Pioneering blockchain platform kicks off trading

By www.thestandard.com.hk
Thursday, November 1, 2018

The Hong Kong Monetary Authority has launched a new blockchain-based trade finance platform developed by a consortium of 12 major banks.

Called eTradeConnect, the platform will improve trading efficiency while reducing the risk of fraud through paperless e-bills.

The project started in October 2017 after a trial facilitated by the HKMA. It was initially led by seven major banks and later joined by five more banks. eTradeConnect is said to be the first large-scale multi-bank blockchain project in Hong Kong and the funds involved in developing of the platform were shared by all participating banks.

HSBC made a deal yesterday and Diana Cesar, chief executive Hong Kong, said that trade finance has been a heavily paper-based industry with transactions worth over US $9 trillion in 2017."

Hang Seng Bank (0011) also completed a blockchain transaction between Clover Group International and Regina Miracle International for the sale and purchase of apparel accessories. The preparation and transmission of digital trade documents, auto matching and the raising of the trade finance request were conducted via eTradeConnect.

Teng Lin-hui general manager of transaction banking department, Bank of China (2388) said eTradeConnect was an important step toward the e-trading ecosystem.

HKMA chief Norman Chan Tak-lam said Hong Kong faces challenges arising from fintech such as regulation of different types of technology and internet safety risks.

R&D tax deduction gazetted

By www.news.gov.hk
Friday, November 2, 2018

The Inland Revenue (Amendment) (No. 7) Ordinance 2018 was gazetted today.

The amendment implements the 2017 Policy Address initiative enhancing the tax deduction for expenditure incurred by enterprises on research and development (R&D) in Hong Kong.

The Innovation & Technology Commission said the move aims to encourage more enterprises to conduct R&D locally to promote technological innovation and economic development, and to groom local R&D talent.

It also aims to encourage more R&D investment from private enterprises to reverse the ratio of public versus private sector R&D expenditure to private-led, which the commission said is more sustainable.

The amendment classifies R&D spending into Type A expenditures which qualify for 100% deduction and Type B which qualify for enhanced tax deduction.

For Type B expenditures, the deduction is 300% for the first $2 million of the aggregate amount of payments made to designated local research institutions for qualifying R&D activities, and enterprises' expenditures for in-house qualifying R&D, and 200% for the remaining amount, with no cap on the enhanced tax deduction amount.

The arrangement is applicable to R&D expenditures incurred by enterprises on April 1 and thereafter.

The amendment also empowers the Commissioner for Innovation & Technology to designate any university or college in Hong Kong, or any institute, association, organisation or corporation that undertakes qualifying R&D activities in the city, as a designated local research institution for tax deduction purposes.

R&D service providers which offer such services in Hong Kong and are competent to provide the service may apply to the Innovation & Technology Commission.

Detailed conditions and application procedures will be available on the commission's webpage later.

Xi promises a 'world-class business environment'

By www.news.rthk.hk
Monday, November 5, 2018

President Xi Jinping said on Monday that China would accelerate efforts to remove barriers to foreign businesses and to increase imports, amid growing pressure to follow through on earlier pledges to open the country's huge markets.

Xi said China would seek to "step up" moves to stimulate domestic consumption of imports, lower tariffs, ease customs clearance procedures, and implement harsh punishments for intellectual property infringements, among other measures.

"We will foster a world-class business environment," Xi said in an address opening an import fair in Shanghai.

Xi said further opening to imports is a "sincere commitment" by Beijing. But he made no mention of complaints that mainland's plans for state-led development of technology industries and curbs on access to its domestic industries violate its free-trade obligations.

He also said mainland will speed up the building of free trade ports. Shanghai and other regions will have a key role to play in the opening up, he said.

In an apparent reference to the trade dispute with the US and its effect on the mainland economy, Xi said: "The Chinese economy is a sea, not a pond. Storms can overturn a pond, but never a sea."

China International Import Expo is being attended by 3,600 companies and foreign leaders including Prime Minister Dmitry Medvedev of Russia.

HK continues to be strategic gateway

By www.news.rthk.hk
Monday, November 5, 2018

Hong Kong will continue to be the country's strategic gateway to the world.

Chief Executive Carrie Lam made the statement today in Shanghai after touring the inaugural China International Import Expo.

Mrs Lam said the theme of the Hong Kong Exhibition Area located at the China Pavilion of the Country Pavilion for Trade & Investment is "Hong Kong In", symbolising Hong Kong's role in the past four decades as a strategic gateway for the reform and opening up of the country.

She said with the development of the Belt & Road Initiative, Hong Kong will continue to play this role.

The city will help Mainland enterprises go global and assist international companies in entering the Mainland market.

Hong Kong can also provide professional services to Mainland enterprises which are planning to invest in Belt & Road countries, she added.

Regarding a media report claiming the Chief Executive is considering a top-level reshuffle, Mrs Lam said the report was just speculation.

Mrs Lam added she is not planning to split the Transport & Housing Bureau at the moment as the Government still has much work to do.

HK-Aus conclude trade talks

By www.news.gov.hk
Thursday, November 15, 2018

Hong Kong and Australia announced today the successful conclusion of negotiations on a free trade agreement and an investment agreement after reaching a consensus on both.

Secretary for Commerce & Economic Development Edward Yau today met Australian Minister for Trade, Tourism & Investment Simon Birmingham, who is also attending the 30th APEC Ministerial Meeting in Port Moresby, Papua New Guinea to discuss the two agreements between Hong Kong and Australia.

After the meeting, they signed the Declaration of Intent to signify the successful conclusion of the negotiations.

Mr Yau said Hong Kong and Australia are two like-minded economies in pursuit of free trade, adding Australia is also a very important Hong Kong trading partner.

He said Hong Kong has set clear objectives in launching the free trade agreement negotiations to achieve zero tariffs for Hong Kong products to the Australian market, and to secure Australia's best free trade agreement commitments for Hong Kong services.

“Our objectives are largely met with the successful conclusion of the negotiation of the very comprehensive free trade agreement and investment agreement today, thereby bringing our bilateral trade and investment relationship with Australia to a new height," Mr Yau said.

He added, the two agreements encompass trade in goods, trade in services, investment and other related areas, providing Hong Kong with legal certainty and better access to the Australian market.

The agreements also create business opportunities and further enhance trade and investment flows between the two places, Mr Yau said, adding Hong Kong's economy stands to benefit from the two agreements.

Hong Kong and Australia expect to sign both agreements in the first half of 2019, after completion of the respective internal procedures.

Mr Yau said: "To help Hong Kong enterprises and investors expand their markets, further reinforce Hong Kong's status as an international trade and investment hub and establish our worldwide network of economic and trade connections, we have been actively seeking to negotiate and forge free trade agreements and investment agreements with economies that have strong economic and trade connections with Hong Kong, markets with development potential or at strategic locations, as well as like-minded trading partners."

In the past 12 months, the current term Government has signed three free trade agreements with 12 economies. It has also concluded negotiations for a free trade agreement with the Maldives.

The free trade deals with Australia and the Maldives will bring the total number of such agreements Hong Kong has signed to nine, more than double the number signed prior to the current term.

Economy grows 2.9% in Q3

By www.news.gov.hk

Friday, November 16, 2018

Hong Kong's economy grew solidly by 2.9% in the third quarter of 2018 year-on-year, marking the eighth consecutive quarter of above-trend growth.

However, it moderated from the 3.5% growth in the second quarter.

Total exports of goods grew notably by 5% year-on-year in real terms for the third quarter.

But the pace of export growth decelerated in September, as the impact of the US-Mainland trade conflicts began to surface.

Taking the external environment into account, economic growth for 2018 as a whole is forecast at 3.2 %, within the previously announced range of 3% to 4%.

At a press conference today, Government Economist Andrew Au said the local economy faces increasing external downside risks as global economic growth has peaked and lost some momentum.

This can be seen in the slower growth in the EU economy and in many Asian economies this quarter, he added.

"Secondly, the US-Mainland trade conflict has weighed on global economic sentiment, with possible repercussions on global trade and global investment activities.

"Unless there's some cooling off of the trade tensions, the impacts on the Hong Kong's economy are likely to become more apparent in the near term."

The residential property market cooled off in the third quarter, as overall flat prices edged down by 1%.

However, overall flat prices in September were still higher than the 1997 peak by 125%.

Pressures on consumer prices continued to build up alongside sustained above-trend economic growth. The consumer price inflation picked up to 2.8% in the quarter, averaging 2.5% for the first three quarters as a whole.

The forecast rates of underlying and headline consumer price inflation for the year have been slightly revised upwards to 2.7% and 2.4% respectively.

HK’s drop in talent ranking not a worry: CE

By www.news.rthk.hk
Tuesday, November 20, 2018

Chief Executive Carrie Lam has played down concerns over Hong Kong's fall in an international ranking that assesses the city's ability to attract and retain talent.

The latest IMD World Talent Ranking, published by the Switzerland-based International Institute for Management Development, has ranked Hong Kong 18th on its list of 63 economies – down six places from last year.

The survey looked at talent competitiveness based on areas such as education, workplace training, language skills, cost of living, and quality of life.

Switzerland topped the table for 2018, followed by Denmark and Norway.

Singapore came first among Asian economies, having placed 13th overall, while China came in 39th.

Lam said on Tuesday that Hong Kong's drop in the ranking is nothing to be concerned about, adding that the survey may not have taken into account the government's latest expenditure on education.

"I am not too worried about this drop in the ranking... I have yet to find out the so-called cut-off date of the information as a basis for the ranking. It might capture a situation a year ago, so it would not have reflected the extensive investment we have made in education in this term of the government."

The CE said the ranking has in fact encouraged the SAR authorities to do better in training up talent.

October trade gallops at double-digit pace

By www.thestandard.com.hk
Monday, November 26, 2018

Hong Kong's exports and imports of goods increased in October at a double-digit pace.

Exports of goods increased by 14.6 percent over a year earlier to HK$383.7 billion, after a year-on-year increase of 4.5 percent in September. Imports grew by 13.1 percent on-year to HK$428.1 billion, after a year-on-year increase of 4.8 percent in September, the Census and Statistics Department, reported.

The trade deficit was HK$44.5 billion

For the first 10 months exports increased by 9.8 percent from the same period in 2017, while imports increased by 11.1 percent. The trade deficit was HK$466.3 billion.