Prime Central harbourfront plot awarded to Henderson

by news.rthk.hk
Wednesday, Nov 03, 2021

Henderson Land Development has won a prime commercial plot by the Central harbourfront, paying a record HK$50.8 billion for the site.

Analysts had expected the parcel, dubbed "land king", to fetch between HK$37 billion and HK$55 billion. It attracted six bids, including from developers CK Asset, New World Development, and Sun Hung Kai Properties.

The government said only two bidders managed to pass its vetting criteria under a "double-envelope" approach, with the developers' design proposals also taken into consideration.

The Development Bureau said the winning proposal was based on the idea of a bridge, and aimed to create a "world-class iconic landmark in Hong Kong, enhance the connectivity between the hinterland and harbourfront in Central, and create a vast amount of green and public spaces."

Henderson Land proposed erecting three buildings, with the block closest to Victoria Harbour being multi-functional and the other two designated for offices.

The government says a green roof-level platform will connect the three buildings. This "urban forest" will provide a lawn, jogging routes and an outdoor space for public use.

The public open space in the plan will exceed the minimum requirement of 269,098 square feet, according to the government.

Henderson Land has also proposed building a pedestrian network linking existing routes in Central and the MTR.

The government said the whole project is required to be completed by December 2032.

Hong Kong tops Chinese cities in sustainable competitiveness

by www.thestandard.com.hk
Wednesday, Nov 03, 2021

Hong Kong tops Chinese cities in a ranking of sustainable competitiveness and comes third in comprehensive economic competitiveness.

The report jointly released by the Chinese Academy of Social Sciences and China Social Sciences Press on Tuesday rated 291 cities in China for their competitiveness in economic development, as well as sustainability and livability.

Hong Kong tops the ranking for sustainability and livability, with other nine being Shenzhen, Taipei, Shanghai, Beijing, Guangzhou, Wuhan, Suzhou, Nanjing and Xiamen.

As for economic competitiveness, the top 10 were Shanghai, Shenzhen, Hong Kong, Beijing, Guangzhou, Suzhou, Taipei, Nanjing, Wuhan and Wuxi.

The 11th to 20th were Hangzhou, Chengdu, Ningbo, Foshan, Macau, Changsha, Dongguan, Changzhou, Xiamen and Qingdao. Six out of the top 20 cities were in the Greater Bay Area.

According to Ni Pengfei, the chief researcher of CASS, this year's ranking showed the continuation of "high in the south and low in the north, rising in the south and falling in the north".

"As for the ranking of future sustainable competitiveness, it showed that East China, Hong Kong, Macao and Taiwan are still the main leaders in city competitiveness," Ni said.

China's capital market 'will reach 100tn yuan'

by www.thestandard.com.hk
Friday, Nov 05, 2021

China's capital market is expected to grow to 100 trillion yuan (HK$121.62 trillion) in 2030 from the existing 31 trillion yuan, chief executive of the city's bourse Nicolas Aguzin said.

Aguzin believed this will create more opportunities for Hong Kong as the savings of Chinese residents account for around 45 percent of its gross domestic product, and many are trying to find new investment chances in the low-interest-rate environment.

Foreign investment in China is still very small, he said, adding that foreign capital only accounts for 5 percent of the total A-share market capitalization.

But he believes more and more funds will flow into China in the future as the country gradually opens up to the world.

Aguzin added that Hong Kong is becoming a leading center of new stock fund-raising and risk and wealth management.

The Asian financial hub will continue to connect China to the world, he said, and the city is well placed for the development of fintech.

Separately, the Cross-boundary Wealth Management Connect Scheme recorded 7,600 individual investors totaling 131 million yuan in two weeks since its inception on October 19.

Among them, 5,022 retail investors in Hong Kong and Macao participated in the Northbound Scheme, involving 1,270 transactions amounting 65.5 million yuan. And 2,578 mainland investors took part in the Southbound Scheme, with 65.7 million yuan recorded in 482 transactions.

China posts record trade surplus in October as exports surge

by www.thestandard.com.hk
Sunday, Nov 07, 2021

China posted a record monthly trade surplus in October as exports surged despite global supply-chain disruptions.

Exports rose 27.1 percent in dollar terms last month from a year earlier to US$300.2 billion, data from the General Administration of Customs showed Sunday. That was the 13th straight month of double digit growth, and exceeded economists’ expectations of a 22.8 percent gain. Imports increased 20.6 percent, leaving a trade surplus of US$84.54 billion.

China’s trade growth has remained well above pre-pandemic levels all year. Its exports through October have already surpassed all of 2020.

The strong trade performance is providing support for a Chinese economy that’s slowed sharply in recent months due to weak domestic demand caused by a real estate downturn, electricity shortages that have slowed industrial output, and weak consumer spending worsened by sporadic outbreaks of the coronavirus.

China's coal imports almost doubled in October from a year earlier as Beijing scrambled to deal with power cuts caused by a shortage of the commodity and surging demand for electricity, especially from export-oriented manufacturers. Imports of natural gas, an alternative to electricity for heating homes, jumped 22 percent in the first 10 months of the year.

Global trade has been running at record levels this year as economies around the world recovered from virus-induced lockdowns in 2020. That has put strain on supply chains in many countries due to shortages of containers and ships as well as capacity at ports, including drivers who deliver goods to retailers.

The outlook for the supply chain crisis may be improving, as foretold by falling shipping costs.

China's exports to the European Union and the U.S. have grown fastest among its major trading partners this year, customs data showed. The nation's trade surplus with the U.S., a source of trade tensions between the world's two largest economies, rose to 2.08 trillion yuan (US$325 billion) in the 10 months through October from 1.75 trillion yuan a year earlier, partly because Chinese imports of U.S. soybeans slowed due to weather-related issues in recent months.

Machines and electrical products accounted for almost 60 percent of Chinese exports by value this year, the customs administration said. Labour-intensive products such as clothing and plastic products made up another 18 percent. Goods such as household appliances, lightings and furniture saw the fastest export growth in October, Goldman Sachs Group Inc. analysts said in a note.

China is the world's largest source of demand for most commodities because of its industry and construction-heavy economy. Demand for construction-related goods has slowed this year due to the country's property market downturn, with iron ore imports decreasing in volume terms in October.

Reserves Rose

Dollar inflows have supported China's currency this year and added to the government's reserves of foreign exchange, which rose to US$3.22 trillion at the end of October, according to the People's Bank of China. The dollars offer China an important cushion against any future shocks in the world economy, even as individual companies like China Evergrande Group struggle to repay their debts.

The nation's strong export momentum will last at least for the next few months, according to a Bloomberg Economics analysis. Demand for Chinese products could slow if consumers in developed economies continue to shift away from goods toward services consumption, and countries in South and Southeast Asia resume factory production following pandemic-related shutdowns.

The government in recent days has warned of "downward pressure" on the economy and vowed measures to boost domestic demand, including more supportive policies for small and medium-sized companies. It has vowed not to use the property market to provide temporary stimulus, and the central bank has remained conservative, sticking to making short-term loans to keep interbank liquidity stable. Bank reserve requirements have been unchanged since July and policy interest rates have been steady since last year.

Economy grows 5.4% in Q3

by news.gov.hk
Friday, Nov 12, 2021

Hong Kong's economic recovery became more entrenched as gross domestic product (GDP) grew by 5.4% in the third quarter over a year earlier due to further revival of global economic activity and the stable local epidemic situation.

Government Economist Andrew Au made the statement when presenting the city's latest economic figures at a press conference today.

For the first three quarters as a whole, real GDP grew by 7% over a year earlier. On a seasonally adjusted quarter-to-quarter comparison, it rose slightly by 0.1% in the third quarter.

Supported by the continued revival of major economies and vibrant regional trade flows, total exports of goods grew notably by 14.2% year-on-year in real terms in the third quarter.

Private consumption expenditure rose appreciably by 7.1% year-on-year in real terms as a result of the stable local epidemic situation, improved labour market conditions and the Consumption Voucher Scheme.

The seasonally adjusted unemployment rate fell further to 4.5% from the previous quarter's 5.5%, visibly lower than the peak of 7.2% in the period from December 2020 to February 2021.

As business conditions improved and property transactions increased visibly over a year earlier, overall investment expenditure grew by 10.8% year-on-year in real terms.

Mr Au cautioned that external factors cast a shadow over Hong Kong's economic growth.

"The pace of global economic recovery seems to have slowed somewhat in recent months due to the surge in COVID-19 Delta variant infections and the pandemic induced supply and transportation bottlenecks in many places. This may weigh on the performance of our export of goods going forward."

Mr Au noted that business sentiment turned cautious recently amid the external uncertainties but added that the city's economic growth may continue.

"The improving employment and income conditions, together with the Consumption Voucher Scheme, should remain supportive to the consumption-related activities in the near term.

"Balancing all the factors that (we) mentioned, we believe the Hong Kong's economy should be able to attain a solid year-on-year growth in the fourth quarter."

Considering the actual outturn in the first three quarters of the year, the real GDP growth forecast for 2021 as a whole is revised to 6.4%, close to the upper bound of the forecast range of 5.5%-6.5% as announced in mid-August.

The forecast rate of underlying inflation for 2021, on the other hand, is revised downwards to 0.7% from 1%.

Mainland factory output, retail sales beat forecasts

by news.rthk.hk
Monday, Nov 15, 2021

China's industrial output and retail sales grew more quickly than expected in October, despite fresh curbs to control Covid-19 outbreaks and supply shortages, but the slowing property sector weighed on the economic outlook.

Output grew 3.5 percent in October from the same period a year ago, official data showed on Monday, accelerating from a 3.1 percent increase in September.

Retail sales rose 4.9 percent year-on-year in October, beating expectations for 3.5 percent growth and after a 4.4 percent increase in September.

Data from the National Bureau of Statistics showed property investment and sales growth continued to slow over January-October compared with the first nine months, and new construction starts measured by floor area fell.

Trading begins on new Beijing Stock Exchange

by www.thestandard.com.hk
Monday, Nov 15, 2021

A new Chinese stock exchange focused on SMEs began trading in Beijing on Monday, boosting support for smaller-scale firms as economic growth slows and Beijing cracks down on domestic tech giants.

Over 80 companies started trading on the Beijing Stock Exchange, which is expected to complement two main bourses in Shanghai and Shenzhen by catering to smaller enterprises that have long faced difficulty getting funding from banks.

Chinese media reported Monday that a number of new stocks on the exchange rose by more than 30 percent.

Stocks will not be allowed to rise or fall more than 30 percent in a single trading day on the exchange, but earlier reports had said there would be no cap for the first day of listing.

On Monday, 10 newly-listed companies triggered temporary suspensions when their shares surged more than 60 percent, state media said.

The new exchange is vital for "improving financial support for SMEs, as well as promoting innovation-driven development," Yi Huiman, the chairman of the China Securities Regulatory Commission, said at an opening ceremony.

The new exchange follows the 2019 launch of a Nasdaq-style board focused on science and technology listings on the Shanghai Stock Exchange.

It comes as authorities move to develop the country's capital markets amid slowing economic growth and as Beijing clamps down on tech giants in a bid to stem the sector's aggressive growth, alleged data misuse and monopolistic practices.

The Beijing exchange provides a capital-raising conduit for SMEs and takes in companies on the top tier of China's existing National Equities Exchange and Quotations (NEEQ), founded in 2012.

The NEEQ is an entry level, over-the-counter stock trading platform allowing firms to raise funds before listing on a stock exchange.

Seventy-one companies from the NEEQ -- or "New Third Board" -- were transferred to the Beijing exchange and 10 others were listed directly.

The Beijing exchange's rules allow it to process listing applications more quickly than some other boards.

Hong Hao of financial services firm Bocom International told AFP that the exchange's long-term success "remains to be seen".

"You need to have credible companies to be listed on the exchange, to generate enough interest," he said.

Many Chinese companies including giants like Alibaba and Baidu have in the past listed on the more developed US exchanges.

But Beijing has been pressing companies to instead list on home soil, and Chinese firms hoping to trade shares in the United States face heightened scrutiny from regulators there as the economic and tech rivalry between the two countries deepens.

But Hong Kong remains a more likely location for large Chinese companies seeking to list outside the country's mainland, observers note.

HK best platform for GBA businesses to go global

by www.thestandard.com.hk
Friday, Nov 19, 2021

Hong Kong is considered as the ideal platform for mainland businesses in the Greater Bay Area using the Regional Comprehensive Economic Partnership Agreement to go global, a joint report by the Hong Kong Trade Development Council and the Association of Chartered Certified Accountants showed.

The report covers a survey that found that Hong Kong is the first port of call for mainland GBA companies seeking assistance as they expand internationally. The most attractive overseas destinations were Southeast Asian countries, including RCEP members.

Almost all GBA companies needed professional services before expanding their footprints overseas, the survey found, including product development and design, followed by banking, financing and project valuation, brand design and marketing strategies, and related legal and accounting services, HKTDC said.

Half of these respondents preferred Hong Kong as the source of a professional service outside the mainland, followed by the US, Singapore and Japan, the survey showed.

RCEP provisions are expected to take effect as early as next year, the HKTDC said

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In other news, only 37 percent of Hongkongers consult financial advisors before making investment decisions with 63 percent having no financial plan, according to a survey by a wealth management firm St. James's Place Wealth Management Asia.