

# HONG KONG FILES

**HONG  
KONG**  
ASIA'S WORLD CITY



NO. 2/2013 ISSUE

## Budget promotes economy, supports people's livelihood

*"The ultimate objective of economic policies is not about chasing statistics. It is about expanding the scale of Hong Kong's economy, promoting the holistic development of our society and creating more business and job opportunities so that our people can realize their aspirations and improve their living standards."*

The Financial Secretary, Mr John C Tsang, delivered in February his 2013 - 14 Budget, pledging to invest in livelihood matters, develop the economy, optimize human capital, and plan for future challenges.

Mr Tsang announced a range of counter-cyclical relief measures to help cope with short-term economic fluctuations, maintain spending power and support the employment market.

The relief measures, involving a total of HK\$33 billion, will help to ease the pressure on the middle class, grass roots and Small

and Medium Enterprises. These include tax concessions and one-off measures.

Social welfare, education and medical services continue to be the Government's major expenditure areas. In 2013-14, recurrent expenditure in these three areas is expected to approach HK\$170 billion, or 60 per cent of recurrent government expenditure.

On the economic development, Mr Tsang unveiled a range of measures to support the development of Hong Kong's pillar industries - trade and logistics, tourism, financial services and professional services, as well as to invest in human capital.

These include:

- setting aside two dedicated sites in Tsing Yi and Tuen Mun for logistics clusters;
- offering a HK\$2.3 billion loan for the Ocean Park to develop an all-weather Water World at Tai Shue Wan;
- offering tax incentives to promote Hong Kong as a centre for fund and asset management;
- designating HK\$100 million to establish a training fund for maritime and aviation transport;
- setting aside HK\$15 billion for the Employees Retraining Board; and
- earmarking an additional HK\$480 million for the Government Scholarship Fund to

set up scholarships for outstanding local students to pursue studies in prestigious overseas universities.

Looking ahead, Mr Tsang warned that the impact of Hong Kong's ageing population would deplete Hong Kong's reserves in the long run and put pressure on the city's low and simple tax regime.

To cope with this and the Government's other long-term commitments, he said a working group would be set up to explore ways to make more comprehensive planning for our public finances.

For full details of the 2013 - 14 Budget, please visit [www.budget.gov.hk](http://www.budget.gov.hk).



The Financial Secretary,  
Mr John C Tsang, chairs the press  
conference on the 2013 - 14 Budget.

### HIGHLIGHTS

#### MINISTERIAL EXCHANGES

2



#### HK FILM WEEK IN VIETNAM

4



#### CHINESE NEW YEAR CELEBRATIONS

5



#### NEWS UPDATE

7



# VISIT ON DISPUTE RESOLUTION SERVICES IN SINGAPORE



**1** *The Secretary for Justice, Mr Rimsky Yuen, SC (left), meets Singapore's Senior Minister of State of the Ministry of Law, Ms Indranee Rajah.*



**2** *Mr Yuen (left) meets Singapore's Attorney-General, Mr Steven Chong Horng Siong, SC (right).*

The Secretary for Justice, Mr Rimsky Yuen, SC, visited Singapore from April 2 to 3 to promote Hong Kong as a legal services hub and a dispute resolution centre in the Asia Pacific Region, and to enhance ties with Singapore's legal sector.

Mr Yuen met the Senior Minister of State of the Ministry of Law, Ms Indranee Rajah and the Attorney-General, Mr Steven Chong Horng Siong, SC, to discuss matters of mutual interest including the direction of legal policy in both jurisdictions.

He later visited the Maxwell Chambers, which provides alternative dispute resolution (ADR) facilities and services in Singapore. Mr Yuen met Mr Philip Jeyaretnam and Mr Ban Jiun Ean, respectively the Chairman and Chief Executive of the Maxwell Chambers. He also met Mr Minn Naing Oo, the Chief Executive Officer of the Singapore International Arbitration Centre. Mr Yuen exchanged views with them on the latest development of ADR in the international context, and highlighted the Department of Justice's objective to enhance Hong Kong's status as a regional hub for legal and ADR services.

Mr Yuen also took the opportunity to meet the Dean of the Faculty of Law, National University of Singapore, Professor Simon Chesterman; and the Dean of the School of Law, Singapore Management University, Professor Yeo Tiong Min.

He met the Chairperson of the Singapore Mediation Centre, Madam Justice Belinda Ang Saw Ean and the President of the Law Society of Singapore, Mr Lok Vi Ming before concluding the visit.

## SECRETARY FOR DEVELOPMENT VISITS SINGAPORE

**3** *(From left): Chief Executive Officer of Singapore's National Heritage Board, Mrs Rosa Daniel ; Singapore's Acting Minister for Culture, Community and Youth, Mr Lawrence Wong; Secretary for Development, Mr Paul Chan; and Permanent Secretary for Development (Works), Mr Wai Chi-sing.*

The Secretary for Development, Mr Paul Chan, visited Singapore on May 8 - 10 to meet his counterparts in areas on town planning, urban renewal, heritage conservation, water resource management and construction development.

Mr Chan met the Minister for the Environment and Water Resources, Dr Vivian Balakrishnan, to exchange views on water resources management and visited a desalination facility.

This was followed by meetings with the Acting Minister for Culture, Community and Youth, Mr Lawrence Wong, and officials from the National Heritage Board, the Preservation of Monuments Board and the Building and Construction Authority.

Mr Chan also called on the Chairman, Mr Peter Ho, and the Deputy Chief Executive Officer, Mr Tan Siong Leng, of the Urban Redevelopment Authority to exchange views on heritage conservation and town planning.

He toured the Singapore City Gallery at the Urban Redevelopment Authority Centre and visited the Marina Bay Harbour Front Development and the Gardens by the Bay, which was opened in June last year.

Mr Chan paid a courtesy call on the Chinese Ambassador to Singapore, Mr Duan Jielong and attended a dinner hosted by the Minister for National Development, Mr Khaw Boon Wan.

Mr Chan also hosted a luncheon for alumni of four Hong Kong universities in Singapore to learn more about the work and life of Hong Kong people there.

Accompanying Mr Chan on the visit to Singapore was the Permanent Secretary for Development (Works), Mr Wai Chi-sing.







## PROMOTION OF TRADE TIES WITH INDONESIA

The Secretary for Commerce and Economic Development, Mr Gregory So, visited Indonesia from March 13 to 17 to promote bilateral co-operation between Hong Kong and Indonesia in the areas of trade and business, as well as tourism.

Mr So started the visit programme by officiating at the opening ceremony of the Lifestyle Expo in Jakarta.

The Expo was organised by the Hong Kong Trade Development Council with support from the Indonesian Chamber of Commerce and Industry. More than 200 Hong Kong exhibitors showcased their high-quality innovative products.

"This Expo is an excellent opportunity for the people of Jakarta to get to know more about Hong Kong's lifestyle products and the opportunities for doing business in the world's freest economy, right on the doorstep

of Mainland China," Mr So said.

To explore areas of further economic co-operation with Indonesia, Mr So met with the Minister of Trade of Indonesia, Mr Gita Wirjawan. He also had a meeting with the Deputy Secretary-General of the ASEAN Secretariat, Dr Lim Hong Hin.

Mr So and the Commissioner for Tourism, Mr Philip Yung, later led a delegation of the Travel Industry Council of Hong Kong to Lombok, Indonesia. They met with the Chairman of the Association of the Indonesian Tours & Travel Agencies (West Nusa Tenggara Chapter), Mr Agus Mulyadi, and the Chairman of Lombok Hotels Association, Mr Stephane Servin. They also explored business opportunities between Hong Kong and Lombok with the travel industry there and visited the tourism infrastructure in Lombok.

- 1 The Secretary for Commerce and Economic Development, Mr Gregory So, speaks at the opening ceremony of the Lifestyle Expo in Jakarta 2013.
- 2 Mr So (right) meets the Minister of Trade of Indonesia, Mr Gita Wirjawan.
- 3 Mr So (left) meets the Deputy Secretary-General of the ASEAN Secretariat, Dr Lim Hong Hin in Jakarta.
- 4 Mr So (centre) leads a delegation of the Travel Industry Council of Hong Kong to meet with the travel industry in Lombok, Indonesia.



# FIRST HONG KONG FILM WEEK IN VIETNAM

Vietnamese audience had a chance to watch a line-up of eight quality Hong Kong movies in the first-ever Hong Kong Film Week in Vietnam which was kick-started in Ho Chi Minh City, Vietnam at a Gala Premiere attended by some 260 guests on March 22, 2013.

Organised by the Hong Kong Economic and Trade Office (HKETO) (ASEAN), the Hong Kong Film Week was opened with the movie "Ip Man: The Final Fight". The film director Mr Herman Yau and lead actor Mr Anthony Wong graced the event to greet the local movie-goers. It was also the world premiere of the movie outside of Hong Kong and Mainland China.

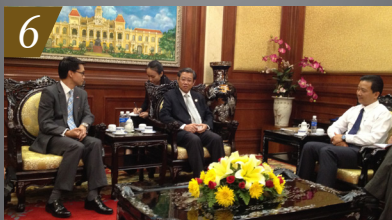
Speaking at the opening ceremony of the Gala Premiere, the Director of HKETO (ASEAN), Mr Fong Ngai, said Ho Chi Minh City was chosen for the Hong Kong Film Week because of the people and business connections between Hong Kong and the city.

He noted that the Hong Kong Film Week was aimed to bring the two places even closer through the Hong Kong movies which had been popular among the Vietnamese people throughout the years.

Prior to the Gala Premiere, the film director Mr Yau and actor Mr Wong attended a workshop to share their experience and views on film making with local film students.

The Hong Kong Film Week was co-organised by the Hong Kong Business Association Vietnam. A total of eight Hong Kong movies were screened from March 22 to 27. Apart from the opening movie, other highlights were "Life Without Principle", "Overheard", "Cold War", "The Viral Factor", "A Beautiful Life", "The Road Less Travelled" and "Love in the Buff".

To prepare for the film event, Mr Fong met with the Vice Chairman of the People's Committee of Ho Chi Minh City, Mr Hua Ngoc Thuan and the Deputy Director of the Department of Culture, Sports and Tourism in Ho Chi Minh City, Mr Vo Trong Nam in January. During the meetings, they exchanged views on cultural links as well as trade ties between Hong Kong and Vietnam.



**1** The Director of HKETO (ASEAN), Mr Fong Ngai (centre), and other officiating guests propose a toast at the Gala Premiere of the Hong Kong Film Week 2013 in Vietnam. Other guests are (from left) the Country Manager Vietnam, Cathay Pacific Airways Limited, Ms Erica Peng; the President of Le Bros, Ms Dinh Hong Tham; Deputy Consul General of the People's Republic of China in Ho Chi Minh City, Mr Cheng Baoxiang; Hong Kong film director Mr Herman Yau; Mrs Fong; Hong Kong actor Anthony Wong, Chairperson of the Hong Kong Business Association Vietnam, Ms Stella So; and Managing Director of BHD Star Cineplex, Mr James Son.

**2** Film director Herman Yau (right) and actor Anthony Wong attend the Gala Premiere of the Hong Kong Film Week.

**3** Film director Herman Yau and actor Anthony Wong share their experience with film students at a workshop held during the Hong Kong Film Week.

**4** Mr Fong speaks to the local media to publicize the Hong Kong Film Week.

**5** Movie buffs queue up for collecting movie tickets for the Hong Kong Film Week.

**6** Mr Fong (first left) exchanges views with the Vice Chairman of the People's Committee of Ho Chi Minh City, Mr Hua Ngoc Thuan (second right). Looking on is the Deputy Director, Department of Culture, Sports and Tourism in Ho Chi Minh City, Mr Vo Trong Nam.



# CHINESE NEW YEAR CELEBRATIONS

**1** The Director of HKETO (ASEAN), Mr Fong Ngai (centre, front row); the Regional Director for Southeast Asia of the Hong Kong Tourism Board, Mr Simon Wong (third left, front row); and the Macau Government Tourist Office's representative in Malaysia, YBhg Tunku Dato' Seri Iskandar (third right, front row), together with their staff at the Chinese New Year Celebration Dinner in Malaysia.

**2** A toast for Year of the Snake at the Chinese New Year Celebration Dinner in Singapore.

**3** Mr Fong (centre), Mr Wong (4th left) and the General Manager of the Macau Government Tourist Office, Mr Charles Leong (4th right) together with the young performers at the Chinese New Year Celebration Dinner in Singapore.

The Hong Kong Economic and Trade Office (ASEAN) joined hands with Hong Kong Tourism Board and Macau Government Tourist Office to host the Chinese New Year Celebration Dinner in Singapore and Malaysia respectively in February. The events were held to renew friendship and update the local contacts on the latest development in Hong Kong.

On February 19, festive joy of the Chinese New Year filled up the National Museum of Singapore where the celebration dinner was held. It is the first time for the

event to be held at the building which is Singapore's oldest museum dating back to its inception in 1887. Guests were treated with performances staged by winners of the National Chinese Music Competition organised by the Singapore National Arts Council.

This was followed by the celebration dinner in Kuala Lumpur, Malaysia on February 21, which was attended by guests from the government, the business sector and the media.



## HK MOVIE NIGHT IN BANGKOK

Some 300 guests enjoyed the film "The Grandmaster" at the Hong Kong Movie Night in Bangkok, Thailand, organised by the Hong Kong Economic and Trade Office (HKETO) (ASEAN) on February 28 to celebrate the Chinese New Year.

Speaking at the event, the Director of HKETO (ASEAN), Mr Fong Ngai, said the ties between Thailand and Hong Kong are indeed dated years back. He said, "Thailand is among Hong Kong's top 10 trading partners, and both economies have signed more than 10 bilateral agreements covering various fronts including financial services, taxation, investments and customs."

"We are very pleased that the two economies just signed a Cooperation Arrangement on Strengthening Trade and Economic Relations on February 26 in Hong Kong, which will greatly reinforce our existing strong ties and help create more trading and investment opportunities."



Picture shows the Director of HKETO (ASEAN), Mr Fong Ngai (second right), the Chinese Ambassador to Thailand, Mr Guan Mu (second left), Mrs Fong (first right) and Madam Guan (first left) proposing a toast at the cocktail before the screening of the movie.



## Chief Executive greets Singapore visitor

The Chief Executive, Mr C Y Leung, met the visiting Deputy Prime Minister of Singapore, Mr Teo Chee Hean, at the Chief Executive's Office in Hong Kong on April 24 to exchange views on issues of common interest.

*Mr Leung (right) greets the Deputy Prime Minister of Singapore, Mr Teo Chee Hean.*



## World Health Summit Regional Meeting

*The Secretary for Food and Health, Dr Ko Wing-man, delivers a speech at the Asian ministers panel discussion session of the World Health Summit Regional Meeting - Asia in Singapore.*

The Secretary for Food and Health, Dr Ko Wing-man, attended the World Health Summit Regional Meeting - Asia in Singapore from April 9 to 10.

The theme of this year's summit was "Health for Sustainable Development in Asia". Dr Ko delivered a speech on the latest health policy in Hong Kong at the Asian ministers panel discussion session.

Dr Ko met Singapore's Minister of Health, Mr Gan Kim Yong, to exchange views on health-related issues of common interest.

## Exchanges with students



The Director of HKETO (ASEAN), Mr Fong Ngai, gave a briefing in April to some 20 MBA students of INSEAD, an international graduate business school, at its campus in Singapore on the career opportunities in Hong Kong. Picture shows Mr Fong (9th right) in a group photo with the Deputy Director of HKETO (ASEAN), Ms Joyce Chan (third left), the Deputy Head of Investment Promotion, Mr Willie Tan (second left) and the students.



Some 30 students from the College of Liberal Arts and Social Sciences of the City University of Hong Kong visited the HKETO (ASEAN) in January. The Director of HKETO (ASEAN), Mr Fong Ngai (centre, seated), briefed them on the work of HKETO and the latest development in the ASEAN region. The President of the Kowloon Club, Mr Philip Chan (third left, seated), also attended the event to share his experience in Singapore with the students.



*Mr So introducing the radar facilities of the Kai Tak Cruise Terminal during a media visit to the facilities.*

## Kai Tak Cruise Terminal – an important tourism infrastructure

The Kai Tak Cruise Terminal is an important tourism infrastructure project, the Secretary for Commerce and Economic Development, Mr Gregory So, said on June 5.

“Together with the two existing berths at Ocean Terminal, the completion of the Kai Tak Cruise Terminal will greatly enhance the berthing capacity for cruise ships in Hong Kong, enhancing our competitiveness and attractiveness,” he said.

The first berth of the Kai Tak Cruise Terminal has been completed and the second one is due for completion in 2014. Both berths can accommodate the largest cruise ships in the world, those up to 220,000 gross tonnes.

The customs, immigration and quarantine facilities will be able to clear 3,000 passengers an hour. The terminal building will provide ample pick-up and drop-off areas and coach parking spaces. It also has the flexibility for converting the waiting halls into other uses during the non-peak season, such as for exhibitions and meetings.

There is a 23,000-square-metre landscaped deck, one of the largest public roof gardens in Hong Kong, to be named Kai Tak Cruise Terminal Park.

The terminal operator will manage a commercial area, and the first batch of tenants are expected to open for business in the fourth quarter of this year. The terminal building and landscaped deck are slated to open to the public in the third quarter.

## HK Business Association Vietnam Gala Dinner

*Mr Fong speaks at the Gala Dinner.*



The Director of HKETO (ASEAN), Mr Fong Ngai, attended the Gala Dinner of Hong Kong Business Association Vietnam held on March 23 in Ho Chi Minh City, Vietnam. During the annual event, Mr Fong took the opportunity to brief the guests on the Kai Tak Cruise Terminal which will be opened later this year.

## Meeting with Rotary Club in Singapore

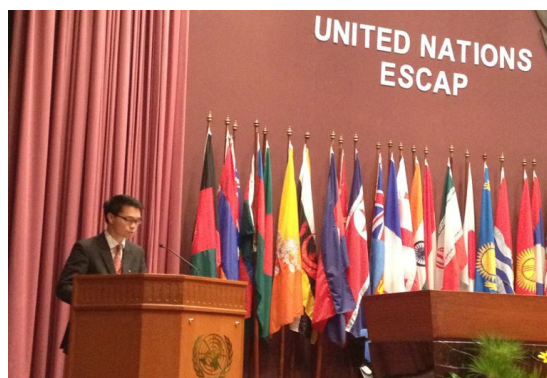
The Director of HKETO (ASEAN), Mr Fong Ngai, spoke at the Rotary Club of Singapore – West on the topic of “Co-operation or Rivalry between Hong Kong and Singapore” on January 17. Some 20 members of the Club attended the gathering. Picture shows Mr Fong (9<sup>th</sup> left) in a group photo with the members.



## UNESCAP meeting in Thailand

The Director of HKETO (ASEAN), Mr Fong Ngai, delivered the statement of Hong Kong, China at the ministerial segment of the 69th Session of the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) held in Bangkok, Thailand on April 30. He spoke on the opportunities to build resilience to natural disasters and major economic crises.

*Mr Fong delivers the statement of Hong Kong, China at the UNESCAP meeting.*





# HK and ASEAN to pursue free trade pact

Hong Kong and the Association of Southeast Asian Nations (ASEAN) have agreed to pursue a bilateral Free Trade Agreement (FTA).

"The establishment of an FTA with ASEAN is in line with Hong Kong's strategic goal of strengthening economic partnership with the 10 member states of ASEAN," the Secretary for Commerce and Economic Development, Mr Gregory So, said on April 26.

Southeast Asia is one of the fastest growing economic regions in the world. The 10 member states of ASEAN collectively are Hong Kong's second largest partner in terms of trade in goods and fourth largest in services.

"The FTA will enhance trade and investment flows between ASEAN and Hong Kong, generate new opportunities for our businesses, and boost economic growth in the longer term," Mr So added.

The Government is now discussing with ASEAN the preparatory work for formal negotiations. The FTA is expected to cover the

following major areas:

- (a) elimination and/or reduction of tariffs and non-tariff barriers;
- (b) preferential rules of origin;
- (c) liberalisation of trade in services;
- (d) liberalisation, promotion and protection of investment; and
- (e) dispute settlement mechanism.

The Government will conduct a public consultation to better gauge the interests of our businesses in the ASEAN market.

Hong Kong originally put forward a request to ASEAN for joining the China-ASEAN Free Trade Area. ASEAN counter-proposed engaging Hong Kong bilaterally for a Hong Kong-ASEAN FTA. The Chief Executive in Council decided to accept ASEAN's counter-proposal.

## HK, Malaysia tax treaty in force

The agreement between Hong Kong and Malaysia for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income has entered into force.

The agreement was signed in April last year. It came into force on December 28, 2012, after completion of ratification procedures on both sides. It applies in Hong Kong for any year of assessment beginning on or after April 1, 2013.

### HONG KONG FILES SUBSCRIPTION / RESPONSE

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