



President has full confidence in Hong Kong

PRESIDENT HU JINTAO has praised Hong Kong's achievements in economic development and improving people's livelihood, and believes the special administrative region will fare even better.

Meeting Donald Tsang, the Chief Executive of the Hong Kong Special Administrative Region (HKSAR), who was on a duty visit to Beijing from November 21 to 23, President Hu expressed confidence in Hong Kong and said the Central Government's new leadership will support the Chief Executive and Hong Kong, as always.

Mr Tsang also had a breakfast meeting with Foreign Affairs Minister Yang Jiechi, who said his Ministry fully supports Hong Kong in its efforts to develop into a world convention hub.

In addition, Mr Tsang met Political Bureau Standing Committee member Xi Jinping, who reassured him the Central Government's policy towards Hong Kong remains unchanged



CE Donald Tsang (left) is greeted by President Hu Jintao on arrival at Zhongnanhai.

RMB pilot run

Concluding his duty visit to Beijing, Mr Tsang said the Central Government and Mainland financial institutions, including People's Bank of China, all fully support Hong Kong in expanding renminbi (RMB) business.

Hong Kong is the premier choice as a pilot point for running RMB business outside the Mainland.

They also back Hong Kong in strengthening its status as a world financial centre, Mr Tsang added.

On the initiative to allow Mainlanders to directly invest in Hong Kong's stock market, Mr Tsang quoted Premier Wen Jiabao as saying it will be taken forward cautiously and pragmatically

to ensure the financial stability of Hong Kong and the Mainland.

Mr Tsang said the HKSAR Government will fully cooperate with the Mainland when the initiative is given the green light. ◇

Policy Address unveils new directions

CHIEF EXECUTIVE DONALD TSANG, outlined on October 10 a new direction for Hong Kong's development in his first Policy Address of the Third Term Government.

"The rise of our country brings new opportunities. It also ushers in a new era for Hong Kong," Mr Tsang said in his Policy Address entitled "A New Direction for Hong Kong".

He set out three "guiding principles" to realise his vision over the next five years:

- Promoting economic development as a primary goal;
- Promoting sustainable, balanced and diversified development; and
- Enhance social harmony to facilitate social mobility, help the poor, create job opportunities and promote a caring culture in the community.

Mr Tsang also outlined five main areas that would help Hong Kong rise to a new level of development and meet the challenges ahead.

- Undertaking 10 major infrastructure projects for economic growth. The projects include new rail and road links to boost connectivity with the Mainland and enhance Hong Kong's transport network.
- Developing a quality city with quality life by improving the living environment, enhancing heritage protection and revitalising historic buildings, promoting cultural

and creative industries and introducing new food safety laws and standards.

- Investing in a caring society by returning wealth to the people through tax cuts and a rates rebate, promoting the development of social enterprises, providing more training and retraining opportunities, alleviating poverty and improving services for the elderly.
- Optimising the demographic structure and attracting talent by expediting the development of human capital and promoting healthy ageing.
- Developing democracy and enhancing governance.



To promote understanding of Hong Kong's latest policy initiatives to the regional interlocutors, K K Lam, Director of the HKETO gave talks and hosted discussions on the Policy Address in Singapore, Bangkok, Kuala Lumpur, Ho Chi Minh City and Manila, attracting record audience turnout in each city.

The full text of the Policy Address can be downloaded from www.policyaddress.gov.hk ◇



Hong Kong movies draw acclaim

HKETO successfully presented in September the four-day "Hong Kong Movies: The Last Decade" event in Singapore to celebrate the cultural achievements of the HKSAR since its establishment 10 years ago.

The opening on September 18 featured a cocktail reception and a special screening of "Three — Going Home" (2002) directed by Hong Kong director Peter Chan (right in picture), who made a special appearance to promote Hong Kong's film industry and to introduce his productions.

K K Lam, Director of the HKETO (left in picture) said at the reception that the event provided a marvellous opportunity to demonstrate the vibrancy and innovative flair of Hong Kong's movie industry, which remained vigorous in the last decade with the freedom of speech and expression guaranteed under the Basic Law.

He told some 200 Singapore guests who attended the opening that the HKSAR Government was dedicated to building a favourable environment for the film industry to flourish. The Film Services Office streamlines procedures for location shooting to promote Hong Kong as a leading film production centre of Asia Pacific.

"In April this year, our Government formed a Film Development Council to advise on the policy and strategy for the promotion and development of the film industry, as well as the use of public funds to support the industry. We have also injected HK\$300



million into the Film Development Fund and expanded its scope to finance the production of small-to-medium budget films in addition to other projects conducive to the healthy and long-term development of the film industry."

Guests gave positive feedback on the unusual storyline of the opening movie. The other nine shortlisted productions also won much applause. Three of these nine films have never been publicly screened in Singapore, and the Singapore government exceptionally approved two films to be shown in their Cantonese soundtrack. ◇

"The Dark Knight" crew causes excitement



A C-130 Hercules cargo aircraft flies low over Central Pier filming aerial shots for the latest Batman blockbuster.

FILMING of the latest Batman sequel, "The Dark Knight" in Hong Kong in November caused excitement in town and attracted extensive media coverage.

The Caped Crusader flew into Hong Kong for the filming of this movie. Hollywood actors, stuntmen and film crew joined forces with a hulking Hercules C-130 transport plane and a couple of helicopters to shoot scenes set against the backdrop of Hong Kong's iconic skyline and stunning harbour.

But behind the scenes there has also been plenty of action as the Television and Entertainment Licensing Authority (TELA) worked hand in hand with local production company October Pictures to bring the Batman action to life in Asia's world city.

Ms Maisie Cheng, the Commissioner for TELA said despite

the many logistics challenges involved in making a Hollywood blockbuster, all the effort is well worth it for Hong Kong.

"TELA welcomes the use of our city as a location for local or international film productions and we have a dedicated Film Services Office to help out in this regard.

"Hong Kong has a world-famous skyline set against green hills and a beautiful harbour, all of which combine to make a magnificent canvas for any movie maker.

"We're proud that Hong Kong will feature in another international movie and happy to have played a role in making it happen," she said.

Ms Cheng added that the unique style of Hong Kong's homegrown film-makers had also captivated audiences around the world.

She said Hong Kong movie fans from overseas and the Mainland would often look for the locations featured in classic movies such as "Chungking Express", "In the Mood for Love", "Police Story" and "Infernal Affairs".

"The Dark Knight" is the latest in a long line of foreign movies that have chosen Hong Kong's unique and beguiling cityscape as a location. ◇

New delivery-versus-payment link with Malaysia

BANK NEGARA MALAYSIA and the Hong Kong Monetary Authority (HKMA) announced on October 29 the implementation of cross-border delivery-versus-payment ("DvP") link between Hong Kong's US dollar real time gross settlement (RTGS) system and Malaysia's Ringgit RTGS system.

The DvP link will help eliminate settlement risk of US dollar bonds issued and traded in Malaysia by

ensuring simultaneous delivery of US dollars in Hong Kong and US dollar bonds in Malaysia.

The DvP settlement services provide the necessary settlement infrastructure to support potential issuance of US dollar bonds in Malaysia, as part of the initiatives to promote Malaysia as an Islamic financial centre and Hong Kong as an international financial centre. The new link builds on the success of the payment-versus-

payment ("PvP") link between Hong Kong's US dollar RTGS system and Malaysia's Ringgit RTGS system that was established in November 2006. The launch of this DvP link further signifies the cooperation between the HKMA and Bank Negara Malaysia.

The link is operated in Malaysia by Bank Negara Malaysia and in Hong Kong by Hong Kong Interbank Clearing. ◇



800+ guests attended Asian Financial Forum

THE Asian Financial Forum was successfully held in Hong Kong on September 21 with enthusiastic exchanges among local, Mainland and overseas financial services leaders and experts.

The forum, carrying the theme "Leveraging New Opportunities, Advancing Regional Stability" is the first event of its kind hosted by the HKSAR Government to highlight and reinforce Hong Kong's prestige as an international financial centre.

Bank Negara Malaysia's Deputy Governor Dato' Mohd Razif Abd Kadir was one of the panel speakers on the subject of Asian treasury and bond markets, including development of Islamic bond market.

Donald Tsang, the Chief Executive, in his opening speech outlined the developments of the Asian financial market over the past decade, the implications these developments had brought about and the work to do to meet the new challenges ahead. "Over the past decade, we have seen two very positive developments in the region," he said.

The two developments were the growing significance of Asia in the world market, particularly the emergence of China and India; and the considerable progress made by many regional economies to strengthen their financial markets and infrastructure, he said.

However, Mr Tsang also cautioned about the implications. "Looking ahead, there are a number of concerns for all of us: volatile capital flows and their potential to destabilise a market,

particularly an emerging market where infrastructure is immature; interest rate uncertainty or adjustments triggering a reassessment of risks, possibly resulting in sudden capital flight; and, the uncertainty caused by the growing prominence of hedge funds and other largely unregulated entities in financial market.

"To address the risks arising from volatile capital flows, regulators should stress test their systems to assess the impact on liquidity and pricing arising from the unwinding of large positions. This should reveal how market stability could be affected and help us prepare for any such shock," he said.

More than 800 guests from global institutional investors, financial service institutions and high-growth corporates attended in the forum by invitation. ◇



Financial Secretary John Tsang (right) pictures with Bank Negara Malaysia's Deputy Governor Dato' Mohd Razif Abd Kadir when meeting him in August in Kuala Lumpur on Islamic finance.

Vietnam companies encouraged to list in Hong Kong

PROFESSOR K C CHAN, Secretary for Financial Services and the Treasury (right in picture), made his first official visit to Vietnam from November 21 to 23 to showcase Hong Kong's position as an international financial centre and to promote Hong Kong as a preferred listing venue.

On his first stop in Hanoi, Professor Chan called on Tran Xuan Ha, the Vice-Minister of Finance (left in picture); Phung Khac Ke, the Vice-Governor of the State Bank of Vietnam; and Dr Vu Bang, the Chairman of the State Securities Commission. They exchanged views on the development of the Vietnamese and Hong Kong financial markets. Professor Chan also met key figures in the banking sector during his stay in the capital.

While in Ho Chi Minh City, Professor Chan called on Madam Nguyen Thi Hong, the Vice-Mayor of Ho Chi Minh City and met leaders of the financial services sector. He visited the Ho Chi Minh Stock Exchange (HOSE) and exchanged views with Mrs Phan Thi Tuong Tam, the Vice Executive President of the HOSE, on financial market developments in the two cities. He also delivered a keynote address at an IPO in Hong Kong Conference jointly organised by the Hong Kong Exchanges and Clearing Limited (HKEx) and the State Securities Commission of Vietnam.

Addressing more than 300 guests at the conference, Professor Chan said Hong Kong had firmly established itself as the premier capital formation hub in Asia.

Noting the Hong Kong Securities and Futures Commission and the HKEx published a joint policy statement to facilitate listing of overseas companies, Professor Chan encouraged Vietnamese enterprises to make use of Hong Kong's listing platform to raise capital.

He said enterprises around the world were attracted to



Hong Kong's capital market not just for efficient access to capital, but also for the corporate governance standards and Hong Kong's internationally recognised regulatory standards.

Professor Chan also highlighted Hong Kong as the top choice for foreign investors to tap the tremendous business opportunities in Mainland China. He said investors eyeing the growing Mainland market would find Hong Kong's equity market an ideal investment platform.

He said Hong Kong's success as a fundraising centre for Mainland enterprises showed the deep and large pool of liquidity in the city's market.

"We are confident that with our extensive experience in financing the growth of enterprises in Mainland China, we are capable of providing equally quality service to Vietnamese enterprises, be they state-owned or private, seeking to tap the international market," Professor Chan said.

The conference was also attended by a 50-strong delegation from Hong Kong's financial services sector that comprised investment managers, lawyers, accountants and valuers.

HKEx reaches out to Singapore enterprises

Earlier in November, Ms Christine Lie, the Vice President of HKEx and Edward Lee, Director, Equity Capital Markets of Deutsche Bank AG, gave a breakfast talk in Singapore on listing on the Hong Kong securities market.

While Ms Lie explained the advantages of listing in Hong Kong, Mr Lee elaborated on the listing procedures and requirements. They highlighted that capitalisation of the Hong Kong securities market reached an all-time high of HK\$20,757 billion in early October. ◇



Economy sustains strong growth

ACCORDING to the recently released Third Quarter Economic Report 2007, the Hong Kong economy stayed vibrant in the third quarter of 2007, with GDP leaping by 6.2% in real terms over a year earlier. This followed a robust 6.1% growth in the first half of the year and also marked the 16th consecutive quarter of distinctly above-trend growth.

Merchandise exports grew notably further in the third quarter, by 6.4% in real terms. Merchandise exports to the Mainland and many other emerging markets held up very well, those to the EU grew further. Meanwhile, exports of services accelerated further in growth, up by 12.3% in real terms, reflecting strong inbound tourism, vibrant financial market activities and continued surge in offshore trade.

Domestic demand played a key role in driving the economy

in the third quarter. Private consumption spending grew strongly by 9.7% in real terms, supported by improving job market and rising household income and wealth. Overall investment spending expanded further by 2.0% in real terms. Business sentiment in almost all sectors continued to hold up very well as indicated by the latest Quarterly Business Tendency Survey results.

With strong growth in the economy, provisional statistics shows that the seasonally adjusted unemployment rate decreased from 4.1% in July-September 2007 to 3.9% in August-October 2007, the lowest since mid-1998. Job vacancies continued to surge.

With the strong 6.1% GDP growth in the first three quarters of 2007 and given the robust domestic demand, the Hong Kong economy is tipped to attain 6% growth in real terms for 2007. ◇

Hong Kong to host Asian-Oceanian ICT summit

HONG KONG will be the hosting city of the Asian-Oceanian Computer Industry Organisation (ASOCIO) ICT (information and communication technology) Summit 2008 in December next year, Mrs Rita Lau, the Permanent Secretary for Commerce and Economic Development (Communications and Technology) said when attending the ASOCIO gala dinner in Singapore on November 28.

As a federation of computing industry associations from the Asian-Oceanian region, the ASOCIO organises an ICT Summit in one of its 20 member countries/economies annually to foster cooperation and promote development of the ICT industry.

While in Singapore, Mrs Lau also attended the Award Ceremony of Asia-Pacific Information and Communication Technology Award (APICTA) on November 29.

APICTA is an international awards programme among the 16 member-economies of APICTA Alliance, including Hong



Kong, to increase ICT awareness in the community and bridge the digital divide.

During her three-day stay, Mrs Lau visited the Infocomm Development Authority, the Ministry of Information, Communications and the Arts, the Agency for Science, Technology and Research and the E-Government Leadership Centre. Matters of mutual interest, including facilitation measures on technology and innovation, Radio Frequency Identification (RFID), national/regional digital strategy plans, e-government leadership

programmes and the media industry were discussed at the meetings.

To enhance mutual cooperation between the ICT industries in both places, Mrs Lau joined a meeting hosted by the Singapore Infocomm Technology Federation, together with Hong Kong ICT industry representatives who were in Singapore taking part in the ASOCIO and APICTA events. ◇

Wi-Fi service available at 3,000 locations

OVER 5,000 Wi-Fi hotspots installed at around 3,000 locations in Hong Kong made the territory a world leader in providing public Wi-Fi service, according to the latest statistics published by the Office of the Telecommunications Authority (OFTA).

Unlike other cities, where public Wi-Fi service involves either public funding or co-ordination by governments, Hong

Kong's service is entirely funded by the private sector, another testimony to the success of Hong Kong's market-driven policy.

It is the HKSAR Government's vision to make broadband Internet access available to everyone in Hong Kong, whether they are at home or on the move. To facilitate fast and cost-effective Wi-Fi service in public areas, the Government has made

available government properties and facilities in public streets (such as lamp posts and telephone kiosks) at nominal rental to authorised service providers.

OFTA will continue to remove regulatory barriers and to facilitate deployment of wireless communications services, including public Wi-Fi service, to develop Hong Kong into an advanced wireless city. ◇



Tenders invited for Kai Tak cruise terminal

HKSAR Government issued an open tender on November 9 for the development of a new cruise terminal at Kai Tak.

The successful tenderer is expected to design, build, operate, manage and maintain the new cruise terminal for 50 years and begin operating the first berth in February 2012.

The HKSAR Government aims to develop Hong Kong into a leading regional cruise hub through the development of a world-class cruise terminal with state-of-the-art facilities which are user-friendly, and which provide efficient and quality services.

The new cruise terminal will be located at the southern end of the former Kai Tak airport runway, right in the heart of Victoria Harbour.

Situated on 7.6 hectares of land, the new cruise terminal will comprise, inter alia, about 30,000 square metres for a baggage handling area, a passenger waiting/queuing area, a customs, immigration and health quarantine area and accommodation for other government departments; a maximum of 50,000 square metres in the cruise terminal building for such purposes as hotels, retail space, convention halls, offices, shops and eating places; and at least 22,000 square metres for a landscaped deck.

For details, tenderers should refer to the tender documents available from the Lands Department website: www.landsd.gov.hk. A designated webpage www.tourism.gov.hk also provides related information on the project.



Financial Secretary John Tsang receives a briefing on the Kai Tak development.

Local and overseas tenderers who possess the relevant experience are welcome to submit a bid. The tender will close on March 7, 2008. It is expected to award the tender in the second quarter of 2008. ◇

Hong Kong ideal for education and overseas talents

THREE Hong Kong universities are ranked among the world's top 60 by the Times Higher Education Supplement 2007 published in November. They are the University of Hong Kong (HKU), raised to 18th from 33rd in 2006, the Chinese University of Hong Kong (CUHK), up to 38th from 50th, and the Hong Kong University of Science and Technology (HKUST) ranked 53rd, up five places from 58th in 2006.

Hong Kong universities host Asia's best executive business management programmes and research projects. EMBA offered by HKUST and CUHK ranked 1st and 15th respectively (Financial Times, October 2007); MBA offered by HKUST, HKU and CUHK ranked 20th, 37th and 91st respectively in Top 100 MBA 2007 (Economist Intelligence Unit).

In his 2007-08 Policy Address, Donald Tsang, the Chief Executive, pledged to

bolster education by offering 12-year free education, implementing small-class teaching, allowing the development of more international schools and accommodating more non-local talents.

Migrant scheme attracts overseas talents

Meanwhile, since the Immigration Department's Quality Migrant Admission Scheme's (QMAS) launch in June 2006, more than a fifth of the successful applicants are from overseas. They bring a wealth of professional skills that contribute to Hong Kong society's more diversified development.

Jordan Potash began his career in the US capital of Washington, where he used creative arts to help people express their feelings and overcome emotional difficulties for nearly seven years.

While art therapy as a profession has a 40-year history in the US, it is relatively new in Hong Kong. Jordan relocated to Hong Kong because he saw a need for his skills and experience.

Mr Potash said the admission scheme allows flexibility, which is attractive to talented overseas professionals.

"Most other places have you get a sponsor, a full-time job or full-time university sponsorships — but nothing that really gives the flexibility of being able to do a little here and a little bit there and then get a full sense of what life is like."

Up to mid-September, the Immigration Department had received 992 applications under the QMAS and approved 238 of them.

Details of the scheme are available from www.immd.gov.hk/ehtml/QMAS.htm ◇

UBS Hong Kong Open

THE Hong Kong Open Golf Championship celebrated its 49th anniversary at the Hong Kong Golf Club from November 15 to 18.

Now called the UBS Hong Kong Open, the US\$2.25 million event attracted a record 31,000 fans — 10,000 more than in 2006.

Spain's Miguel Angel Jiménez prevailed by one stroke in a nervous shootout, his bogey five on Fanling's notorious par-four 18th hole good enough to edge out playing partner Robert Karlsson, who finished with a double bogey six.

"I like this course very much," Jiménez said. "I've been saying it since I won here in 2004. It's an old-fashioned golf course, a beautiful design. But it's not just the course, it's everything. I like to come here, I like the people here and I feel good here. It's nice."

Swede Karlsson finished joint runner-up alongside Korean star KJ Choi (right in picture) and Thailand's Thongchai Jaidee.

Other top entrants included South African Retief Goosen (left in picture), Canadian Mike Weir, China's Zhang Lianwei, Australia's Stuart Appleby and Englishman Nick Faldo. ◇





Hong Kong riding high on Olympic Spirit

OCTOBER 13 marked the 300-day countdown to the opening of the Beijing 2008 Olympic Games. As an Olympic co-host city for staging the Equestrian Events, Hong Kong is actively promoting Olympism.

Mrs Carrie Yau, the Permanent Secretary for Home Affairs (fourth right in picture), said Hong Kong people share the joy of and take pride in the Beijing Olympic Games, which is the first-ever Olympic Games held on Chinese soil. "Hong Kong is presented a precious opportunity to co-host the Olympic Equestrian Events, which helps demonstrate to the international community the prosperity and stability of Hong Kong as Asia's world city and the achievements of the 'One Country, Two Systems'," she said.

Live sites will be set up in Hong Kong during the period of the Beijing Olympic Games from August 8 to 24, 2008 for people to meet and enjoy the spirit of the Olympic Games by watching the sporting competitions on giant screens, as well as participating in diversified cultural

and entertainment activities.

Meanwhile, the Hong Kong Jockey Club (HKJC) has established an equestrian pavilion at Penfold Park in Shatin to boost public interest in equestrian sports and the Olympic Equestrian Events in Hong Kong. The pavilion is open until the end of April and admission is free.

The facility features a Novel Electronic Book detailing the chronology of events since Hong Kong was granted the rights to co-host the Olympic Equestrian Events; a hands-on Data Bank operating through an interactive table interface; and a walk-in Captivating Circular Theatre introducing the Olympics and the Equestrian Events.

The HKJC has invested over HK\$800 million in building the venues for the Olympic and Paralympic Games Equestrian Events and supporting facilities. In Shatin,



The HKJC Equestrian Pavilion opens at Penfold Park in Shatin.

recognised world-wide as a leading centre of equine sports, the venues have been built in less than two years, adopting the most innovative ideas and making optimum use of existing sports facilities. With its vast experience in organising world-class racing and its internationally recognised Racing Laboratory, equine healthcare facilities and quarantine protocols, the HKJC is confident that the Olympic Equestrian Events in Hong Kong will attract the world's top horses and riders. ◇

Thai Airways operates from HKIA Terminal 2

THAI AIRWAYS on October 8 joined the growing list of carriers offering passenger check-in services at Hong Kong International Airport's (HKIA) Terminal 2. Thai joins Oasis Hong Kong Airlines, Emirates, Jetstar Asia Airways, Bangkok Airways and Siem Reap Airways International at the new terminal, which opened on June 1, 2007.

Apart from offering passenger check-in services, Terminal 2 is a multi-modal hub where air, land and sea transport converge seamlessly. Each day, Terminal 2's coach station serves over 6,000 passengers, going to local hotels and 70 Mainland destinations.

An automated people mover will connect Terminal 2 to the new SkyPier when it begins receiving ferries travelling between HKIA and the Pearl River Delta in 2009.

Meanwhile, in August, Conde Nast Traveller recognised HKIA as the world's best airport in its 10th annual Readers' Travel Awards, citing the airport's cleanliness, customer-friendly design and lounges and other passenger facilities. In the same month, readers of online travel magazine SmartTravelAsia.com picked HKIA as their favourite airport for the second consecutive year. ◇

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Hong Kong voted favourite city in the world

READERS of the Mainland travel magazine Business Traveller China voted Hong Kong their Favourite City in the World again, while Hong Kong was voted Favourite Overseas City for the second year in a row in the UK's Guardian, Observer and Guardian Unlimited Travel Awards.

The Hong Kong Tourism Board's UK office was also voted Best Asia/Pacific Tourist Board in the British Travel Awards 2007. Regarded as the Oscars of the travel industry, the awards invited both industry professionals and the public to cast their votes, which make them one of the most widely recognised travel awards. ◇