting to join the AIIB, adding to its 57 founding members.

The AIIB, first proposed by President Xi Jinping less than two years ago, has become one of China's biggest foreign policy successes.

Despite the opposition of Washington, many major US allies - Australia, Britain, German, Italy, the Philippines and South Korea - have joined.

Beijing says it will be an international institution and not used to boost its influence.

## **Czech leader gets down to business with Xi**

By www.thestandard.com.hk

Tuesday, March 29, 2016

President Xi Jinping has signed an agreement on a strategic partnership during his visit to the Czech Republic, a sign of improving relations with a country that once was a critic of China's human rights record.

Xi, who was greeted with rare 21 artillery salvos at the Prague Castle, the seat of the presidency, signed the document today together with his host, President Milos Zeman.

Xi's visit \_ his only stopover in Europe before flying to the US \_ is a result of a more business-oriented Czech approach to China than the one that prevailed under the late President Vaclav Havel, a prominent proponent of human rights.

Zeman said business deals to be signed during Xi's visit could bring almost US\$4 billion of Chinese investment this year.

Xi's visit to the Czech Republic is be the first state visit by a Chinese president to the country in 67 years since the two countries established diplomatic ties, Xinhua reported.