

Hong Kong & Mainland China News – November-2016

Mainland's PMI jumps to a two-year high

By news.rthk.hk

Tuesday, November 1, 2016

Private and official surveys show that factory activity on the mainland rose to a two-year high last month, suggesting the world's second-largest economy was stabilising.

The Caixin monthly purchasing managers' index (PMI) released on Tuesday rose to 51.2 in October from 50.1 the previous month, as production grew at its fastest in more than five years on strong domestic demand.

A similar index by the official Chinese Federation of Logistics and Purchasing also increased to 51.2 last month from 50.4 in September.

Both indexes are at their highest since July 2014. They are based on 100-point scales on which the 50 mark separates expansion from contraction.

In another hopeful sign for the country's economy, the official non-manufacturing PMI ticked up to 54 last month from 53.7 previously. (AP)

HK-GD finance meeting held

By news.gov.hk

Tuesday, November 1, 2016

The Expert Group on Hong Kong-Guangdong Financial Co-operation held its eighth meeting in Hong Kong today to discuss ways to enhance financial co-operation between the two places.

Permanent Secretary for Financial Services & the Treasury (Financial Services) Andrew Wong and Guangdong Financial Affairs Office Director General Xiao Xue co-chaired the meeting.

They discussed diversifying cross-boundary renminbi business, co-operation on the credit market, two-way opening up of capital markets and co-operation initiatives in the insurance industries.

They agreed to include the Management Committee of Guangzhou Nansha Economic-Technological Area, the Authority of Qianhai Shenzhen-Hongkong Modern Service Industry Co-operation Zone of Shenzhen and the Zhuhai Hengqin New Area Administrative Committee as group members.

Mr Wong said Hong Kong has long-established close financial co-operation with Guangdong and the two sides will seek to make significant contributions to the National 13th Five-Year Plan and the Belt & Road Initiative.

Both sides are preparing for the Shenzhen-Hong Kong Stock Connect and will strive for further expansion of the scope of eligible products for trading under the mutual market access scheme, he added.

FS signs Iran co-operation pact

By www.news.gov.hk

Tuesday, November 8, 2016

Financial Secretary John Tsang has signed a deal to boost Hong Kong's economic co-operation with Iran.

He signed the memorandum of understanding with Iranian Minister of Economic Affairs & Finance Ali Tayyeb Nia in Tehran today.

Mr Tsang applauded the minister's vision and enthusiasm in fostering a much better trading relationship with Hong Kong.

"This is a formula for success and we look forward to working together," Mr Tsang said. "With the signing of the memorandum of understanding, this forms a very good basis for us to take the matter forward."

Mr Tsang said Iranian enterprises can make good use of Hong Kong's extensive commercial and trade network, and experience, to tap the China and global markets.

He later met Minister of Co-operatives, Labour & Social Welfare Ali Rabiei and attended a networking session with a group of Iranian companies.

He said Hong Kong and Iran can work together in seizing the massive opportunities arising from the Belt & Road Initiative.

Mr Tsang also called on Central Bank of Iran Governor Valiollah Seif to discuss offshore renminbi business in Hong Kong.

China producer prices rise for 2nd straight month

By news.rthk.hk

Wednesday, November 9, 2016

Price for goods at the factory gate rose on the mainland for the second straight month in October, officials said on Wednesday, in a sign of strengthening demand in the world's second-largest economy.

The producer price index (PPI) rose 1.2 percent year-on-year in the month, according to the National Bureau of Statistics, adding it "rebounded obviously".

In September, the index ended more than four years of falls, rising 0.1 percent on-year and offering some relief to longstanding concerns about deflation.

Mainland firms have for years been battered by falling prices for their goods in the face of chronic overcapacity and weak demand, putting a damper on growth in a key driver of the world economy.

Protracted drops in PPI bode ill for industrial prospects and economic growth, as they put off customers – who seek to delay purchases in anticipation of cheaper deals in the future – starving companies of business and funds.

October's figure exceeded economist expectations of a 0.9 percent increase in a Bloomberg poll.

"Consumer and producer prices are both rising at a comfortable pace, with deflation fears no longer a pressing concern", Julian Evans-Pritchard of Capital Economics said in a note.

Surging prices for key industrial commodities, particularly coal, appeared to drive the increase, and "the trend will continue for a while until it heads down next year", Larry Hu of Macquarie Securities in Hong Kong told Bloomberg. "The readings show that China's economy has stabilised".

The consumer price index, a key gauge of retail inflation, matched expectations with an increase of 2.1 percent on the back of rising food, housing and health care costs, data showed.

HK, Chile sign investment agreement

By news.rthk.hk

Saturday, November 19, 2016

Hong Kong and Chile have signed a bilateral investment agreement on the sidelines of the Asia-Pacific Economic Cooperation ministerial meeting in Peru.

The deal is in addition to a free trade agreement the SAR signed with Chile four years ago.

The SAR government said Saturday that the new agreement would “enhance the confidence of investors, expand investment flows between Hong Kong and Chile, and further strengthen the economic and trade ties”.

It added that the deal provides for investment disputes to be settled under internationally recognised rules.

Commerce Secretary Greg So is attending the APEC meeting in Lima.

HK Disneyland to expand

By www.news.gov.hk

Tuesday, November 22, 2016

The Government has reached an in-principle agreement with the Walt Disney Company on the expansion and development plan for the Phase 1 site of the Hong Kong Disneyland Resort.

Announcing the deal today, Secretary for Commerce & Economic Development Gregory So said: “We are happy to see the Walt Disney Company’s confidence in the Hong Kong market and the future of tourism in Hong Kong, and that it continues to make significant investments to expand and develop Hong Kong Disneyland Resort.”

It will be the first Disneyland park in the world featuring "Frozen" and "Marvel Superheroes" themed areas. The plan will also transform the castle currently in the park.

The move will increase the number of themed areas from seven to nine, and the total number of attractions will increase from about 110 to over 130. The expansion will span from 2018 to 2023.

The plan will cost \$10.9 billion. Based on the current shareholding ratio, the Government will inject \$5.8 billion while the Walt Disney Company will inject \$5.1 billion.

Mr So said the plan will bring 5,000 jobs to Hong Kong which will progressively increase to 8,000.

The Government will discuss the plan with the Legislative Council on November 28. It will also make a submission for funding approval at a later date.

China, Peru sign 18 new trade agreements

By www.news.rthk.hk

Tuesday, November 22, 2016

President Xi Jinping signed new trade deals overnight on Monday with Peru, one of its partners in its drive to boost world trade in the face of protectionist stirrings.

A day after taking part in the Apec summit, Xi made a formal visit to the host nation, a major mineral and food exporter.

He and Peruvian President Pedro Pablo Kuczynski signed 18 agreements in a public ceremony, including one on mining and a measure to enhance their existing bilateral trade agreement.

The head of the Peru-China chamber of commerce Jose Tam was quoted ahead of the talks by Peruvian newspaper El Comercio as saying that Xi was expected to discuss a deal for exporting Peruvian prawns and blueberries to China.

Peru and its neighbours Brazil and Bolivia are also reportedly hoping to secure Chinese investment to build a railway linking the Atlantic and Pacific coasts.

China's Trade Minister Gao Hucheng, quoted by Peruvian news agency Andina, said China recently overtook the United States as Peru's top trading partner. Bilateral trade was worth US\$7.1 billion in the first half of this year, he said.

SZ-HK Stock Connect to launch

By www.news.gov.hk

Friday, November 25, 2016

The China Securities Regulatory Commission and the Securities & Futures Commission of Hong Kong issued a joint announcement today, announcing their approval of the official launch of the Shenzhen-Hong Kong Stock Connect on December 5.

The Hong Kong Special Administrative Region Government welcomed the announcement.

Financial Secretary John Tsang thanked the Central Government for its staunch support for Shenzhen-Hong Kong Stock Connect

"The regulatory authorities as well as exchanges and clearing companies of Hong Kong and Shenzhen have carried out tremendous preparatory work, and I would like to thank all colleagues for their efforts," he said.

"Shenzhen-Hong Kong Stock Connect will be implemented very soon. We will closely monitor its implementation so it will contribute to the economic and financial reforms of our country and reinforce Hong Kong's position as an international financial centre."

Shenzhen-Hong Kong Stock Connect is a mutually beneficial collaboration project. It will help further promote the opening up of the Mainland's capital markets as well as the internationalisation of the renminbi.

It will also reinforce Hong Kong's position as an international financial centre and a premier offshore RMB hub.